Company Announcements Office
Australian Stock Exchange Limited

COCA-COLA AMATIL TRADING UPDATE

Sydney, 22 May 2009: Coca-Cola Amatil Limited (CCA) is today providing an update at its Annual General Meeting on the performance of the business and the trading outlook for the first half of 2009.

Australia – The Australian beverage business has achieved strong volume and revenue growth for the year to date and this is expected to drive high single digit growth in earnings before interest and tax for the first half. The favourable summer weather over most of Australia in the first quarter has driven strong demand for higher value single serve products, including new products, while the two Federal Government economic stimulus packages have also supported increased consumer retail activity.

The economic downturn has resulted in a noticeable shift in consumer behaviour. Demand for beverages in restaurants and cafes has slowed, but this has been more than balanced by the increased sales in quick-service restaurants and for take-home products in the grocery channel. The increase in at-home consumption has fully offset the reduced demand at on-premise outlets.

A highlight for the first half has been the strong performance of Glacéau vitaminwater and Mother energy drink. Glacéau is the number one functional water in the grocery channel[1] and has sold over 35 million bottles since its launch in February 2008, while Mother continues to perform strongly in the grocery channel with sales of over 35 million cans since its re-launch in June 2008.

Cost savings from Project Zero, CCA's major infrastructure and supply chain capital investment program, have also contributed to the strong performance so far this year. The $100 million automated warehouse at CCA's Northmead manufacturing facility is now fully operational and delivering to its performance and cost saving expectations, and the new $45 million semi-automated distribution centre at Eastern Creek also commenced operation earlier this month.

There has been significant disruption in the Australian beverage market landscape as a result of the recent ownership changes of competitor beverage companies. Despite higher discounting by competitors over this period, CCA increased its value market share across all major channels, with particularly strong growth in the convenience & leisure channel.

New Zealand & Fiji – After a very strong first half in 2008, macroeconomic conditions have deteriorated and this has impacted on consumer discretionary spend in both countries. Despite this, the New Zealand & Fiji business expects to deliver solid local currency earnings growth for the first half.

In New Zealand, continued growth in multi-pack can sales in the grocery channel, as well as cost savings from Project Zero, are helping to offset the softer trading conditions. Fiji, which accounts for less than 1% of Group earnings, continues to be impacted by the slowing economy, ongoing political uncertainty and recent widespread flooding, but is also expected to achieve a small profit growth for the first half.

1. Source: AC Nielsen Combined database, calendar year to date, March 2009

Indonesia & PNG – Indonesia has experienced a strong start to the year, with excellent volume and revenue growth driven by increased demand for higher value one-way packs in both the modern and traditional channels and successful new product launches, including Minute Maid Pulpy orange juice and Sprite Zero.

In PNG, the increased placement of cold drink coolers and the benefit of the acquisition of the Rabaul territory from The Coca-Cola Company in January have contributed to the strong volume and revenue growth in the year to date.

Food & Services – SPC Ardmona (SPCA) has made a solid start to the year with good volume growth in Australia in all major categories - fruit, fruit snacks, baked beans & spaghetti, tomatoes and spreads. This growth was due to successful new product launches as well as a weaker Australian dollar relative to the prior period, which made SPCA's packaged fruit and vegetable products more competitive in the export market and better placed to compete against cheap imported home brands in the domestic market. In addition, the restructure of the Australian manufacturing operations has also been completed and is on track to deliver approximately $3 million in savings in the first half and approximately $5 million in the second half.

Whilst the severe drought in the Goulburn Valley continues to impact the domestic business, SPCA continues to expand its international sales in key northern hemisphere markets through various established joint venture fruit supply agreements. SPC Nature's Finest is now the number one Brand in plastic packaged fruit in the United Kingdom.

SPCA's 'Goulburn Valley' brand has also achieved major success in fruit juice and fresh flavoured milk and is now a $70 million beverage brand in only three years. The revenue and earnings from Goulburn Valley beverages are recognised in CCA's Australian beverages business.

The Neverfail home-and-office-delivered water business has made a solid start to the year with volume and earnings benefiting from warmer summer weather and good new account growth, whilst the Grinders premium coffee business has also achieved strong growth in the year to date. The Quirks refrigeration business has also achieved solid earnings growth in the year to date due to increased demand for second hand refrigeration equipment and as a result of winning a number of new national service contracts.

Pacific Beverages Joint Venture – Pacific Beverages continues to grow its share of the Australian premium beer market, with premium beer volumes increasing by more than 50% in the year-to-date as a result of increased ranging and the successful launch of Peroni Leggera in March. Construction of the new $120 million Bluetongue Brewery at the Central Coast of NSW remains on track for completion by the end of the first quarter in 2010.

Beverage Cost of Goods Sold

CCA's beverage cost of goods sold (COGS) will increase in 2009 due to higher sugar costs, the devaluation since the prior period of relevant currencies against the US dollar and the mix impact of higher COGS for higher cost, higher value products. These increases will be partially offset by a decline in PET resin costs. Consistent with the prior guidance given in February, CCA expects the full year increase in its COGS per unit case to be approximately 5% on a constant currency basis. This excludes Indonesia which, as a result of the Rupiah/USD currency depreciation and the mix impact of the shift towards one-way packs, is expected to incur double-digit COGS increases for 2009.

Notwithstanding the difficult external environment, CCA's strong revenue management discipline around pricing as well as the margin benefit from improved product mix should enable the full recovery of cost of goods increases across the business for the first half.

COCA-COLA AMATIL

Capital Expenditure

Group capital expenditure for 2009 is expected to be around 7% of revenue, including approximately 1% on infrastructure expenditure for the completion of the Eastern Creek distribution centre and the roll-out of the SAP systems platform in Australia and New Zealand. The remaining amount will be spent on cold drink equipment, other Project Zero production efficiency initiatives in Australia and New Zealand and increased beverage can and PET production capacity in Indonesia.

CCA will also contribute approximately $35 million of equity and debt into the Pacific Beverages Joint Venture to fund its share of the development costs in 2009 of the new Bluetongue Brewery.

Financial Position

CCA remains in a very strong financial position with net debt expected to be approximately $1.9 billion at the end of the first half with an EBIT interest cover expected to be around 4.3 to 4.4 times. EBIT interest cover for the prior comparable period was 4.3 times. CCA has no refinancing requirements for the next twelve months and has recently taken the opportunity to refinance $200 million of the $600 million maturing from June 2010. The Ratings agencies Moody's and Standard & Poors have recently reaffirmed CCA's credit ratings at A3 and A- respectively.

Tax Rate

The effective tax rate for both the first and second half of 2009 is expected to be in the range 28-29%. The effective tax rate for the 2008 full year was 28%.

South Korea Escrow Amount

CCA has received the remaining balance of $5.6 million held in escrow following the sale of CCA's South Korean business in October 2007 to LG Household & Healthcare (LGH&H) and has also settled a number of minor claims from LGH&H in relation to the sale.

2009 Outlook

CCA expects to be able to deliver high single digit growth in both earnings before interest and tax and net profit after tax for the first half. This guidance is consistent with current market consensus of high single digit growth in earnings for CCA for the 2009 full year.

CCA's Group Managing Director, Mr Terry Davis said, "Given the external environment, I am very pleased with how the business is tracking against its key priorities of new product and new customer expansion. The material lift in CCA's service levels has been rewarded by increased business from our customers and strong consumer demand for our market leading brands during this very volatile period."

"I would expect that the lower mortgage interest rates, July income tax cuts and continued low petrol prices are all likely to have a positive impact on consumer discretionary spending and, as a result, on CCA's second half trading. However, this has to be weighed against the offsetting impact of a decline in consumer sentiment and the forecast increase in unemployment over the next six to twelve months", Mr. Davis said.

A further trading outlook for the second half will be provided at the release of CCA's half year results on 13 August 2009.

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