

# SHAREHOLDER news



## Half Year 2007 Results

### A record first half 2007 result

Coca-Cola Amatil (CCA) delivered a record first half EBIT result of \$284.5 million, an increase of 13.3% over the first half of 2006. Net profit after tax for the half-year of \$160.9 million, before significant items, was also a record and increased by \$15.5 million or 10.7% over the first half of 2006. The interim dividend increased by 6.9% to 15.5 cents per share and is fully franked.

CCA's profit result was achieved through the strong performance of the Australian and New Zealand beverage businesses and the continued recovery of the Indonesian business. Double-digit earnings growth has now been achieved for 8 out of the last 11 halves and is a strong validation of CCA's business model.

The improvement in return on capital employed was also very pleasing with ROCE increasing from 16.0% to 17.2%.

### Commodity prices

Commodity input costs continued to impact on CCA's manufacturing cost base. Higher aluminium and PET resin prices drove an increase in beverage cost of goods sold per unit case of 3.5%, or 5.2% on a constant currency basis. Good price realisation and improved product mix enabled the recovery of most of these cost increases. CCA expects a reduction in the rate of increase of commodity input costs in the second half of 2007 and again into 2008.

### South Korea business sale process

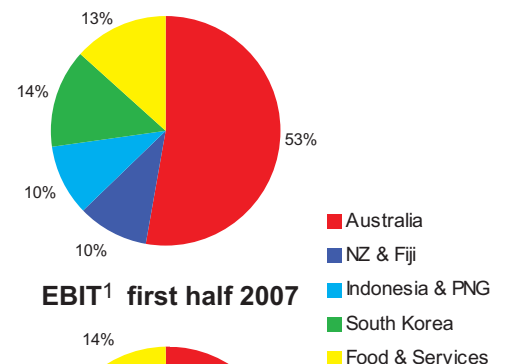
CCA has signed a binding agreement with LG Household & Health Care Ltd for the sale of the South Korean business. The sale proceeds, including net debt, are anticipated to be in the range of \$520 million to \$545 million based on current exchange rates and completion of the transaction is expected to take place in late October 2007.

### Trading outlook for the second half of 2007

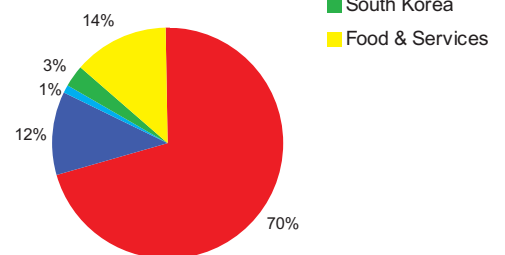
Based on the current trading environment and with the important summer trading season for Australia and New Zealand still to come, CCA expects to achieve high single-digit EBIT growth for the second half of 2007.

\$A million	H1 2007	H106 Change
Trading revenue – beverages	1,880.9	4.7%
Volume (million unit cases)	289.2	0.5%
Revenue per unit case	\$6.50	4.2%
Trading revenue – Food & Services	280.6	7.9%
EBIT (before significant items)	284.5	13.3%
Net profit (before significant items)	160.9	10.7%
Significant items after tax	(20.0)	-
Net profit	140.9	23.3%
EPS (before significant items) (cents)	21.4	10.3%
EPS (cents)	18.7	22.2%
Dividends per share (cents)	15.5	6.9%

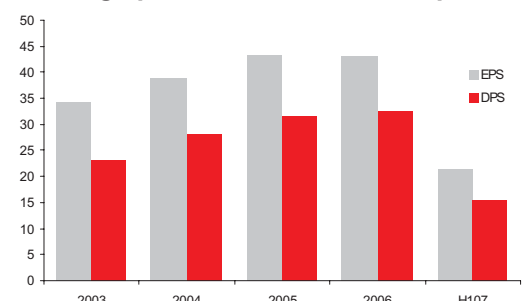
Revenue first half 2007



EBIT<sup>1</sup> first half 2007



Earnings per share<sup>1</sup> & Dividends per share



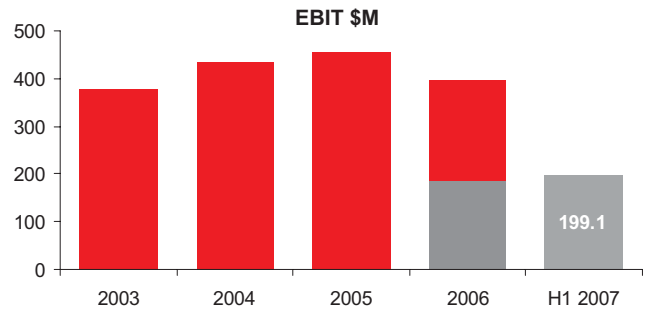
<sup>1</sup> Before significant items

# Australia

“ The success of Brand Coca-Cola continued to power the Australian result ”



Australia delivered an excellent first half 2007 result. Trading revenue increased by 8.6% and revenue per unit case by 7.6% which drove a 7.2% increase in EBIT to \$199.1 million.



2006 - 2007 based on new reporting segments announced on 25 July 2007  
2003 - 2005 based on old segment reporting

The success of Brand Coca-Cola continued to power the Australian result. Since 2005, off the back of the launch of Coke Zero and continued package innovation, CCA increased its overall volume market share of the cola category by 2.1% to approximately 80% and over the same period increased our share in the grocery channel by 3.4% to just over 77%.

CCA continues to deliver on its goal of increasing its market share in non-carbonated beverages. Mount Franklin and Pump grew their combined volume by around 13% with water sales now representing approximately 12% of Australia's total volume. Powerade continued to build momentum, with volume growth for the first half of just over 4% and its share of the sports drink category increased by 4 points, year on year, to just over 53%.

Lower calorie beverages continued to gain traction with consumers and during the half, CCA successfully re-positioned the Kirks range with the launch in May of Kirks Sugar-Free which contributed to Kirks volume growth for the half of approximately 15%.

Australia's juice strategy gained momentum with good volume growth for Goulburn Valley Premium Chilled and the launch in June of the Goulburn Valley 'GV to Go' range.

# Indonesia & PNG

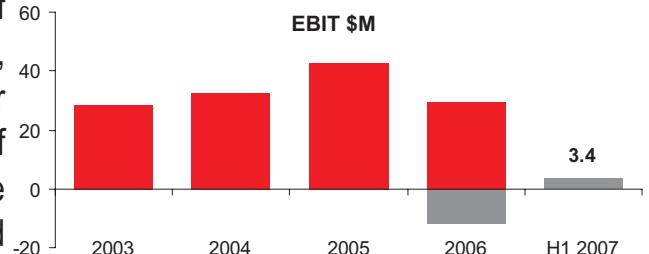
“ Excellent revenue growth of 18.4% on volume growth of 13.7% ”



The region recovered strongly in the first half to deliver excellent revenue growth of 18.4% on volume growth of 13.7%. This drove a four-fold increase in earnings to \$3.4 million and was achieved by CCA's continued investment in new cold drink equipment and tailored customer programs during the period of reduced demand in 2006.

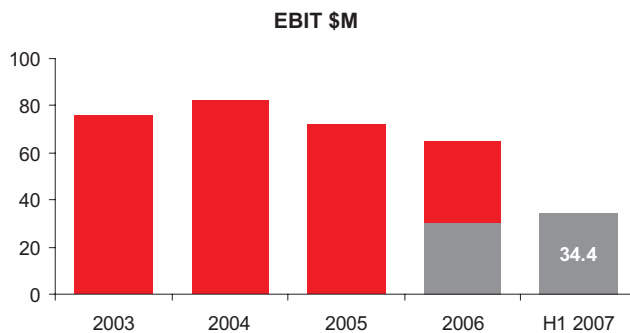
Volume growth in Indonesia was driven by increased marketing and innovation in the CSD portfolio which achieved double-digit growth across all brands, lead by Fanta Flavours at over 21%, Sprite at 15% and Coca-Cola at 12%. Frestea also delivered strong growth with volume increasing by over 29% lead by the expansion of the Frestea PET 500ml range.

Based on a continuation of current trading in Indonesia, CCA expects to deliver earnings for the second half of 2007 at least in line with the strong earnings results achieved in the second half of 2006.



New Zealand & Fiji delivered strong revenue growth of 8.7% and EBIT growth of 12.4% while holding volume in line with the first half of 2006. This was an excellent result given the business was cycling the launch of Coke Zero in the first half of 2006 and was driven by the continued strong performance of Coke Zero and successful new product launches.

# New Zealand & Fiji



**“ New Zealand & Fiji delivered strong revenue growth of 8.7% ”**



In New Zealand the cola category held volume in line with last year, led by Coke Zero which grew volume by 16% over the first half of 2006. CCA's water and sports categories also performed well with Pump and Kiwi Blue growing volume by over 18% and Powerade growing by over 38%.

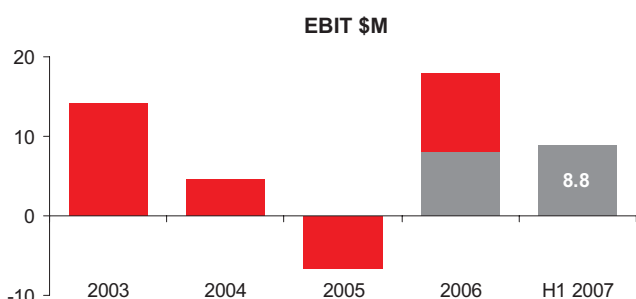
During the half, CCA reached agreement with Beam Global Spirits & Wine to manufacture its alcoholic ready to drink beverages in New Zealand, including Jim Beam & Cola, New Zealand's market leader. CCA will invest approximately NZD 9 million in its Auckland plant to deliver manufacturing capacity and supply will commence in November 2007.

The South Korean business delivered an improved earnings result with EBIT increasing by 8.6% to \$8.8 million before significant items. Volume for the half declined by 6.1 million unit cases, or 9.9%, as a result of the continued impact of the July 2006 extortion on Brand Coca-Cola volumes. Partially offsetting the brand Coke volume decline, the business achieved good growth of over 8% in water, as well as solid growth in Minute Maid juice, Powerade and Fanta Flavours. In the first half, a number of new products were launched including Style Water, Kin Zero and Coca-Cola in a new 500ml PET Ergo Pack.

# South Korea

**“ Improved earnings result with EBIT increasing by 8.6% ”**

For the first half, CCA has taken an impairment charge of \$25 million pre-tax (\$18.1 million post-tax) against the carrying value of the South Korean investment in bottlers' agreement. CCA has also taken a charge of \$1.9 million (pre and post-tax) in relation to the 2006 extortion attempt in South Korea. The total of these significant item charges is \$26.9 million, or \$20 million post-tax.



An insurance claim against the extortion attempt was settled in July 2007 for a total of \$26.6 million. A final payment of \$14 million will be recognised as a significant item in the second half of 2007.



# Food & Services

SPC ARDMONA



**“ Delivered a strong revenue increase of 7.9% ”**

The recently formed Food & Services division comprising of SPC Ardmona, Quirks Refrigeration, Neverfail and Grinders Coffee, delivered a strong revenue increase of 7.9% and EBIT growth of 1.0%.



2006 - 2007 based on new reporting segments announced on 25 July 2007  
2005 based on old segment reporting. 10 months, SPC Ardmona only

Despite the impact of the drought and the frost in 2006, SPC Ardmona delivered a solid increase in sales revenue of 5.7% as well as moderate growth in EBIT.

A number of potential benefits from the establishment of the Food & Services Division have been identified. A more focussed management approach to the lower volume, 'non-trade' businesses such as Neverfail and Grinders will also deliver improved results.

# Pacific Beverages Joint Venture

**“ Increased premium beer volume by over 50% from the prior year ”**

The Pacific Beverages Joint Venture with SABMiller increased premium beer volume by over 50% from the prior year when the brands were managed under other distribution arrangements. The integration of the Maxxium sales force into CCA Australia has also been successfully completed with a combined sales force of over 180 people now focussed solely on servicing CCA's 25,000 customers in the licensed channel with a superior



premium beverage brand portfolio of over 22 major brands across the non-alcoholic, premium beer, alcoholic ready-to-drink and spirits categories.

Pacific Beverages delivered a small EBIT contribution to CCA, which was ahead of expectations.

## Launch of Jim Beam & Zero Sugar Cola

In a world first, Pacific Beverages launched Jim Beam & Zero Sugar Cola in September 2007, which is the first major new alcoholic beverage development arising from the Maxxium relationship. Jim Beam & Zero Sugar Cola targets the growing trend towards low carbohydrate alcoholic beverages. Initial feedback from customers and consumers has been very positive.

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