COCA-COLA AMATIL

24 February 2011

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

FINANCIAL AND STATUTORY REPORTS 2010

In accordance with the Listing Rule 4.5.1 attached is a copy of the Financial and Statutory Reports the year ended 31 December 2010.

Yours sincerely

George Forster
General Counsel and Company Secretary

COCA-COLA AMATIL LIMITED
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COCA-COLA AMATIL

Financial and Statutory Reports

For the financial year ended 31 December 2010

Contents

The Directors submit hereunder their Report for the financial year ended 31 December 2010.

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 the beneficial interest of each Director in the share capital of the Company are detailed below –

	Ordinary shares No.	Long Term Incentive Share Rights Plan[1] No.	Non-Executive Directors Share Plan[1] No.	Non-Executive Directors' Retirement Share Trust[1] No.
David Michael Gonski, AC	71,088	–	194,589	101,852
Catherine Michelle Brenner	910	–	12,022	–
Terry James Davis	152,618	247,156	–	–
Anthony Grant Froggatt[2]	49,000[3]	–	–	–
Martin Jansen	10,173	–	–	–
Geoffrey James Kelly	1,610	–	20,707	–
Wallace Macarthur King, AO	1,200	–	45,889	7,738
David Edward Meiklejohn, AM	5,715	–	19,560	–
Former Director				
Jillian Rosemary Broadbent, AO[4]	3,546	–	26,899	37,311

1 Beneficial interest held subject to conditions of the Plans/Trust.
2 Appointed 1 December 2010.
3 Indirect interest in 25,000 shares as an executor of a will, and in 24,000 shares under an enduring power of attorney.
4 Retired 31 December 2010.

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 ¢	Fully franked per share ¢	Amount $M	Date paid or payable
Final dividend declared on ordinary shares (not recognised as a liability)	28.0	28.0	211.7	5 April 2011
Dividends paid in the year –				
Final dividend on ordinary shares for 2009	25.0	25.0	187.1	6 April 2010
Interim dividend on ordinary shares for 2010	20.5	20.5	154.7	5 October 2010

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 2010 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 fruit, vegetables and other food products; and
- the manufacture and/or distribution of premium beer brands and the premium spirit portfolio of global distributor Beam Global Spirits & Wines, by Pacific Beverages Pty Ltd, a joint venture entity between CCA and SABMiller plc.

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 $497.3 million, compared with $449.0 million in 2009, representing a 10.8% increase from last year. The net profit attributable to members includes a significant item of $9.3 million (income tax expense), relating to changes in the New Zealand tax legislation, whereby future tax deductibility of building depreciation has been removed.

The Group's trading revenue for the financial year was $4,490.3 million, compared with $4,436.0 million for 2009. Earnings before interest and tax (EBIT) increased by 7.3% to $844.9 million, compared with $787.3 million in 2009.

Operating cash flow was $585.4 million, compared with $751.3 million in 2009.

Review of operations

The EBIT contribution from each operating segment was as follows –

- Australia Beverages EBIT increased by 7.3% to $592.7 million, compared with $552.5 million in 2009;
- New Zealand & Fiji EBIT was $81.4 million, compared with $82.3 million in 2009;
- Indonesia & PNG EBIT increased by 21.4% to $75.0 million, compared with $61.8 million in 2009; and
- Food & Services EBIT increased by 1.4% to $94.3 million, compared with $93.0 million in 2009.

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 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 2010.

Future developments

Information on the future developments of the Group and its business strategies are included in the front section of this 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	–
C.M. Brenner	6	6	–	–	–	–	4	4	7	7	1	1	–
J.R. Broadbent, AO[7]	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*	7
A.G. Froggatt[8]	1	1	–	–	–	–	–	–	1	1	–	–	–
M. Jansen[9]	6	6	4	4	–	–	–	–	–	–	–	–	–
G.J. Kelly[9]	6	5	–	–	–	–	4	4	–	–	–	–	–
W.M. King, AO	6	6	–	–	4	4	–	–	7	7	1	1	–
D.E. Meiklejohn, AM	6	6	4	4	4	3	–	–	7	6	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 three Non-Executive Directors. Refer to the Corporate Governance section 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 at least three Non-Executive Directors.

3 The Compensation Committee reviews matters relevant to the remuneration of executive Directors and senior Company executives. It consists of at least three 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 a Chief Financial Officer.

7 Retired 31 December 2010.

8 Appointed 1 December 2010.

9 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]	J.R. Broadbent, AO[1&2]	C.M. Brenner[1]	D.M. Gonski, AC[1]	D.M. Gonski, AC[1]
D.M. Gonski, AC	D.M. Gonski, AC	D.M. Gonski, AC	C.M. Brenner	C.M. Brenner
M. Jansen	W.M. King, AO	J.R. Broadbent, AO[2]	J.R. Broadbent, AO[2]	J.R. Broadbent, AO[2]
	D.E. Meiklejohn, AM	G.J. Kelly	A.G. Froggatt[3]	A.J. Froggatt[3]
			W.M. King, AO	W.M. King, AO
			D.E. Meiklejohn, AM	D.E. Meiklejohn, AM

1 Chairman of the relevant Committee.

2 Retired 31 December 2010.

3 Appointed 1 December 2010.

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 options

No options have been issued since 1 January 2003. From the beginning of the 2003 financial year, options were removed from the remuneration package of Group executives. Details of options on issue at the end of the 2010 financial year and options exercised during the financial year are included in Note 22 to the financial statements.

Since the end of the financial year, 1,000 CCA ordinary shares were issued pursuant to the CCA Executive Option Plan.

Events after the balance date

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

Debt raising

Subsequent to the end of the financial year, CCA completed a $250.0 million debt raising in the Euro markets, with the issue of Euro Medium Term Notes. The fixed coupon rates on the Notes were set at 6.125% and are for a term of approximately 3.3 years.

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 the financial statements and this Report have been rounded off to the nearest tenth of a million dollars.

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 of the Company and the Group in accordance with the requirements of the Corporations Act 2001.

For the purposes of this report, key management personnel (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 purposes 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 key management personnel are –

KMP Non-Executive Directors

D.M. Gonski, AC	Chairman
C.M. Brenner	Director
J.R. Broadbent, AO	Director – Retired 31 December 2010
A.G. Froggatt	Director – Appointed 1 December 2010
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	
W.G. White	Managing Director, Australasia	
G. Adams	Managing Director, New Zealand & Fiji	
P.N. Kelly	Managing Director, Indonesia & PNG (formerly Managing Director, Asia)	– Appointed 1 February 2010
V. Pinneri	Managing Director, SPCA	– Appointed 1 July 2010
N.I. O'Sullivan	Group Chief Financial Officer	
J. Seward	Head of Commercial	– Appointed 1 February 2010 and resigned 7 February 2011
	(formerly Managing Director, Indonesia & PNG)	– Ceased 31 January 2010 and ceased to be a KMP on 31 January 2010
S.C. Perkins	Operations Director, SPCA (formerly Acting Managing Director, Food & Services)	– Completed assignment and ceased to be a KMP on 30 June 2010
K.A. McKenzie	Chief Financial Officer – Statutory and Compliance	– Retired 31 December 2010.

In addition, the following person must be disclosed under the Corporations Act 2001 as they are among the five highest remunerated Group and Company executives.

P.J. Malloy Director, Sales Non Alcoholic Beverages Australia.

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

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 [129].

Remuneration report continued

The remuneration report is in six sections as follows –

A. Remuneration Strategy
B. Remuneration Structure
   a) Fixed Remuneration
   b) 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 Advisers
C. Summary of Employment Contracts
D. Statutory Remuneration of Executives
E. Remuneration of Non-Executive Directors
F. Speculative Trading.

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.	In the near term, 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 advice from external consultants on current international and market practices; and
- Dependent on employee's experience, knowledge, skills, level of responsibility and general performance.

Short Term Incentive

- Determined by reference to achievement on pre-determined business performance and individual performance measures;
- Business performance measures include trading revenue and net profit after tax;
- Individual performance measures focus on team performance and individual contributions; and
- Delivered in cash annually if pre-determined 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 performance against financial performance measures of total shareholder return and earnings per share;
- 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 3 years from grant date.

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

- providing competitive rewards, 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); and
- providing executives with the opportunity to achieve further incentives based on individual performance.

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

- assessing incentive against multiple financial and non-financial business measures that are aligned with CCA strategy; and
- making significant components of total remuneration dependent on CCA 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).

Remuneration report continued

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 pertinent advice from external consultants on current international and local market practices and will take into account market comparisons for similar roles, together with the level of responsibility of the individual;
- remuneration systems will complement and reinforce the Company's Code of 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, 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 in the organisation.

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

B. Remuneration Structure

As depicted above, CCA's executive remuneration is structured as a mixture of base (fixed) remuneration (which includes base salary and benefits such as superannuation) and variable remuneration, through "at risk" short term incentive (STI) and long term incentive (LTI) components.

While the fixed remuneration is designed to provide for predictable base levels of remuneration, the STI and LTI components reward executives when certain pre-determined 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.

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.

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 varies depending 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 –

- upon reaching 5 years of employment, to hold equivalent of at least 20% of annual base salary in CCA shares;
- upon reaching 10 years of employment, to hold equivalent of at least 40% of annual base salary in CCA shares;
- upon reaching 15 years of employment, to hold equivalent of at least 60% of annual base salary in CCA shares; and
- upon reaching 20 years of employment, to hold equivalent of at least 80% of annual base salary in CCA shares.

B. Remuneration Structure continued

The remuneration mix (i.e. the relative proportions of total remuneration received as fixed base pay and variable at risk remuneration) for those executives with ongoing employment at the end of 2010 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	49%	51%
W.G. White	Managing Director, Australasia	53%	47%
G. Adams	Managing Director, New Zealand and Fiji	56%	44%
P.N. Kelly	Managing Director, Indonesia and PNG	65%[2]	35%
V. Pinneri	Managing Director, SPCA	50%	50%
N.I. O'Sullivan	Group Chief Financial Officer	46%	54%[3]
J. Seward	Head of Commercial	57%	43%
S.C. Perkins	Operations Director, SPCA	58%	42%
K.A. McKenzie	Chief Financial Officer – Statutory and Compliance	53%	47%
Other Company and Group executive			
P.J. Malloy	Director, Sales Non Alcoholic Beverages Australia	53%	47%

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 STIP and LTISRP.

2 Fixed remuneration for Mr Kelly includes expatriate costs.

3 Remuneration package reviewed as at 1 September 2010 and incorporates the 2011-2013 LTISRP.

a) Fixed Remuneration

Base (fixed) remuneration

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 conducted by independent experts, externally benchmarked to companies in the Australian Securities Exchange (ASX).

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.
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 advice from external remuneration consultants on the appropriate level of fixed remuneration, which considers international and local market practices and market comparisons for similar roles, together with the level of responsibility, performance and potential of the executive.

b) 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.

Remuneration report continued

B. Remuneration Structure continued

b) At Risk Remuneration continued

i) STIP

STIP overview

The STIP provides the opportunity for executives to earn an annual cash incentive upon the achievement of targets set at the beginning of the financial year. 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 and measurable.

STIP objective

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

STIP performance conditions

Payments from the STIP are based on the performance of the Group or business unit 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 net operating profit after tax (NOPAT) 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 NOPAT achievement weighted at 60%. Individual non-alcoholic beverage business units are assessed on their business unit specific volume and EBIT targets, also weighted at 40% and 60% respectively. SPCA is based 75% on EBIT and 25% on net sales value, volume and Occupational Health and Safety. A minimum of 90% of budgeted EBIT or NOPAT (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;

- individual performance is weighted at 30% of the award based on achievement of pre-determined key performance indicators (KPIs). 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%.

The individual performance and individual performance factors are assessed by the executives' manager, who are considered the best informed and placed to make this assessment, with these being approved by the Country Managing Director or Group Managing Director as appropriate.

B. Remuneration Structure continued

b) At Risk Remuneration continued

i) STIP continued

STIP performance conditions continued

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	77%	137%
W.G. White	Managing Director, Australasia	102%	182%
G. Adams	Managing Director, New Zealand & Fiji	70%	125%
P.N. Kelly	Managing Director, Indonesia & PNG	73%	131%
V. Pinneri	Managing Director, SPCA	80%	157%
N.I. O'Sullivan	Group Chief Financial Officer	67%	119%
J. Seward	Head of Commercial	65%	116%
S.C. Perkins	Operations Director, SPCA	55%	108%
K.A. McKenzie	Chief Financial Officer – Statutory and Compliance	75%	134%
Other Company and Group executive			
P.J. Malloy	Director, Sales Non Alcoholic Beverages Australia	73%	130%

STIP review process

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. At the completion of the financial year, the Committee relies on audited financial results for calculating payments in accordance with the STIP rules. 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.

STIP mandatory deferral into CCA shares

For Australian executives a portion of the incentive is deferred, with 20% of the actual incentive paid (up to target – and 100% of over target) to a maximum of $5,000, which is 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.

Remuneration report continued

B. Remuneration Structure continued

b) At Risk Remuneration continued

CCA's Executive Retention Share Plan and Long Term Incentive Share Rights Plan constitute the primary long term incentive components of executive at risk remuneration.

ii) ERSP

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.
ERSP participation	The Board approved the establishment of the ERSP in 2007 and invited 70 key senior executives to participate during 2007-2009. A total of 12 out of the 70 executives left the Company by the time the 2007-2009 ERSP three year period had completed. The Board approved a further award to 43 key senior executives in 2010. 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 key executives is 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.
How is the quantum of 2010 awards determined?	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 which are scheduled to vest in 2013 (shares allocated to 41 executives are scheduled to vest in February 2013). As at 31 December 2010, none of those in the 2010-2012 ERSP have left the employment of the CCA Group.

Remuneration report continued

B. Remuneration Structure continued

b) At Risk Remuneration continued

iii) LTISRP

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 total shareholder return (TSR)). 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 is 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.
LTISRP participation	The Board annually invites the Group Managing Director and executives to participate in the LTISRP.
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.
LTISRP performance conditions	With respect to the 2008-2010, 2009-2011 and 2010-2012 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 earnings per share (EPS) over the performance period. 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 2008-2010, 2009-2011 and 2010-2012 plans). Due to the regular nature of the LTISRP awards, retesting will not apply for the 2011-2013 plan and all subsequent plans to the 2011-13 plan.
Process for assessing LTISRP 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 key management personnel have been audited.
Treatment of LTISRP 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.

Remuneration report continued

B. Remuneration Structure continued

b) At Risk Remuneration continued

iii) LTISRP continued

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.

For the 2008-2010 LTISRP and the 2009-2011 LTISRP, once shares have been allocated following the achievement of the performance conditions, executives are restricted from disposing at least 25% of these shares for two years after allocation in accordance with a prescribed scale. The restrictions on disposal cease if an executive ceases employment or may be waived by the Board in special circumstances such as change of control or other events affecting the issued capital of the Company. Due to the change by the Australian Government in the taxation of share plans, no restriction exists for the 2010-2012 LTISRP.

Details of the latest LTISRP offering:
LTISRP period:
2010-2012

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 vesting scale is as follows –

Component A – relative TSR –
- no portion will vest if performance is below the 51st percentile
- at 51st percentile, 100.0% of threshold or target award will vest for each of peer group 1 and/or 2
- at 55th percentile, 117.6% will vest;
- at 60th percentile, 137.3% will vest;
- at 65th percentile, 156.9% will vest;
- at 70th percentile, 176.5% will vest; and
- at 75th percentile and above, 196.1% will vest

(pro-rata vesting between two points occurs on a straight line basis); and

Component B – average annual growth in EPS –
- no portion will vest if EPS growth is less than 7.5% per annum over the performance period
- at 7.5% per annum, 100.0% of threshold or target award will vest
- at 9.0% per annum, 117.6% will vest;
- at 10.0% per annum, 137.3% will vest;
- at 15.0% per annum, 166.7% will vest; and
- at 16.0% per annum and above, 196.1% will vest

(pro-rata vesting between two points occurs on a straight line basis).

Retesting
For the TSR performance measure, one year at quarterly intervals. Quarterly retesting will not apply once the TSR hurdle first vests. There is no retesting of the EPS performance measure.

B. Remuneration Structure continued

b) At Risk Remuneration continued

iii) LTISRP continued

TSR peer group for 2010-2012 LTISRP

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

Peer group 1 comprises the following companies –
AGL Energy Limited, Amcor Limited, Ansell Limited, APA Group, Aristocrat Leisure Limited, Asciano Group, Billabong International Limited, BlueScope Steel Limited, Boral Limited, Brambles Limited, Caltex Australia Limited, Coca-Cola Amatil Limited, Cochlear Limited, Computershare Limited, ConnectEast Group, Crown Limited, CSL Limited, CSR Limited, David Jones Limited, Downer EDI Limited, Duet Group, Fairfax Media Limited, Harvey Norman Holdings Limited, Incitec Pivot Limited, James Hardie Industries SE, JB Hi-Fi Limited, Leighton Holdings Limited, Macquarie Infrastructure Group, MAp Group, News Corporation, Nufarm Limited, OneSteel Limited, Orica Limited, Primary Health Care Limited, Qantas Airways Limited, Seek Limited, Sims Metal Management Limited, Singapore Telecommunication Limited CDI, Sonic Healthcare Limited, Spark Infrastructure Group, Tabcorp Holdings Limited, Tatts Group Limited, Telecom Corporation of New Zealand Limited, Telstra Corporation Limited, Toll Holdings Limited, Transfield Services Limited, Transurban Group, United Group Limited, West Australian Newspapers Holdings Limited, WorleyParsons Limited.

Peer group 2 comprises the following companies –
Australian Agricultural Company Limited, Australian Vintage Group Limited, AWB Limited, Buderim Ginger Limited, Clean Seas Tuna Limited, Coca-Cola Amatil Limited, Constellation Brands, Inc, Elders Limited, Farm Pride Foods Limited, FFI Holdings Limited, Foster's Group Limited, Freedom Nutritional Products Limited, Gage Roads Brewing Co Limited, Goodman Fielder Limited, GrainCorp Limited, Little World Beverages Limited, Maryborough Sugar Factory Limited, Metcash Limited, Namoi Cotton Co-operative Limited, Pan Asia Corporation Limited, Patties Foods Ltd, PrimeAg Australia Limited, Ridley Corporation Limited, Select Harvests Limited, Tandou Limited, Tassal Group Limited, Viterra Inc, Warrnambool Cheese and Butter Factory Company Holdings Limited, Webster Limited, Wesfarmers Limited, Woolworths Limited.

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 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 year. The two key financial indicators used to assess performance under the STIP are trading revenue and CCA's net profit after tax. The table below shows CCA's performance against these two criteria over the past five years.

Financial year end 31 December	2006	2007	2008	2009	2010
Trading revenue ($M)	4,353.1	4,393.2	4,091.4	4,436.0	4,490.3
Net operating profit after tax ($M) – before significant items	323.5	366.3	404.3	449.0	506.6
In accordance with the STIP rules, the following results have been achieved –					
CCA Group STIP business performance (as per STIP performance conditions)	84.9%	132.1%	110.0%	132.0%	112.0%

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.

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 [55]. To the extent that STIP cash bonuses become payable, they are generally paid in March of the following year.

	2010 bonus	
Name	% vested	% forfeited
KMP Executives		
T.J. Davis	73.0	27.0
W.G. White	51.2	48.8
G. Adams	55.2	44.8
P.N. Kelly	35.1	64.9
V. Pinneri	30.0	70.0
N.I. O'Sullivan	60.8	39.2
J. Seward	51.7	48.3
S.C. Perkins	–	100.0
K.A. McKenzie	60.8	39.2
Other Company and Group executive		
P.J. Malloy	47.2	52.8

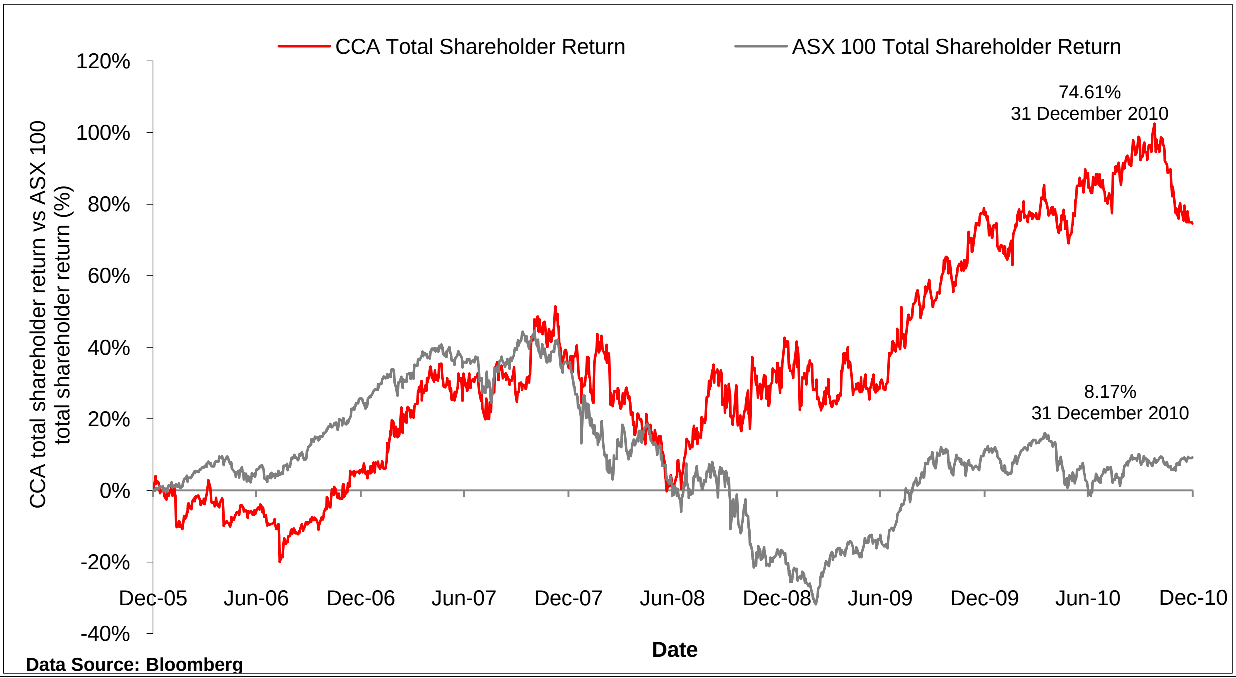
B. Remuneration Structure continued

c) Performance of CCA and the Link to Reward continued

LTISRP

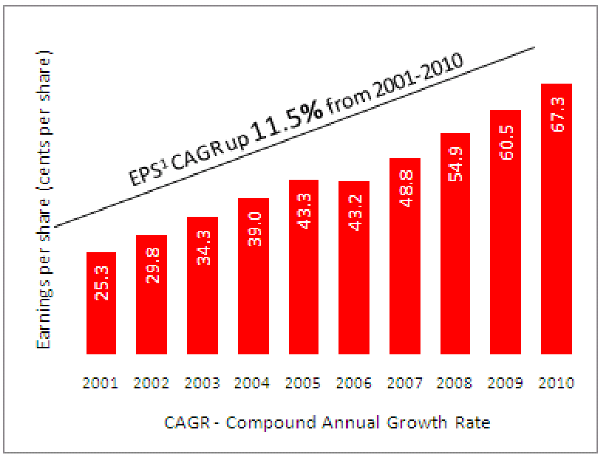
Remuneration outcomes under the LTISRP are directly linked to the value created for our shareholders, based on two measures TSR and the average annual growth in EPS. This operates as a means of rewarding executives for achieving sustainable long-term growth.

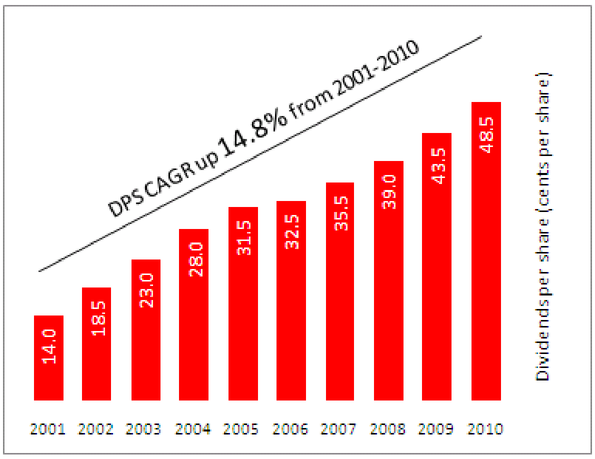
CCA's TSR is assessed relative to CCA's peer group of companies. The graph below follows CCA's TSR over the past five years against the average TSR of the ASX All Industrials Top 100 (ASX 100) companies.



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 74.61% compared to the ASX 100 TSR which increased by 8.17% over the same period.

Over the period beginning from 2001, 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.

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) TSR	Performance (% of maximum) Growth	Overall payout of maximum award
2003-2005[1]	TSR only	1 year	Complete	30th percentile Did not vest	n/a	0.0%
2004-2006[1]	TSR and NOPAT growth (minimum = 10.0%)	1 year	Complete	46th percentile Did not vest	10.1% average, Vested at 67.3%	33.7%
2005-2007[1]	TSR and NOPAT 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[1]	TSR (2 peer groups) and NOPAT 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%

1 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.

Remuneration report continued

B. Remuneration Structure continued

c) Performance of CCA and the Link to Reward continued

Long Term Incentives

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

	Grant date	Vesting date	Performance Measure	Fair value at grant date $	Performance achieved	% vested of maximum award
LTISRP						
T.J. Davis	15 May 2008	31 Dec 2010	EPS	7.43	11.3% cumulative average growth	73.9%
			TSR – peer group 1	5.30	100th percentile	100.0%
			TSR – peer group 2	5.53	95th percentile	100.0%
	22 May 2009	31 Dec 2011	EPS	7.59	To be determined	n/a
			TSR – peer group 1	5.78	To be determined	n/a
			TSR – peer group 2	5.85	To be determined	n/a
	14 May 2010	31 Dec 2012	EPS	10.05	To be determined	n/a
			TSR – peer group 1	7.56	To be determined	n/a
			TSR – peer group 2	8.29	To be determined	n/a
Other executives	15 May 2008	31 Dec 2010	EPS	7.43	11.3% cumulative average growth	73.9%
			TSR – peer group 1	5.30	100th percentile	100.0%
			TSR – peer group 2	5.53	95th percentile	100.0%
	1 Mar 2009	31 Dec 2011	EPS	7.87	To be determined	n/a
			TSR – peer group 1	6.49	To be determined	n/a
			TSR – peer group 2	6.68	To be determined	n/a
	1 Mar 2010	31 Dec 2012	EPS	10.08	To be determined	n/a
			TSR – peer group 1	7.76	To be determined	n/a
			TSR – peer group 2	8.25	To be determined	n/a
ERSP						
W.G. White	1 Jul 2010	30 Jun 2013	Service period	11.90	3 years service	n/a
V. Pinneri	1 Mar 2010	28 Feb 2013	Service period	11.07	3 years service	n/a
N.I. O'Sullivan	1 Jan 2010	31 Dec 2012	Service period	11.07	3 years service	n/a

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

Long Term Incentives 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			
	Plan	Grant date	Component	Maximum	Vested amount	Lapsed amount	Unvested (maximum)
KMP Executives							
T. J. Davis	2008-2010	15 May 2008	A – peer group 1	61,961	61,961	–	–
			A – peer group 2	61,961	61,961	–	–
			B	123,922	91,578	32,344	–
			Maximum of A and B	247,844	215,500	32,344	–
	2009-2011	22 May 2009	A – peer group 1	61,961			61,961
			A – peer group 2	61,961			61,961
			B	123,922			123,922
			Maximum of A and B	247,844			247,844
	2010-2012	24 May 2010	A – peer group 1	61,961			61,961
			A – peer group 2	61,961			61,961
			B	123,922			123,922
			Maximum of A and B	247,844			247,844
W.G. White	2008-2010	15 May 2008	A and B	75,343	65,515	9,828	–
	2009-2011	1 Mar 2009	A and B	75,343			75,343
	2010-2012	1 Mar 2010	A and B	75,343			75,343
G. Adams	2008-2010	15 May 2008	A and B	18,431	16,027	2,404	–
	2009-2011	1 Mar 2009	A and B	19,608			19,608
	2010-2012	1 Mar 2010	A and B	19,608			19,608
P.N. Kelly	2008-2010	15 May 2008	A and B	31,373	27,280	4,093	–
	2009-2011	1 Mar 2009	A and B	31,373			31,373
	2010-2012	1 Mar 2010	A and B	31,373			31,373
V. Pinneri	2009-2011	1 Mar 2009	A and B	9,804			9,804
	2010-2012	1 Mar 2010	A and B	15,686			15,686
N.I. O'Sullivan	2008-2010	15 May 2008	A and B	30,000	26,087	3,913	–
	2009-2011	1 Mar 2009	A and B	30,000			30,000
	2010-2012	1 Mar 2010	A and B	30,980			30,980
J. Seward	2008-2010	15 May 2008	A and B	26,471	23,018	3,453	–
	2009-2011	1 Mar 2009	A and B	26,471			26,471
	2010-2012	1 Mar 2010	A and B	26,471			26,471
S.C. Perkins	2008-2010	15 May 2008	A and B	24,510	21,313	3,197	–
	2009-2011	1 Mar 2009	A and B	24,510			24,510
	2010-2012	1 Mar 2010	A and B	24,510			24,510
K.A. McKenzie	2008-2010	15 May 2008	A and B	25,098	21,824	3,274	–
	2009-2011	1 Mar 2009	A and B	25,098			25,098
	2010-2012	1 Mar 2010	A and B	25,098			25,098
Other Company and Group executive							
P.J. Malloy	2008-2010	15 May 2008	A and B	29,412	25,575	3,837	–
	2009-2011	1 Mar 2009	A and B	29,412			29,412
	2010-2012	1 Mar 2010	A and B	29,412			29,412

No amounts are payable by individuals if the shares or share rights vest.

Remuneration report continued

B. Remuneration Structure continued

c) Performance of CCA and the Link to Reward continued

Long Term Incentives 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 vest $[1]
KMP Executives					
T.J. Davis	2010			2012	1,770,258
	2009			2011	981,080
	2008	87%	13%	2010	
W.G. White	2010			2012	541,351
	2009			2011	319,710
	2008	87%	13%	2010	
W.G. White – ERSP	2010			2013	643,388[2]
G. Adams	2010			2012	140,886
	2009			2011	83,203
	2008	87%	13%	2010	
P.N. Kelly	2010			2012	225,411
	2009			2011	133,121
	2008	87%	13%	2010	
V. Pinneri	2010			2012	112,711
	2009			2011	41,603
V. Pinneri – ERSP	2010			2013	39,979[2]
N.I. O'Sullivan	2010			2012	222,593
	2009			2011	127,300
	2008	87%	13%	2010	
N.I. O'Sullivan – ERSP	2010			2012	160,038[2]
J. Seward	2008	87%	13%	2010	
S.C. Perkins	2008	87%	13%	2010	
K.A. McKenzie	2008	87%	13%	2010	
Other Company and Group executive					
P.J. Malloy	2010			2012	211,326
	2009			2011	124,806
	2008	87%	13%	2010	

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 is 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 Advisers

The Committee draws on a range of services from external consultants. During the period the following are the primary advisers that assisted management in their preparation of proposals for the Committee –

Advisers	Services provided
Egan & Associates	Group Managing Director remuneration data and benchmarking Non-Executive Director remuneration data and benchmarking
Mercers	Executive and employee remuneration and benchmarking LTISRP (TSR reporting and peer group recommendations)
Hay	Executive and employee remuneration and benchmarking.

C. Summary of Employment Contracts

The following are the principal details of the employment contracts for executives as at 31 December 2010.

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 2010.

Mr Davis commenced employment with CCA on 12 November 2001. Under his terms of employment agreed at that time, his employment was to expire at the end of a fixed period. In December 2008, this fixed period was extended by 12 months, so that his employment would expire on 30 November 2011. However, 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.

In accordance with the terms of his contract of employment, he received a payment of $385,000 for remaining in employment with CCA on 11 November 2009 (being the completion of eight years of employment with the Company as Group Managing Director) and a payment of $385,000 on 11 November 2010. If Mr Davis remains employed by the Company on 30 November 2011, he will receive a further payment of $385,000.

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 – • on or before 30 November 2011: No notice required but Mr Davis will receive a payment equivalent to 12 months total remuneration (inclusive of any 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). • after 30 November 2011: 12 months notice in writing or payment in lieu of notice (calculated on the same basis as above). Additionally, if Mr Davis' employment is terminated between 11 November 2010 and 30 November 2011, he is entitled to a payment of $385,000. Termination by Mr Davis Mr Davis must give CCA 12 months notice in writing to terminate his employment as Group Managing Director.
Obligations and entitlements on completion of employment	LTISRP awards where testing or re-testing 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. Other than where a capital event has occurred, for those awards where the three year performance period will not have completed, Mr Davis will be eligible for a pro-rata award (or a cash payment in lieu of such award). 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 and Company superannuation (this is cashable down to superannuation guarantee level) paid at a rate of 20%.

Remuneration report continued

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 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[1]	Change of control
W.G. White Managing Director, Australasia					
Open ended	4 months notice If termination occurs before 1 July 2013, Mr White will also receive an award of 64,867 CCA shares. In addition, if the Company terminates Mr White's employment (other than for cause[2]), Mr White will receive a maximum of 12 months of fixed remuneration in lieu of notice and severance.	4 months notice	Received 74,126 shares for remaining employment as at 1 July 2010 (with entitlement to receive dividends on shares prior to vesting). Will receive 64,867 shares if employed by CCA as at 1 July 2013.	6 months	If, on a change of control of CCA, there is a fundamental change[3] in Mr White's role, he will be entitled to resign but will receive benefits as if his role had been terminated by CCA.
G. Adams Managing Director, New Zealand & Fiji					
Open ended	1 month notice If terminated (without cause[2]) and no suitable alternative position is available, 8 months fixed remuneration in lieu of notice and severance.[4]	1 month notice	–	–	If there is a change of control of CCA, CCA may terminate Mr Adam's employment by providing not less than 12 months fixed remuneration, inclusive of notice and severance.
P.N. Kelly Managing Director, Indonesia & PNG					
Open ended	2 months notice If terminated (without cause[2]) and no suitable alternative position is available, 12 months fixed remuneration in lieu of notice and severance.[4]	2 months notice	–	–	If there is a change of control of CCA, CCA may terminate Mr Kelly's employment by providing not less than 12 months fixed remuneration, inclusive of notice and severance.
V. Pinneri Managing Director, SPCA					
Open ended	1 month notice If terminated (without cause[2]) and no suitable alternative position is available, 12 months fixed remuneration in lieu of notice and severance.[4]	1 month notice	–	6 months	If, on a change of control of CCA, there is a fundamental change[3] in Mr Pinneri's role, he will be entitled to resign but will receive benefits as if his role had been terminated by CCA.

C. Summary of Employment Contracts continued

Other senior executives continued

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[1]	Change of control
N.I. O'Sullivan Group Chief Financial Officer Open ended	2 months notice If terminated (without cause[2]) and no suitable alternative position is available, an amount based on Ms O'Sullivan's fixed remuneration in lieu of notice and severance.[5] If terminated (without cause[2]) before 1 July 2013 and 1 July 2014 respectively, Ms O'Sullivan will receive the relevant award of 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 shares (valued at $250,000 at time of acquisition in 2010). If employed by CCA on 1 January 2014, Ms O'Sullivan will receive shares to the value of $250,000 (at the time of purchase in 2011). Ms O'Sullivan is entitled to receive dividends on shares prior to vesting.	6 months	If, on a change of control of CCA, there is a fundamental change[3] 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.
J. Seward Head of Commercial Maximum term (1 year assignment) Resigned 7 February 2011	2 months notice If terminated (without cause[2]) during Mr Seward's 1 year assignment and no suitable alternative position is available, 2 months fixed remuneration in lieu of notice and severance. No severance payments in lieu of notice once the initial Australian assignment completes.	2 months notice		6 months[5]	In the event of a change of control, CCA may terminate Mr Seward's employment (without cause[2]) by providing not less than 2 months fixed remuneration, inclusive of notice and severance.

Remuneration report continued

C. Summary of Employment Contracts continued

Other senior executives continued

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[1]	Change of control
S.C. Perkins Formerly Acting Managing Director, Food & Services; **K.A. McKenzie** Chief Financial Officer – Statutory and Compliance; and **P.J. Malloy** Director, Sales Non Alcoholic Beverages Australia					
The above executives all have employment contracts with following terms –					
Open ended	1 month notice If terminated (without cause[2]) and no suitable alternative position is available, 12 months fixed remuneration in lieu of notice and severance.[5]	1 month notice		–	–

1 Restriction from competing with the CCA Group and/or soliciting the CCA Group's customers within Australia.

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

3 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.

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

5 The restriction on Mr Seward relates to both Australia and Indonesia.

Senior executive receive superannuation contributions and other benefits under the terms of their employment as summarised in the table below –

	W.G. White	G. Adams	P.N. Kelly	V. Pinneri	N.I. O'Sullivan	J. Seward	S.C. Perkins	K.A. McKenzie and P.J. Malloy
Super-annuation[1]	14%	14%	24%	14%	14%	14%	20%	20%
Primary benefits[2]	Standard benefits, car parking, leave loading, health assessment, home assistance allowance.	Standard benefits, medical insurance, partial subsidy for home leave.	Standard benefits, leave loading and, from 1 February 2010, expatriate benefits.[3]	Standard benefits, health assessment.	Standard benefits, allowance to cover car parking, health assessment, home assistance allowance.	Standard benefits, car parking, leave loading, health assessment, partial rental and school fee allowance and, until 1 February 2010, expatriate benefits.[3]	Standard benefits, leave loading, health assessment.	Standard benefits, car parking, leave loading, health assessment.

1 Superannuation refers to Company superannuation. With the exception of Mr Kelly, the amount of superannuation paid to executives is calculated as a percentage of base salary and actual STIP earned up to target. Mr Kelly's superannuation is calculated as a percentage of base salary and is paid into a defined benefit scheme at an assessed rate.

2 Standard benefits include Company products, club membership, vehicle benefits and participation in Employees Share Plan –

The Employees Share Plan 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 post tax income, 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, subsidised housing and utilities, home leave, school leave, host country allowance and environmental 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 and the five named executives receiving the highest remuneration for the CCA Group and CCA Entity during the financial year are set out below –

		Short term				Post employ-ment	Other long term	Termi-nation[6]	Share based payments				Total performance related
	Year	Salary $	STIP[1] $	Non-monetary benefits[2] $	Other[3]	Super-annuation[4] $	Deferred remune-ration[5] $	$	LTISRP[7] $	ESP[8] $	ERSP/ other[9] $	Total $	%
KMP Executives													
T.J. Davis													
Executive Director and	2010	2,142,700	2,146,000	231,218	385,000	1,265,087	–	–	1,500,182	–	–	7,670,187	48
Group Managing Director	2009	2,142,700	2,322,000	182,257	385,000	1,476,077	–	–	1,443,741	–	–	7,951,775	47
W.G. White													
Managing Director,	2010	631,333	585,000	156,474	–	170,987	–	–	466,054	18,940	199,928	2,228,716	47
Australasia	2009	613,667	795,000	144,193	–	197,913	–	–	416,271	18,410	366,606	2,552,060	48
G. Adams													
Managing Director,	2010	281,862	189,466	64,395	–	65,986	–	–	117,952	8,456	–	728,117	42
New Zealand & Fiji	2009	279,844	78,175	64,091	–	50,123	–	–	84,330	8,396	14,292	579,251	28
P.N. Kelly													
Managing Director,	2010	416,209	212,600	623,437	–	150,914	–	–	194,060	12,486	–	1,609,706	25
Indonesia & PNG	2009	447,583	311,500	97,086	–	183,380	–	–	170,972	13,427	48,557	1,272,505	38
V. Pinneri[10]													
Managing Director,													
Food & Services	2010	151,947	79,901	20,995	–	32,811	–	–	22,063	4,559	11,747	324,023	32
N.I. O'Sullivan													
Group Chief Financial	2010	584,000	368,500	90,567	–	67,120	–	–	187,393	17,520	85,018	1,400,118	40
Officer	2009	376,250	375,300	90,466	–	67,345	–	–	134,404	11,287	25,417	1,080,469	48
J. Seward[10 & 11]													
Managing Director,	2010	23,300	14,753	271,597	–	3,262	–	–	13,907	699	–	327,518	9
Indonesia & PNG	2009	322,130	199,912	779,361	–	73,086	–	–	145,420	9,664	36,752	1,566,325	22
S.C. Perkins[10]													
Acting Managing Director,	2010	168,983	–	30,231	–	33,796	–	–	75,181	5,069	–	313,260	24
Food & Services	2009	233,094	83,507	27,160	–	76,819	–	–	94,232	6,992	27,159	548,963	33
K.A. McKenzie[10]													
Chief Financial Officer –	2010	341,167	278,100	59,760	–	123,853	49,994	–	155,259	10,235	–	1,018,368	43
Statutory and Compliance	2009	335,000	287,700	51,750	–	150,648	5,594	–	149,305	10,050	45,835	1,035,882	43
Former executive													
N. Garrard[10]													
Managing Director,													
Food & Services	2009	273,048	–	132	–	38,227	–	239,062	(107,574)	8,191	(369,160)	81,926	–
Total KMP Executives	2010	4,741,501	3,874,320	1,548,674	385,000	1,913,816	49,994	–	2,732,051	77,964	296,693	15,620,013	
Total KMP Executives	2009	5,023,316	4,453,094	1,436,496	385,000	2,313,618	5,594	239,062	2,531,101	86,417	195,458	16,669,156	
Other Company and Group executive													
P.J. Malloy[12]	2010	360,350	217,400	59,652	–	120,953	54,867	–	181,940	3,604	5,000	1,003,766	40

1 STIP does not include that portion compulsorily salary sacrificed in shares of the Company. Australian based executives, (excluding Mr Davis, Mr Seward and Mr McKenzie) are required to sacrifice up to a maximum of $5,000 of the total amount.

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

3 Represents the current portion of accrued benefits payable under the terms of the service agreement less amounts accrued in prior periods.

4 Includes notional and actual contributions to superannuation on cash payments and for Mr Davis superannuation on shares purchased for the LTISRP.

5 Represents the estimated present value of the non-current portion of accrued benefits payable under the terms of either service agreements or other agreed entitlements less amounts accrued in the prior periods.

6 Termination benefits include payments for severance and unused leave benefits paid upon termination. Amounts shown exclude amounts previously disclosed in remuneration.

7 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.

8 Employees Share Plan (ESP) represents the Company's matching contribution.

9 Other share based payments include the following –

- *shares granted under the ERSP which were purchased in February 2010 at $11.07 per share and are being amortised over the three year vesting period;*
- *shares granted under the ERSP which were purchased in August 2010 at $11.90 per share for Mr White and are being amortised over the three year vesting period;*
- *amounts used to purchase shares as part of the compulsory salary sacrifice by Australian executives for the STIP and which are held by the Executive Salary Sacrifice Share Plan; and*
- *in respect of Mr White, an amount of $66,250 (2009: $257,000) is included which represents the amortised amount for the period of the shares purchased in respect of his employment contract and which are held by the Executive Salary Sacrifice Share Plan.*

10 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.

11 Mr Seward was remunerated in USD whilst in Asia.

12 One of the five highest paid executives of the Company and Group as required to be disclosed under the Corporations Act 2001.

Remuneration report continued

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 $2.0 million as previously approved by shareholders in May 2008. 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 annual Directors' fees (excluding superannuation contributions) payable to Non-Executive Directors for the financial year ended 31 December 2010 were as follows –

	$
Chairman	396,800
Director (base fee)	137,000
Audit & Risk Committee – Chairman	26,000
Audit & Risk Committee – member	15,600
Compensation Committee – Chairman	20,800
Compensation Committee – member	12,500
Compliance & Social Responsibility Committee – Chairman	20,800
Compliance & Social Responsibility Committee – member	12,500

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 superannuation guarantee 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. Further details on these shares are included in Note 22 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 5 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	Share based payments	Total $
	Year	Base fees $	Committee fees $	Superannuation $	Share Plan[1] $	
Non-Executive Directors						
D.M. Gonski, AC	**2010**	**396,800**	**–**	**14,830**	**–**	**411,630**
Chairman	2009	318,500	–	14,103	63,700	396,303
C.M. Brenner	**2010**	**137,000**	**20,800**	**14,202**	**–**	**172,002**
	2009	110,000	16,667	13,680	25,333	165,680
J.R. Broadbent, AO[2]	**2010**	**137,000**	**33,300**	**14,830**	**–**	**185,130**
	2009	110,000	26,667	14,103	27,333	178,103
A.G. Froggatt[2]	**2010**	**11,417**	**–**	**1,027**	**–**	**12,444**
M. Jansen[2]	**2010**	**137,000**	**15,600**	**13,734**	**–**	**166,334**
	2009	6,033	685	605	–	7,323
G.J. Kelly	**2010**	**137,000**	**12,500**	**13,455**	**–**	**162,955**
	2009	110,000	10,000	12,960	24,000	156,960
W.M. King, AO	**2010**	**137,000**	**12,500**	**13,455**	**–**	**162,955**
	2009	110,000	10,000	12,960	24,000	156,960
D.E. Meiklejohn, AM	**2010**	**137,000**	**38,500**	**14,830**	**–**	**190,330**
	2009	110,000	30,833	14,103	28,167	183,103
Former Non-Executive Director						
I. Finan[2]	2009	104,322	21,339	13,412	26,500	165,573
Total	**2010**	**1,230,217**	**133,200**	**100,363**	**–**	**1,463,780**
Total	2009	978,855	116,191	95,926	219,033	1,410,005

1 Amounts used to purchase shares as part of the compulsory salary sacrifice.

2 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.

F. Speculative trading

Under CCA's Policy of Dealing in CCA Shares, Directors and executives 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 or senior management (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 and executives. 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 29 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 2010, 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

Trent van Veen
Partner
Sydney
23 February 2011

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, and international member firms. 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	$506,000
Tax compliance	$19,000

Signed in accordance with a resolution of the Directors.

David M. Gonski, AC
Chairman
Sydney
23 February 2011

Terry J. Davis
Group Managing Director
Sydney
23 February 2011

Income Statement

Coca-Cola Amatil Limited and its subsidiaries

For the financial year ended 31 December 2010

	Refer Note	2010 $M	2009 $M
Revenue, excluding finance income			
Trading revenue		4,490.3	4,436.0
Other revenue		119.1	124.0
	3	4,609.4	4,560.0
Expenses, excluding finance costs			
Cost of goods sold		(2,475.2)	(2,450.0)
Selling		(612.3)	(590.4)
Warehousing and distribution		(338.9)	(339.1)
Administration and other		(339.6)	(390.9)
		(3,766.0)	(3,770.4)
Share of net profit/(loss) of joint venture entity accounted for using the equity method	9	1.5	(2.3)
Earnings before interest and tax		844.9	787.3
Net finance costs			
Finance income	3	20.9	14.9
Finance costs	4	(155.3)	(148.8)
		(134.4)	(133.9)
Profit before income tax	4	710.5	653.4
Income tax expense			
Before significant item		(203.9)	(204.4)
Significant item		(9.3)	–
	5	(213.2)	(204.4)
Profit after income tax			
Before significant item		506.6	449.0
Significant item		(9.3)	–
Profit after tax attributable to members of Coca-Cola Amatil Limited		497.3	449.0
		¢	¢
Earnings per share (EPS) for profit attributable to members of the Company	24		
Basic EPS		66.0	60.5
Diluted EPS		66.0	60.4

Notes appearing on pages [64] to [126] 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 2010

	Refer Note	2010 $M	2009 $M
Profit after tax attributable to members of Coca-Cola Amatil Limited		497.3	449.0
Other comprehensive income			
Foreign exchange differences on translation of foreign operations	21	(40.8)	(59.9)
Share of joint venture entity's foreign exchange differences on translation of foreign operation	21	–	(0.1)
Cash flow hedges[1]	21	37.2	28.0
Other comprehensive income, after income tax		(3.6)	(32.0)
Total comprehensive income attributable to members of Coca-Cola Amatil Limited		493.7	417.0

1 Stated net of $15.7 million deferred tax (2009: $12.9 million).

Notes appearing on pages [64] to [126] to be read as part of the financial statements.

Statement of Financial Position

Coca-Cola Amatil Limited and its subsidiaries

As at 31 December 2010

	Refer Note	2010 $M	2009 $M
Current assets			
Cash assets	6	385.3	864.4
Trade and other receivables	7	771.8	777.6
Inventories	8	735.3	753.9
Prepayments		46.2	45.1
Current tax assets		1.9	0.6
Derivatives	30	46.4	38.3
Total current assets		1,986.9	2,479.9
Non-current assets			
Trade and other receivables	7	20.9	2.2
Investment in joint venture entity	9	74.7	73.2
Investments in bottlers' agreements	10	898.2	911.0
Property, plant and equipment	11	1,595.3	1,457.2
Intangible assets	12	590.5	569.8
Prepayments		7.1	8.7
Deferred tax assets	17	1.2	1.1
Defined benefit superannuation plan assets	18	15.7	13.0
Derivatives	30	87.3	54.7
Total non-current assets		3,290.9	3,090.9
Total assets		5,277.8	5,570.8
Current liabilities			
Trade and other payables	14	568.7	621.3
Interest bearing liabilities	15	130.9	607.3
Current tax liabilities		91.1	79.4
Provisions	16	73.5	91.0
Accrued charges		286.1	346.4
Derivatives	30	51.8	76.7
Total current liabilities		1,202.1	1,822.1
Non-current liabilities			
Trade and other payables	14	–	1.3
Interest bearing liabilities	15	1,837.5	1,848.2
Provisions	16	11.1	10.2
Deferred tax liabilities	17	190.8	157.4
Defined benefit superannuation plan liabilities	18	26.8	25.8
Derivatives	30	176.1	105.7
Total non-current liabilities		2,242.3	2,148.6
Total liabilities		3,444.4	3,970.7
Net assets		1,833.4	1,600.1
Equity			
Share capital	19	2,180.2	2,096.7
Shares held by equity compensation plans	20	(17.9)	(13.7)
Reserves	21	(39.8)	(38.3)
Accumulated losses		(289.1)	(444.6)
Total equity		1,833.4	1,600.1

Notes appearing on pages [64] to [126] 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 2010

	Refer Note	2010 $M	2009 $M
Inflows/(outflows)			
Cash flows from operating activities			
Receipts from customers		4,619.4	4,427.7
Payments to suppliers and employees		(3,720.1)	(3,402.4)
Interest income received		20.4	14.9
Interest and other finance costs paid		(157.2)	(151.3)
Income taxes paid		(177.1)	(137.6)
Net cash flows from operating activities	6c)	585.4	751.3
Cash flows from investing activities			
Proceeds from –			
disposal of property, plant and equipment		7.3	6.5
loan repayment from joint venture entity		7.5	–
Payments for –			
additions of property, plant and equipment		(339.3)	(270.6)
additions of software development assets		(33.5)	(36.4)
additions of other non-current assets		–	(0.6)
acquisitions of entities and operations (net)	28	–	(23.6)
investment in joint venture entity		–	(22.0)
loan made to joint venture entity		(26.5)	(17.9)
Net cash flows used in investing activities before significant item		(384.5)	(364.6)
Significant item[1]		–	4.6
Net cash flows used in investing activities		(384.5)	(360.0)
Cash flows from financing activities			
Proceeds from issue of shares	19a)	2.0	6.0
Proceeds from borrowings		238.8	683.8
Borrowings repaid		(658.1)	(315.6)
Dividends paid	23a)	(260.3)	(196.1)
Net cash flows (used in)/from financing activities		(677.6)	178.1
Net (decrease)/increase in cash and cash equivalents		(476.7)	569.4
Cash and cash equivalents held at the beginning of the financial year		862.7	298.3
Effects of exchange rate changes on cash and cash equivalents		(4.4)	(5.0)
Cash and cash equivalents held at the end of the financial year	6a)	381.6	862.7

1 Receipt of remaining escrow funds (net of costs) in relation to CCA's former South Korean business disposed in 2007.

Notes appearing on pages [64] to [126] 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 2010

		Equity attributable to members of Coca-Cola Amatil Limited				
	Refer Note	Share capital $M	Shares held by equity compensation plans $M	Reserves[1] $M	Accumulated losses $M	Total equity $M
At 1 January 2010		2,096.7	(13.7)	(38.3)	(444.6)	1,600.1
Profit		–	–	–	497.3	497.3
Other comprehensive income		–	–	(3.6)	–	(3.6)
Total comprehensive income		–	–	(3.6)	497.3	493.7
Transactions with equity holders –						
Movements in ordinary shares	19	83.5	–	–	–	83.5
Share based remuneration obligations	20&21	–	(4.2)	2.1	–	(2.1)
Dividends appropriated	23	–	–	–	(341.8)	(341.8)
Total of transactions with equity holders		83.5	(4.2)	2.1	(341.8)	(260.4)
At 31 December 2010		2,180.2	(17.9)	(39.8)	(289.1)	1,833.4
At 1 January 2009		1,987.5	(16.6)	(4.6)	(594.3)	1,372.0
Profit		–	–	–	449.0	449.0
Other comprehensive income		–	–	(32.0)	–	(32.0)
Total comprehensive income		–	–	(32.0)	449.0	417.0
Transactions with equity holders –						
Movements in ordinary shares	19	109.2	–	–	–	109.2
Share based remuneration obligations	20&21	–	2.9	(1.7)	–	1.2
Dividends appropriated	23	–	–	–	(299.3)	(299.3)
Total of transactions with equity holders		109.2	2.9	(1.7)	(299.3)	(188.9)
At 31 December 2009		2,096.7	(13.7)	(38.3)	(444.6)	1,600.1

1 Refer to Note 21.

Notes appearing on pages [64] to [126] 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 23 February 2011.

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 derivative financial instruments which have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

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 2010. There has been no effect on the financial statements of the Group. The Group has also adopted the Corporations Amendment (Corporate Reporting Reform) Act 2010, whereby the requirement to disclose the Company's financial statements has been removed. The summarised financial information for the Company is presented in Note 33.

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 annual reporting period ended 31 December 2010. 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 2009 – 10	Amendments to Australian Accounting Standards – Classification of Rights Issues	Clarifies the requirements for the classification of right issues in an entity.	1 Feb 2010	No material impact on the Group is expected from the adoption of the standard.	1 Jan 2011
AASB 2010 – 3	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	Provides a vehicle for making non-urgent but necessary amendments to standards.	1 Jul 2010	The impact of the standard is yet to be assessed.	1 Jan 2011
Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	Clarifies that equity instruments issued to a creditor to extinguish a financial liability are "consideration paid" in accordance with paragraph 41 of IAS 39 Financial Instruments: Recognition and Measurement.	1 Jul 2010	No material impact on the Group is expected from the adoption of the standard.	1 Jan 2011
AASB 124 (Revised)	Related Party Disclosures (December 2009)	Amendments to the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition.	1 Jan 2011	No material impact on the Group is expected from the adoption of the standard.	1 Jan 2011
AASB 2009 – 12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	Amendments to make numerous editorial changes to a range of standards and interpretations.	1 Jan 2011	No material impact on the Group is expected from the adoption of the standard.	1 Jan 2011

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 2009 – 14	Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [Interpretation 14]	Amendments to Interpretation 14 AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction as a consequence of the issuance of amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement. Changes to the treatment of surplus in defined benefit plan.	1 Jan 2011	No material impact on the Group is expected from the adoption of the standard.	1 Jan 2011
AASB 2010 – 4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	Provides a vehicle for making non-urgent but necessary amendments to standards.	1 Jan 2011	The impact of the standard is yet to be assessed.	1 Jan 2011
AASB 9	Financial Instruments	Improves the classification and measurement of financial assets compared with the requirements of AASB 139 Financial Instruments: Recognition and Measurement.	1 Jan 2013	The impact of the standard is yet to be assessed.	1 Jan 2013
AASB 2009 – 11	Amendments to the Australian Accounting Standards arising from AASB 9 Financial Instruments	Amendments arising from the amendments to AASB 9 Financial Instruments.	1 Jan 2013	As above.	1 Jan 2013

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 a 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

i) 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.

The acquisition method is used to account for the acquisition of subsidiaries by the Group (refer to Note 1n)). 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.

ii) Joint venture entity
The investment in the joint venture entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. Under the equity method, the share of profits or losses of the joint venture entity is recognised in the income statement, and the share of movements in reserves is recognised in the statement of comprehensive income. Details relating to the joint venture entity are set out in Note 9.

Profits or losses on transactions establishing the joint venture entity and transactions with the joint venture entity are eliminated to the extent of the Group's ownership interest until such time as they are realised by the joint venture entity on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred.

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.

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;

iv) Dividends
Dividends are recognised when the right to receive payment is established; and

v) 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.

1. Summary of Significant Accounting Policies continued

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 by 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 by the reporting date.

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

Deferred tax liabilities are recognised for all taxable temporary differences except for goodwill which is not deductible for tax purposes, the initial recognition of assets and liabilities that affect neither accounting nor taxable profits and 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 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 and tax sharing 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. An allowance for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset’s carrying amount and the present value of estimated future cash flows. When a trade receivable is uncollectible, it is written off against the allowance for trade receivables. Subsequent recoveries of amounts previously written off are credited against expenses 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) 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, plus, in the case of assets not at fair value through the income statement, directly attributable transaction costs.

Recognition and derecognition
All regular purchases and sales of financial assets are recognised on the trade date i.e. the date that 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 classified as current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

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. These include reference to the fair values of recent arms length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the specific circumstances.

n) 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 now expensed as incurred.

Where a business combination is achieved in stages, the acquisition date fair value of the acquirer’s previously held equity interest is remeasured at fair value as at the acquisition date through profit or loss.

o) Investments in bottlers’ agreements

Investments in bottlers’ agreements are carried at cost.

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

1. Summary of Significant Accounting Policies continued

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 operation. All other subsequent expenditure is expensed in the period in which it is incurred.

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

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

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

q) Leased assets

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

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 details. Lease income from operating leases is recognised as income on a straight line basis over the lease term. Refer to Note 3 for 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.

1. Summary of Significant Accounting Policies continued

r) Intangible assets continued

i) Identifiable intangible assets continued
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 13 for details.

s) Impairment of assets

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

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. Where discounting is applied, increases in the balance of provisions attributable to the passage of time are recognised as an interest cost.

v) Employee benefits

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

1. Summary of Significant Accounting Policies continued

v) Employee benefits continued

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

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 Group companies and employees (in the case of defined contribution plans), based on regular advice from independent qualified actuaries.

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 18 for further details of the Group's defined benefit plans.

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

iv) Equity compensation plans
No expense is recognised in respect of share options granted before 7 November 2002 and/or vested before 1 January 2005. The shares are recognised when the options are exercised and the proceeds received are allocated to share capital.

Employer contributions to the Employees Share Plan are charged as an expense over the vesting period. Any amounts of unvested shares held by the 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 an equity compensation plan expense over the vesting period together with a corresponding increase in the share based remuneration reserve, ending on the date on which the relevant employees become entitled to the award. Refer to Note 22 for further details of the Long Term Incentive Share Rights Plan.

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

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

w) Share capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company, less transaction costs, net of tax.

x) Derivative financial instruments

The Group designates certain derivatives as either –
- hedges of the fair value of recognised liabilities (fair value hedges); or
- hedges of foreign currency risk associated with recognised liabilities or highly probable forecast transactions (cash flow hedges).

Derivatives are initially recognised at fair value on the date derivative contracts are entered into and are subsequently remeasured at fair value.

The terms and conditions in relation to the Group's derivative instruments are similar to the terms and conditions of the underlying hedged items. As at 31 December 2010, the Group's hedge relationships were effective.

Hedge accounting
The Group designates certain derivative transactions as either fair value hedges or cash flow hedges. Hedges of foreign exchange rate risk on firm commitments are accounted for as cash flow hedges.

The Group documents at inception of the transaction the relationship between 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 documents its assessment both at the hedge inception and on an ongoing basis, of 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.

Changes in the fair values of derivative financial instruments not qualifying for hedge accounting, and for discontinued hedges are recognised in the income statement.

Fair value hedges
During the financial year, the Group held cross currency and interest rate 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 and interest rate swaps. The objective of this hedging is to convert foreign currency borrowings to floating Australian Dollar borrowings. Accordingly, at inception, no significant portion of the change in fair value of the cross currency and interest rate 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, together with gains and losses in relation to 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 and interest rate swap 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 exposures relating to the Group's borrowings and ongoing business activities, where the Group has highly probable purchase or settlement commitments in foreign currencies.

1. Summary of Significant Accounting Policies continued

y) 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 1x)). 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.

z) Dividends

Dividends are recognised when an obligation to pay a dividend arises, following declaration of dividends by the Company's Board of Directors.

aa) Earnings per share (EPS)

Basic EPS is calculated as profit attributable to members of the Company divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as profit attributable to members of the Company divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

2. Segment Reporting

The Group operates in four reportable segments, based on a combination of factors including geography, products and services. The Australia Beverages, New Zealand & Fiji and Indonesia & PNG segments derive their revenues from the manufacture, distribution and marketing of carbonated soft drinks and bulk water. The Australia Beverages and New Zealand & Fiji segments also distribute premium beer brands for Pacific Beverages Pty Ltd, the joint venture entity CCA formed with SABMiller plc. The joint venture segment reports CCA's share of the results from Pacific Beverages Pty Ltd, which also sells and distributes the premium spirit portfolio of global distributor Beam Global Spirits & Wines.

The Food & Services segment processes and markets fruit and other food products, and provides cold drink equipment to both the Australia Beverages segment and third party customers.

The Group manages its net finance costs and income taxes on a Group basis. Segment performance is evaluated on an earnings before interest and tax basis.

During the period, certain immaterial business units were relocated within the segments. Comparative numbers were restated accordingly.

The accounting policies of each operating segment are the same as those described in Note 1 Summary of Significant Accounting Policies. Inter-segment transactions are conducted as follows –

- inter-country transactions on normal commercial terms and conditions; and
- intra-country transactions on a cost-recovery basis.

The Group earned approximately 37% (2009: 35%) of its trading revenue from its top three customers, being Metcash Limited, Wesfarmers Limited and Woolworths Limited. These customers operated within the Australia Beverages, New Zealand & Fiji and Food & Services segments.

	2010 $M	2009 $M	2010 $M	2009 $M	2010 $M	2009 $M
	Trading revenue[1]		Other revenue		Total revenue, excluding finance income	
Beverage business						
Australia Beverages	2,819.1	2,790.3	90.0	98.2	2,909.1	2,888.5
New Zealand & Fiji	420.1	422.2	9.3	8.1	429.4	430.3
Indonesia & PNG	789.1	704.1	2.5	4.4	791.6	708.5
Total Beverage business	4,028.3	3,916.6	101.8	110.7	4,130.1	4,027.3
Food & Services business	462.0	519.4	17.3	13.3	479.3	532.7
Total CCA Group	4,490.3	4,436.0	119.1	124.0	4,609.4	4,560.0
					Segment result	
Beverage business						
Australia Beverages					592.7	552.5
New Zealand & Fiji					81.4	82.3
Indonesia & PNG					75.0	61.8
Share of net profit/(loss) of joint venture entity					1.5	(2.3)
Total Beverage business					750.6	694.3
Food & Services business					94.3	93.0
Total CCA Group EBIT					844.9	787.3

Refer to the following page for footnote details.

2. Segment Reporting continued

	2010 $M	2009 $M	2010 $M	2009 $M	2010 $M	2009 $M
The reconciliation of segment result to CCA Group profit after income tax is shown below –						
	Before significant item		Significant item		After significant item	
Total CCA Group EBIT	844.9	787.3	–	–	844.9	787.3
Net finance costs[2]	(134.4)	(133.9)	–	–	(134.4)	(133.9)
Total CCA Group profit before income tax	710.5	653.4	–	–	710.5	653.4
Income tax expense[2]	(203.9)	(204.4)	(9.3)	–	(213.2)	(204.4)
Total CCA Group profit after income tax	506.6	449.0	(9.3)	–	497.3	449.0
	Assets		Liabilities		Net assets	
Beverage business						
Australia Beverages	2,385.0	2,293.8	960.4	1,077.6	1,424.6	1,216.2
New Zealand & Fiji	514.2	514.7	104.2	86.2	410.0	428.5
Indonesia & PNG	536.3	506.0	185.0	180.5	351.3	325.5
Investment in joint venture entity	74.7	73.2	–	–	74.7	73.2
Total Beverage business	3,510.2	3,387.7	1,249.6	1,344.3	2,260.6	2,043.4
Food & Services business	1,343.2	1,318.7	81.0	114.0	1,262.2	1,204.7
Total operating segments	4,853.4	4,706.4	1,330.6	1,458.3	3,522.8	3,248.1
Assets and liabilities managed on a Group basis[3]	424.4	864.4	2,113.8	2,512.4	(1,689.4)	(1,648.0)
Total CCA Group	5,277.8	5,570.8	3,444.4	3,970.7	1,833.4	1,600.1
			Depreciation and amortisation expenses		Additions of non-current assets[4]	
Beverage business						
Australia Beverages			73.6	68.7	128.4	140.3
New Zealand & Fiji			17.7	18.9	29.1	32.0
Indonesia & PNG			38.6	33.5	118.2	105.3
Total Beverage business			129.9	121.1	275.7	277.6
Food & Services business			62.0	54.3	113.2	86.5
Total CCA Group			191.9	175.4	388.9	364.1
			Trading revenue by geography[5]		Non-current assets by geography[4]	
Australia			3,281.1	3,309.1	2,418.3	2,314.1
New Zealand & Fiji			420.1	422.8	366.2	377.3
Indonesia & PNG			789.1	704.1	374.2	319.8
Total CCA Group			4,490.3	4,436.0	3,158.7	3,011.2

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

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

3 Cash and cash equivalents, debt related derivative assets and liabilities, loans and borrowings are not included as part of segment assets and liabilities as they are managed on a Group basis.

4 This disclosure comprises of investment in joint venture entity, investments in bottlers' agreements, property, plant and equipment and intangible assets.

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

	Refer Note	2010 $M	2009 $M

3. Revenue

	Refer Note	2010 $M	2009 $M
Trading revenue			
Sales of products		4,405.8	4,376.0
Rental of equipment and processing fees		84.5	60.0
Total trading revenue		4,490.3	4,436.0
Other revenue			
Rendering of services		96.8	100.2
Miscellaneous rental and sundry income[1]		22.3	23.8
Total other revenue		119.1	124.0
Total revenue, excluding finance income		4,609.4	4,560.0
Interest income from –			
related parties	32	0.6	–
non-related parties		20.3	14.9
Total finance income		20.9	14.9
Total revenue[2]		4,630.3	4,574.9

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

2 The comparative balance has been restated (i.e. increased by $13.2 million) arising from a review of CCA's revenue transaction streams carried out during the financial year.

4. Income Statement Disclosures

Profit before income tax includes the following specific expenses –

	Refer Note	2010 $M	2009 $M
Finance costs			
Interest costs from non-related parties[1]		145.4	132.0
Other finance costs		9.9	16.8
Total finance costs		155.3	148.8

Profit before income tax includes the following specific expenses (by nature) –

	Refer Note	2010 $M	2009 $M
Depreciation expense	11	176.1	163.8
Amortisation expense	12	15.8	11.6
(Write back)/bad and doubtful debts expense – trade and other receivables		(0.6)	5.0
Rentals – operating leases		81.6	80.3
Defined benefit superannuation plan expense	18b)	10.6	14.3
Defined contribution superannuation plan expense		50.2	45.7
Equity compensation plan expense	21b)	10.1	14.3
Employee benefits expense		60.5	60.4
Net foreign exchange losses/(gains)[2&3]		14.5	(14.0)

1 Includes hedging gains of $3.8 million (2009: $2.0 million) on derivatives transferred from the cash flow hedging reserve and hedging losses of $1.2 million (2009: nil) on derivatives designated as fair value hedges.

2 Includes hedging losses of $0.3 million (2009: $2.3 million) transferred from the cash flow hedging reserve and gains on derivatives designated as fair value hedges of $1.5 million (2009: losses of $1.2 million).

3 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.

5. Income Tax Expense

a) Income tax expense

	Refer Note	2010 $M	2009 $M
Current tax expense		186.1	188.1
Deferred tax expense	17b)	34.1	21.9
Adjustments to current tax of prior periods		(7.0)	(5.6)
		213.2	204.4

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

	2010 %	2009 %
Applicable (Australian) tax rate	30.0	30.0
Non-allowable expenses	0.4	0.4
Overseas tax rates differential	(0.4)	(0.1)
Overseas withholding tax	(0.2)	1.8
Share of net (profit)/loss of joint venture entity	(0.1)	0.1
Derecognition of deferred tax assets	0.1	–
Adjustments to current tax of prior periods	(0.9)	(0.9)
Change in New Zealand tax rate[1]	(0.2)	–
Effective tax rate (before significant item)	28.7	31.3
Significant item – derecognition of deferred tax assets[2]	1.3	–
Effective tax rate	30.0	31.3

1 Equates to $1.1 million.

2 Relates to changes in the New Zealand tax legislation, whereby future tax deductibility of building depreciation has been removed resulting in a $9.3 million deferred tax expense for the current period.

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 arrangement 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).

The following amounts have been recognised as tax consolidation compensation adjustments in the financial records of CCA Entity –

	CCA Entity	
	2010 $M	2009 $M
Total (decrease)/increase in amounts receivable from subsidiaries	(2.7)	45.8
Total decrease in amounts payable to subsidiaries	2.6	10.6

	Refer Note	2010 $M	2009 $M

6. Cash and Cash Equivalents

Cash on hand and in banks		366.1	368.0
Short term deposits		19.2	496.4[1]
Total cash assets		385.3	864.4

1 Includes $445.0 million raised from the US 144A bond offering during the financial year.

Cash on hand and in banks 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	2010 $M	2009 $M
Cash assets		385.3	864.4
Bank overdrafts	15	(3.7)	(1.7)
Cash and cash equivalents held at the end of the financial year		381.6	862.7

b) Non-cash investing and financing activities

	Refer Note	2010 $M	2009 $M
Dividends satisfied by the issue of shares under the Dividend Reinvestment Plan	23a)	81.5	103.2

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

	Refer Note	2010 $M	2009 $M
Profit after income tax		497.3	449.0
Depreciation, amortisation, impairment and amounts set aside to allowances and provisions		256.6	271.4
Share of net (profit)/loss of joint venture entity		(1.5)	2.3
Share based remuneration expenses		(7.0)	1.2
Fair value adjustments to derivatives		(5.9)	5.9
Profit from disposal of property, plant and equipment		(0.1)	–
(Increase)/decrease in –			
trade and other receivables		(6.1)	(126.6)
inventories		9.4	3.2
prepayments		(0.9)	11.6
defined benefit superannuation plan assets		(5.6)	(23.0)
(Decrease)/increase in –			
trade and other payables		(53.8)	126.0
current tax liabilities		36.1	66.8
provisions		(76.3)	(66.0)
accrued charges		(58.5)	19.9
defined benefit superannuation plan liabilities		(3.7)	0.5
derivatives		5.4	9.1
Net cash flows from operating activities		585.4	751.3

d) Risk exposure

CCA Group's exposure to interest rate risk is disclosed in Note 31. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents.

	Refer Note	2010 $M	2009 $M
7. Trade and Other Receivables			
Current			
Trade receivables		675.6	702.7
Allowance for doubtful receivables	7a)	(5.3)	(9.0)
		670.3	693.7
Amounts due from related entities (trade)	32	6.8	4.4
Amounts due from related entities (non-trade)	32	54.2	52.1
Other receivables		40.7	27.7
Allowance for doubtful receivables		(0.2)	(0.3)
		101.5	83.9
Total trade and other receivables (current)		771.8	777.6
Non-current			
Amounts due from related entities (non-trade)	32	20.2	1.2
Other receivables		0.7	1.0
Total trade and other receivables (non-current)		20.9	2.2

a) Impaired trade and other receivables

As at 31 December 2010, trade receivables with a nominal value of $5.3 million (2009: $9.0 million) were impaired and fully provided for. Movements in the allowance for trade receivables are as follows –

	2010 $M	2009 $M
At 1 January	(9.0)	(7.8)
Write back/(charge)	0.6	(4.7)
Written off	3.0	3.0
Net foreign currency movements	0.1	0.5
	(5.3)	(9.0)

Other receivables with a nominal value of $0.2 million (2009: $0.3 million) were impaired and have been fully provided for. There was no impairment charge made during the financial year for other receivables (2009: $0.3 million). $0.1 million was written off during the financial year (2009: nil).

b) Analysis of receivables

As at 31 December, 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
2010	606.5	42.2	16.1	5.5	670.3
2009	638.7	35.7	17.5	1.8	693.7

As at 31 December, trade receivables of $63.8 million (2009: $55.0 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.

c) Related party receivables

For terms and conditions relating to related party receivables, refer to Note 32.

7. Trade and Other Receivables continued

d) Fair value

Due to the short term nature of receivables, the carrying amount is assumed to approximate their fair value. Refer to Note 31 for further details.

e) Interest rate and foreign exchange risk

Details regarding interest rate and foreign exchange risk exposures are disclosed in Note 31.

f) Credit risk

For trade and other receivables (current), the maximum exposure to credit risk is the fair value of the receivables. Collateral is not held as security.

For trade and other receivables (non-current), the maximum exposure to credit risk is the higher of the carrying value and fair value of each class of receivables. Collateral is not held as security.

	2010 $M	2009 $M
8. Inventories		
Raw materials at cost	245.0	287.4
Raw materials at net realisable value	3.6	5.7
	248.6	293.1
Finished goods at cost	422.5	386.9
Finished goods at net realisable value	8.3	18.1
	430.8	405.0
Other inventories at cost[1]	39.0	37.6
Other inventories at net realisable value[1]	16.9	18.2
	55.9	55.8
Total inventories	735.3	753.9

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

	2010 $M	2009 $M

9. Investment in Joint Venture Entity

	2010 $M	2009 $M
Carrying amount of investment in Pacific Beverages Pty Ltd	74.7	73.2

The Company has a 50% interest in Pacific Beverages Pty Ltd and its subsidiaries (Pacific Beverages). The principal activities of Pacific Beverages are the manufacture, importation and distribution of alcoholic beverages.

The interest in Pacific Beverages is accounted for in the consolidated financial statements using the equity method of accounting and is carried at cost by the parent entity. Information relating to the joint venture entity is set out below –

a) CCA Group's share of Pacific Beverages' assets and liabilities

	2010 $M	2009 $M
Current assets	39.6	49.5
Non-current assets	88.8	59.2
Total assets	128.4	108.7
Current liabilities	33.9	34.1
Non-current liabilities	19.8	1.4
Total liabilities	53.7	35.5
Net assets	74.7	73.2

b) CCA Group's share of Pacific Beverages' revenue and results

	2010 $M	2009 $M
Revenue[1]	41.3	43.4
Expenses	(42.5)	(46.6)
Profit/(loss) after income tax	1.5	(2.3)

1 Beer sales revenue, excluding duties and excise taxes.

c) CCA Group's share of Pacific Beverages' commitments

	2010 $M	2009 $M
Capital commitments	0.9	21.7

	2010 $M	2009 $M

10. Investments in Bottlers' Agreements

At 1 January	911.0	926.0
Net foreign currency movements	(12.8)	(15.0)
	898.2	911.0

The bottlers' agreements reflect a long and ongoing relationship between the Group and The Coca-Cola Company (TCCC). As at 31 December 2010, 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 as to production, distribution and marketing and include provisions for renewal at the discretion of TCCC.

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 13.

	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
11. Property, Plant and Equipment						
At 1 January 2010						
Cost (gross carrying amount)		188.9	288.4	2,181.0	133.1	2,791.4
Accumulated depreciation and impairment		–	(49.3)	(1,284.9)	–	(1,334.2)
Net carrying amount		188.9	239.1	896.1	133.1	1,457.2
Year ended 31 December 2010						
At 1 January 2010, net of accumulated depreciation and impairment		188.9	239.1	896.1	133.1	1,457.2
Additions		–	1.7	20.0	333.7	355.4
Disposals		(2.1)	(0.1)	(5.0)	–	(7.2)
Depreciation expense	4	–	(12.3)	(163.8)	–	(176.1)
Net foreign currency movements		(3.3)	(4.4)	(25.8)	(4.0)	(37.5)
Transfers out of property, plant and equipment under construction and reclassifications		1.5	22.0	300.1	(323.6)	–
Other		–	–	3.6	(0.1)	3.5
At 31 December 2010, net of accumulated depreciation and impairment		185.0	246.0	1,025.2	139.1	1,595.3
At 31 December 2010						
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

1 Freehold and leasehold buildings include improvements made to buildings.

	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
11. Property, Plant and Equipment continued						
At 1 January 2009						
Cost (gross carrying amount)		189.3	285.2	2,071.1	120.1	2,665.7
Accumulated depreciation and impairment		–	(39.4)	(1,211.4)	–	(1,250.8)
Net carrying amount		189.3	245.8	859.7	120.1	1,414.9
Year ended 31 December 2009						
At 1 January 2009, net of accumulated depreciation and impairment		189.3	245.8	859.7	120.1	1,414.9
Additions		7.1	0.4	22.2	233.2	262.9
Disposals		(0.3)	(0.3)	(6.1)	–	(6.7)
Acquisitions of entities and operations		–	–	2.0	–	2.0
Depreciation expense	4	–	(12.1)	(151.7)	–	(163.8)
Net foreign currency movements		(4.6)	(5.3)	(23.9)	(4.3)	(38.1)
Transfers out of property, plant and equipment under construction and reclassifications		(2.6)	10.1	207.0	(214.5)	–
Other		–	0.5	(13.1)	(1.4)	(14.0)
At 31 December 2009, net of accumulated depreciation and impairment		188.9	239.1	896.1	133.1	1,457.2
At 31 December 2009						
Cost (gross carrying amount)		188.9	288.4	2,181.0	133.1	2,791.4
Accumulated depreciation and impairment		–	(49.3)	(1,284.9)	–	(1,334.2)
Net carrying amount		188.9	239.1	896.1	133.1	1,457.2

1 Freehold and leasehold buildings include improvements made to buildings.

	Refer Note	Customer lists[1&2] $M	Brand names[1] $M	Intellectual property $M	Software development assets[3] $M	Goodwill[1] $M	Total intangible assets $M
12. Intangible Assets							
At 1 January 2010							
Cost (gross carrying amount)		7.5	120.6	–	100.4	388.2	616.7
Accumulated amortisation and impairment		(4.6)	(7.5)	–	(34.8)	–	(46.9)
Net carrying amount		2.9	113.1	–	65.6	388.2	569.8
Year ended 31 December 2010							
At 1 January 2010, net of accumulated amortisation and impairment		2.9	113.1	–	65.6	388.2	569.8
Additions		–	–	–	33.5	–	33.5
Amortisation expense	4	(1.4)	(0.3)	–	(14.1)	–	(15.8)
Net foreign currency movements		–	(0.5)	–	(0.6)	(1.9)	(3.0)
Other		0.1	–	–	4.7	1.2	6.0
At 31 December 2010, net of accumulated amortisation and impairment		1.6	112.3	–	89.1	387.5	590.5
At 31 December 2010							
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
At 1 January 2009							
Cost (gross carrying amount)		8.5	111.0	2.5	65.6	386.9	574.5
Accumulated amortisation and impairment		(4.7)	(7.2)	(2.5)	(21.6)	(11.0)	(47.0)
Net carrying amount		3.8	103.8	–	44.0	375.9	527.5
Year ended 31 December 2009							
At 1 January 2009, net of accumulated amortisation and impairment		3.8	103.8	–	44.0	375.9	527.5
Additions		0.6	–	–	36.4	–	37.0
Acquisitions of entities and operations		–	9.4	–	–	12.9	22.3
Amortisation expense	4	(1.5)	(0.3)	–	(9.8)	–	(11.6)
Net foreign currency movements		–	0.2	–	(0.5)	(2.4)	(2.7)
Other		–	–	–	(4.5)	1.8	(2.7)
At 31 December 2009, net of accumulated amortisation and impairment		2.9	113.1	–	65.6	388.2	569.8
At 31 December 2009							
Cost (gross carrying amount)		7.5	120.6	–	100.4	388.2	616.7
Accumulated amortisation and impairment		(4.6)	(7.5)	–	(34.8)	–	(46.9)
Net carrying amount		2.9	113.1	–	65.6	388.2	569.8

1 Purchased as part of a business combination.

2 Asset purchases.

3 Software development assets mainly relate to the OAisys (One Amatil information system) project.

12. 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 2010. Refer to Note 13 for further details of impairment testing of intangible assets with indefinite lives.

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

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

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

	IBAs $M	Brand names $M	Goodwill $M	Total IBAs and intangible assets with indefinite lives $M
Year ended 31 December 2010				
Beverage business				
Australia Beverages	691.9	–	23.2	715.1
New Zealand & Fiji	166.5	–	7.2	173.7
Indonesia & PNG	39.8	–	18.2	58.0
Total Beverage business	898.2	–	48.6	946.8
Food & Services business	–	98.3	338.9	437.2
Total	898.2	98.3	387.5	1,384.0
Year ended 31 December 2009				
Beverage business				
Australia Beverages	691.9	–	23.2	715.1
New Zealand & Fiji	175.8	–	7.6	183.4
Indonesia & PNG	43.3	–	19.7	63.0
Total Beverage business	911.0	–	50.5	961.5
Food & Services business	–	98.3	337.7	436.0
Total	911.0	98.3	388.2	1,397.5

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

a) Impairment tests for investments in bottlers' agreements and goodwill

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.

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.

The following describes each key assumption on which management has based its cash flow forecasts to undertake impairment testing of IBAs 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.

v) 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 8.4, 8.3, 11.2, 12.2 and 11.6% (2009: 8.4, 8.4, 12.3, 13.0 and 11.6%) respectively.

vi) Forecast growth rates
Forecast growth rates are used in the calculation of the residual value of each CGU. For the purpose of impairment testing, real annual growth rates of nil to 2.0% (2009: nil to 2.0%) have been used.

b) Impairment tests for brand names with indefinite lives

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. Value in use for brand names 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.

The following describes each key assumption on which management has based its cash flow forecasts to undertake impairment testing of brand names with indefinite 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.

iii) 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 8.4, 8.3, 11.2, 12.2 and 11.6% (2009: 8.4, 8.4, 12.3, 13.0 and 11.6%) respectively.

iv) Forecast growth rates
Forecast growth rates are used in the calculation of the residual value of each brand. For the purpose of impairment testing, real annual growth rates of nil to 2.0% (2009: nil to 2.0%) have been used.

	Refer Note	2010 $M	2009 $M

14. Trade and Other Payables

	Refer Note	2010 $M	2009 $M
Current			
Trade payables		315.6	322.5
Amounts due to related entities (trade)	32	138.4	197.2
Amounts due to related entities (non-trade)	32	34.9	37.6
Other payables		79.8	64.0
Total trade and other payables (current)		568.7	621.3
Non-current			
Other payables		–	1.3
Total trade and other payables (non-current)		–	1.3

a) Related party payables

For terms and conditions relating to related party payables, refer to Note 32.

b) Fair value

Due to the short term nature of payables, the carrying amount is assumed to approximate their fair value. Refer to Note 31 for further details.

c) Interest rate, foreign exchange and liquidity risk

Details regarding interest rate, foreign exchange and liquidity risk exposure are disclosed in Note 31.

15. Interest Bearing Liabilities

	Refer Note	2010 $M	2009 $M
Current			
Unsecured			
Bonds		50.1	444.5
Loans		0.5	0.5
Bank loans		76.6	160.6
Bank overdrafts		3.7	1.7
Total interest bearing liabilities (current)	15a)	130.9	607.3
Non-current			
Unsecured			
Bonds		1,695.3	1,809.6
Loans		4.3	4.9
Bank loans		137.9	33.7
Total interest bearing liabilities (non-current)	15a)	1,837.5	1,848.2

15. Interest Bearing Liabilities continued

a) Interest rate, foreign exchange and liquidity risk

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

Type of interest bearing liability/ country	2010 $M	2009 $M	Interest rate p.a. 2010 %	Interest rate p.a. 2009 %	Denomination	Maturity date
Current						
Bonds						
Australia	–	364.1	–	4.2	Australian Dollar	Jan to Aug 10
Australia	50.1	57.0	1.3	1.1	Japanese Yen	Mar to Sep 11
Australia	–	23.4	–	0.5	United States Dollar	Jun 10
	50.1	444.5				
Loans						
Australia	0.5	0.5	6.9	6.9	Australian Dollar	Apr to Dec 11
Bank loans						
New Zealand	76.1	160.6	4.3	3.2	New Zealand Dollar	Oct 11
Indonesia	0.5	–	1.5	–	United States Dollar	Jan 11
	76.6	160.6				
Bank overdrafts	3.7	1.7				
Total interest bearing liabilities (current)	130.9	607.3				
Non-current						
Bonds						
Australia	678.9	747.2	4.1	4.0	United States Dollar	Nov 14 to Apr 16
Australia	315.8	361.9	2.4	2.2	Japanese Yen	Mar 12 to Jun 36
Australia	700.6	700.5	5.4	4.6	Australian Dollar	Mar 12 to Jan 19
	1,695.3	1,809.6				
Loans						
Australia	4.3	4.9	6.9	6.9	Australian Dollar	Jun 17 to Apr 18
Bank loans						
New Zealand	104.9	–	4.3	–	New Zealand Dollar	May 12
Indonesia	33.0	33.7	8.0	1.5	United States Dollar	Jun 12
	137.9	33.7				
Total interest bearing liabilities (non-current)	1,837.5	1,848.2				

Further details regarding interest rate, foreign exchange and liquidity risk are disclosed in Note 31.

15. Interest Bearing Liabilities continued

b) Fair value

Details regarding the fair value of interest bearing liabilities are disclosed in Note 31.

c) Financing facilities

The following financing facilities are available as at balance date –

	2010 $M	2009 $M
i) Bank loan facilities		
Total arrangements	309.5	474.5
Used as at the end of the financial year	(214.5)	(194.3)
Unused as at the end of the financial year	95.0	280.2
ii) Overdraft facilities		
Total arrangements	5.0	5.0
Used as at the end of the financial year	(3.7)	(1.7)
Unused as at the end of the financial year	1.3	3.3

d) Defaults or breaches

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

16. Provisions

	2010 $M	2009 $M
Current		
Employee benefits	73.5	91.0
Total provisions (current)	73.5	91.0
Non-current		
Employee benefits	11.1	10.2
Total provisions (non-current)	11.1	10.2

	Refer Note	2010 $M	2009 $M

17. Deferred Tax Assets and Liabilities

a) Deferred taxes

	Refer Note	2010 $M	2009 $M
Deferred tax assets		1.2	1.1
Deferred tax liabilities		(190.8)	(157.4)
Net deferred tax liabilities		(189.6)	(156.3)

b) Movements in net deferred tax liabilities for the financial year

	Refer Note	2010 $M	2009 $M
Balance at the beginning of the financial year		(156.3)	(138.7)
Charged to the income statement as deferred tax expense	5a)	(34.1)	(21.9)
Charged to equity	21c)	(10.7)	(12.9)
Acquisitions of entities and operations		–	0.4
Net foreign currency movements		2.5	2.5
Other		9.0	14.3
Balance at the end of the financial year		(189.6)	(156.3)

c) Deferred taxes are attributable to the following –

	Refer Note	2010 $M	2009 $M
Allowances for current assets		3.5	4.5
Accrued charges and employee expense obligations		39.5	42.7
Other deductible items		10.2	12.3
Investments in bottlers' agreements		(130.7)	(131.3)
Property, plant and equipment and intangible assets		(61.3)	(44.3)
Retained earnings balances of overseas subsidiaries[1]		(23.7)	(28.5)
Other taxable items		(27.1)	(11.7)
Net deferred tax liabilities		(189.6)	(156.3)

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

d) Movements in deferred taxes, reflected in deferred tax expense, are attributable to the following –

	Refer Note	2010 $M	2009 $M
Allowances for current assets		0.8	(0.9)
Accrued charges and employee expense obligations		10.2	5.2
Other deductible items		(0.3)	(1.7)
Property, plant and equipment and intangible assets[1]		22.6	2.7
Retained earnings balances of overseas subsidiaries		(1.2)	11.9
Other taxable items		2.0	4.7
Net deferred tax expense	5a)	34.1	21.9

1 Includes $9.3 million deferred tax expense relating to changes in the New Zealand tax legislation. Refer to Note 5 for further details.

e) Deductible temporary differences not recognised, as realisation of the benefits represented by these balances is not considered to be probable

	Refer Note	2010 $M	2009 $M
Capital losses – no expiry date		961.3	960.9
Other items – no expiry date		38.4	38.4
Deductible temporary differences not recognised		999.7	999.3
Potential tax benefit		299.9	299.8

18. Defined Benefit Superannuation Plan Assets and Liabilities

The Group sponsors a number of superannuation plans that incorporate defined contribution and defined benefit categories (Plans). The Plans are the CCA Group Superannuation Plan (CCAGSP) and the CCA Superannuation Plan (CCASP) which are predominantly Australian based and the CCBI Superannuation Plan (CCBISP) which is Indonesian based. The defined benefit categories for the CCAGSP and the CCASP are 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 regular actuarial advice.

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

a) Balances recognised in the statement of financial position

		CCAGSP		CCASP		CCBISP		CCA Group	
	Refer Note	2010 $M	2009 $M	2010 $M	2009 $M	2010 $M	2009 $M	2010 $M	2009 $M
Present value of funded defined benefit obligations at the end of the financial year	18c)	33.6	29.5	74.4	66.2	29.0	28.4	137.0	124.1
Fair value of plan assets at the end of the financial year	18d)	(36.5)	(33.7)	(92.2)	(86.4)	–	–	(128.7)	(120.1)
		(2.9)	(4.2)	(17.8)	(20.2)	29.0	28.4	8.3	4.0
Unrecognised past service cost		–	–	–	–	(1.8)	(2.1)	(1.8)	(2.1)
Unrecognised gains/(losses)		2.6	4.4	2.4	7.2	(0.4)	(0.7)	4.6	10.9
Net defined benefit (assets)/liabilities		(0.3)	0.2	(15.4)	(13.0)	26.8	25.6	11.1	12.8
These amounts are disclosed as –									
Defined benefit liabilities		–	0.2	–	–	26.8	25.6	26.8	25.8
Defined benefit assets		(0.3)	–	(15.4)	(13.0)	–	–	(15.7)	(13.0)
Net defined benefit (assets)/liabilities		(0.3)	0.2	(15.4)	(13.0)	26.8	25.6	11.1	12.8

b) Expense recognised in the income statement

	CCAGSP 2010 $M	CCAGSP 2009 $M	CCASP 2010 $M	CCASP 2009 $M	CCBISP 2010 $M	CCBISP 2009 $M	CCA Group 2010 $M	CCA Group 2009 $M
Current service cost	1.8	2.3	4.8	7.1	2.6	2.1	9.2	11.5
Interest cost	1.6	1.4	3.7	3.2	3.5	3.1	8.8	7.7
Expected return on plan assets	(1.9)	(1.7)	(5.6)	(4.8)	–	–	(7.5)	(6.5)
Amortisation of previous period reported actuarial (gains)/losses	(0.1)	0.4	–	1.1	–	(0.1)	(0.1)	1.4
Past service cost	–	–	–	–	0.2	0.2	0.2	0.2
Expense recognised in the income statement	1.4	2.4	2.9	6.6	6.3	5.3	10.6	14.3

18. Defined Benefit Superannuation Plan Assets and Liabilities continued

c) Movements of the present value of the defined benefit obligations

	CCAGSP		CCASP		CCBISP[1]	
	2010 $M	2009 $M	2010 $M	2009 $M	2010 $M	2009 $M
Present value of defined benefit obligations at the beginning of the financial year	29.5	39.4	66.2	85.3	28.4	25.7
Current service cost	1.8	2.3	4.8	7.1	2.6	2.1
Interest cost	1.6	1.4	3.7	3.2	3.5	3.1
Actuarial losses/(gains)	2.0	(10.0)	4.6	(20.0)	(0.2)	3.6
Benefits paid	(1.3)	(3.6)	(4.9)	(9.4)	(2.4)	(2.9)
Net foreign currency movements	–	–	–	–	(2.9)	(3.2)
Present value of defined benefit obligations at the end of the financial year	33.6	29.5	74.4	66.2	29.0	28.4

d) Movements of the fair value of plan assets

Fair value of plan assets at the beginning of the financial year	33.7	28.3	86.4	69.3	–	–
Expected return on plan assets	1.9	1.7	5.6	4.8	–	–
Actuarial gains/(losses)	0.2	2.2	(0.3)	6.9	–	–
Employer contributions	2.0	5.1	5.4	14.8	–	–
Benefits paid	(1.3)	(3.6)	(4.9)	(9.4)	–	–
Fair value of plan assets at the end of the financial year	36.5	33.7	92.2	86.4	–	–

1 The CCBISP has no plan assets. PT Coca-Cola Bottling Indonesia and PT Coca-Cola Distribution Indonesia, in total, accrue the Plan'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	23.0	23.0	–	–
Overseas equities	15.0	15.0	26.0	26.0	–	–
Fixed interest securities	51.0	52.0	34.0	34.0	–	–
Property	10.0	9.0	13.0	12.0	–	–
Other	7.0	7.0	4.0	5.0	–	–

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 –

Discount rate	5.5	5.6	5.5	5.6	9.3	11.0
Expected return on plan assets	5.9[1]	5.9[2]	6.1	6.5	–	–
Future salary increases	4.5	4.0	4.3	3.8	6.0	8.0
Future inflation	2.8	2.3	2.8	2.3	6.0	6.0
Future pension increases	2.8	2.3	–	–	–	–

1 Comprising 87% active member and 13% pensioner assets.
2 Comprising 83% active member and 17% pensioner assets.

18. Defined Benefit Superannuation Plan Assets and Liabilities 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	2007 $M	2006 $M	2010 $M	2009 $M	2008 $M	2007 $M	2006 $M
Present value of defined benefit obligations	33.6	29.5	39.4	29.9	33.1	74.4	66.2	85.3	62.0	70.1
Fair value of plan assets	(36.5)	(33.7)	(28.3)	(33.0)	(36.5)	(92.2)	(86.4)	(69.3)	(81.8)	(85.1)
(Surplus)/deficit in Plan	(2.9)	(4.2)	11.1	(3.1)	(3.4)	(17.8)	(20.2)	16.0	(19.8)	(15.0)
Experience adjustments – plan liabilities	(0.4)	2.5	(1.6)	(0.9)	0.7	(0.2)	0.6	(4.6)	(1.9)	2.2
Experience adjustments – plan assets	0.2	2.2	(6.5)	(0.9)	3.0	(0.3)	6.9	(24.2)	0.1	4.3

	CCABISP				
	2010 $M	2009 $M	2008 $M	2007 $M	2006 $M
Present value of defined benefit obligations	29.0	28.4	25.7	23.7	24.8

	CCAGSP		CCASP		CCBISP	
	2010 $M	2009 $M	2010 $M	2009 $M	2010 $M	2009 $M

j) Actual return on plan assets

Actual return on plan assets	2.1	3.9	5.3	11.7	–	–

k) Expected future contributions

	2011 $M	2010 $M	2011 $M	2010 $M	2011 $M	2010 $M
Expected employer contributions	1.8	1.7	4.9	5.2	–	–

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 Plan.

	Refer Note	2010 No.	2009 No.	2010 $M	2009 $M

19. Share Capital

a) Issued capital

	Refer Note	2010 No.	2009 No.	2010 $M	2009 $M
Fully paid ordinary shares					
Balance at the beginning of the financial year		748,219,617	735,596,384	2,096.7	1,987.5
Shares issued in respect of –					
Dividend Reinvestment Plan	19b)	7,289,650	11,503,083	81.5	103.2
Executive Option Plan	22	493,800	1,120,150	2.0	6.0
Total movements		7,783,450	12,623,233	83.5	109.2
Balance at the end of the financial year		756,003,067	748,219,617	2,180.2	2,096.7

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

Ordinary shares have no par value.

b) Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) provides shareholders with the opportunity to receive fully paid ordinary shares, in lieu of cash dividends, at the price calculated using the daily volume weighted average market price of CCA shares during the 10 trading days commencing on the second trading day after the record date for the dividend. The DRP discount was reduced from 2% to nil, with effect from the 2010 interim dividend. The record date for the final dividend is 4 March 2011.

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

	2010			2009		
	Shares issued No.	Issue price $	Proceeds $M	Shares issued No.	Issue price $	Proceeds $M
Prior year final dividend	5,978,452	11.03	66.0	5,996,825	8.56	51.3
Current year interim dividend	1,311,198	11.83	15.5	5,506,258	9.41	51.9
Total	7,289,650		81.5	11,503,083		103.2

c) Earnings per share (EPS)

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

20. Shares Held by Equity Compensation Plans

	Refer Note	2010 $M	2009 $M
Balance at the beginning of the financial year		(13.7)	(16.6)
Movements in unvested CCA ordinary shares held by –			
Employees Share Plan	21b)	(1.5)	(1.4)
other plans		(2.7)	4.3
Total movements		(4.2)	2.9
Balance at the end of the financial year		(17.9)	(13.7)

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

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

	Refer Note	2010 $M	2009 $M

21. Reserves

	Refer Note	2010 $M	2009 $M
a) Reserves at the end of the financial year			
Foreign currency translation reserve		(108.3)	(67.5)
Share based remuneration reserve		35.1	33.0
Cash flow hedging reserve		33.4	(3.8)
Total reserves		(39.8)	(38.3)
b) Movements			
Foreign currency translation reserve			
Balance at the beginning of the financial year		(67.5)	(7.5)
Translation of financial statements of foreign operations		(40.8)	(59.9)
Share of joint venture entity's foreign exchange differences on translation of foreign operation		–	(0.1)
Total movements		(40.8)	(60.0)
Balance at the end of the financial year		(108.3)	(67.5)

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

	Refer Note	2010 $M	2009 $M
Share based remuneration reserve			
Balance at the beginning of the financial year		33.0	34.7
Expense recognised during the financial year	4	10.1	14.3
Deferred tax adjustment	21c)	5.0	–
Movements in unvested CCA ordinary shares held by –			
Employees Share Plan	20	1.5	1.4
other plans		–	(4.3)
Share based payments[1]		(9.1)	(13.1)
Other		(5.4)	–
Total movements		2.1	(1.7)
Balance at the end of the financial year		35.1	33.0

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 22 for further information of CCA share plans.

	Refer Note	2010 $M	2009 $M
21. Reserves continued			
b) Movements continued			
Cash flow hedging reserve			
Balance at the beginning of the year		(3.8)	(31.8)
Revaluation of cash flow hedges to fair value		71.2	15.2
Transferred to the income statement		(18.3)	25.7
Deferred tax adjustment	21c)	(15.7)	(12.9)
Total movements		37.2	28.0
Balance at the end of the financial year		33.4	(3.8)

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	2010 $M	2009 $M
Share based remuneration reserve	21b)	5.0	–
Cash flow hedging reserve	21b)	(15.7)	(12.9)
Total	17b)	(10.7)	(12.9)

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

Employees Share Plan

The Employees Share Plan provides employees with an opportunity to contribute up to 3% of their 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 for all 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 15,211 (2009: 15,543).

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

22. Employee Ownership Plans continued

Employees Share Plan continued

Details of the movements in share balances under the Plan during the 2010 financial year are as follows –

	Employee shares No.	Matching shares No.	Reserve shares No.	Total shares No.
Shares at the beginning of the financial year	3,661,592	3,661,592	10,312	7,333,496
Purchased	696,251	563,785	–	1,260,036
Utilised from reserves	–	132,466	(132,466)	–
Distributed to employees	(750,325)	(618,477)	–	(1,368,802)
Forfeited	–	(131,848)	131,848	–
Shares at the end of the financial year	3,607,518	3,607,518	9,694	7,224,730
Number of shares vested to employees	3,607,518	1,580,335	–	5,187,853

Long Term Incentive Share Rights Plan

The Long Term Incentive Share Rights Plan (LTISRP) provides executives with the opportunity to be rewarded with fully paid ordinary shares 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 total shareholder return (TSR) 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 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 shares are forfeited. No dividends are received 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. The shares offered have been valued using the Monte Carlo simulation methodology to value shares with a TSR performance condition and the Black Scholes model to value shares with an EPS performance condition.

For the financial year, the inputs used for valuing the shares offered under the 2010-2012 Plan were: $11.32 share price for the shares offered on 1 March 2010 and $11.21 share price for the shares offered on 14 May 2010; risk free rate of 5.1% for the shares offered on 1 March 2010 and 5.2% for the shares offered on 14 May 2010 based on Australian Government bond yields for periods matching the expected life of the Plan (as at offer date); expected volatility of 25.0% based on the rolling one year historical volatility of CCA's share price and volatility implied in the pricing of traded options; dividend yield of 4.2% for the shares offered on 1 March 2010 and 4.2% for the shares offered on 14 May 2010 based on the consensus broker forecasts divided by the share price at grant date.

During the financial year, the number of share rights offered to executives under the 2010-2012 Plan, and which are subject to performance hurdles, was 966,484 (2009: 813,818), with a weighted average fair value of $12.88 (2009: $10.25).

As at the end of the financial year, the number of shares in the LTISRP was 1,834,676 (2009: 2,176,342), with 173 participants (2009: 187 participants).

Executive Salary Sacrifice Share Plan

The Executive Salary Sacrifice Share Plan was established in September 2004. 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 Plan has a compulsory participation component and a voluntary salary sacrifice component. Under the compulsory participation component, which is more fully referred to in the Remuneration Report found in the Directors' Report, Australian executives participating in the Company's annual cash incentive plans are required to sacrifice a proportion of any awards made under the Plan, with the sacrificed amount being contributed towards the Executive Salary Sacrifice Share 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. The voluntary component, which allowed Australian executives to voluntarily sacrifice a nominated proportion of their remuneration, was suspended from 31 October 2009.

As at the end of the financial year, the number of shares in the Plan was 484,271 (2009: 747,753).

22. Employee Ownership Plans continued

Executive Retention Share Plan

The Executive Retention Share Plan (ERSP) was established in 2007, and key senior executives were invited to participate in the Plan. 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. In 2010, 43 senior executives were granted 239,050 shares in the Plan.

All shares in relation to these Plans 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.

As at the end of the financial year, the number of shares in the Plan was 408,910 (2009: 308,985).

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.

As at the end of the financial year, there were six Non-Executive Directors participating in the Plan and the number of shares in the Plan was 319,666 (2009: 336,933).

Shares under the Plan were purchased on market on the first business day of each month.

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. These shares are held in lieu of retirement benefits under the Company's Non-Executive Directors' Retirement Scheme which was terminated on 31 December 2002. Pursuant to the resolution passed at the Annual General Meeting held on 3 May 2006, the accrued benefits under the prior scheme were indexed against the movement in Average Weekly Ordinary Time Earnings from 1 January 2003 to 3 May 2006 and 152,236 shares in the Company were purchased at $6.8495 per share on 6 May 2006. The 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 three applicable Non-Executive Directors participating in the Trust and the number of shares in the Trust was 146,901 (2009: 141,199).

Executive Option Plan

The Executive Option Plan has been closed to new participants since 1 January 2003, and accordingly no options have been issued since that date. The Plan provides executives, as approved by the Compensation Committee, with options to acquire ordinary shares in the Company. The options' exercise price is the market price at the time of issue. The market price is the weighted average price of a specified five day period prior to issue. Each option is granted over one unissued ordinary share in the Company. Options issued prior to 24 April 2002 are exercisable between three and ten years after issue. Options may also be exercised earlier if employment terminates for reasons of retirement or redundancy. Payment in full is due at the time options are exercised. Options carry no voting rights and do not have any performance hurdles. Once the exercise period has been reached, the options may be exercised at the discretion of the executives.

Details of the movements in option balances under the Plan during the financial year are as follows –

	2010 No.	2009 No.
Options at the beginning of the financial year	1,350,150	2,674,805
Reinstated	1,800	8,250
Exercised	(493,800)	(1,120,150)
Expired	(164,200)	(212,755)
Options at the end of the financial year	693,950	1,350,150

22. Employee Ownership Plans continued

Executive Option Plan continued

Details of options on issue at the end of the 2010 financial year are as follows –

Holders No.	Options No.[1]	Exercise price $	Grant date	Options exercisable from date[2]	Options expiry date
168	693,950	5.44	17 August 2001	Current	17 August 2011

1 Each option represents an option to acquire one ordinary share.

2 All options have vested with the respective executives.

Details of options exercised during the financial year are as follows –

	2010				2009			
Exercise price $	Options exercised No.	Weighted average market value at exercise date $	Proceeds $M	Market value at exercise date $M	Options exercised No.	Weighted average market value at exercise date $	Proceeds $M	Market value at exercise date $M
2.97	285,600	11.36	0.9	3.2	215,300	9.06	0.6	2.0
4.31	–	–	–	–	135,000	10.20	0.6	1.4
5.44	208,200	11.81	1.1	2.5	167,100	8.93	0.9	1.5
6.49	–	–	–	–	602,750	8.78	3.9	5.3
Total	493,800		2.0	5.7	1,120,150		6.0	10.2

	Refer Note	2010 $M	2009 $M
23. Dividends			
a) Summary of dividends appropriated during the financial year			
Prior year final dividend[1]		187.1	161.9
Current year interim dividend[2]		154.7	137.4
Total dividends appropriated		341.8	299.3
Dividends satisfied by issue of shares under the Dividend Reinvestment Plan	6b)	(81.5)	(103.2)
Dividends paid as per the statement of cash flows		260.3	196.1
b) Dividends declared and not recognised as a liability			
Since the end of the financial year, the Directors have declared the following dividend –			
Current year final dividend on ordinary shares[3]		211.7	187.2
c) Franking credits[4]			
Balance of the franking account at the end of the financial year		84.4	90.4
Franking credits which will arise from payment of income tax provided for in the financial statements		71.8	65.9
Total franking credits		156.2	156.3

1 Paid at 25.0¢ (2009: 22.0¢) per share and fully franked at the Australian tax rate of 30%.

2 Paid at 20.5¢ (2009: 18.5¢) per share and fully franked at the Australian tax rate of 30%.

3 Declared at 28.0¢ (2009: 25.0¢) per share and fully franked at the Australian tax rate of 30%.

4 Franking credits are expressed on a tax paid basis. Accordingly, the total franking credits balance would allow fully franked dividends to be paid equal to $364.5 million (2009: $364.7 million).

The franking credits balance will be reduced by $90.7 million resulting from the final dividend declared for 2010, payable 5 April 2011.

	2010	2009

24. Earnings Per Share (EPS)

	¢	¢
Basic EPS	66.0	60.5
Diluted EPS	66.0	60.4
Before significant item –		
Basic EPS	67.3	60.5
Diluted EPS	67.2	60.4

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	753.2	742.0
Effect of dilutive securities – share options	0.6	0.9
Adjusted weighted average number of ordinary shares on issue used to calculate diluted EPS	753.8	742.9

	$M	$M
Earnings used to calculate basic and diluted EPS –		
Profit attributable to members of Coca-Cola Amatil Limited	497.3	449.0
Add back significant item[1]	9.3	–
Earnings used to calculate basic and diluted EPS before significant item	506.6	449.0

1 Refer to Note 5 for further details.

	2010 $M	2009 $M

25. Commitments

a) Capital expenditure commitments

Estimated aggregate amount of contracts for purchase of property, plant and equipment not provided for, payable –	2010 $M	2009 $M
within one year	112.1	70.4
later than one year but not later than five years	24.4	–
	136.5	70.4

b) Operating lease commitments

Lease commitments for non-cancellable operating leases with terms of more than one year, payable –	2010 $M	2009 $M
within one year	61.5	53.2
later than one year but not later than five years	135.0	113.3
later than five years	91.1	97.2
	287.6	263.7

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

c) Other commitments

Promotional commitments, payable –	2010 $M	2009 $M
within one year	28.2	26.4
later than one year but not later than five years	64.6	36.4
later than five years	8.4	8.2
	101.2	71.0

The Group has promotional commitments principally relating to sponsorship of sports clubs, charities and various other organisations and events.

26. Contingencies

Contingent liabilities existed at the end of the financial year in respect of –	2010 $M	2009 $M
termination payments under employment contracts[1]	8.8	6.8
other guarantees	2.8	2.1
	11.6	8.9

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.

	2010 $M	2009 $M

27. Auditors' Remuneration

Amounts received, or due and receivable, by –

	2010 $M	2009 $M
CCA auditor, Ernst & Young (Australia) for –		
audit or half year review of the financial reports	1.780	1.780
other services –		
assurance related	0.506[1]	1.048[1]
tax compliance	0.016	0.012
	0.522	1.060
	2.302	2.840
Member firms of Ernst & Young in relation to subsidiaries of CCA for –		
audit or half year review of the financial reports	0.441	0.554
other services –		
assurance related	–	0.016
tax compliance	0.003	–
	0.003	0.016
	0.444	0.570
Other firms in relation to subsidiaries of CCA for –		
audit or half year review of the financial reports	0.061	0.069
other services –		
tax compliance	0.010	0.009
	0.071	0.078
Total auditors' remuneration	2.817	3.488

1 Mainly relates to the OAisys project and the issuance of bonds.

28. Business Combinations

There were no material acquisitions or disposals of entities or businesses during the financial year. For the comparative financial year, the Group made the following acquisitions –

	Acquisition date	Total purchase consideration (net) $M	Fair value of identifiable assets acquired $M	Goodwill $M
Can and bottle recycling (Food & Services business), and cordial business (New Zealand beverage business)	13 May, and 2 February	23.6	10.7	12.9

29. Directors and Key Management Personnel Disclosures

Total remuneration for Directors and KMP for the CCA Group during the financial year is set out below –

Remuneration by category	2010 $	2009 $
Short term	11,912,912	12,392,952
Post employment	2,014,179	2,409,544
Other long term	49,994	5,594
Termination	–	239,062
Share based payments	3,106,708	3,032,009
	17,083,793	18,079,161

Further details are contained in the Remuneration Report found in the Directors' Report.

Options held by Directors and key management personnel

The Company has not issued options since 1 January 2003. There were no options on issue to Directors and KMP during the financial year.

29. Directors and Key Management Personnel Disclosures continued

Shareholdings of individuals whilst acting in the capacity of Directors and KMP –

2010 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	355,793	11,736	–	–	367,529
C.M. Brenner	12,430	502	–	–	12,932
J.R. Broadbent, AO[5]	66,308	1,448	–	–	67,756
T.J. Davis[6&7]	1,085,934	–	183,967	(870,127)	399,774
A.G. Froggatt[8]	–	49,000[9]	–	–	49,000
M. Jansen	–	10,173	–	–	10,173
G.J. Kelly	22,255	62	–	–	22,317
W.M. King, AO	54,527	300	–	–	54,827
D.E. Meiklejohn, AM	25,275	–	–	–	25,275
Executives					
W.G. White[7]	247,326	130,056	49,568	(72,425)	354,525
G. Adams[7]	40,619	8,406	6,772	(21,700)	34,097
P.N. Kelly[7]	108,632	19,809	20,640	–	149,081
K.A. McKenzie[5]	42,341	17,789	19,350	(53,950)	25,530
N.I. O'Sullivan[7]	39,260	11,804	9,675	–	60,739
S.C. Perkins[10]	59,108	20,254	16,125	(95,487)	–
V. Pinneri	1,149	2,688	–	–	3,837
J. Seward[11]	94,061	16,276	17,415	(127,752)	–

1 *Includes existing balances of shares on appointment to being a Director or KMP during the financial year.*
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 arms length.*
3 *Shares awarded under the 2007-2009 LTISRP.*
4 *Includes movements attributable to cessation of individuals in their capacity of Director or KMP.*
5 *Retired 31 December 2010.*
6 *Includes beneficial interest in 247,156 shares held by the LTISRP, which are subject to the conditions of the Plan.*
7 *Subsequent to 31 December 2010, the following awards under the 2008-2010 LTISRP were made to individuals classified as ongoing KMP as at the end of the financial year –*

Mr Davis	*215,500*	*Mr Kelly*	*27,280*
Mr White	*65,515*	*Ms O'Sullivan*	*26,087*
Mr Adams	*16,027*		

8 *Appointed 1 December 2010.*
9 *Indirect interest in 25,000 shares as an executor of a will, and in 24,000 shares under an enduring power of attorney.*
10 *Ceased to be a KMP on 30 June 2010.*
11 *Ceased to be a KMP on 31 January 2010.*

29. Directors and Key Management Personnel Disclosures continued

Shareholdings of Directors and key management personnel continued

2009 Number of ordinary shares held	Opening balance	Additions[1]	Non-Executive Directors' Share Plan[2]	Issued/ awarded as remuneration[3]	Shares withdrawn or sold, retirements and resignations	Closing balance
Directors in office at the end of the financial year						
D.M. Gonski, AC	334,880	12,944	7,969	–	–	355,793
C.M. Brenner	5,693	408	6,329	–	–	12,430
J.R. Broadbent, AO	61,328	1,572	3,408	–	–	66,308
T.J. Davis[4&5]	923,564	27,481	–	329,889	(195,000)	1,085,934
M. Jansen[6]	–	–	–	–	–	–
G.J. Kelly	19,192	68	2,995	–	–	22,255
W.M. King, AO	48,211	326	5,990	–	–	54,527
D.E. Meiklejohn, AM	21,765	–	3,510	–	–	25,275
Former Director						
I. Finan[7]	13,966	–	3,301	–	(17,267)	–
Executives						
W.G. White[5]	271,778	148,852	–	122,345	(295,649)	247,326
G. Adams[5]	29,824	4,060	–	19,735	(13,000)	40,619
P.N. Kelly[5]	97,804	13,732	–	48,500	(51,404)	108,632
J. Seward[5]	48,999	2,940	–	42,122	–	94,061
S.C. Perkins[5]	15,902	3,405	–	39,801	–	59,108
N.I. O'Sullivan[5]	76,748	13,436	–	34,576	(85,500)	39,260
K.A. McKenzie[5]	79,940	9,741	–	46,610	(93,950)	42,341
Former executive						
N. Garrard[8]	58,487	13,916	–	43,624	(116,027)	–

1 Includes the purchase of ordinary shares and shares issued under the Employees Share Plan, Dividend Reinvestment Plan and Executive Salary Sacrifice Share Plan. The additions to the shareholdings were at arms length.

2 Shares purchased during the period. Beneficial interest held subject to the conditions of the Plan.

3 Shares awarded under the 2005-2007 LTISRP and 2006-2008 LTISRP.

4 Includes beneficial interest in 649,908 shares held by the LTISRP, which are subject to the conditions of the Plan.

5 Subsequent to 31 December 2009, the following awards under the 2007-2009 LTISRP were made –

Mr Davis	*183,967*	*Mr Kelly*	*20,640*	*Ms O'Sullivan*	*9,675*
Mr White	*49,568*	*Mr Seward*	*17,415*	*Mr McKenzie*	*19,350*
Mr Adams	*6,772*	*Mr Perkins*	*16,125*		

6 Appointed 15 December 2009.

7 Retired 15 December 2009. 17,267 shares were transferred out of the Non-Executive Directors Share Plan subsequent to the end of the financial year.

8 Resigned 22 April 2009.

Loans to Directors and key management personnel

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

Other transactions of Directors and key management personnel and their personally related entities

Neither CCA nor any other Group company was party to any transactions with Directors and KMP.

	Refer Note	2010 $M	2009 $M
30. Derivatives and Net Debt Reconciliation			
a) Derivatives as per the statement of financial position			
Derivative assets – current	31c)	(46.4)	(38.3)
Derivative assets – non-current	31c)	(87.3)	(54.7)
Derivative liabilities – current	31c)	51.8	76.7
Derivative liabilities – non-current	31c)	176.1	105.7
Total net derivative liabilities		94.2	89.4
Net derivative liabilities comprises –			
Debt related		125.3	56.9
Non-debt related		(31.1)	32.5
Total net derivative liabilities		94.2	89.4
b) Net debt reconciliation			
Cash assets	6	(385.3)	(864.4)
Net derivative liabilities – debt related		125.3	56.9
Receivables – non-current		(19.0)	–
Interest bearing liabilities – current	15a)	130.9	607.3
Interest bearing liabilities – non-current	15a)	1,837.5	1,848.2
Total net debt		1,689.4	1,648.0

31. Financial and Capital Risk Management

Capital risk management

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

The capital structure of Group entities is monitored using the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total interest bearing liabilities and debt related derivatives less cash assets and interest bearing receivables. 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	2010 $M	2009 $M
Net debt	30	1,689.4	1,648.0
Total equity		1,833.4	1,600.1
Total capital employed		3,522.8	3,248.1
Gearing ratio %		92.1	103.0

Financial risk management

The Group's principal financial instruments, other than derivatives, comprise cash, short term deposits, bills of exchange, bank loans and capital markets issues.

The main purpose of these financial instruments is to manage liquidity and to raise finance for the Group's operations.

The Group has various other financial instruments such as trade and other receivables and trade and other payables, which arise directly from its operations.

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 right that effectively transfers one or more of the risks associated with an underlying financial instrument, asset or obligation. Derivative instruments that the Group uses to hedge risks such as interest rate, foreign currency and commodity price movements include –

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

The Group's risk management activities are carried out centrally by CCA's Group Treasury department. The Group Treasury department operates under a Board approved Treasury Policy.

31. Financial and Capital Risk Management continued

Financial risk management continued

a) Categories of financial assets and financial liabilities

This Note provides a summary of the Group's underlying economic positions as represented by the carrying values and fair values of the Group's financial assets and financial liabilities.

The fair values of the Group's financial assets and financial liabilities approximate their carrying amounts. The carrying amounts and fair values of the Group's financial assets and liabilities are shown below –

	2010 Carrying amount/ fair value $M	2009 Carrying amount/ fair value $M
Financial assets – current		
Cash assets	385.3	864.4
Trade and other receivables	771.8	777.6
Derivatives – fair value through the income statement	2.3	1.5
Derivatives – hedge accounted through equity	44.1	36.8
Total financial assets – current	1,203.5	1,680.3
Financial assets – non-current		
Trade and other receivables	20.9	2.2
Derivatives – fair value through the income statement	20.4	17.7
Derivatives – hedge accounted through equity	66.9	37.0
Total financial assets – non-current	108.2	56.9
Total financial assets	1,311.7	1,737.2
Financial liabilities – current		
Trade and other payables	568.7	621.3
Interest bearing liabilities –		
Bonds – at amortised cost[1]	50.1	444.5
Loans – at amortised cost	0.5	0.5
Bank loans – at amortised cost	76.6	160.6
Bank overdrafts	3.7	1.7
Derivatives – fair value through the income statement	3.1	9.5
Derivatives – hedge accounted through equity	48.7	67.2
Total financial liabilities – current	751.4	1,305.3
Financial liabilities – non-current		
Trade and other payables	–	1.3
Interest bearing liabilities –		
Bonds – fair value through the income statement[2]	313.9	857.9
Bonds – at amortised cost[1&3]	1,381.4	951.7
Loans – at amortised cost	4.3	4.9
Bank loans – at amortised cost	137.9	33.7
Derivatives – fair value through the income statement	143.8	74.1
Derivatives – hedge accounted through equity	32.3	31.6
Total financial liabilities – non-current	2,013.6	1,955.2
Total financial liabilities	2,765.0	3,260.5

1 Includes bonds carried at historical cost, and bonds within effective cash flow hedge relationships.
2 Represents bonds within effective fair value hedge relationships.
3 Carrying values. The fair value of bonds at amortised cost for CCA Group was $1,334.7 million (2009: $971.7 million).

31. Financial and Capital Risk Management continued

Financial risk management continued

b) Risk factors

This Note addresses in more detail the key financial risk factors that arise from the Group's activities, including the Group's policies for managing these risks.

The key financial risk factors that arise from the Group's activities, including the Group's policies for managing these risks, are outlined below.

Market risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices. The market risk factors to which the Group is exposed to are discussed in further detail below.

i) Interest rate risk

Interest rate risk refers to the risks that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

Interest rate risk arises from interest bearing financial assets and liabilities that the Group utilises. Non-derivative interest bearing assets are predominantly short term liquid assets. Long term debt issued at fixed rates exposes the Group to fair value interest rate risk. The Group's borrowings which have a variable interest rate attached 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 minimum and maximum average fixed rate maturity profiles for both asset and liability portfolios.

The Group maintains a mix of offshore and local currency fixed rate and variable rate debt, as well as a mix of long term debt 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 designates which of its financial assets and financial liabilities are exposed to a fair value or cash flow interest rate risk, such as financial assets and liabilities with a fixed interest rate or financial assets and financial liabilities with a floating interest rate that is reset as market rates change.

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 c) 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 interest rate risk that are not designated in cash flow hedges –

	As at 31 December 2010				As at 31 December 2009			
	Average interest rate p.a. %	Floating rate $M	Non-interest bearing $M	Total $M	Average interest rate p.a. %	Floating rate $M	Non-interest bearing $M	Total $M
Financial assets								
Cash assets	3.3	385.3	–	385.3	3.9	864.4	–	864.4
Trade and other receivables	–	–	773.7	773.7	–	–	779.8	779.8
		385.3	773.7	1,159.0		864.4	779.8	1,644.2
Financial liabilities								
Trade and other payables	–	–	568.7	568.7	–	–	622.6	622.6
Bonds	5.3	517.2	–	517.2	4.6	822.0	–	822.0
Bank loans	6.2	62.4	–	62.4	1.5	33.7	–	33.7
		579.6	568.7	1,148.3		855.7	622.6	1,478.3

31. Financial and Capital Risk Management continued

Financial risk management continued

b) Risk factors continued

i) Interest rate risk continued

Sensitivity analysis

The table 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 all 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 reasonable given the current level of both short term and long term Australian interest rates. A 10% favourable movement would change medium term interest rates at 31 December 2010 from around 5.5% to 4.95%, representing a 55 basis point shift and a rate of 6.05% for an adverse change. In addition, in determining a reasonably possible change in interest rate risk, it is considered appropriate to use a rate that reflects long term interest rate movements rather than movements reflecting short term market volatility.

In 2010, 88% (2009: 92%) of the Group's debt was exposed to changes denominated in Australian Dollar interest rates; therefore, only the movement in Australian interest rates is used in this sensitivity analysis.

Based on the sensitivity analysis, if interest rates were 10% lower, net profit would be impacted by the Group's net floating rate Australian Dollar positions during the year.

	Net profit		Equity (cash flow hedging reserve) As at 31 December	
	2010 $M	2009 $M	2010 $M	2009 $M
If interest rates were 10% higher with all other variables held constant – increase/(decrease)	0.7	0.6	16.9	17.5
If interest rates were 10% lower with all other variables held constant – increase/(decrease)	(0.7)	(1.2)	(17.4)	(18.0)

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 –

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

The Group is exposed to foreign exchange risk from various currency exposures, primarily with respect to –

- British Pounds Sterling;
- Canadian Dollars;
- Euro;
- Fijian Dollars;
- Indonesian Rupiah;
- Japanese Yen;
- New Zealand Dollars;
- Papua New Guinean Kina; and
- United States Dollars.

Forward foreign exchange and options contracts are used to hedge a portion of the Group's anticipated foreign currency risks. These contracts have maturities of less than three 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.

31. Financial and Capital Risk Management continued

Financial risk management continued

b) Risk factors continued

ii) Foreign currency risk continued

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.

Benefits or costs arising from currency hedges for revenue and expense transactions that are designated and documented in a hedge relationship are brought to account in the income statement over the lives of the hedge transactions depending on the effectiveness testing outcomes and when the underlying exposure impacts earnings. For transactions entered into that hedge specific capital or borrowing commitments, any cost or benefit resulting from the hedge forms part of the initial asset or liability carrying value.

When entered into, the Group formally designates and documents the financial instrument as a hedge of the underlying exposure, as well as the risk management objectives and strategies for undertaking the hedge transactions. The Group formally assesses both at the 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 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. Derivatives entered into and not documented in a hedge relationship are revalued with the changes in fair value recognised in the income statement. Virtually all of the Group's derivatives are straightforward over-the-counter instruments traded in liquid markets.

Also refer to section c) of this Note for further details.

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 consolidated Group 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.

Sensitivity analysis

The table 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 the exchange rate and the volatility observed both on a historical basis and market expectations for potential future movement. Comparing the Australian Dollar exchange rate against the United States Dollar, the year end rate of 1.015 would generate a 10% adverse position of 0.9135 and a favourable position of 1.1165. This range is considered reasonable given that over the last five years, the Australian Dollar exchange rate against the United States Dollar has traded in the range of 0.6000 to 1.025.

31. Financial and Capital Risk Management continued

Financial risk management continued

b) Risk factors continued

ii) Foreign currency risk continued

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 rate against foreign currency.

	Net profit		Equity (cash flow hedging reserve) As at 31 December	
	2010 $M	2009 $M	2010 $M	2009 $M
If foreign currency rates were 10% higher with all other variables held constant – increase/(decrease)	(1.0)	2.7	(20.2)	(22.6)
If foreign currency rates were 10% lower with all other variables held constant – increase/(decrease)	3.3	(1.5)	18.5	19.7

In regards to translation risk, the following table presents the impact on net profit and equity after income tax from a 10% favourable/adverse movements 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	
	2010 $M	2009 $M	2010 $M	2009 $M
If foreign currency rates were 10% higher with all other variables held constant – increase/(decrease)	(7.7)	(8.2)	(41.4)	(41.2)
If foreign currency rates were 10% lower with all other variables held constant – increase/(decrease)	9.5	9.9	50.4	50.5

31. Financial and Capital Risk Management continued

Financial risk management continued

b) 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 (being mainly sugar and aluminium) used in the business. 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. These models take into consideration assumptions based on market data as at balance date.

Benefits or costs arising from commodity hedges that are designated and documented in a hedge relationship are brought to account in the income statement over the lives of the hedge transaction depending on hedge effectiveness testing outcomes and when the underlying exposure impacts earnings. Any cost or benefit resulting from the hedge forms parts of the carrying value of inventories.

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.

Sensitivity analysis

The following table shows the effect on net profit and equity after income tax as at balance date from a 10% favourable/adverse movements 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	
	2010 $M	2009 $M	2010 $M	2009 $M
If there was a 10% increase in commodity prices with all other variables held constant – increase/(decrease)	0.1	0.1	19.4	20.5
If there was a 10% decrease in commodity prices with all other variables held constant – increase/(decrease)	(0.3)	–	(19.1)	(20.5)

31. Financial and Capital Risk Management continued

Financial risk management continued

b) Risk factors continued

iv) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and 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 financial instruments and derivatives. 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 derivative 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 at 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 customers or individual institutions. Approximately 71.5% (2009: 69.6%) of the trade receivables balance as at balance date is reflected by the total of each operation's top five customers.

The financial assets that are neither past due nor impaired are detailed in the table below –

	Beverage business			Food & Services business	
31 December 2010	Australia[1] $M	New Zealand & Fiji $M	Indonesia & PNG $M	Australia $M	Total CCA Group $M
Cash assets	317.6	19.6	34.0	14.1	385.3
Trade and other receivables	543.7	86.6	82.4	80.0	792.7
Derivatives	132.8	0.1	0.8	–	133.7
Total CCA Group	994.1	106.3	117.2	94.1	1,311.7
31 December 2009					
Cash assets	789.5	17.6	36.6	20.7	864.4
Trade and other receivables	498.1	76.0	97.1	108.6	779.8
Derivatives	93.0	–	–	–	93.0
Total CCA Group	1,380.6	93.6	133.7	129.3	1,737.2

1 Includes CCA's Treasury balances.

31. Financial and Capital Risk Management continued

Financial risk management continued

b) Risk factors continued

v) Liquidity risk

Liquidity risk includes the risk that the Group cannot meet its financial commitments as and when they fall due.

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.

The contractual maturity of the Group's fixed and floating rate derivatives, other financial assets and other financial liabilities are shown in the table below. The amounts presented represent the future undiscounted principal and interest cash flows and therefore do not equate to the values shown in the table found in section a) of this Note. The expected timing of cash flows and impact on net profit corresponds to the contractual cash flows set out below.

	As at 31 December 2010 Contractual maturity (nominal cash flows)				As at 31 December 2009 Contractual maturity (nominal cash flows)			
	Less than 1 year $M	1 to 2 year(s) $M	2 to 5 years $M	Over 5 years $M	Less than 1 year $M	1 to 2 year(s) $M	2 to 5 years $M	Over 5 years $M
Derivatives – inflows[1]								
Commodities contracts and options	39.8	20.0	5.3	–	29.4	15.3	4.8	–
Cross currency swaps – foreign leg (fixed)[2]	64.7	52.0	464.7	440.2	92.0	73.1	579.1	563.8
Cross currency swaps – foreign leg (variable)[2]	13.4	1.4	133.0	–	24.0	13.8	137.4	–
Forward foreign currency contracts[2]	503.5	113.5	18.7	–	553.6	144.3	36.4	–
Interest rate swaps – pay fixed/receive variable[3]	0.2	1.4	13.5	2.2	7.4	9.3	42.8	4.7
Derivatives – outflows[1]								
Commodities contracts and options	(0.2)	–	–	–	(9.3)	–	(3.4)	–
Cross currency swaps – AUD leg (variable)[2]	(118.4)	(100.7)	(749.8)	(706.5)	(150.3)	(122.6)	(824.8)	(748.5)
Forward foreign currency contracts[2]	(540.7)	(135.6)	(22.7)	–	(588.9)	(159.2)	(39.7)	–
Interest rate swaps – pay fixed/receive variable[3]	–	(0.2)	(0.6)	–	(4.9)	(8.8)	(34.0)	–
Interest rate swaps – pay variable/receive fixed[3]	(11.6)	(1.9)	(0.6)	–	(27.1)	(4.8)	(0.6)	–
Other financial assets[1]								
Cash assets	385.3	–	–	–	864.4	–	–	–
Trade and other receivables	771.8	–	20.8	0.1	777.6	–	2.2	–
Other financial liabilities[1]								
Trade and other payables	(568.7)	–	–	–	(621.3)	(0.3)	(1.0)	–
Bonds, domestic loans and bank overdrafts	(283.1)	(142.7)	(1,072.0)	(731.7)	(527.8)	(134.0)	(1,054.5)	(1,210.5)
Offshore loans	(76.6)	(137.9)	–	–	(160.6)	(33.7)	–	–

1 For floating rate instruments, the amount disclosed is determined by reference to the interest rate at the last repricing date.

2 Contractual amounts to be exchanged, representing gross cash flows to be exchanged.

3 Net amount for interest rate swaps for which net cash flows are exchanged. Categorisation of inflows and outflows is based on current variable rates at the reporting date.

31. Financial and Capital Risk Management continued

Financial risk management continued

b) Risk factors continued

vi) Fair value

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.

For the year ended 31 December 2010	Quoted market price (Level 1) $M	Valuation Technique- market observable inputs (Level 2) $M	Total $M
Derivative assets			
Derivatives – fair value through the income statement	–	22.7	22.7
Derivatives – hedge accounted through equity	3.0	108.0	111.0
Total derivative assets	3.0	130.7	133.7
Derivative liabilities			
Derivatives – fair value through the income statement	–	146.9	146.9
Derivatives – hedge accounted through equity	58.9	22.1	81.0
Total derivative liabilities	58.9	169.0	227.9
For the year ended 31 December 2009			
Derivative assets			
Derivatives – fair value through the income statement	0.2	19.0	19.2
Derivatives – hedge accounted through equity	8.5	65.3	73.8
Total derivative assets	8.7	84.3	93.0
Derivative liabilities			
Derivatives – fair value through the income statement	0.7	82.9	83.6
Derivatives – hedge accounted through equity	48.1	50.7	98.8
Total derivative liabilities	48.8	133.6	182.4

Quoted market price represents the fair value determined based on quoted prices in active markets as at the reporting date without any deduction for transaction costs.

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.

Financial instruments that use valuation techniques with only observable market inputs or unobservable inputs that are not significant to the overall valuation include interest rate swaps, cross currency swaps, forward commodity contracts and foreign exchange contracts not traded on a recognised exchange.

31. Financial and Capital Risk Management continued

Financial risk management continued

b) Risk factors continued

vi) Fair value continued

The fair value of derivatives that do not have an active market, are based on valuation techniques using market data that is observable. 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.

There were no transfers between Level 1 and Level 2 during the financial year.

c) Derivative financial instruments

The following table provides details of the Group's derivative financial instruments and hedges that are used for financial risk management.

	Refer Note	2010 $M	2009 $M
Derivative assets – current			
Contracts with positive fair values			
The fair values of derivative financial instruments (non-debt related) at the end of the financial year designated as cash flow hedges are –			
Commodities contracts and options		39.8	29.5
Cross currency swaps		1.8	–
Foreign currency contracts and options		2.5	7.3
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 –			
Commodities contracts and options		–	1.1
Foreign currency contracts and options		2.3	0.4
Total derivative assets – current (non-debt related)	30a)	46.4	38.3
Derivative assets – non-current			
Contracts with positive fair values			
The fair values of derivative financial instruments (debt related) at the end of the financial year designated as fair value hedges are –			
Cross currency swaps		20.1	–
Total derivative assets – non-current (debt related)		20.1	–
The fair values of derivative financial instruments (non-debt related) at the end of the financial year designated as cash flow hedges are –			
Commodities contracts and options		25.3	20.1
Cross currency swaps		40.2	10.0
Foreign currency contracts and options		0.3	1.2
Interest rate contracts and options		1.2	5.6
The fair values of derivative financial instruments (non-debt related) at the end of the financial year designated as fair value hedges are –			
Cross currency swaps		–	16.3
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 contracts and options		0.2	1.5
Total derivative assets – non-current (non-debt related)		67.2	54.7
Total derivative assets – non-current	30a)	87.3	54.7

31. Financial and Capital Risk Management continued

Financial risk management continued

c) Derivative financial instruments continued

	Refer Note	2010 $M	2009 $M
Derivative liabilities – current			
Contracts with negative fair values			
The fair values of derivative financial instruments (debt related) at the end of the financial year designated as fair value hedges are –			
Cross currency swaps		2.1	8.3
Total derivative liabilities – current (debt related)		2.1	8.3
The fair values of derivative financial instruments (non-debt related) at the end of the financial year designated as cash flow hedges are –			
Commodities contracts and options		0.2	8.8
Cross currency swaps		6.2	4.2
Foreign currency contracts and options		40.8	44.2
Interest rate contracts and options		1.5	9.9
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 –			
Commodities contracts and options		–	0.4
Foreign currency contracts and options		1.0	0.9
Total derivative liabilities – current (non-debt related)		49.7	68.4
Total derivative liabilities – current	30a)	51.8	76.7
Derivative liabilities – non-current			
Contracts with negative fair values			
The fair values of derivative financial instruments (debt related) at the end of the financial year designated as fair value hedges are –			
Cross currency swaps		143.3	48.6
Total derivative liabilities – non-current (debt related)		143.3	48.6
The fair values of derivative financial instruments (non-debt related) at the end of the financial year designated as cash flow hedges are –			
Commodities contracts and options		–	3.5
Cross currency swaps		5.6	8.7
Foreign currency contracts and options		23.0	8.4
Interest rate contracts and options		3.7	11.1
The fair values of derivative financial instruments (non-debt related) at the end of the financial year designated as fair value hedges are –			
Cross currency swaps		–	24.4
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 contracts and options		0.5	1.0
Total derivative liabilities – non-current (non-debt related)		32.8	57.1
Total derivative liabilities – non-current	30a)	176.1	105.7

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.

32. Related Parties

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

Directors and key management personnel
Disclosures relating to Directors and KMP are set out in Note 29, and in the Directors' Report.

Related entities
The Coca-Cola Company (TCCC) directly and through its subsidiary, Coca-Cola Holdings (Overseas) Limited, holds 29.5% (2009: 29.8%) of the Company's fully paid ordinary shares.

Pacific Beverages Pty Ltd, a joint venture entity with SABMiller plc, is held 50% by CCA.

Transactions with related parties

	2010 $M	2009 $M
Reimbursements and other revenues from –		
Entities with significant influence over the Group		
TCCC and its subsidiaries[1]	23.0	15.3
Joint venture entity		
Service fee[2]	3.6	4.5
Finance income	0.6	–
Purchases and other expenses from –		
Entities with significant influence over the Group		
TCCC and its subsidiaries[3&4]	686.1	729.6
Other related parties	9.1	9.2
Amounts owed by –		
Entities with significant influence over the Group		
TCCC and its subsidiaries	15.4	12.2
Joint venture entity	65.8	45.5
Amounts owed to –		
Entities with significant influence over the Group		
TCCC and its subsidiaries[4]	138.0	196.7
Joint venture entity	34.9	37.6
Other related parties	0.4	0.5

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

2 *Represents the services provided to Pacific Beverages Pty Ltd and its subsidiaries under certain agreements and arrangements agreed between CCA and Pacific Beverages Pty Ltd and its subsidiaries.*

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

4 *During the financial year, the source of concentrates changed from Europe to Singapore together with an associated reduction in payment terms. These changes resulted in reduced purchases and amounts owed at year end.*

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 2010, the Group has not raised any allowance for doubtful receivables relating to amounts owed by related parties (2009: nil).

33. CCA Entity Disclosures

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

a) CCA Entity's financial position	2010 $M	2009 $M
Current assets	424.9	874.1
Non-current assets	4,375.3	4,339.8
Total assets	4,800.2	5,213.9
Current liabilities	425.0	791.5
Non-current liabilities	1,879.6	1,910.9
Total liabilities	2,304.6	2,702.4
Net assets	2,495.6	2,511.5
Equity		
Share capital	2,180.2	2,096.7
Reserves		
Share based remuneration	19.4	19.4
Cash flow hedging	36.5	5.1
Other	(2.8)	–
Total reserves	53.1	24.5
Retained earnings	262.3	390.3
Total equity	2,495.6	2,511.5

b) CCA Entity's financial performance

Profit after income tax	213.8	195.9
Total comprehensive income	245.2	232.6

c) Guarantees entered into by the CCA Entity in relation to the debts of its subsidiaries

Guarantees[1]	181.0	160.6

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

d) CCA Entity's contingencies

Contingent liabilities		
Contingent liabilities existed at the end of the financial year in respect of termination payments under employment contracts[1]	8.8	6.8

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

34. Deed of Cross Guarantee

Coca-Cola Amatil Limited and certain subsidiaries as indicated in Note 35 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	2010 $M	2009 $M
Current assets		
Cash assets	327.4	808.3
Trade and other receivables	607.8	608.5
Inventories	608.9	607.1
Prepayments	28.4	32.0
Current tax assets	–	0.6
Derivatives	45.5	38.2
Total current assets	1,618.0	2,094.7
Non-current assets		
Trade and other receivables	109.6	109.9
Investment in joint venture entity	74.4	74.4
Investments in securities	529.6	530.1
Investments in bottlers' agreements	691.9	691.9
Property, plant and equipment	1,104.3	1,022.4
Intangible assets	546.8	524.4
Prepayments	3.9	4.7
Defined benefit superannuation plan assets	15.7	13.0
Derivatives	87.2	54.7
Total non-current assets	3,163.4	3,025.5
Total assets	4,781.4	5,120.2
Current liabilities		
Trade and other payables	468.3	526.3
Interest bearing liabilities	50.8	446.7
Current tax liabilities	71.8	65.9
Provisions	59.8	77.2
Accrued charges	238.6	302.0
Derivatives	45.8	59.8
Total current liabilities	935.1	1,477.9
Non-current liabilities		
Trade and other payables	–	1.3
Interest bearing liabilities	1,699.6	1,814.5
Provisions	10.6	9.9
Deferred tax liabilities	136.9	110.6
Defined benefit superannuation plan liabilities	–	0.2
Derivatives	175.9	105.7
Total non-current liabilities	2,023.0	2,042.2
Total liabilities	2,958.1	3,520.1
Net assets	1,823.3	1,600.1
Equity		
Share capital	2,180.2	2,096.7
Shares held by equity compensation plans	(17.9)	(13.7)
Reserves	71.0	38.0
Accumulated losses	(410.0)	(520.9)
Total equity	1,823.3	1,600.1

Consolidated income statement for the closed group[1]	2010 $M	2009 $M
Profit before income tax	618.4	563.3
Income tax expense	(165.7)	(156.7)
Profit after income tax	452.7	406.6
Accumulated losses at the beginning of the financial year	(520.9)	(628.2)
Dividends appropriated	(341.8)	(299.3)
Accumulated losses at the end of the financial year	(410.0)	(520.9)

1 Total comprehensive income for the financial year was $484.0 million (2009: $441.9 million) represented by consolidated profit after income tax for the closed group of $452.7 million (2009: $406.6 million) adjusted for movements in the cash flow hedging reserve of $31.3 million (2009: $35.3 million).

	Footnote	Country of incorporation	Equity holding† 2010 %	Equity holding† 2009 %

35. Investments in Subsidiaries

	Footnote	Country of incorporation	2010 %	2009 %
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
PT Coca-Cola Bottling Indonesia	2	Indonesia	100	100
PT Coca-Cola Distribution Indonesia		Indonesia	100	100
Associated Products & Distribution Proprietary	1	Australia	100	100
Coca-Cola Amatil (PNG) Ltd		Papua New Guinea	100	100
Associated Nominees Pty Ltd	3	Australia	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 (NZ) Ltd		New Zealand	100	100
Amatil Beverages (New Zealand) 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.

	Footnote	Country of incorporation	Equity holding† 2010 %	2009 %

35. Investments in Subsidiaries continued

	Footnote	Country of incorporation	2010 %	2009 %
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		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
Vending Management Services Ltd		New Zealand	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 34 and are eligible for the benefit of ASIC Class Order 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 (ESP), the Long Term Incentive Share Rights Plan (LTISRP), the Executive Salary Sacrifice Share Plan (ESSSP), the Executive Retention Share Plan (ERSP), the Non-Executive Directors Share Plan (NEDSP) and the Non-Executive Directors' Retirement Share Trust (NEDRST). As at 31 December 2010, the trustee held 7,224,730 (2009: 7,333,496) ordinary shares on behalf of the members of the ESP, 1,834,676 (2009: 2,176,342) ordinary shares on behalf of the members of the LTISRP, 484,271 (2009: 747,753) ordinary shares on behalf of the members of the ESSSP, 408,910 (2009: 308,985) ordinary shares on behalf of the members of the ERSP, 319,666 (2009: 336,933) ordinary shares on behalf of the members of the NEDSP and 146,901 (2009: 141,199) ordinary shares on behalf of the members of the NEDRST.*

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.*

36. Events after the Balance Date

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

Debt raising

Subsequent to the end of the financial year, CCA completed a $250.0 million debt raising in the Euro markets, with the issue of Euro Medium Term Notes. The fixed coupon rates on the Notes were set at 6.125% and are for a term of approximately 3.3 years.

Directors' Declaration

Coca-Cola Amatil Limited and its subsidiaries

In accordance with a resolution of the Directors of Coca-Cola Amatil Limited dated 23 February 2011, 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 2010, 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 35 to the financial statements as being parties to a Deed of Cross Guarantee with Matila Nominees Pty Ltd 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 2010.

On behalf of the Directors

David M. Gonski, AC
Chairman
Sydney
23 February 2011

Terry J. Davis
Group Managing Director
Sydney
23 February 2011

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

Report on the financial report

We have audited the accompanying financial report of Coca-Cola Amatil Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2010, the consolidated income statement and statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

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

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

Independence

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

ERNST & YOUNG

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

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 2010 and of its performance for the year ended on that date; and

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

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

Report on the remuneration report

We have audited the Remuneration Report included in pages [33 to 57] of the directors' report for the year ended 31 December 2010. 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 2010, complies with section 300A of the *Corporations Act 2001*.

Ernst + Young

Ernst & Young

Trent van Veen
Partner
Sydney
23 February 2011