COCA-COLA AMATIL

A.B.N. 26 004 139 397

2013
Financial Results

For the half year ended 30 June 2013
Incorporating the requirements of ASX Appendix 4D

CCA will host a presentation to analysts and media on 20 August 2013 at 10:00 a.m., which will be webcast with all presentation materials posted to CCA's website (www.ccamatil.com). A replay of the presentation, including the question and answer session, will be available on the website.

For more information about Coca-Cola Amatil, please visit www.ccamatil.com

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COCA-COLA AMATIL

ASX Appendix 4D
ASX Listing Rule 4.2A.3

Coca-Cola Amatil Limited
A.B.N. 26 004 139 397

Half Year Results
For the half year ended 30 June 2013
compared to the prior half year ended 30 June 2012

Results for announcement to the market

Adoption of the revised Accounting Standard AASB 119 Employee Benefits has resulted in the restatement of previous periods financial statements. Refer to Note 1f) for further details.

	Up/down	Movement		30 June 2013
Group results				
Trading revenue ($M)	**down**	**3.5%**	**to**	**2,323.6**
Total revenue ($M)	**down**	**3.4%**	**to**	**2,363.9**
Earnings before interest, tax and significant items ($M)[1&2]	down	6.9%	to	373.9
Earnings before interest and tax (includes significant items) ($M)[1&2]	**down**	**6.8%**	**to**	**360.7**
Profit after income tax attributable to members (before significant items)($M)[1]	down	8.5%	to	225.1
Profit after income tax attributable to members (includes significant items) ($M)[1]	**down**	**12.3%**	**to**	**215.9**
Net profit for the period attributable to members (includes significant items) ($M)[1]	**down**	**12.3%**	**to**	**215.9**

Group performance measures				
Earnings per share (before significant items)[1,3&4]	down	9.0%	to	29.5¢
Earnings per share (includes significant items)[1,3&4]	**down**	**12.7%**	**to**	**28.3¢**
Free cash flow ($M)[4]	down	36.7	to	(15.6)
Return on invested capital[4]	down	1.2 points	to	16.2%
Net debt to total equity	up	10.8 points	to	91.7%
Net debt to capital employed	up	3.1 points	to	47.8%
Capital expenditure to trading revenue[4]	down	0.7 points	to	8.1%
EBIT interest cover (before significant items)[1]	down	1.1 times	to	6.1 times

Dividends per share[5]	
2013 interim dividend (franked to 75%)	**24.0¢**
2013 interim special dividend (unfranked)	**2.5¢**
2012 final dividend (franked to 75%), paid on 2 April 2013	32.0¢
2012 final special dividend (unfranked), paid on 2 April 2013	3.5¢
Record date for determining entitlements to the 2013 interim dividends	**Thursday, 29 August 2013**

1 *Amounts classified as significant items consist of:*

	30 June 2013 $M	*30 June 2012 $M*
Losses before income tax	***(13.2)***	*(14.6)*
Income tax benefit	***4.0***	*14.7*
(Losses)/gains after income tax	***(9.2)***	*0.1*

Refer to Notes 4b) and 5 respectively of the half year financial report for further details. CCA has provided certain financial measures adjusted for amounts classified as significant items to assist investors and other users of this half year financial report in their understanding of the financial performance of the Group.

2 *Refer to Note 2 of the half year financial report for further details.*

3 *Earnings per share is based on a weighted average number of ordinary shares of 762.8 million (2012: 760.4 million).*

4 *Refer to Note 6 of the half year financial report for further details.*

5 *Refer to Note 10 of the half year financial report for further details.*

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HIGHLIGHTS OF 2013 INTERIM RESULT

$A million	H1 2013	H1 2012	*Change*
Trading revenue			
Non-Alcoholic Beverages	**2,006.0**	**2,078.6**	*(3.5%)*
Alcohol, Food & Services	**317.6**	**329.0**	*(3.5%)*
Total trading revenue	**2,323.6**	**2,407.6**	*(3.5%)*
EBIT (before significant items)	**373.9**	**401.7**	*(6.9%)*
Net finance costs	**(61.7)**	**(56.1)**	*(10.0%)*
Taxation expense (before significant items)	**(87.0)**	**(99.5)**	*12.6%*
Outside equity interests (Paradise Beverages)	**(0.1)**	**-**	
Net profit (before significant items)	**225.1**	**246.1**	*(8.5%)*
Significant items (after tax)	**(9.2)**	**0.1**	
Net profit (reported)	**215.9**	**246.2**	*(12.3%)*
EPS (before significant items) (cents)	**29.5**	**32.4**	*(9.0%)*
EPS (after significant items) (cents)	**28.3**	**32.4**	*(12.7%)*
Interim dividend per share (cents)	**24.0**	**24.0**	*0.0%*
Interim special dividend (cents per share)	**2.5**	**-**	
Total interim dividends (cents per share)	**26.5**	**24.0**	*10.4%*
Return on invested capital (before significant items)	**16.2%**	**17.4%**	*(1.2) pts*

FINANCIAL RESULTS COMMENTARY

- Earnings before interest and tax (EBIT) declined by 6.9% to $373.9 million, before significant items, which is above the guided to decline of 8-9% in first half EBIT;
- Net profit after tax declined by 8.5% to $225.1 million, before significant items. Net profit after tax (including significant items) decreased by 12.3% to $215.9 million;
- Group return on invested capital (ROIC) at 16.2%, before significant items, remains well above the cost of capital;
- The continued strength of the balance sheet and financial ratios has supported the payment of an interim ordinary dividend of 24.0 cents, franked to 75%, and a special interim unfranked dividend of 2.5 cents per share. The interim ordinary dividend is in line with the prior year interim dividend. Total interim dividends of 26.5 cent per share, including the special dividend, represents an increase of 10.4% over prior year; and
- The interim ordinary dividend payout ratio has increased from 74.2% to 81.4%, before significant items. Total interim dividends represent a payout ratio of 89.9% including the special dividend.

OPERATIONAL RESULTS COMMENTARY

CCA's Group Managing Director, Mr Terry Davis said, "The difficult trading conditions for the Australian beverage business in the grocery channel, combined with the impact on SPC Ardmona (SPCA) earnings from imported private label products and the slowdown in the PNG economy regrettably led to a reduction in earnings for the first half of 6.9%.

"The positive for the half was the outstanding performance of the Indonesian business which delivered double-digit volume and earnings growth whilst improving on its return on invested capital. The Australian beverage non-grocery channel performed well, delivering volume and earnings growth, while the New Zealand and Fiji businesses also returned to solid earnings growth."

Key highlights:

- **Over 15% volume and earnings growth in Indonesia.** The Indonesia & PNG region delivered a volume increase of 11.8% and EBIT growth of 12.5%. Indonesia continues to grow rapidly with volumes and earnings growing by over 15% driven by faster growth of the core brand portfolio and the successful launch of a number of new products. The half also benefited from the 11 day earlier timing of the start of the festive season with pre-ordering for Ramadhan commencing in June. The acceleration of investment in organisational capability, manufacturing capacity and cold drink coolers in Indonesia continues to position the business well to participate in the strong and growing demand for commercial ready-to-drink beverages. After nine consecutive halves of double-digit earnings growth, PNG experienced a decline in volumes and earnings due to a slowdown in economic activity caused by falling commodity prices, reduced mining activity and increased unemployment levels;

- **Difficult trading conditions in the Australian grocery channel resulted in a 10.1% decline in Australian beverage earnings.** While the non-grocery channel performed well, delivering volume and earnings growth, the grocery channel was impacted by aggressive competitor pricing. As a result, CCA invested in higher levels of market support and promotional activity which impacted price realisation and profitability for the half. Volumes and earnings were also impacted by a reduction in the level of warehouse inventories of non-alcoholic beverages by grocery retailers throughout the half;

- **Material progress made in expanding the alcoholic beverages platform.** CCA is pleased to announce the following developments:
  - The extension of the Beam partnership agreement to a new 10 year term to December 2023;
  - The establishment of a long-term exclusive agreement to distribute the Molson Coors range of premium beers in Australia post 16 December 2013; and
  - A long-term exclusive agreement to distribute the C&C Group of beers and ciders in New Zealand and the Pacific region;

  The Fiji alcoholic beverage business is performing ahead of plan and has established an export business for the beer and Fiji rum portfolio, and we are well advanced in the development of a portfolio of Australian premium and craft beers.

- **Commencement of major operational efficiency programme in Australia**. A range of cost out and business restructuring initiatives were completed in the first half including the closure of bottling operations at Peats Ridge and the rationalisation of production at Smithfield, NSW. A restructure of the Australian operations has resulted in a headcount reduction of 77 full time positions.

- **Continued strength of the balance sheet and financial ratios supports a 10.4% increase in interim dividends.** The interim ordinary dividend has been maintained at 24.0 cents per share, franked at 75%, and a special unfranked dividend of 2.5 cents per share has been declared, taking total interim dividends to shareholders to 26.5 cents per share, an increase of 10.4% over the prior year interim dividend.

Restructuring of SPCA operations

The restructuring of the SPCA business continues with initiatives being undertaken to materially reduce the cost of doing business. Mr Davis said, "Many countries have used the high Australian dollar to dump packaged fruit product into the market at below cost. SPCA has applied for temporary tariff protection and has also lodged an anti-dumping application with the Australian Government. The application seeks tariffs ranging from 30-50% on imported packaged fruit being dumped into Australia which would assist in providing a more level playing field for Australian grown and produced product. SPCA has also applied for a government grant to support restructuring, cost out and for future packaged fruit and vegetable innovation.

"SPCA has changed its labelling on a number of its brands to highlight the Australian provenance and with the increased focus on Australian sourced products and product quality by consumers, we are pleased that there has been a recent increase in the support for SPC and Goulburn Valley packaged fruit by the major retailers."

The longer term outlook for SPCA is subject to the outcome of a number of business initiatives being undertaken including applications for anti-dumping support and government grants as well as cost reduction and product development initiatives. The outlook will also be impacted by the level of retailer and consumer support for SPCA's Australian grown produce. It is expected that the business will have more clarity around the likely longer term outcomes of some of these initiatives by the end of the year with the valuation and operating structure of SPCA to be reviewed by the end of the second half.

2013 TRADING OUTLOOK

At this early stage of the half, and with the major trading period of November and December still to come, CCA now expects 2013 full year Group EBIT to be within a range of flat to a 4% decline on last year, before significant items. Mr Davis said, "While the Australian non-grocery business continues to perform well, the trading conditions in the grocery channel continue to be challenging. A number of initiatives are being undertaken to improve the operating performance with a strong summer promotional and marketing programme and a number of new product launches in the pipeline. We are also on track to deliver $10-15 million of cost savings and efficiency gains from programmes that commenced in the first quarter."

The momentum in Indonesia is expected to continue. Mr Davis said, "We have delivered a great result for the first half and expect to achieve strong volume and earnings growth in the second half. We experienced a strong Ramadhan trading period, delivering combined June/July volume growth of over 15%, and while we expect there may be some short-term impact on demand as consumers adjust to the recent reduction in fuel subsidies by the Government and as the earlier timing of Ramadhan impacts second half growth, we remain confident of delivering within our targeted 10-15% volume growth and 15-20% local currency earnings growth in Indonesia for the full year. We do however expect trading conditions in PNG to remain challenging for the second half.

"Looking forward, we remain very positive about the prospects for Indonesia and we will continue to invest ahead of the curve in production and distribution capacity and cold drink coolers. We have a very strong pipeline of new products and packs to be launched over the next 12 months and this is being supported by up-weighted investment and execution of consumer marketing by The Coca-Cola Company."

Group capital expenditure to shift to up-weighted investment in Indonesia

Group capital expenditure will be around $430 million in 2013 and with the completion of a number of major investments in Australia, capex is expected to reduce to between $325-350 million in 2014. In 2013, around 50% of Group capex will be invested in Indonesia & PNG to materially increase production capacity and cold drink cooler penetration as demand for commercial ready-to-drink beverages rapidly increases. The major investments in Indonesia include the installation and upgrading of eight production lines, the commissioning of the Cibitung 32,000 square metre warehouse and the commissioning of the new Cikedokan, Jakarta beverage production facility. One-way-pack production capacity has increased by 45% since December 2012 and around 60,000 new cold drink coolers will be placed throughout Indonesia in 2013, representing a 30% net increase in the number of coolers in the market.

CCA targeting over 1% of incremental EBIT growth from alcoholic beverages from 2014

Mr Davis said, "Over the past 12 months we have secured access to a world-class, low cost brewery through the agreement to form a joint venture with Casella and entered into a long-term exclusive agreement to distribute Rekorderlig cider, the Number 1 cider brand in the off-premise sector in Australia. With the announcement today of the exclusive agreement to distribute Molson Coors premium beers in Australia and the C&C Group's beer and cider portfolio in New Zealand and the Pacific region, together with the development of a domestic premium and craft beer portfolio, we believe we are well positioned to hit the ground running with an expanded alcoholic beverages portfolio for 2014.

"CCA is now well positioned as the only independent and large scale manufacturer, distributor and full service provider for premium international alcoholic beverage brands in Australia and we are targeting over 1% in incremental earnings growth from our alcoholic beverages business from 2014 onwards."

On track to deliver $30-40 million of annual efficiency gains and cost out initiatives over the next three years

Mr Davis said, "This major operational efficiency programme, announced in February, will seek to deliver sustainable savings by leveraging the investments made over the past few years on state-of-the-art production and IT infrastructure. It is expected to deliver $30-40 million of annual efficiency gains and cost out initiatives over the next three years and is on track to deliver $10-15 million in savings in the second half of 2013."

A further trading update will be provided in early November.

COCA-COLA AMATIL

CCA GROUP EBIT SUMMARY

$A million	H1 2013	H1 2012	*% Change*
Australia	**263.6**	**293.1**	*(10.1%)*
New Zealand & Fiji	**34.1**	**30.9**	*10.4%*
Indonesia & PNG	**31.4**	**27.9**	*12.5%*
Non-Alcoholic Beverages EBIT	**329.1**	**351.9**	*(6.5%)*
Alcohol, Food & Services	**44.8**	**49.8**	*(10.0%)*
Total EBIT (before significant items)	**373.9**	**401.7**	*(6.9%)*

Australia – Difficult trading conditions in the Australian grocery channel resulted in a 10.1% decline in Australian beverage earnings. While the non-grocery channel performed well, delivering volume and earnings growth, the grocery channel was impacted by aggressive competitor pricing. As a result, CCA invested in higher levels of market support and promotional activity which impacted price realisation and profitability for the half. Volumes and earnings were also impacted by a reduction in the level of warehouse inventories of non-alcoholic beverages by grocery retailers throughout the half.

New Zealand & Fiji – The New Zealand business reported an increase in earnings as it benefited from the delivery of significant cost savings. The Fiji business delivered strong volumes and earnings growth as it cycles the impact of major floods last year and continues to benefit from the successful launch of Minute Maid Pulpy in July 2012.

Indonesia & PNG – The Indonesia & PNG region delivered a volume increase of 11.8% and EBIT growth of 12.5%. Indonesia continues to grow rapidly with volumes and earnings growing by over 15% driven by faster growth of the core brand portfolio and the successful launch of a number of new products. The half also benefited from the 11 day earlier timing of the start of the festive season with pre-ordering for Ramadhan commencing in June. The acceleration of investment in organisational capability, manufacturing capacity and cold drink coolers in Indonesia continues to position the business well to participate in the strong and growing demand for commercial ready-to-drink beverages. After nine consecutive halves of double-digit earnings growth, PNG experienced a decline in volumes and earnings due to a slowdown in economic activity caused by falling commodity prices, reduced mining activity and increased unemployment levels.

Alcohol, Food & Services – Alcohol, Food & Services earnings declined by 10.0% driven by a decline in earnings from SPCA. The high Australian dollar continued to materially impact on SPCA's competitiveness against imported retailer private label packaged fruit and vegetables with the shelf prices of many imported private label products at levels well below the cost of Australian grown packaged fruit. The restructuring of the business continues with initiatives in place to materially reduce its cost of doing business. In addition, the business has applied for temporary tariff protection and lodged an anti-dumping application with the Australian Government as well as applied for a government grant to support restructuring, cost out and development of the future product innovation platform. The impact of the declines in SPCA earnings was moderated by solid growth from the alcohol and services businesses.

COCA-COLA AMATIL

DETAILED FINANCIAL COMMENTARY

CASH FLOW

$A million	**H1 2013**	**H1 2012**	*$ Change*
EBIT (before significant items)	**373.9**	**401.7**	*(27.8)*
Depreciation & amortisation	**124.4**	**110.5**	*13.9*
Change in working capital	**(89.0)**	**(62.1)**	*(26.9)*
Net interest paid	**(72.9)**	**(69.3)**	*(3.6)*
Taxation paid	**(89.2)**	**(107.6)**	*18.4*
Other	**(67.1)**	**(50.9)**	*(16.2)*
Operating cash flow (before significant items)	**180.1**	**222.3**	*(42.2)*
Capital expenditure	**(187.4)**	**(211.4)**	*24.0*
Cash impact of significant items	**(13.4)**	**8.2**	*(21.6)*
Other	**5.1**	**2.0**	*3.1*
Free cash flow	**(15.6)**	**21.1**	*(36.7)*

The business delivered operating cash flow, before significant items, of $180.1 million, which is $42.2 million below last year primarily a result of a reduction in earnings for the half.

Working capital as at 30 June was impacted by the following items:

- Indonesia: a $30 million increase in seasonal stock build to support increased demand as a result of the earlier timing of the peak Ramadhan trading period as well as stock build to de-risk supply during the commissioning of five new blow-fill production lines;
- Australia: a $50 million increase in working capital in the Australian beverage business including temporary stock build to de-risk the business with the closure of production at two sites being transitioned to other CCA production facilities and to provide coverage during the commissioning of two new blow-fill production lines in WA and Victoria. Stock build was also planned ahead of the re-launch of the Cascade brand and July promotional activity; and
- Alcoholic beverages: a $30 million increase in alcohol inventory due to the first time inclusion of Paradise Beverages and additional inventory to support the growth of the Beam portfolio.

The first half cash flow also reflects $18.4 million in lower tax payments and the benefit of the reversal of $80 million in other prior year one-off items.

CAPITAL EMPLOYED

$A million	H1 2013	H1 2012	*$ Change*
Working capital	**931.2**	**878.3**	*52.9*
Property, plant & equipment	**2,072.2**	**1,825.0**	*247.2*
IBAs & intangible assets	**1,550.2**	**1,522.7**	*27.5*
Deferred tax liabilities	**(172.8)**	**(148.0)**	*(24.8)*
Derivatives – non-debt	**(54.3)**	**(66.2)**	*11.9*
Other net assets / (liabilities)	**(313.5)**	**(335.7)**	*22.2*
Capital employed	**4,013.0**	**3,676.1**	*336.9*
ROIC[1] %	**16.2%**	**17.4%**	*(1.2) pts*

Capital employed increased by $336.9 million to $4.01 billion with Group ROIC[2] remaining very strong at 16.2%.

The increase in capital employed was largely driven by up-weighted capital investment over the past 12 months as well as an increase in working capital.

The increase in property, plant & equipment includes a $40 million increase due to the impact of foreign exchange movements on translation.

The net increase in IBAs & intangible assets was driven by the investment in the SAP IT platform and the impact of foreign exchange movements on translation.

Non-debt derivative liabilities decreased by $11.9 million reflecting the market valuations at half year of commodity contracts, foreign exchange contracts and the interest rate portion of cross currency swaps.

[1] Before significant items

NET DEBT & INTEREST COVER

$A million	H1 2013	H1 2012	*$ Change*
Net debt			
Interest bearing liabilities	**3,028.1**	**2,518.0**	*510.1*
Debt related derivatives – liabilities	**99.1**	**119.3**	*(20.2)*
Long term deposits	**(300.0)**	**-**	*(300.0)*
Less: Cash assets	**(907.2)**	**(993.4)**	*86.2*
Net Debt	**1,920.0**	**1,643.9**	*276.1*
EBIT interest cover (before significant items)	**6.1x**	**7.2x**	*(1.1)x*

The balance sheet remains in a very strong position. Net debt increased by $276.1 million to $1.92 billion.

The prior year first half net debt included over $220 million in cash proceeds from the sale of CCA's interest in a joint venture and other related transactions. These funds were deployed in the second half of 2012 to fund up-weighted capital expenditure, the acquisition of shares in Paradise Beverages and increased dividends to shareholders.

In the first half of 2012, CCA received a one-off $6 million interest income benefit as a result of the timing of the receipt of the $220 million in sales proceeds. This interest income benefit reduced net financing costs and increased EBIT interest cover by 0.7 of a point in the first half of 2012.

Long-term deposits and cash assets have increased by $213.8 million to $1.2 billion as a result of favourable borrowing terms which have enabled the pre-funding of future debt maturities to July 2015. The funds raised have been placed on deposit and are earning interest income in excess of the related borrowing costs.

DEBT MATURITY PROFILE

The following table summarises CCA's drawn facility maturity profile as at 30 June 2013.

Maturity profile of drawn debt facilities						
Facility maturity year (Dec)	**2013**	**2014**	**2015**	**2016**	**2017**	**2018+**
% of total	5.0%*	27.6%*	15.6%	20.8%	14.6%	16.4%

* Fully funded

CCA had total available debt facilities of approximately $3.15 billion with an average maturity of 4.1 years as at 30 June 2013 with all debt maturities until July 2015 fully funded.

SIGNIFICANT ITEMS

CCA recorded a net $9.2 million after tax significant item expense primarily relating to costs associated with the closure of bottling operations at Peats Ridge and the rationalisation of production at Smithfield, NSW; and redundancy costs associated with an organisational restructure of the Australian beverage operations.

CAPITAL EXPENDITURE

$A million	H1 2013	H1 2012	Change
Australia *	**113.0**	**150.2**	(37.2)
New Zealand & Fiji *	**9.1**	**16.0**	(6.9)
Indonesia & PNG *	**65.3**	**45.2**	20.1
Capital expenditure	**187.4**	**211.4**	(24.0)
Capital expenditure / trading revenue	**8.1%**	**8.8%**	*(0.7) pts*
Capital expenditure / depreciation & amortisation	**1.5x**	**1.9x**	*(0.4)x*

* Geographic breakdown

For the first half, capital expenditure decreased by $24.0 million to $187.4 million, or 8.1% of trading revenue.

In Australia, the business commenced construction of three new blowfill lines in Victoria, Queensland and WA with another line to be constructed in Queensland in the second half. The Australian business will commission all four lines during the second half with 90% of the blowfill investment to be completed by the end of December 2013. In addition, the business placed 4,500 cold drink door equivalents in the half.

The major investments in Indonesia for the half included the installation and upgrading of five production lines, the commissioning of the Cibitung 32,000 square metre warehouse and the commissioning of the new Cikedokan, Jakarta beverage production facility and the placement of over 25,000 cold drink coolers.

INTERIM DIVIDEND

Cents per share	H1 2013	H1 2012	Change
Interim ordinary dividend	**24.0**	**24.0**	*0.0%*
Franking %	***75%***	***100%***	
Payout ratio (before significant items)	***81.4%***	***74.2%***	*7.2 pts*
Interim special dividend	**2.5**	**-**	
Total interim dividends	**26.5**	**24.0**	*10.4%*

The continued strength of the balance sheet has supported the 10.4% increase in interim dividends to 26.5 cents per share.

The interim ordinary dividend of 24.0 cents per share is franked at 75%. A special unfranked dividend of 2.5 cents per share has been declared and broadly compensates Australian shareholders for franking below 100% on the ordinary dividend. The unfranked component of the ordinary dividend and the special dividend has been declared to be conduit foreign income.

The interim ordinary dividend payout ratio has increased from 74.2% to 81.4%. The payout ratio for total interim dividends, which includes the interim special dividend, is 89.9%.

The Record Date for determining dividend entitlements is 29 August 2013 and the interim dividends will be paid on 1 October 2013.

DETAILED OPERATIONS REVIEW

AUSTRALIA

$A million	H1 2013	H1 2012	*Change*
Trading revenue	**1,371.5**	**1,461.4**	*(6.2%)*
Revenue per unit case	$8.75	$8.72	*0.3%*
Volume (million unit cases)	156.8	167.6	*(6.4%)*
EBIT	**263.6**	**293.1**	*(10.1%)*
EBIT margin	**19.2%**	**20.1%**	*(0.9) pts*

Difficult trading conditions in the Australian grocery channel resulted in a 10.1% decline in Australian beverage earnings. While the non-grocery channel performed well, delivering volume and earnings growth, the grocery channel was impacted by aggressive competitor pricing. As a result, CCA invested in higher levels of market support and promotional activity which impacted price realisation and profitability for the half. Volumes and earnings were also impacted by a reduction in the level of warehouse inventories of non-alcoholic beverages by grocery retailers throughout the half.

The performance of the Mount Franklin water brand was the highlight with "Lightly Sparkling" volumes growing by 64%. Mini-can volumes grew by 58% and Frozen beverage volumes increased 44% with over 6,000 machines now installed in the market. Mother "Green" was launched in May and is exceeding expectations.

The business continues to invest around 30% of its annual capital spend on cold drink coolers. The focus on innovation in cooler technology, energy efficiency, reducing servicing costs to CCA and running costs to customers has resulted in continued improvements in cold drink shelf share. Cold drink cooler door equivalents increased by 4,500 with cold drink cooler share increasing from 64.8% to 65.1% since December 2012.

The business commenced a major operational efficiency programme aimed at fully leveraging the multi-year investment made in production, warehousing and IT with a range of cost out and business restructuring initiatives completed in the first half. The investment in PET blowfill lines has increased production capacity across the business enabling the consolidation of production from sub-scale facilities into the larger production sites. As a result, the Peats Ridge bottling operations have been closed and PET bottling production at the Smithfield, NSW site have been consolidated into larger facilities. Restructuring of operations to deliver improved customer service levels, leverage automation benefits and site consolidation has resulted in a headcount reduction of 77 full time positions. The business expects to deliver $30-40 million of annual efficiency gains and cost out initiatives over three years with $10-15 million expected in the second half of 2013.

NEW ZEALAND & FIJI

$A million	H1 2013	H1 2012	*Change*
Trading revenue	**202.2**	**189.9**	*6.5%*
Revenue per unit case	$7.05	$6.71	*5.1%*
Volume (million unit cases)	28.7	28.3	*1.4%*
EBIT	**34.1**	**30.9**	*10.4%*
EBIT margin	**16.9%**	**16.3%**	*0.6 pts*

New Zealand & Fiji delivered 10.4% earnings growth driven by improved performances from both New Zealand and Fiji. Australian dollar reported regional EBIT benefited from around four points of currency translation as a result of the appreciation of the New Zealand dollar.

New Zealand

The New Zealand business experienced a solid recovery with a return to growth following a strong summer trading season. Second quarter volumes were lower than last year primarily as a result of cycling a 0.5 million unit case safety stock build to the trade last year as the business transitioned to the SAP IT platform.

Highlights for the half included the relaunch of Lift Plus as a price fighter energy drink, delivering strong results with the brand gaining significant market share across all segments of the market and Keri Pulpy was successfully launched in February.

The successful implementation of Project Zero initiatives continues to reduce the cost base in New Zealand. The benefits of automation in the supply chain and the implementation of the SAP IT system have driven operational efficiencies including a 10% reduction in headcount since 2012.

Fiji

The Fiji business delivered strong volumes and earnings growth as it cycles the impact of major floods last year and continues to benefit from the successful launch of Minute Maid Pulpy in July 2012.

INDONESIA & PNG

$A million	**H1 2013**	**H1 2012**	*Change*
Trading revenue	**432.3**	**427.3**	*1.2%*
Revenue per unit case	$5.38	$5.95	*(9.6%)*
Volume (million unit cases)	80.3	71.8	*11.8%*
EBIT	**31.4**	**27.9**	*12.5%*
EBIT margin	**7.3%**	**6.5%**	*0.8 pts*

The Indonesian & PNG region delivered strong volume and earnings growth driven by a strong performance from Indonesia offsetting an earnings decline in PNG. Local currency EBIT growth for the region was around 15% with Australian dollar reported earnings impacted by the devaluation in the Indonesian Rupiah over the half.

Indonesia

Momentum in the Indonesian business continues to accelerate with volume and earnings growth of over 15% driven by faster growth from the core brand portfolio combined with the successful launch of a number of new products. The half also benefited from the 11 day earlier timing of the festive season with sales for Ramadhan commencing in June.

One-way-packs (OWPs) delivered volume growth of 29% supported by the acceleration of cold drink cooler placements, improved in-market execution, new products and packs and a strong promotional programme. CCA continues to maintain its strong position in the modern food store channel with volume growth of over 25%, again supported in June by Ramadhan sales. Pleasingly, the General Trade sales channel delivered strong growth in OWP products which more than offset the impact of the continuing decline in lower value returnable glass bottles. The launch of and more affordable package options in the General Trade market is helping to support growth in the core sparkling soft drink category improving the relevance of CCA products to Indonesian consumers and enabling the business to drive penetration and increase transactions with customers.

Highlights for the half include 13% growth in sparkling beverages, 15% growth in Minute Maid juices and OWP Frestea up 14%. A number of new products and pack sizes have been launched to broaden the portfolio offering as well as to target an increase in per capita consumption of the important C/D consumer group. New product launches included Aquarius Isotonic, Fanta Royal and Minute Maid Aloe Vera with CCA's first dairy product, Minute Maid Nutriboost, successfully launched in late June. An important development in growing relevance with the customer base has been the continued expansion into the high volume water category, with CCA installing in Jakarta its first dedicated high speed water line in May for production of the Ades water brand. Overall water volumes grew by over 50% with the number of general trade customers increasing by 15% to 576,000.

In local currency, revenue per unit case was broadly in line with last year. The revenue per case benefit of the increase in the mix of OWP products was offset by an increase in the mix of lower value, lower cost bottled water.

The Indonesian business has continued to rapidly expand its sales, manufacturing and distribution footprint across all major population centres. CCA now has 36 beverage production lines, 87 sales and distribution centres, over 230,000 cold drink coolers in the market and directly employs nearly 8,000 permanent staff.

PNG

After nine consecutive halves of double-digit earnings growth, PNG experienced a decline in volumes and earnings due to a slowdown in economic activity caused by falling commodity prices, reduced mining activity and investment and increased unemployment levels.

ALCOHOL, FOOD & SERVICES

$A million	H1 2013	H1 2012	*Change*
Trading revenue	**317.6**	329.0	*(3.5%)*
EBIT (before significant items)	**44.8**	49.8	*(10.0%)*

Alcohol, Food & Services earnings declined by 10.0% driven by a decline in earnings from SPCA.

Alcohol

The Beam portfolio continues to perform strongly, gaining 1.1 share points in the Australian spirits market, driven by the successful introduction of new pack sizes, flavour variations, brand investment as well as wider distribution. Jim Beam flavour extensions – Jim Beam Honey, Black Cherry and Devil's Cut – continue to perform strongly while Canadian Club volumes increased by almost 35% driven by the continued success of Canadian Club Premium Draught and ready-to-drink Canadian Club & Dry. Canadian Club is the fastest growing dark ready-to-drink brand in the top 10 alcoholic ready-to-drink brands and has moved from the number 7 to the number 5 dark ready-to-drink spirit brand in Australia. Another highlight was the growth of Teachers Scotch which increased volumes around 90% driven by a strong promotional programme.

Food

SPCA has experienced a decline in volume and earnings as the high Australian dollar continues to materially impact on its competitiveness against imported retailer private label packaged fruit and vegetables. The shelf prices of many imported private label products are being sold at levels well below the cost of Australian grown packaged fruit.

The restructuring of the SPCA business continues with initiatives being undertaken to materially reduce the cost of doing business. Many countries have used the high Australian dollar to dump packaged fruit product into the market at below cost. SPCA has applied for temporary tariff protection and has also lodged an anti-dumping application with the Australian Government. The application seeks tariffs ranging from 30-50% on imported packaged fruit being dumped into Australia which would assist in providing a more level playing field for Australian grown and produced product. This follows New Zealand's successful application of anti-dumping duties, which resulted in the imposition of a significant tariff on imported packaged fruit products which originate from the same countries that are currently exporting to Australia.

SPCA has also applied for a government grant to support restructuring, cost out and for future packaged fruit and vegetable innovation.

Services

The Services business achieved good earnings growth driven by improved earnings from refrigeration and equipment management services, higher demand for refrigeration servicing contracts and lower operating costs as a result of efficiency gains.

Contents

The information contained in this Report is to be read in conjunction with the last annual report and any announcements to the market by Coca-Cola Amatil Limited during the period.

The Directors submit hereunder their Report on Coca-Cola Amatil Limited and its subsidiaries (Group) for the half year ended 30 June 2013.

Directors

The names of the Directors of Coca-Cola Amatil Limited (Company or CCA) in office during the half year and/or until the date of this Report are –

David Michael Gonski, AC
Ilana Rachel Atlas
Catherine Michelle Brenner
Terry James Davis
Anthony Grant Froggatt
Martin Jansen
Geoffrey James Kelly
Wallace Macarthur King, AO
David Edward Meiklejohn, AM

Review of operations

The Group's net profit attributable to members of the Company for the half year was $215.9 million, compared to $246.2 million for the corresponding period in 2012. The net profit attributable to members for the half year includes a net significant item loss of $9.2 million after income tax, relating to restructuring expenses attributable to the Australian beverage business. The corresponding period in 2012 includes a net significant item gain of $0.1 million after income tax, relating to a gain on discontinuation of a business acquisition and restructuring expenses attributable to the alcohol strategy and ongoing transformation of the SPC Ardmona (SPCA) business. Refer to Note 4b) for further details of significant items.

The Group's trading revenue for the half year was $2,323.6 million, compared with $2,407.6 million for the corresponding period in 2012. The Group's earnings before interest and tax (EBIT) and significant items for the half year was $373.9 million, compared with $401.7 million for the corresponding period in 2012.

Further details of the operations of the Group during the half year are set out in the attached financial report.

Auditor's independence declaration

We have obtained the following independence declaration from the Company's auditor, Ernst & Young –

Building a better working world

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

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's independence declaration to the Directors of Coca-Cola Amatil Limited

In relation to our review of the financial report of Coca-Cola Amatil Limited for the half year ended 30 June 2013, 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

Michael Wright
Partner
Sydney
20 August 2013

Liability limited by a scheme approved under
Professional Standards Legislation

Rounding off

The Company is of a kind referred to in the Australian Securities and Investments Commission 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.

Signed in accordance with a resolution of the Directors.

David M. Gonski, AC
Chairman
Sydney
20 August 2013

Terry J. Davis
Group Managing Director
Sydney
20 August 2013

Income Statement

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2013

COCA-COLA AMATIL

	Refer Note	30 June 2013 $M	(Restated)[1] 30 June 2012 $M
Revenue, excluding finance income			
Trading revenue		**2,323.6**	2,407.6
Other revenue		**22.1**	20.8
	3	**2,345.7**	2,428.4
Other income[2]	4	**–**	34.2
Expenses, excluding finance costs			
Cost of goods sold		**(1,296.3)**	(1,346.4)
Selling		**(317.6)**	(318.6)
Warehousing and distribution		**(193.6)**	(189.6)
Administration and other[2]		**(177.5)**	(220.9)
		(1,985.0)	(2,075.5)
Earnings before interest and tax		**360.7**	387.1
Net finance costs			
Finance income	3	**18.2**	18.5
Finance costs	4	**(79.9)**	(74.6)
		(61.7)	(56.1)
Profit before income tax	4	**299.0**	331.0
Income tax expense[2]	5	**(83.0)**	(84.8)
Profit after income tax		**216.0**	246.2
Profit after income tax attributable to non-controlling interests		**(0.1)**	–
Profit after income tax attributable to members of the Company		**215.9**	246.2

1 *Refer to Note 1f) for further details.*

2 *Includes amounts classified as significant items. Refer to Notes 4b) and 5 respectively for further details.*

	Refer Note	¢	¢
Earnings per share (EPS) for profit attributable to members of the Company			
Basic and diluted EPS	6	**28.3**	32.4

Notes appearing on pages 24 to 38 to be read as part of the financial statements.

COCA-COLA AMATIL

	30 June 2013 $M	(Restated)[1] 30 June 2012 $M
Profit after income tax	**216.0**	246.2
Other comprehensive income		
Items to be reclassified to the income statement in subsequent periods –		
Foreign exchange differences on translation of foreign operations	**60.8**	6.0
Cash flow hedges	**8.3**	(27.3)
Income tax effect relating to cash flow hedges	**(2.7)**	8.4
	66.4	(12.9)
Items not to be reclassified to the income statement in subsequent periods –		
Actuarial valuation reserve	**12.1**	(5.6)
Income tax effect	**(3.6)**	1.7
	8.5	(3.9)
Other comprehensive income, after income tax	**74.9**	(16.8)
Total comprehensive income	**290.9**	229.4
Total comprehensive income attributable to non-controlling interests	**(0.2)**	–
Total comprehensive income attributable to members of the Company	**290.7**	229.4

1 Refer to Note 1f) for further details.

Statement of Financial Position

Coca-Cola Amatil Limited and its subsidiaries

As at 30 June 2013

	Refer Note	30 June 2013 $M	(Restated)[1] 31 December 2012 $M	(Restated)[1] 30 June 2012 $M
Current assets				
Cash assets		**907.2**	1,178.0	993.4
Trade and other receivables		**749.4**	959.5	748.5
Inventories		**798.4**	689.5	725.4
Prepayments		**92.7**	94.6	97.5
Current tax assets		**1.6**	–	3.9
Derivatives	7	**16.6**	9.5	9.8
Total current assets		**2,565.9**	2,931.1	2,578.5
Non-current assets				
Long term deposits		**300.0**	150.0	–
Other receivables		**6.4**	3.6	4.6
Investments in bottlers' agreements		**919.3**	905.2	906.4
Property, plant and equipment		**2,072.2**	1,993.8	1,825.0
Intangible assets		**630.9**	628.7	616.3
Prepayments		**25.3**	19.8	23.1
Defined benefit superannuation plans		**10.0**	1.7	–
Derivatives	7	**52.3**	50.4	66.7
Other financial assets	8	**24.4**	24.4	–
Total non-current assets		**4,040.8**	3,777.6	3,442.1
Total assets		**6,606.7**	6,708.7	6,020.6
Current liabilities				
Trade and other payables		**616.6**	806.3	595.6
Interest bearing liabilities		**378.6**	351.4	226.0
Current tax liabilities		**36.9**	54.5	14.9
Provisions		**64.9**	82.2	79.8
Accrued charges		**313.5**	412.6	314.9
Derivatives	7	**37.3**	42.2	44.0
Total current liabilities		**1,447.8**	1,749.2	1,275.2
Non-current liabilities				
Other payables		**1.2**	2.0	–
Interest bearing liabilities		**2,649.5**	2,435.8	2,292.0
Provisions		**13.7**	13.3	13.5
Deferred tax liabilities		**172.8**	151.8	148.0
Defined benefit superannuation plans		**43.7**	38.2	41.7
Derivatives	7	**185.0**	254.9	218.0
Total non-current liabilities		**3,065.9**	2,896.0	2,713.2
Total liabilities		**4,513.7**	4,645.2	3,988.4
Net assets		**2,093.0**	2,063.5	2,032.2
Equity				
Share capital	9	**2,271.7**	2,250.0	2,238.9
Shares held by equity compensation plans		**(15.0)**	(17.4)	(16.9)
Reserves		**(68.0)**	(127.9)	(114.5)
Accumulated losses		**(101.1)**	(46.4)	(75.3)
Equity attributable to members of the Company		**2,087.6**	2,058.3	2,032.2
Non-controlling interests		**5.4**	5.2	–
Total equity		**2,093.0**	2,063.5	2,032.2

1 Refer to Note 1f) for further details.

Notes appearing on pages 24 to 38 to be read as part of the financial statements.

Statement of Cash Flows

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2013

	Refer Note	30 June 2013 $M	30 June 2012 $M
Inflows/(outflows)			
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services taxes)		**2,930.0**	2,782.1
Payments to suppliers and employees (inclusive of goods and services taxes)		**(2,601.2)**	(2,408.9)
Interest income received		**14.6**	8.3
Interest and other finance costs paid		**(87.5)**	(77.6)
Income taxes paid		**(89.2)**	(107.6)
Net cash flows from operating activities		**166.7**	196.3
Cash flows from investing activities			
Proceeds from –			
disposal of property, plant and equipment		**5.1**	2.0
repayment of loan by the joint venture entity		**–**	24.5
disposal of other financial asset	8	**–**	288.6
discontinuation of business acquisition	4	**–**	34.2
Payments for –			
additions of property, plant and equipment		**(179.8)**	(195.5)
additions of software development assets		**(7.6)**	(15.9)
investments in long term deposits		**(150.0)**	–
Net cash flows (used in)/from investing activities		**(332.3)**	137.9
Cash flows from financing activities			
Proceeds from borrowings		**446.2**	297.8
Borrowings repaid		**(308.5)**	(96.3)
Dividends paid		**(248.9)**	(211.0)
Net cash flows used in financing activities		**(111.2)**	(9.5)
Net (decrease)/increase in cash and cash equivalents		**(276.8)**	324.7
Cash and cash equivalents held at the beginning of the half year		**1,177.3**	664.9
Effects of exchange rate changes on cash and cash equivalents		**5.5**	3.8
Cash and cash equivalents held at the end of the half year	11	**906.0**	993.4

Notes appearing on pages 24 to 38 to be read as part of the financial statements.

Statement of Changes in Equity

Coca-Cola Amatil Limited and its subsidiaries

For the half year ended 30 June 2013

COCA-COLA AMATIL

	Refer Note	Share capital $M	Shares held by equity compensation plans $M	Reserves $M	Accumulated losses $M	Total $M	Non-controlling interests $M	Total equity $M
		Equity attributable to members of the Company						
At 1 January 2013		**2,250.0**	**(17.4)**	**(128.8)**	**(30.4)**	**2,073.4**	**5.2**	**2,078.6**
Adoption of new accounting standard[1]		**–**	**–**	**0.9**	**(16.0)**	**(15.1)**	**–**	**(15.1)**
Restated 1 January 2013		**2,250.0**	**(17.4)**	**(127.9)**	**(46.4)**	**2,058.3**	**5.2**	**2,063.5**
Profit		**–**	**–**	**–**	**215.9**	**215.9**	**0.1**	**216.0**
Other comprehensive income		**–**	**–**	**74.8**	**–**	**74.8**	**0.1**	**74.9**
Total comprehensive income		**–**	**–**	**74.8**	**215.9**	**290.7**	**0.2**	**290.9**
Transactions with equity holders –								
Movements in ordinary shares	9	**21.7**	**–**	**–**	**–**	**21.7**	**–**	**21.7**
Share based remuneration obligations		**–**	**2.4**	**(14.9)**	**–**	**(12.5)**	**–**	**(12.5)**
Dividends appropriated	10	**–**	**–**	**–**	**(270.6)**	**(270.6)**	**–**	**(270.6)**
Total of transactions with equity holders		**21.7**	**2.4**	**(14.9)**	**(270.6)**	**(261.4)**	**–**	**(261.4)**
At 30 June 2013		**2,271.7**	**(15.0)**	**(68.0)**	**(101.1)**	**2,087.6**	**5.4**	**2,093.0**
At 1 January 2012		2,218.2	(16.5)	(91.5)	(75.9)	2,034.3	–	2,034.3
Adoption of new accounting standard[1]		–	–	–	(13.9)	(13.9)	–	(13.9)
Restated 1 January 2012		2,218.2	(16.5)	(91.5)	(89.8)	2,020.4	–	2,020.4
Profit		–	–	–	246.2	246.2	–	246.2
Other comprehensive income		–	–	(16.8)	–	(16.8)	–	(16.8)
Total comprehensive income		–	–	(16.8)	246.2	229.4	–	229.4
Transactions with equity holders –								
Movements in ordinary shares	9	20.7	–	–	–	20.7	–	20.7
Share based remuneration obligations		–	(0.4)	(6.2)	–	(6.6)	–	(6.6)
Dividends appropriated	10	–	–	–	(231.7)	(231.7)	–	(231.7)
Total of transactions with equity holders		20.7	(0.4)	(6.2)	(231.7)	(217.6)	–	(217.6)
At 30 June 2012		2,238.9	(16.9)	(114.5)	(75.3)	2,032.2	–	2,032.2

1 Adoption of the revised AASB 119 Employee Benefits which became applicable on 1 January 2013.

Notes appearing on pages 24 to 38 to be read as part of the financial statements.

1. Summary of Significant Accounting Policies

a) Basis of financial report preparation

This half year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

This half year financial report does not include all notes of the type normally included within the annual financial report. As a result it should be read in conjunction with the 31 December 2012 annual financial report of CCA, together with any public announcements made by CCA during the half year ended 30 June 2013.

This half year financial report has been prepared on the basis of historical cost, except for financial assets and liabilities (including derivative financial instruments) which have been measured at fair value through the income statement.

This half year financial report is presented in Australian Dollars.

b) Statement of compliance

The Group has adopted all consequential amendments to Australian Accounting Standards which became applicable on 1 January 2013. The Group applies, for the first time, certain standards and amendments that require restatement of previous financial statements. These include the revised AASB 119 Employee Benefits and the amended AASB 101 Presentation of Financial Statements. There is no material impact on the Group's 30 June 2013 half year financial statements in relation to the AASB 13 Fair Value Measurement and the amended AASB 7 Financial Instruments: Disclosures.

Other than discussed above, the accounting policies adopted in the preparation of this half year financial report are consistent with those applied and disclosed in the 2012 annual financial report.

Australian Accounting Standards and Interpretations that have been issued or amended but not yet effective have not been early adopted by the Group for the half year ended 30 June 2013. It is considered early adoption of these standards would not have a material impact on the results of the Group or the impacts have yet to be assessed.

c) Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

d) Use of estimates

The preparation of the financial statements for the Group 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. There has been no material change to the key estimates and assumptions disclosed in the last annual report. 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.

1. Summary of Significant Accounting Policies continued

e) Principles of consolidation

Subsidiaries

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

The financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control the entity.

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.

f) Impact of adoption of the revised AASB 119 Employee Benefits

Defined benefit superannuation plans

The Group operates two defined benefit plans, which are the CCA Superannuation Plan and the Coca-Cola Bottling Indonesia Superannuation Plan. The revised AASB 119 has been applied retrospectively from 1 January 2012 resulting in the restatement of comparative information presented within this report. As a result of applying the revised AASB 119 –

- actuarial gains and losses are now recognised within other comprehensive income. Previously, these amounts were recognised applying the "corridor" method, whereby these amounts were recorded within the defined benefit superannuation asset and liability account, and were amortised to the income statement when cumulative amounts exceeded 10% of the defined benefit obligation or fair value of plan assets;
- time value amounts recognised in the income statement are now classified as net finance costs (previously were classified within defined benefit superannuation plan expense); and
- expected returns on plan assets are no longer recognised, instead, an interest income is recognised, calculated employing the applicable discount rate used to measure the net defined benefit liability or asset.

1. Summary of Significant Accounting Policies continued

f) Impact of adoption of the revised AASB 119 Employee Benefits continued

Defined benefit superannuation plans continued

The impact from adoption of the revised AASB 119 on the income statement and the statement of financial position comparatives, is shown below –

	Cumulative impacts – increase/(decrease)		
	1 January 2012 $M	30 June 2012 $M	31 December 2012 $M
Impact on income statement			
EBIT of Non-Alcohol Beverages business[1]			
Australia	–	(1.7)	(3.4)
Indonesia & PNG	–	1.3	2.6
Total EBIT	–	(0.4)	(0.8)
Net finance costs	–	1.1	2.2
Profit before income tax	–	(1.5)	(3.0)
Income tax benefit	–	0.5	0.9
Profit after income tax	–	(1.0)	(2.1)
Impact on statement of finance position			
Net defined benefit superannuation liabilities	19.4	26.2	21.0
Deferred tax liabilities	(5.5)	(7.6)	(5.9)
Net liabilities	13.9	18.6	15.1
Retained earnings (opening balance)	(13.9)	(13.9)	(13.9)
Reserves	–	(3.7)	0.9
Total equity	(13.9)	(17.6)	(13.0)

1 Restatement of defined benefit superannuation plan expense.

There was no restatement impact on the statement of cash flows. Earnings per share for profit attributable to members of the Company for the half year ended 30 June 2012 and financial year ended 31 December 2012 have decreased by 0.1 and 0.3 cents respectively.

2. Segment Reporting

The Group operates in four reportable segments, based on a combination of factors including geography, products and services. The Australia, New Zealand & Fiji and Indonesia & PNG segments derive their revenues from the manufacture, distribution and marketing of carbonated soft drinks and other alcohol free beverages.

The Alcohol, Food & Services segment manufactures and distributes premium spirits and beers, processes and markets fruit and other food products, and provides certain support services to the Group and third party customers.

The Group manages its net debt, net finance costs and income taxes on a Group basis and these measures are therefore not reported internally at a segment level. Segment results are evaluated on an earnings before interest, tax and significant items basis. Segment net assets are evaluated on a capital employed basis. Capital employed represents total assets and liabilities, excluding those assets and liabilities relating to net debt. Net debt comprises cash assets, long term deposits, debt related derivative assets and liabilities, loans and interest bearing liabilities. Segment information as provided to CCA's Group Managing Director is disclosed in this Note.

The accounting policies of each operating segment are the same as those described in Note 1. Inter-segment transactions are conducted on normal commercial terms and conditions.

	30 June 2013 $M	30 June 2012 $M	**30 June 2013 $M**	30 June 2012 $M	**30 June 2013 $M**	30 June 2012 $M
	Trading revenue[1]		**Other revenue**		**Total revenue, excluding finance income**	
Non-Alcohol Beverage business						
Australia	**1,371.5**	1,461.4	**6.7**	6.6	**1,378.2**	1,468.0
New Zealand & Fiji	**202.2**	189.9	**3.2**	4.4	**205.4**	194.3
Indonesia & PNG	**432.3**	427.3	**1.3**	0.7	**433.6**	428.0
Alcohol, Food & Services business	**317.6**	329.0	**10.9**	9.1	**328.5**	338.1
Total CCA Group	**2,323.6**	2,407.6	**22.1**	20.8	**2,345.7**	2,428.4
					Segment results[2]	
Non-Alcohol Beverage business						
Australia					**263.6**	293.1
New Zealand & Fiji					**34.1**	30.9
Indonesia & PNG					**31.4**	27.9
Alcohol, Food & Services business					**44.8**	49.8
Total CCA Group					**373.9**	401.7

Refer to the following page for footnote details.

2. Segment Reporting continued

	30 June 2013 $M	30 June 2012 $M
The reconciliation of segment results to CCA Group profit after income tax is shown below –		
	CCA Group	
Segment results[2]	**373.9**	401.7
Significant items[3]	**(13.2)**	(14.6)
Earnings before interest and tax	**360.7**	387.1
Net finance costs[4]	**(61.7)**	(56.1)
Profit before income tax	**299.0**	331.0
Income tax expense[4]	**(83.0)**	(84.8)
Profit after income tax	**216.0**	246.2
Profit after income tax attributable to non-controlling interests	**(0.1)**	–
Profit after tax attributable to members of the Company	**215.9**	246.2
	Segment capital employed	
Non-Alcohol Beverage business		
Australia	**1,613.4**	1,505.1
New Zealand & Fiji	**463.1**	434.8
Indonesia & PNG	**463.1**	342.7
Alcohol, Food & Services business	**1,449.0**	1,393.5
Total operating segments	**3,988.6**	3,676.1
Other financial assets	**24.4**	–
Total CCA Group	**4,013.0**	3,676.1
The reconciliation of segment capital employed to CCA Group net assets is shown below –		
	CCA Group	
Segment capital employed	**4,013.0**	3,676.1
Net debt[4]	**(1,920.0)**	(1,643.9)
Net assets	**2,093.0**	2,032.2
The reconciliation of CCA net assets to total assets and liabilities is shown below –		
Total assets	**6,606.7**	6,020.6
Total liabilities	**(4,513.7)**	(3,988.4)
Net assets	**2,093.0**	2,032.2

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

2 Segment results are evaluated on an earnings before interest, tax and significant items basis.

3 Refer to Note 4b) for further details of significant items.

4 Net debt, net finance costs and income taxes are managed on a Group basis and are not reported internally at a segment level.

3. Revenue

	30 June 2013 $M	30 June 2012 $M
Trading revenue		
Sales of products	**2,283.5**	2,361.8
Rental of equipment and processing fees	**40.1**	45.8
Total trading revenue	**2,323.6**	2,407.6
Other revenue		
Rendering of services	**11.7**	10.6
Miscellaneous rental and sundry income[1]	**10.4**	10.2
Total other revenue	**22.1**	20.8
Total revenue, excluding finance income	**2,345.7**	2,428.4
Interest income from –		
related parties	**–**	0.1
non-related parties	**18.1**	18.4
defined benefit superannuation plans	**0.1**	–
Total finance income	**18.2**	18.5
Total revenue	**2,363.9**	2,446.9

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

4. Finance Costs and Significant Items

	30 June 2013 $M	30 June 2012 $M
Profit before income tax includes the following specific expenses –		
a) Finance costs		
Interest costs from –		
non-related parties	**79.8**	76.6
defined benefit superannuation plans	**1.3**	1.1
Other finance losses/(gains)	**0.4**	(1.3)
Total finance costs	**81.5**	76.4
Amounts capitalised	**(1.6)**	(1.8)
Total finance costs expensed	**79.9**	74.6
b) Significant items		
For the half year ended 30 June 2013 –		
CCA has carried out a review of its Australian beverages business. As a result, CCA has recognised restructuring expenses comprised mainly of write downs of plant and equipment, and management restructuring costs.	**(13.2)**	–
For the half year ended 30 June 2012 –		
Gain on discontinuation of business acquisition[1]	**–**	34.2
Write down of SPCA inventories to net realisable value	**–**	(40.8)
Other restructuring costs[2]	**–**	(8.0)
Total net significant item losses	**(13.2)**	(14.6)

1 CCA elected not to proceed with the acquisition of the Foster's Australian spirits business and received a payment of $34.2 million from SABMiller plc.

2 Attributable to CCA's alcohol strategy and SPCA business.

5. Income Tax Expense

	30 June 2013	30 June 2012
a) Income tax expense		
	$M	$M
Current tax expense	**69.4**	86.7
Deferred tax expense/(benefit)	**13.2**	(1.5)
Adjustments to current tax of prior periods	**0.4**	(0.4)
Total income tax expense	**83.0**	84.8
Total income tax expense includes –		
Income tax benefit on significant items[1]	**(4.0)**	(14.7)

1 Refer to Note 5b) for further details.

	30 June 2013	30 June 2012
b) Reconciliation of CCA's applicable (Australian) tax rate to the effective tax rate		
	%	%
Applicable (Australian) tax rate	**30.0**	30.0
Non-allowable expenses	**0.8**	0.4
Overseas tax rates differential	**(0.9)**	(0.7)
Overseas withholding tax	**(2.1)**	(1.1)
Recognition of previously unrecognised deferred tax assets[1]	**–**	(3.0)
Effective tax rate	**27.8**	25.6
Effective tax rate (before significant items)	27.9	28.8

1 Deferred tax assets arising from recognition of CCA's previously unrecognised capital losses, to the extent required to offset the capital gain arising from a gain on discontinuation of a business acquisition, discussed further in Note 4b).

6. Other Performance Measures

	30 June 2013	30 June 2012
a) Net tangible asset backing per ordinary share		
	$	$
Excluding investments in bottlers' agreements (IBAs)	**0.70**	0.67
Including IBAs	**1.91**	1.86
b) Earnings per share (EPS)		
	¢	¢
Basic and diluted EPS	**28.3**	32.4
Before significant items – Basic and diluted EPS	**29.5**	32.4
The weighted average number of ordinary shares used to calculate EPS was –		
	M	M
Basic and diluted EPS	**762.8**	760.4
Earnings used to calculate basic and diluted EPS –		
	$M	$M
Profit after income tax attributable to members of the Company	**215.9**	246.2
Adjustments for significant items[1]	**9.2**	(0.1)
Earnings used calculate basic and diluted EPS before significant items	**225.1**	246.1

1 *Amounts classified as significant items consist of a net loss of $13.2 million before income tax and an income tax benefit of $4.0 million, or $9.2 million loss after income tax for 2013 (2012: a net loss of $14.6 million before income tax and an income tax benefit of $14.7 million, or $0.1 million gain after income tax). Refer to Notes 4b) and 5 for further details.*

c) Free cash flow (FCF)

FCF is calculated as the sum of cash flows from operating and investing activities, excluding those cash flows dealing with the joint venture entity's funding, acquisitions and disposals of entities, investments in long term deposits and other financial assets.

	$M	$M
FCF[1]	(15.6)	21.1

1 *Comparative amount included proceeds from discontinuation of business acquisition.*

6. Other Performance Measures continued

	30 June 2013 %	30 June 2012 %
d) Return on invested capital (ROIC)		
ROIC is calculated on a moving annual total basis as earnings before interest and significant items, after tax (EBIAT), divided by the average of net segment assets (capital employed) at the beginning and at the end of the twelve month period ending 30 June. EBIAT is derived by deducting from EBIT (before significant items) the applicable tax using the before significant items effective tax rate. Where material business acquisitions or disposals occur, the acquisition or disposal date net segment assets balance is used as the beginning or ending balance with an adjustment made to reflect the period of ownership respectively.		
ROIC	**16.2**	17.4
e) Capital expenditure (capex) compared to trading revenue		
Capex is defined as current period gross payments for property, plant and equipment and software development assets.		
Capex to trading revenue	**8.1**	8.8

7. Derivatives and Net Debt Reconciliation

	30 June 2013 $M	31 December 2012 $M	30 June 2012 $M
a) Derivatives as per the statement of financial position			
Derivative assets – current	**(16.6)**	(9.5)	(9.8)
Derivative assets – non-current	**(52.3)**	(50.4)	(66.7)
Derivative liabilities – current	**37.3**	42.2	44.0
Derivative liabilities – non-current	**185.0**	254.9	218.0
Total net derivative liabilities	**153.4**	237.2	185.5
Net derivative liabilities comprises –			
debt related	**99.1**	173.3	119.3
non-debt related	**54.3**	63.9	66.2
Total net derivative liabilities	**153.4**	237.2	185.5

CCA presents derivative assets and liabilities on a gross basis. Certain derivative assets and liabilities are subject to enforceable master netting arrangements with individual counterparties if they were subject to default. As at 30 June 2013, if these netting arrangements were to be applied to the derivative portfolio, derivative assets are reduced by $66.9 million (31 December 2012: $59.9 million and 30 June 2012: $53.7 million) and derivative liabilities reduced by $67.1 million (31 December 2012: $59.9 million and 30 June 2012: $52.2 million).

	30 June 2013 $M	31 December 2012 $M	30 June 2012 $M
b) Net debt reconciliation			
Cash assets	**(907.2)**	(1,178.0)	(993.4)
Long term deposits	**(300.0)**	(150.0)	–
Net derivative liabilities – debt related	**99.1**	173.3	119.3
Interest bearing liabilities – current	**378.6**	351.4	226.0
Interest bearing liabilities – non-current	**2,649.5**	2,435.8	2,292.0
Total net debt	**1,920.0**	1,632.5	1,643.9

8. Other Financial Assets

	30 June 2013 $M	31 December 2012 $M	30 June 2012 $M
Current			
The 50% interest in Pacific Beverages Pty Ltd, which was classified as a current financial asset, was sold to SABMiller on 13 January 2012.			
Balance at the beginning of the period	**–**	288.6	288.6
Disposal	**–**	(288.6)	(288.6)
Balance at the end of the period	**–**	–	–
Non-current			
In August 2012, CCA lent $24.4 million to the Australian Beer Company, part of the Casella group. The loan will convert into an equity interest in the Australian Beer Company after the expiration of CCA's restraint on selling beer in Australia on 16 December 2013.			
Convertible notes	**24.4**	24.4	–

9. Share Capital

	Refer Note	**30 June 2013**	31 December 2012	30 June 2012
		$M	$M	$M
Fully paid ordinary shares				
Balance at the beginning of the period		**2,250.0**	2,218.2	2,218.2
Issued in respect of the Dividend Reinvestment Plan	11	**21.7**	31.8	20.7
Balance at the end of the period		**2,271.7**	2,250.0	2,238.9

	No.	No.	No.
Fully paid ordinary shares			
Balance at the beginning of the period	**762,133,414**	759,567,552	759,567,552
Issued in respect of Dividend Reinvestment Plan	**1,456,835**	2,565,862	1,751,455
Balance at the end of the period	**763,590,249**	762,133,414	761,319,007

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.

Dividend Reinvestment Plan

CCA's Dividend Reinvestment Plan (DRP) continues to be available to eligible shareholders. The DRP provides shareholders with the opportunity to receive fully paid ordinary shares, in lieu of cash dividends, at the price calculated using the daily volume weighted average market price of CCA shares during the 10 trading days commencing on the second trading day after the record date for the dividends. The record date for the dividend entitlements is 29 August 2013.

For the 2013 interim dividends, shares will be acquired on market and transferred to participants to satisfy any shares to be provided under this Plan.

The last date for receipt of Election Notices under this Plan is 29 August 2013.

10. Dividends Appropriated and Proposed

a) Summary of dividends appropriated during the half year

	30 June 2013 ¢	**30 June 2013** $M	30 June 2012 ¢	30 June 2012 $M
Prior year final dividend[1]	**32.0**	**243.9**	30.5	231.7
Prior year final special dividend (unfranked)[2]	**3.5**	**26.7**	–	–
Total	**35.5**	**270.6**	30.5	231.7

1 Franked to 75% and paid on 2 April 2013 (2012: fully franked and paid on 3 April 2012).

2 Paid on 2 April 2013.

b) Dividends declared and not recognised as liabilities

Since the end of the half year, the Directors have declared the following dividends on ordinary shares –

	Rate per share ¢	**Amount $M**	**Date payable**
2013 interim dividend (franked to 75%)	24.0	183.3	1 October 2013
2013 interim special dividend (unfranked)	2.5	19.1	1 October 2013
Total	26.5	202.4	

The unfranked component of the dividends has been declared to be conduit foreign income.

11. Statement of Cash Flows Information

	Refer Note	**30 June 2013 $M**	30 June 2012 $M
a) Cash and cash equivalents			
Cash on hand and in banks		**215.4**	237.6
Short term deposits		**691.8**	755.8
Bank overdrafts		**(1.2)**	–
Total cash and cash equivalents		**906.0**	993.4
b) Non-cash investing and financing activities			
Dividends satisfied by the issue of shares under the Dividend Reinvestment Plan	9	**21.7**	20.7

12. Contingent Liabilities

	30 June 2013 $M	31 December 2012 $M
Contingent liabilities existed at the end of the period in respect of –		
termination payments under employment contracts	**10.4**	10.2
other	**0.8**	0.7
	11.2	10.9

13. Fair Value Measurement

Derivative financial assets and financial liabilities are recognised at fair value as at the reporting date. The financial instruments that are not measured at fair value are bonds that have been accounted for at amortised cost. The bonds at amortised cost have a carrying value of $2,747.1 million (31 December 2012: $2,558.3 million and 30 June 2012: $2,296.9 million), and a fair value of $2,836.1 million (31 December 2012: $2,647.1 million and 30 June 2012: $2,403.2 million).

Derivative financial instruments are initially recognised in the statement of financial position at cost and subsequently remeasured to their fair value. Accordingly, there is no difference between the carrying value and fair value of derivative financial instruments at reporting date.

The remeasurement is based on quoted market prices. 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 valuation techniques applied by the Group are consistent with those applied and disclosed in the 2012 annual financial report. There were no transfers between Level 1 and 2, and no financial instruments were measured at Level 3 (where fair value is measured using unobservable inputs for the asset or liability) for the periods presented in this report.

14. Events after the Balance Date

No matters or circumstances have arisen since the end of the half 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.

The Directors declare that the consolidated financial statements and notes, set out on pages 19 to 38 –

a) are in accordance with the Corporations Act 2001;
b) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001;
c) give a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the half year ended 30 June 2013; and
d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have received and considered the certification from the Group Managing Director and Group Chief Financial Officer supporting the financial statements and statutory report for the half year ended 30 June 2013.

This declaration is made in accordance with a resolution of the Directors pursuant to section 303(5) of the Corporations Act 2001, dated 20 August 2013.

On behalf of the Directors

David M. Gonski, AC
Chairman
Sydney
20 August 2013

Terry J. Davis
Group Managing Director
Sydney
20 August 2013

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Independent Review Report

To the members of Coca-Cola Amatil Limited

Report on the Half Year Financial Report

We have reviewed the accompanying half year financial report of Coca-Cola Amatil Limited (the "Company"), which comprises the statement of financial position as at 30 June 2013, the income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, 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 half year end or from time to time during the half year.

Directors' responsibility for the half year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Coca-Cola Amatil Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Coca-Cola Amatil Limited is not in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the half year ended on that date; and

(ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Ernst & Young

Michael Wright
Partner
Sydney
20 August 2013