

COCA-COLA AMATIL NEW ZEALAND (CCANZ) UNVEILS \$15 MILLION INVESTMENT IN BOTTLE SELF- MANUFACTURE ON TOP OF A MULTI MILLION DOLLAR REBUILD IN CHRISTCHURCH

18 January 2012

Canterbury Earthquake Recovery Minister Gerry Brownlee joined Coca-Cola Amatil New Zealand (CCANZ) today in officially opening its new beverage bottle production line at the company's manufacturing plant in Woolston.

The \$15 million investment in world best-practice technology enables CCANZ to design and self-manufacture its own PET plastic beverage bottles using fewer raw materials.

In order to adequately house this new equipment the company has further invested close to \$9 million into infrastructure repair and re-establishing of operations at the Woolston site after material damage sustained from earthquakes in September 2010 and February 2011.

The new PET plastic bottles will be the lightest-weight beverage bottles made in the country, and the "blow-fill" bottle technology will deliver a reduction in the carbon footprint of every bottle of around 20%. The Christchurch facility is part of a CCA Group wide \$450 AUD million investment in blow-fill manufacturing - the largest infrastructure investment for the company in a decade.

The technology is being installed across CCA's production facilities in New Zealand, Australia, Indonesia, Papua New Guinea and Fiji from 2010-2015. The Woolston site in Christchurch has one of three New Zealand blow-fill lines with the remaining two situated in Auckland.

Blow-fill technology allows CCANZ to redesign and lightweight its small PET bottle range, delivering significant cost savings, production efficiency gains, increased product shelf life and stacking ability.

Speaking at today's event Coca-Cola Amatil Group Managing Director Terry Davis said that blow-fill technology will provide a quantum lift in the company's manufacturing capability in New Zealand.

"Innovation like bottle self-manufacture delivers benefits which are good for CCANZ, our customers and the communities we operate in," Mr Davis said.

A significant portion of the energy savings comes from bottle redesigns that use less PET resin, with others being delivered by the elimination of the need to transport empty bottles to CCANZ bottling facilities, and energy savings on the production lines.

The new blow-fill line will produce approximately 16,000 bottles per hour.

CCA estimates that more than 9000 tonnes of PET resin will be saved per year when all production lines across the Group have installed blow-fill technology.

At a local level CCANZ estimates decreasing the amount of PET resin required annually by 12%. This equates to approximately 650 tonnes of PET resin saved every year, or the equivalent of 24 million 600ml PET 'Coke' bottles.

CCANZ will be able to deliver the lightest weight PET beverage bottle manufactured in the country and all its carbonated soft drink products (L&P, Schweppes, Deep Spring and all Coca-Cola trademark brands) will be in PET bottles that are 10-15% lighter.

Other raw material savings include reducing the use of cardboard and shrink plastic in secondary packaging; making labels lighter using less raw materials; and eliminating the need for a plastic liner in the closures, or caps, which are also shorter in size, and again, manufactured using less PET resin.

Coca-Cola New Zealand Managing Director George Adams said "our commitment to our people and the Christchurch community in which we operate is unwavering. I'm also delighted to announce we have received approval for an additional capital investment into our Woolston plant for a \$5 million automated distribution centre. Across our site rebuild, new blow-fill technology and redevelopment of the warehouse, we have invested close to \$30 million into the local business community. This sort of investment is crucial for Christchurch as it continues to re-establish itself as a major business hub in the South Island."

Coca-Cola Amatil employs approximately 140 staff in Christchurch as part of 1100 strong workforce nationwide. CCA's Woolston facility was first established in 1973 and has manufacturing and distribution capabilities primarily for carbonated soft drinks. In addition to the Woolston site the company also has a juice manufacturing plant in Hornby.

The CCANZ beverage range include brands under licence from The Coca-Cola Company (major brands include Coca-Cola, Coca-Cola Zero, diet Coke, Sprite, Fanta, Glaceau vitamin water, Powerade Isotonic, Mother energy drink), along with CCA-owned brands L&P, Pump and Baker Halls cordials. As an FMCG company, CCANZ also has an alcohol portfolio plus distributes coffee brands Halo, Expressions and Grinders, as well as SPC fruit products.

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