2019 ANNUAL REPORT

CCA
COCA-COLA **AMATIL**

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ANNUAL GENERAL MEETING

Coca-Cola Amatil's AGM will be held virtually via our online platform at https://agmlive.link/CCL20 on 26 May 2020 at 10.00am (AEST).

ABN 26 004 139 397

COVID-19 & OUR 2019 REPORT

AN IMPORTANT MESSAGE

READING THIS REPORT IN THE CONTEXT OF COVID-19

As you will see, we have adopted a new approach to Amatil's 2019 Annual Report. We have combined our Annual and Sustainability Reports for the first time, building on our commitment to move towards integrated reporting, and to showcase the year that was for our company, our people and all of our stakeholders.

At the time of publication of this 2019 Annual Report[1] ("Report"), the world is responding to the COVID-19 pandemic and the duration, impacts and severity are continuing, with many unknowns.

At Coca-Cola Amatil, protecting the health and safety of our people and those we work with will always be our overriding priority. At the time of finalising this Report we are monitoring on a daily basis the status and impacts of COVID-19, to respond and adjust across all of our geographies and adapt to new work rhythms and operations – to remain focused on business continuity and our customers during this challenging time.

We have cancelled large gatherings and implemented physical distancing measures designed to protect our people, whether they work in our field-based sales teams, front-line manufacturing and distribution operations, or in an office-based environment. We have suspended all international and non-essential domestic travel and implemented measures to ensure we can equip our teams to work virtually where possible, and safely in all other situations.

Amatil's Annual General Meeting of Shareholders scheduled for 26 May 2020 will also be conducted virtually, to discourage physical attendance for the protection of all our people and our investor community.

We will continue to align with advice from the World Health Organisation and the relevant Government Authorities in our countries of operation.

Given the significant uncertainty around the duration and impacts of the COVID-19 pandemic, on 17 March 2020 Amatil withdrew the earnings guidance, which was previously issued to the market on 20 February 2020.

This Report reflects our results and achievements for 2019. The strategies, priorities, shareholder value proposition and outlook statements were relevant and appropriate at the time of being issued within the 2019 Financial and Statutory Reports, but COVID-19 will cause all of them to change.

Amatil has a strong balance sheet and low net debt levels, ensuring we are well positioned to navigate this event. **We have been implementing contingency plans to mitigate the impacts of COVID-19 on our workforce and operations. We will continue to evolve our response and assess the impact of this global pandemic as its effect on our business becomes clearer.**

Our latest updates to the market can be found on our website at www.ccamatil.com.

We thank our many customers, brand and business partners across all regions for working with us in partnership to continue to meet the needs of our customers and protect the communities in which we operate.

1 Print date as at 14 April 2020.

WHO WE ARE

Coca-Cola Amatil is one of the largest bottlers and distributors of non-alcoholic and alcoholic ready-to-drink beverages in the Asia Pacific region and one of the world's larger bottlers of The Coca-Cola Company's range of products.

OUR PURPOSE

EVERY DAY WE CREATE MILLIONS OF MOMENTS OF HAPPINESS AND POSSIBILITIES

Our future is shaped by our purpose and our values form the foundation of our culture. Our purpose unites all of us and focuses our energy. It reflects the scale of our business and the millions of people we connect with directly and through our products. It's about what we do every day and the possibilities we are creating for the future for Shareholders and society.

OUR VALUES

Our Values are the basis for how we work together and operate. They guide our behaviours and our decisions, every day.

- **WE ARE STRAIGHTFORWARD AND OPEN**
- **WE TAKE THE INITIATIVE AND OWN THE OUTCOME**
- **WE FOCUS ON TODAY AND TOMORROW**

OUR AMBITION

TO BE A REGIONAL BEVERAGES POWERHOUSE

Our Ambition is to be a Regional Beverages Powerhouse in the Association of Southeast Asian Nations (ASEAN) and Oceania regions as we look to grow within categories, across geographies and along the beverages value chain. We have a clear growth platform that builds on our expert knowledge of the beverages market in ASEAN and Oceania, our leading portfolio of brands, and track record of delivering innovation.

OUR GROUP STRATEGY

Our Group strategy is our blueprint for success. It positions us to capture growth and deliver long-term value. We know that our markets will continue to change. We are confident in our ability to adapt and adjust to capitalise on opportunities and address challenges as and when they arise. As a Group, we are focused on two overarching objectives – Perform and Grow. The success of both is built on a foundation of a Strong Organisation.

PERFORM

The Perform objective is guided by our Shareholder Value Proposition and is our primary day-to-day focus. The three strategic pillars within this – Lead, Execute, Partner – were defined as part of our 2014 strategic review and are the basis on which our businesses structure their plans.

LEAD

Strengthen Category Leadership Position

- Leading brands in each of our major categories in each market
- Up-weighted levels of innovative marketing continually strengthening brand equity
- Evolving portfolio that adapts to changing consumer preferences

EXECUTE

Step Change in Productivity and In-Market Execution

- World-class customer servicing capability
- Route-to-market that provides customer diversification and competitive advantage
- Effective leverage of our large-scale, low-cost manufacturing, sales and distribution capability

PARTNER

Better Alignment with The Coca-Cola Company and Our Other Brand Partners

- Shared vision of success and aligned objectives
- Joint plans for growing System profitability
- Balanced share of risk and rewards

GROW

We are a strong organisation with a proven ability to adapt and capitalise on opportunities to further grow our portfolio of brands and businesses. Our growth agenda positions us to deliver long-term sustainable returns to our Shareholders.

Our ambition is to be a Regional Beverages Powerhouse. To achieve this, we are looking to be 'the leading beverages business in the ASEAN and Oceania region'.

Our growth agenda seeks to maximise opportunities and position us to deliver long-term sustainable returns to our Shareholders. We have a clear growth platform that focuses on:

GROWTH WITHIN CATEGORIES

- Innovation with our brand partners and selective Mergers and Acquisitions in existing and new beverage categories
- New beverage categories in existing markets

GROWTH ACROSS GEOGRAPHIES

- Entering new geographies in existing beverage categories
- Immediate focus on South-East Asia and Oceania based on our current operations, future growth prospects and potential for synergies

GROWTH ALONG THE VALUE CHAIN

- Vertical integration and extensions of our existing value chain in current geographies – increasing the role we play in getting our great beverages into the hands of consumers.

STRONG ORGANISATION

Our ability to deliver our performance and achieve our growth aspirations is underpinned by a Strong Organisation with strong, accountable businesses, a One Amatil mindset led by the Group Leadership Team and a lean Group centre that safeguards and shapes our future.

In 2019 we accelerated the implementation of our Strong Organisation through divestment of the SPC business and announcement of the integration of Alcohol & Coffee into each of our geographies. This has simplified our manufacturing model, strengthened our customer focus, and improved our emphasis on our Beverages Powerhouse ambition.

A ONE AMATIL MINDSET

We believe the Group Leadership Team has a shared accountability for a One Amatil mindset so we are making decisions that are in the best interests of Amatil overall. There are many opportunities to share learnings, leverage expertise and share services.

A LEAN GROUP OFFICE

An essential component of our model is a lean Group Office, which provides functional leadership to support our businesses and a One Amatil approach to safeguarding and shaping our future. This ensures we operate in line with the expectations of our Board, realise our ambition of becoming a Regional Beverages Powerhouse and create long-term value for Shareholders and for society.

OUR LONG-TERM VALUE PROPOSITION

In 2019 we redefined our approach to the creation of long-term value. It is a new way of thinking about how we create long-term, sustainable value that integrates our previous sustainability framework with our Shareholder value proposition. We believe creating value for society is completely integrated and consistent with the way we deliver value to Shareholders. This means that as we pursue growth, we do so through the lens of seeking positive impacts for our people, customers, partners, consumers, the environment and our community.

We will continue to think about how we measure our performance against this model and refine our performance indicators so that our Shareholders and stakeholders can hold us accountable as we fulfil our strategic ambition of being a Regional Beverages Powerhouse.

WHERE WE OPERATE

As both brand partner and brand owner, we operate across six countries – Australia, New Zealand, Indonesia, Papua New Guinea, Fiji and Samoa – to prepare, distribute and sell an unrivalled range of beverages. With decades of experience, we do this safely and responsibly, and are proud that our products delight millions of people every day.

With access to more than 270 million potential consumers through more than 630,000 active customers, our product range includes sparkling beverages, water, sports, energy, fruit juices, iced tea, flavoured milk, coffee, kombucha, beer, cider and spirits.

We are committed to leading through innovation, and to building a sustainable future, capturing growth and delivering long-term value to our Shareholders.

We employ around 12,000 people and create thousands more jobs in the communities in which we operate. Across this team we work as one, united by a shared purpose and common values. We know that our diverse workforce is our greatest strength and makes us the vibrant company we are today.

Key

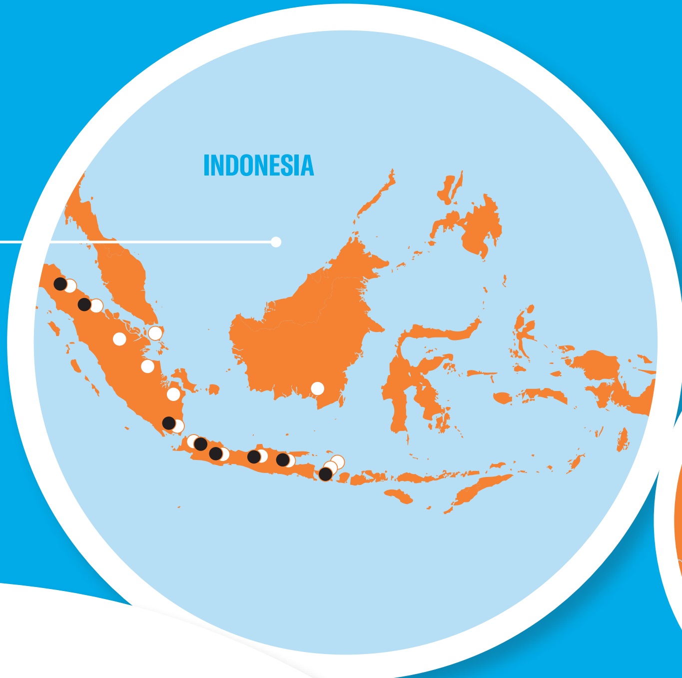
● Production Facilities	Customers
Production Lines	Employees
Brands	Coolers
○ Warehouses	

Australia

Production Facilities: 9	Customers: 110,000
Production Lines: 32	Employees: 3,400
Brands: 30	Coolers: 125,300
Warehouses: 11	

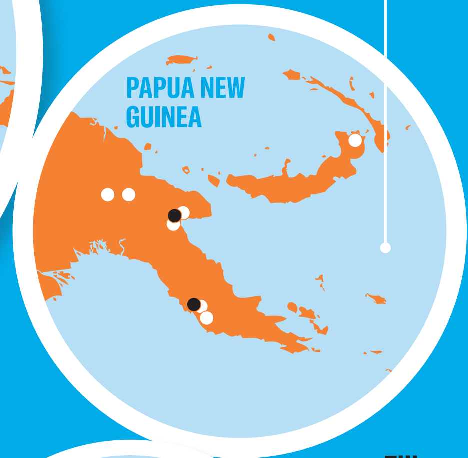
Alcohol & Coffee[1]

Production Facilities: 8	Customers: 3,050
Production Lines: 19	Employees: 770[3]
Brands: 107[2]	Coolers: 7,100
Warehouses: 5	



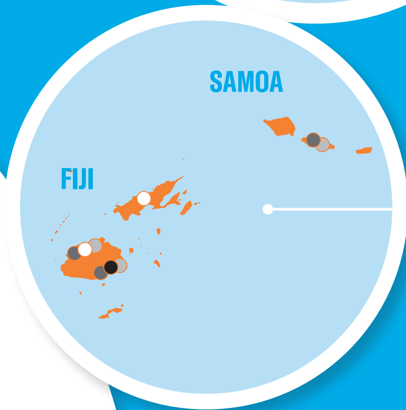
Indonesia

Production Facilities: 8	Customers: 484,700
Production Lines: 37	Employees: 5,800
Brands: 9	Coolers: 329,000
Warehouses: 14	



Papua New Guinea

Production Facilities: 2	Customers: 13,500
Production Lines: 5	Employees: 825
Brands: 10	Coolers: 15,000
Warehouses: 7	



Fiji

Production Facilities: 1	Customers: 3,100
Production Lines: 4	Employees: 300
Brands: 13	Coolers: 4,500
Warehouses: 2	

New Zealand

Production Facilities: 4	Customers: 17,400
Production Lines: 11	Employees: 1,000
Brands: 32	Coolers: 38,500
Warehouses: 4	

1 Includes all Alcohol & Coffee operations across Australia, New Zealand, Fiji, Samoa and Indonesia, and excludes shared facilities with other Amatil businesses.
2 Includes all brands distributed by Amatil both as brand owner and brand partner, including those distributed under agreement with Beam Suntory, Molson Coors & Chilli Marketing.
3 Including contractors.

2019 HIGHLIGHTS

WE ACHIEVED SOLID PROGRESS IN A NUMBER OF AREAS, WITH THE AUSTRALIAN BEVERAGES AND INDONESIA BUSINESSES SHOWING STRONG IMPROVEMENT IN THE LAST YEAR OF THE TWO-YEAR TRANSITION PERIOD.

GROUP

ONGOING GROUP REVENUE
$5,070.6m
↑ 6.7%

STATUTORY NPAT
$374.4m
↑ 34.2%

STATUTORY EBIT
$603.4m
↑ 31.9%

STATUTORY EPS
51.7c
↑ 34.3%

FINAL ORDINARY DIVIDEND
26.0c
per share

BUSINESS

AUSTRALIAN BEVERAGES
achieved revenue growth for the first time since 2012

NEW ZEALAND & FIJI
7.3% ↑ REVENUE
10.1% ↑ EBIT
Excellent all-round performance

INDONESIA & PAPUA NEW GUINEA
delivered double-digit revenue and volume growth. **Indonesia** achieved high single digit revenue and volume growth despite flat overall NARTD market.

ALCOHOL & COFFEE
achieved the fifth consecutive year of double-digit EBIT growth

SUSTAINABILITY TARGETS
achieved strong progress

SUSTAINABILITY

HUMAN RIGHTS TRAINING LAUNCHED
84.8%
completed our Human Rights Policy training program

WATER INTENSITY
1.95L/L
target maintained for non-alcoholic beverages

POSITIONS HELD BY WOMEN
38% Board
43% Senior Executive
21% Management

WASTE COLLECTION
40k tonnes
Bali Beach Clean Up has collected over 40,000 tonnes of waste over 12 years

PACKAGING IN AUSTRALIA
7/10
of our plastic bottles in Australia are now being made from 100% recycled plastic

RENEWABLE AND LOW-CARBON ENERGY
53.3%
used in our manufacturing operations

PACKAGING IN NEW ZEALAND
100% rPET
now used in all single-serve carbonated soft-drink bottles and all water bottles in New Zealand

COMMUNITY PROGRAMS
A$5.2m
in community investment, 0.81% of ongoing EBIT

MORE THAN
80%
of supplier spend screened using responsible sourcing criteria

CLIMATE CHANGE
risk and opportunity assessment completed

CHAIRMAN'S REVIEW

“WE BELIEVE CREATING VALUE FOR SOCIETY IS CONSISTENT WITH THE DELIVERY OF VALUE TO SHAREHOLDERS.”

ILANA ATLAS, AO Chairman

I am pleased to present the Coca-Cola Amatil Limited Annual Report for 2019.

The end of 2019 marked the completion of a two-year transition period for Amatil. We strengthened our customer and consumer focus and simplified our operating model to better align the beverage categories to our geographies. We also renewed our focus on core categories and channels and reinvested in people and facilities. The benefits of these changes are evident, both in this year's strong financial results and in industry-changing commitments on sugar reduction and recycling.

Our overall Group result for 2019 delivered benefits from this business transformation effort. Group revenue increased strongly for the year, rising by 6.7 per cent, reflecting successful outcomes from strategic initiatives in each of our territories, strong in-market execution and targeted investment in the Australian and Indonesian businesses.

We also sought to maintain a leadership role in corporate citizenship, recognising the social and commercial importance of consumer wellbeing and business sustainability. We believe creating value for society is consistent with the delivery of value to Shareholders. This means that as we pursue growth, we do so through the lens of seeking positive impacts for our people, customers, partners, consumers, the environment and our community. This is what we call our Value Proposition.

At the heart of our Value Proposition is a thriving customer base. This is underpinned by four contributors – an engaged workforce, committed business partners, delighted consumers and a healthy natural environment. Our performance against these contributors determines our success in delivering value to Shareholders and to the communities in which we operate.

Thriving Customers

In 2019 we committed to deliver quality, reliability, convenience and service to more than 630,000 customers across our six geographies. We introduced new product innovations, maximised efforts during key selling weeks and relaunched campaigns such as 'Share a Coke.' In Australia our additional support for restaurant and café customers substantially increased our customer visitation frequency and focused on driving the right range in-store.

Our progress is evident in our ability to win market share, deliver new business growth and receive strong customer recognition.

“IN EARLY 2019 WE IMPLEMENTED A COCA-COLA BOTTLER SYSTEM FIRST WITH A 100 PER CENT RECYCLED PET PLASTIC BOTTLE FOR CARBONATED BEVERAGES.”

Committed Partners

We are delighted with the strong performance of the Coca-Cola Trademark across our markets. This is a strong demonstration of the success and strength of our partnership with The Coca-Cola Company. The Coca-Cola System is unique, and we are a proud partner in this System.

Amatil is proud to partner with a number brand partners in non-alcoholic ready-to-drink, alcoholic and hot beverages industries. Each relationship is different and we work closely with our partners to ensure we grow our businesses together. We are committed to successful business partnerships built on trust and shared value.

We continued to focus on innovation and new product development through our partnership with Beam Suntory across Australia and New Zealand, and the successful launches of Roku premium gin and the Koyomi range of new-to-world Shochu-based drinks.

Delighted Consumers

Consumer wellbeing continues to be a priority for Coca-Cola Amatil as we provide consumer choice based on their preferences.

We achieved substantial reduction in sugar content across our portfolio in Australia and New Zealand. Measured as grams per 100ml, so far we have achieved reductions of 8.8 per cent in Australia and 5.3 per cent in New Zealand versus a 2016 baseline.

In Indonesia we launched new products such as Sprite Waterlymon with sugar content lower than regular Sprite and introduced small packs (200ml) for popular products such as Frestea Green Honey and Refresh Strawberry. Overall, we've delivered a 7.8 per cent reduction in sugar grams per 100ml across our portfolio in Indonesia since 2016.

In Fiji we made changes to our portfolio to include Coca-Cola No Sugar, reformulated Diet Coke and reduced sugar content in a range of alcoholic and non-alcoholic ready-to-drink brands.

Across the Pacific we set a roadmap for sugar reduction through to 2022, which includes reformulations of various Fanta and Sprite options in Fiji including Fanta Pineapple, Fanta Orange and in Samoa, Sprite.

Engaged People

We strive to achieve and maintain a zero-harm workplace where safety is everyone's responsibility. For Coca-Cola Amatil, a safe workplace is the result of both our 'safety first' culture and a clearly defined set of requirements for all employees.

Overall, we believe our people feel engaged, included and developed. This is evidenced by our 2019 employee engagement scores. Indonesia recorded a significant increase of six percentage points to 81 per cent, Papua New Guinea and Australia recorded impressive increases of 15 and 12 percentage points respectively. New Zealand continues to produce Amatil's leading engagement scores, achieving 87 per cent in 2019.

We are heading in the right direction in relation to gender diversity, with 43 per cent of our senior executive roles being held by women compared to 34 per cent in 2018. This is good progress but there is more to do.

Better Environment

Inspired by The Coca-Cola Company's launch of a World Without Waste, in early 2019 we implemented a Coca-Cola Bottler System first with a 100 per cent recycled PET plastic bottle for carbonated beverages. This innovation was developed by our team at Eastern Creek in NSW, Australia and is an innovation which our peers in the global Coca-Cola System are now keen to replicate.

As a result of innovations such as this, we are now producing all single-serve and water bottles in 100 per cent recycled plastic in Australia and New Zealand. Additionally, we are involved in the operation of all planned and operational container deposit schemes across Australia, and we continue to manage the Fijian based collection scheme Mission Pacific. In 2019 we celebrated our eleventh year supporting the Bali Beach Clean-Up program.

Plastic continues to have a valuable role to play in our packaging mix. It is efficient to transport and has a low carbon footprint when compared to other packaging formats. Finding a solution to the impact of plastics on the environment is of global importance, and a key priority for Amatil.

Moreover, our 2019 Operating and Financial Review recognised the importance of disclosing climate related risks and opportunities in line with the recommendations of the Task Force on Climate Related Financial Disclosures. We will continue to improve our assessment of climate risk, management and disclosure approaches in line with these recommendations.

Board Update

Board renewal is an ongoing and important exercise. It ensures the Board has the right mix of skills and experience to meet the Company's strategic objectives and future challenges, and that our Shareholders are represented by a diverse and experienced Board.

In November 2019 we announced the appointment of Penelope (Penny) Winn to the Board, replacing Julie Coates. Penny has extensive experience in the retail and fast-moving consumer goods sectors, alongside expertise in complex logistics and supply chains.

Creating value together

The Board is committed to delivering long-term sustainable value for our customers, our people, partners, consumers, the environment and our shareholders.

Like many organisations across the globe, Amatil is continuing to work through the constantly changing impacts of COVID-19, with the safety and wellbeing of our people, our consumers, our customers and our communities our overriding priority. We will continue to evolve our response and assess the impact of this global pandemic as its effect on our business becomes clearer.

On behalf of the Board, I would like to take this opportunity to thank all of our teams across all our geographies for their dedication and contribution during the year.

ILANA R. ATLAS, AO
Chairman

GROUP MANAGING DIRECTOR'S REVIEW

> **GROUP REVENUE INCREASED STRONGLY FOR THE YEAR, RISING BY 6.7 PER CENT.**
> **ALISON WATKINS**, Group Managing Director

> **AUSTRALIAN BEVERAGES PERFORMED WELL IN 2019, WITH REVENUE GROWTH OF 2.4 PER CENT – THE FIRST FULL-YEAR NET REVENUE INCREASE SINCE 2012.**

At Coca-Cola Amatil, our operations and performance are built on the three pillars of our Group Strategy – Perform, Grow and Strong Organisation, and these are underpinned by our approach to creating value for both our Shareholders and our society.

2019 was a pleasing year for Coca-Cola Amatil, with top-line revenue growth reflecting the impact of our business initiatives across each market.

Statutory Earnings Before Interest and Taxes (EBIT) was $603.4 million, up 31.9 per cent and statutory Net Profit After Taxes (NPAT) was $374.4 million, up 34.2 per cent.

Ongoing[1] EBIT was $639.3 million, up 0.8 per cent. Ongoing NPAT was $393.9 million, up 1.4 per cent. There was also a strong cash flow result, with ongoing free cash flow before lease accounting changes improving by $70.8 million on the previous period.

The final dividend for the year is 26 cents, which is unfranked. This represents a full year ongoing payout ratio of 86.4 per cent. Those numbers exclude the four cents per share special dividend which was paid at the conclusion of the first half following completion of the asset sale of SPC. We expect Amatil dividends to return to being franked in 2021, at above 50 per cent.

Overall, this is a healthy financial performance for the Group, reflecting carefully targeted investment in the Australian and Indonesian businesses and strong in-market execution in each of our territories.

Our Businesses

Australian Beverages performed well in 2019, with revenue growth of 2.4 per cent – the first full-year net revenue increase since 2012.

EBIT came in at $369 million. This includes investments in 'Feet on the Street' in the state immediate consumption channel, additional commissioning costs for our new bottling and distribution centre at Richlands in Queensland, and a $9.6 million benefit from the introduction of new lease accounting standards during the year.

Growth in sparkling beverages was driven by the Coca-Cola Trademark, including double-digit volume growth for Coca-Cola No Sugar which offset a slight decline in volume sales of Classic Coca-Cola.

Underlying volumes in water were solid, despite cessation of sales of the low value, low margin Peats Ridge range in Officeworks. We increased distribution of Mount Franklin water in the state immediate consumption channel, and increased ranging in Convenience and Petroleum. We also held value share in water in the combined Grocery, and Convenience and Petroleum market.

I am pleased to report that our New Zealand & Fiji segment had another very strong year with increases of 7.3 per cent in revenue and 10.1 per cent in EBIT. In New Zealand we continued to see strong momentum with revenue and volume growth and high single digit earnings growth. In Fiji, we delivered solid profit growth against a backdrop of challenging economic conditions and adverse weather conditions.

Indonesia & Papua New Guinea delivered double-digit revenue and volume growth as well as strong EBIT growth. The Indonesia business demonstrated that it was able to achieve high single digit revenue and volume growth against the backdrop of a market where volume was flat. We continued to see very strong momentum in Papua New Guinea, with double-digit volume, revenue and EBIT growth, underpinned by continued strong demand for sparkling.

Alcohol & Coffee delivered its fifth consecutive year of double-digit EBIT growth. Spirits and premix had another strong year with value share gains in rum, vodka and gin. We felt competitive pressures in some beer segments including in our business in Samoa. This impact, along with the measles outbreak in the last quarter, caused challenging trading conditions in that region. Our coffee business grew revenue and volume benefitting from strong growth delivered in the grocery channel through the bean, capsule and ground segments.

Corporate & Services delivered reduced earnings for the year due to property sales and investments in Group capabilities and IT platforms. SPC is no longer included in this segment as the business was sold in mid-2019 for a total consideration of $49.6 million resulting in a gain from disposal of $13.8 million (after tax).

Safety

Our unrelenting focus on safety and wellbeing continued throughout the year. Since 2012 we have reduced total injuries by 69 per cent, however, in 2019 we saw a 26 per cent increase in the total number of injuries from 105 injuries in 2018 to 132 in 2019. Reviews have been conducted and improvement plans are in place. There is always more to be done and we continue to share learnings across our operations and geographies.

Amatil X

We expanded Amatil X, our emerging possibilities platform, into Indonesia in April 2019 through a partnership with Digitaraya, an established local accelerator program powered by Google Developers Launchpad, to support its Fast Moving Consumer Goods cohort.

In December 2019 Amatil X announced a further partnership, with Artesian Venture Partners to establish a multi-million-dollar fund targeting early stage start-ups focused on delivering value for customers, strengthening Amatil's capabilities, and exploring new growth opportunities. The first investment from this fund – for New Zealand-based start-up Aider – supports delivery of an artificial intelligence digital assistant to improve sales outcomes in small and medium enterprises in hospitality and retail.

Executive Team

We reduced the size of the Group Leadership Team during 2019 by consolidating responsibilities in line with our regional beverages powerhouse ambition and focus on a lean Group Office, with the departure of our Managing Director of Alcohol & Coffee, Shane Richardson, our Director of Group Public Affairs, Communications and Sustainability, Liz McNamara, and our Group Director, Partners and Growth, Chris Sullivan. We thank Shane, Liz and Chris for their commitment to Amatil over many years and wish them all the best for the future.

I also want to recognise the outstanding contribution and dedication of all of our people in each of our businesses and locations. Their passion for our brands and our customers is inspiring.

Outlook

Given the significant uncertainty in relation to the duration and impact of the COVID-19 pandemic, on 17 March 2020 we withdrew our earnings guidance, which was provided to the market on 20 February 2020.

Amatil has a strong balance sheet and low net debt levels, ensuring we are well positioned to navigate this event. We have been implementing contingency plans to mitigate the impacts of COVID-19. We remain committed to keeping our Shareholders informed, while we focus on sustaining our operations and our commitments to our workforce.

ALISON WATKINS
Group Managing Director

1 Ongoing refers to continuing operations results adjusted to exclude non-trading items.

OUR STRATEGY

PERFORM

- Category leadership
- Outstanding execution
- Deep partnerships

GROW

Across categories, geographies and along the beverages value chain

A STRONG ORGANISATION

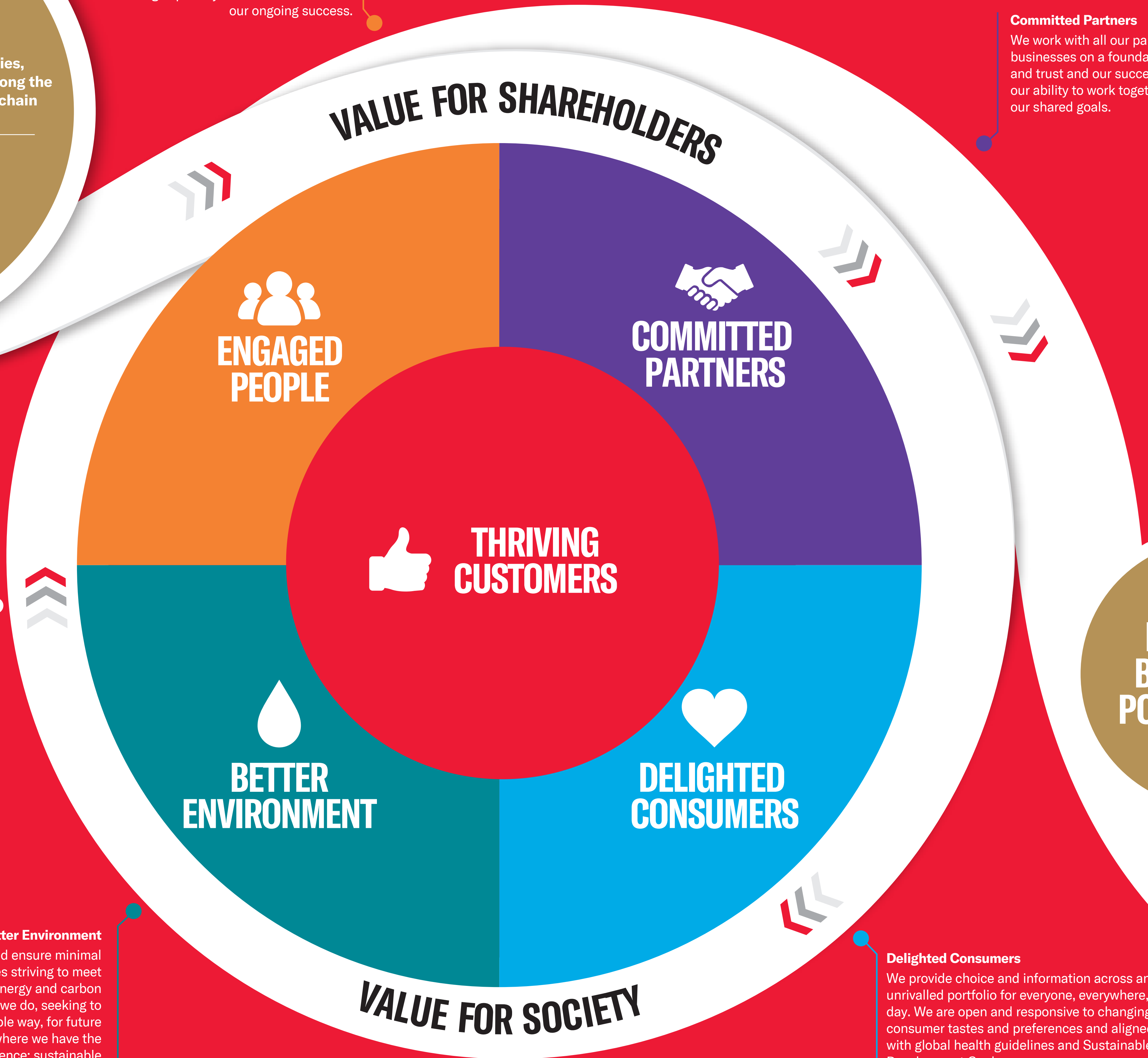
- Strong accountable businesses
- One Amatil mindset led by the Group Leadership Team
- Lean Group Office to safeguard and shape our future

Engaged People

We provide a safe, open, diverse and inclusive workplace where our people are energised by what we will achieve together. We know that the strength of our business and our brands can only be supported through the strength of our people, and a diverse workforce and building capability and talent is critical to our ongoing success.

Committed Partners

We work with all our partners to grow our businesses on a foundation of collaboration and trust and our success is dependent on our ability to work together to deliver against our shared goals.



STRATEGY AND LONG-TERM VALUE CREATION

At the heart of how we create long-term value are our **Thriving Customers,** and delivering quality, reliability, convenience and service to more than 630,000 customers across our six geographies. Our ability to do this is underpinned by four other value drivers, all of them equal and all of them inter-related. These are Engaged People, Committed Partners, Delighted Consumers, and a Better Environment.

Our ability to deliver against each of these is what determines our success in delivering value to our Shareholders and to society.

REGIONAL BEVERAGES POWERHOUSE

Better Environment

We aim to leave a positive legacy and ensure minimal impact on the environment. This includes striving to meet our commitments on packaging, water, energy and carbon reduction. We work responsibly in all we do, seeking to make the right choices now, in a sustainable way, for future generations. Our commitment is focused where we have the most opportunity to make a difference: sustainable packaging; water stewardship; energy management and climate protection; biodiversity and responsible sourcing.

Delighted Consumers

We provide choice and information across an unrivalled portfolio for everyone, everywhere, every day. We are open and responsive to changing consumer tastes and preferences and aligned with global health guidelines and Sustainable Development Goals.

OUR SHAREHOLDER VALUE PROPOSITION

Our Shareholder Value Proposition guides our approach to the management of our diverse markets and portfolio, and targets the contribution each part of our business makes to the overall Group outcome. It is a tangible demonstration of our commitment to being accountable to our Shareholders.

It is based on our competitive advantages, defining a compelling investment case and the components that will create Shareholder value.

INVESTMENT CASE

Predominantly a Coca-Cola franchisee with leading brands

Our partnership with The Coca-Cola Company gives us access to a portfolio of leading brands in a diverse range of categories, underpinned by decades of best-in-class marketing and product innovation.

Our portfolio of non-alcoholic ready-to-drink and alcoholic beverages is also strengthened by other partnerships and by a small number of our own brands. These partnerships give us access to other international premium brands which assist us in securing market-leading positions and creating additional value.

These relationships are described in the section 'Committed Partners'.

Route-to-market with scale and reach

We have an established and unrivalled sales and distribution network serving a wide range of customers.

Our customer base varies between markets, but invariably includes small and large supermarkets, corner stores, fuel stations, cafes and restaurants across modern and traditional trade and increasingly through digital platforms.

This sales and distribution network is one of our success factors as it gives us an accelerated platform to launch new products and achieve wide customer reach.

Additionally, the provision of our branded fridges and vending machines gives us significant shelf space in all the markets in which we operate.

Large-scale, modern, low-cost infrastructure

We pride ourselves on being a world-class beverages company, continuously investing in efficiency and capacity for all our sites and in all our markets.

The scale of our operations and quality of our products make us one of the most successful and competitive beverage suppliers in the Asia-Pacific region.

We benefit from enviable economies of scale that allow us to produce a wide range of products and serve a large number of customers.

Steady cash flow from core Australia and New Zealand franchises

Our balanced exposure towards developed markets supports the sustainability of our business model.

Our developed markets – Australia and New Zealand – generate strong cash flow, supporting the payment of attractive dividends while maintaining our ability to reinvest in the business to create an even stronger future.

SHAREHOLDER VALUE PROPOSITION

Investment case
- Predominantly a Coca-Cola franchise with leading brands
- Route-to-market with scale and reach
- Large-scale, modern, low-cost infrastructure
- Steady cash flow from core Australia and New Zealand franchises
- Growth opportunities including Indonesia providing upside

EBIT drivers
- Revenue growth plans and continuous cost focus across the Group
- Targeting low single digit EBIT growth – Core developed market franchises (Australia and New Zealand)
- +
- Targeting double-digit EBIT growth – Developing markets (Indonesia, Papua New Guinea and Fiji) and Alcohol & Coffee

EPS drivers
- Modest capex for developed markets
- +
- Growth capex for Indonesia funded
- +
- Continuous working capital management
- +
- Bolt-on acquisitions
- Capital management initiatives

Shareholder value creation
- Mid-single digit EPS growth
- Attractive dividends: above 80 per cent payout ratio
- Strong balance sheet
- Strong return on capital employed

Growth opportunities including Indonesia and Alcohol & Coffee providing upside

Our developed markets are supported by our strong market position in our Alcohol & Coffee business.

In Indonesia, our geographic and customer reach, combined with our multi-category approach, makes us unique and positions us well to capture the growth we expect in this market.

EBIT DRIVERS

Revenue growth and continuous cost focus across the Group

Revenue growth and continuous cost focus form the foundations of our business plans. These are two important building blocks underpinning our ability to grow earnings and cash flow.

Appropriate EBIT targets

We have set medium-term EBIT targets for each of our businesses which reflect the market and our position within it. Our near-term targets take account of our recent performance and plans.

EPS DRIVERS

Capex

We allocate modest capex for our developed markets with the view to maximising returns for our Shareholders. Indonesia remains an exciting growth market and we are investing in this market to maximise its potential.

Working capital management

Our focus on effective and efficient management of working capital resources drives strong cash generation particularly across our Australia and New Zealand businesses.

Bolt-on acquisitions and capital management initiatives

Our priorities for cash are to create value for our Shareholders by investing in revenue growth plans, operational efficiencies and selective bolt-on acquisitions in existing and new beverage categories that strengthen our market leadership and our portfolio of beverages. Furthermore, we seek opportunities for vertical integration and extensions across the value chain.

The Board regularly reviews our capital structure to ensure it remains appropriate for our business. It is important that we maximise Shareholder returns while also providing sufficient funds to support the needs of the business.

SHAREHOLDER VALUE CREATION

Mid-single digit EPS growth

The aggregation of all these elements underpins our expectation to deliver mid-single digit ongoing EPS growth in 2020 and over the medium term.

Attractive dividends

After investing to support and maintain the long-term growth prospects of the business, we pay our Shareholders attractive dividends. Our dividend policy is a payout ratio of above 80 per cent over the medium term.

Strong balance sheet and return on capital employed

We expect that our balance sheet will remain conservative with flexibility to fund future growth opportunities.

We expect to maintain a strong return on capital employed.

THRIVING CUSTOMERS

At the heart of our Value Proposition are our thriving CUSTOMERS and our commitment to deliver quality, reliability, convenience and service to more than 630,000 customers across our six geographies. When they thrive, we thrive.

630,000
Customers serviced

6
Geographies covered

> **WITH OUR UNRIVALED PORTFOLIO AND EXCELLENT SERVICE, WE ENGAGE CUSTOMERS TO EXCITE SHOPPERS AND CREATE JOINT VALUE FOR LONG-TERM SUCCESS.**
>
> **CHRIS LITCHFIELD**, Managing Director, New Zealand and Fiji

ADDITIONAL
95 'FEET ON THE STREET'
in the Australian immediate consumption channel substantially increased customer visitation

WE DELIVER TO
96%
of Australian postcodes fortnightly and 85 per cent of postcodes weekly

OUR COMMITMENT

At the heart of how we create long-term value are our Thriving Customers, and delivering quality, reliability, convenience and service to more than 630,000 customers across our six geographies.

In 2019, we demonstrated our commitment to customers by:

- creating value through a total beverage portfolio
- maximising the key selling weeks when beverages are most in demand
- increased focus and investment in small stores to maximise beverages potential
- joint value creation
- servicing customers efficiently from order to delivery.

OUR APPROACH

Creating value for customers through a total beverage portfolio

In 2019 we introduced new product innovations and focused on growing our core range of non-alcoholic ready-to-drink, alcohol and coffee beverages. This, supported by other initiatives in revenue growth management and route-to-market, drove results with our customers across our six geographies.

By refining our strategies to align by category and channel, we helped our customers excite shoppers and grow their businesses. In established categories, we experienced progress in all regions, and saw a return to volume and revenue growth in the Coca-Cola Trademark in Australia. In the Australian market we also grew still beverages faster than the overall category, which supported value creation for our customers.

For our customers in Indonesia, we drove volume-led growth across core categories with water and value-added dairy the main contributors of volume growth in still beverages.

In alcohol, strong performance in the spirits and premix segment was driven by Canadian Club and innovation such as Koyomi and Roku Gin.

In coffee, we saw strong revenue and volume growth in the grocery channel in bean, capsule and ground segments with our national account customers growing strongly.

Maximising the key selling weeks when beverages are most in demand

Peak selling periods, including Christmas, Easter and Football Finals in Australia, are critical to success in the market. In these weeks, shoppers on average spend more within the beverage category, and a higher number of shoppers enter the category.

In 2019 we relaunched the popular 'Share a Coke' campaign, Coca-Cola's largest global campaign. The success of this campaign, combined with targeted execution and revenue growth management initiatives, delivered strong performance of the Coca-Cola Trademark across the 2019 festive and summer periods.

In alcohol, key selling weeks were also distinct opportunities for our brands to increase their profile. In our Coors Beer brand, we focused activation for the American Superbowl event and in Magners Cider, St Patricks Day was a key selling period. Canadian Club was once again official partner of the Australian Open, and the summer festive period is always a perfect opportunity to profile our spirits portfolio for celebrations with family and friends or for gifting.

PIZZA HUT AUSTRALIA'S SUPPLIER OF THE YEAR

Pizza Hut recently partnered with Amatil for the first time in Australia and only 12 months on we received Pizza Hut Australia's Supplier of the Year Award. CEO of Pizza Hut Australia, Mr Phil Reed, described Amatil as: "A phenomenal partner helping two exceptional, iconic brands deliver 100 per cent Guest Experience so that customers across the whole of Australia can #sharegoodtimes."

AMATIL WINS BURGER KING'S ANNUAL AWARD FOR BEST PARTNER OF THE YEAR IN INDONESIA

For three consecutive years, in 2017, 2018 and 2019, Burger King awarded us the Best Partner of the Year Award for our service of more than 160 Burger King outlets throughout Indonesia. This prestigious award recognised Amatil's product portfolio, supply chain management, field service, marketing support, continuous business review and best-practice sharing.

Increased focus and investment in small stores to maximise beverages potential

Our small stores focus is becoming increasingly critical as it continues to offer revenue growth potential for our customers.

To seize these opportunities, we took learnings from the New Zealand market and applied them to the Australian market. As part of the Accelerated Australian Growth Plan, we invested in our sales force with an additional 95 people placed in the state immediate consumption channel. The 'Feet On The Street' initiative substantially increased our customer visitation frequency and focused on driving the right range in-store. This focus on small stores resulted in increased volumes for customers in state immediate consumption.

Our cold drink equipment fleet was another strong enabler in driving growth with our small store customers. In 2019 we focused on optimising performance across our strategic assets, by reactivating coolers in market and driving cooler purity of Amatil product ranges. Technology and innovation have been leveraged to enhance the consumer experience, and we are focused on driving the sustainability of our equipment through reduced energy usage and recyclability.

Joint value creation

Our success, and the success of our customers, requires us to work together to improve shopper satisfaction. Joint business plans and workshops are an essential part of this collaboration resulting in clearly defined shared responsibilities and joint tracking scorecards to evaluate progress and results.

Another way we strengthen relationships and grow share is by leveraging our insights into category trends and shopper behaviour. Our access to a broad range of retailer, transaction and loyalty data means our industry, channel and customer knowledge is unrivalled. We are highly valuable as a business partner in providing insight-based recommendations to increase beverage incidence and drive growth across our customers.

Wherever possible we work in partnership with our customers to ensure that they have the confidence to understand how we, as a major supplier, are helping make their supply chain more sustainable.

Servicing customers efficiently from order to delivery

Our operating models are customer-centric and customised to the needs of local markets. We use a range of route-to-market models to maximise service across all regions.

In Indonesia, we moved to a two-fold distribution strategy that has generated significant improvements in effectiveness and efficiency in our route-to-market execution. In addition to our own distribution network, we have established a network of Coca-Cola Official Distributors. These distributors offer better capability to execute the 'last mile' delivery significantly increasing our customer reach while allowing us to maintain relationships with our customers.

In our Australian business, we moved from a state-led structure to a channel-led structure with ownership from strategy to execution and clarity of channel portfolio. Our regional coverage in Australia is a significant advantage, with delivery to 85 per cent of postcodes weekly and 96 per cent of postcodes fortnightly. Our ability to efficiently serve our diverse range of customers has seen us achieve volume growth in all major channels in 2019, including grocery, convenience and petroleum and On the Go.

In New Zealand, performance was underpinned by moving our customer relationships from being a 'supplier of need' to a 'business partner of choice'. We provided the right tools and resources to support our sales teams, leveraging our high-touch model with continuous learning, development and coaching. This was a key factor to our success in helping our smaller customers grow to their full potential. Our focus on being a partner of choice enables the field team to secure longer-term contracts with smaller stores and outlets and deliver tailored execution to meet their needs.

For our customers in Fiji our high touch point service model continues to strengthen our relentless approach to superior customer service delivering incremental growth in the immediate consumption and take-home market. With this approach, we increased the number of small customer outlets by six per cent in 2019.

In Papua New Guinea, we have focused on developing and reinforcing relationships with our prime distribution partners, leveraging their delivery network and capability to expand our reach together with our record 'feet-on-ground'.

OUR PROGRESS

Our progress is evident in our ability to win in the market, deliver new business growth and receive strong customer recognition.

In Australia, Pizza Hut recently partnered with Amatil for the first time in Australia. After only one year of service with Pizza Hut, we were honoured to receive their Supplier of the Year Award. This followed business wins with Red Rooster, Oporto, Bankwest Stadium, Hilton Hotels and Amatil becoming the first principal partner of the new Sydney Zoo. Our focus on driving the right range in small stores has resulted in an increase in core ranging points, the top 20 products relevant to the state immediate consumption channel in Australia.

Our New Zealand business was recognised as the number one supplier in the categories of Head office, Field, Delivery and National Contact Centre through the Coalface survey with a Net Promoter Score of 64.

The New Zealand team created new customer partnerships throughout 2019 and were recognised through multiple customer and industry awards including the Thirsty Liquor and Black Bull Liquor Key Account Manager of the Year, Countdown awards for Account Manager of the Year and Integrated Supplier Planner of the Year, CRM awards for Outbound Business to Business, Inbound Sales for our Customer Service Team, Favourite Outbound Customer Sales Rep of the Year, and New Zealand Association of Convenience Stores awards for Best Service to Stores, Best Administration Support and Best Delivery Service to Stores.

The Fiji group continued to strive in managing customer relationships and secured the Sofitel Group contract along with other key major local players in the cinema, Supermarket and Petroleum channels.

In 2019 the Indonesian team established new business partnerships which included KFC, Pizza Hut, Texas Chicken, Boga Group, Marriot Starwood Hotel Group, Lotteria, Lotte Cinema, Platinum Cinema, and Hanamasa. The team was also awarded Burger King's Partner of the Year award for the third consecutive year in Indonesia.

In Papua New Guinea, we have increased penetration by driving availability through our prime distribution partners while developing new complimentary ones. This has had a significant impact in delivering a double-digit growth performance.

PARTNERING FOR COMMERCIAL AND SUSTAINABILITY OUTCOMES

Amatil is the first principal sponsor of the new Sydney Zoo, near Blacktown. In line with Sydney Zoo's commitment to sustainability all plastic bottles 600ml and less at the zoo are made from 100 per cent recycled plastic and consumers are encouraged to recycle the bottles. This is one example of Amatil's commitment to bring sustainability innovations to market for the commercial benefit of our customers.

AMATIL X

AMATIL X IN INDONESIA

In April 2019, Coca-Cola Amatil announced its corporate venture capital platform Amatil X would extend its geographical reach from Australia and NZ to include Indonesia.

Amatil X was established in 2018 to help us identify, work with, and invest in start-ups. The model allows us to partner with, or invest in start-ups that offer new ways to:

— help our customers to grow

— deliver our beverages

— sell to consumers, or

— reduce our impact on the environment.

We are also looking for start-ups who can work with us to solve our business challenges or help us better serve our customers.

Amatil X plays a unique role in building entrepreneurial capability at Coca-Cola Amatil. In 2019, we launched our flagship program, the Amatil X Academy in Indonesia. The Academy is a structured six-month internal accelerator designed to build entrepreneurial capability and connect our people to the local start-up ecosystem.

In its first year, Amatil X trained 1,629 employees at 14 locations across Indonesia to apply Lean Start-up methodology to a corporate environment and demonstrated that great value can be unlocked when corporates and start-ups work together.

Two winning teams had the opportunity to build their ideas into working prototypes to help solve some of the challenges facing our Indonesian business including managing plastic waste and product inventory tracking.

COMMITTED PARTNERS

We work with committed brand and business partners to grow our operations together, on a foundation of collaboration and trust. Our mutual success depends on our ability to work together to deliver against shared goals.

55 years

We are proud to have been a Coca-Cola bottler and distributor since 1965

MORE THAN 80%

of supplier spend screened using responsible sourcing criteria[1]

1 Supplier spend in Australia, New Zealand and Indonesia.

> **WE WORK WITH EACH PARTNER TO MAKE SURE WE GROW OUR BUSINESSES TOGETHER, ON A FOUNDATION OF COLLABORATION AND TRUST.**
>
> **KADIR GUNDUZ**, Managing Director, Indonesia & Papua New Guinea

#1

Coca-Cola Amatil New Zealand was recognised **as one of the best bottlers in the world** by The Coca-Cola Company, the only bottler to be a finalist in the Candler Cup for two consecutive years

MONSTER ENERGY

We're proud to partner with Monster Energy Company – one of the biggest energy drink companies and brands in the world[1]

OUR COMMITMENT

We have a long and proud history of working closely with brand partners to bottle, package, sell and distribute a leading range of brands and products.

In addition to brand partners, we have valued partnerships throughout our value chain, including with suppliers. We have made public sustainability goals to be achieved by the end of 2020, being to ensure 80 per cent of spend with suppliers is covered by responsible sourcing assessments.

We request our supplier partners to follow Coca-Cola Amatil's Responsible Sourcing Guidelines as well as The Coca-Cola Company's Supplier Guiding Principles. Environmental and social sustainability criteria is also an important part of supplier sustainability assessments covering most of Coca-Cola Amatil's key suppliers.

We will keep looking for more opportunities to grow within these existing partnerships, as well as opportunities for new relationships with organisations that share our thirst for making possibilities a reality.

OUR APPROACH

Our relationship with The Coca-Cola Company

Coca-Cola Amatil has a long-standing relationship with The Coca-Cola Company, which is both a Shareholder and brand owner. We are proud to have been a Coca-Cola bottler and distributor since 1965.

Our relationship with The Coca-Cola Company has evolved over the years, driven by the need for agility, responsiveness and proximity to the customer and consumer. Our relationship is marked by a new level of financial and strategic alignment as well as a shared vision of growth that positions us to win in increasingly competitive and fast-paced operating environments.

We prepare, import, sell and distribute a range of products of The Coca-Cola Company and its affiliates and have a range of different agreements with them, reflecting the nature of those products and our role in different markets.

Our relationship with The Coca-Cola Company and its affiliates is governed in our various markets by bottlers', distributors' and license agreements which set out the respective rights and responsibilities of Coca-Cola Amatil and The Coca-Cola Company or its relevant affiliate. These agreements are typically 10 years in duration and have consistently been extended or renewed.

Our agreements relating to Indonesia, Papua New Guinea, Fiji and Samoa are due for renewal or extension during 2020.

Our agreements with The Coca-Cola Company and its affiliates provide us exclusive rights to prepare, package, sell or distribute the relevant trademarked products of The Coca-Cola Company and its affiliate in a territory. Our agreements contain obligations in relation to production and marketing requirements of The Coca-Cola Company.

The Coca-Cola Company and its affiliates take overall responsibility for the consumer marketing of their products, for product innovation and research and development, and the supply of proprietary concentrates and beverage bases to Coca-Cola Amatil.

Coca-Cola Amatil is responsible for determining the pricing of products offered to customers.

Raw Materials and Concentrates The raw materials we use in our beverages include water, sugar and other sweeteners, carbon dioxide gas, glass and PET bottles, aluminium cans, closures and other packaging materials. We also purchase concentrate and beverage bases from The Coca-Cola Company which constitutes our largest individual product input cost. The price of concentrate and beverage base has historically been determined annually on a country by country basis. Concentrate and beverage base are priced and paid in the local currency of each Coca-Cola Amatil territory except in Papua New Guinea where it is priced in Kina and paid in USD.

Marketing Coca-Cola Amatil and The Coca-Cola Company's affiliates work together on marketing activities on a country by country basis, with expenditure allocated annually and subject to revision throughout the year. The Coca-Cola Company's marketing focuses on consumer awareness and advertising, while our marketing focuses on sales and point of sale execution, customer service, and our range of packaging options. We are also focused on increasing the number of points of sale through investing in distribution and cold drink equipment.

Restrictions & Consents Generally, our arrangements with The Coca-Cola Company prohibit us from producing, promoting or selling any non-alcoholic beverage without The Coca-Cola Company's consent. However, with The Coca-Cola Company's consent, we own outright and distribute the following brands: Mount Franklin, Kirks, Deep Spring, Bisleri Chinotto, L&P and Pump (in New Zealand). We are also required to gain consent from The Coca-Cola Company for distributing or storing any products, other than those of The Coca-Cola Company, in vehicles or equipment that has The Coca-Cola Company branding.

Coca-Cola System Benefits Over the past years we have worked to broaden and deepen our relationship with The Coca-Cola Company to unlock many of the benefits that come with being part of the Coca-Cola System.

1 Monster Energy Company is the second biggest energy drink company and brand globally.

In addition to access to leading iconic beverages such as Coca-Cola, Sprite and Fanta, we have had access to new products via a strong innovation pipeline and a strengthened Merger and Acquisition capability.

Other benefits of being part of the Coca-Cola System include the opportunity to improve our knowledge and talent sharing with the bottler community, increase our access to data and insights, and leverage the work being done across the system in relation to responsible sourcing.

We gain significant benefits of scale through procurement across many categories of inputs and arrangements with our technology partners.

All of this, combined with our unrivalled reach and execution capability, positions Amatil as a beverages leader with real competitive advantage.

OUR RELATIONSHIPS WITH ADDITIONAL BRAND PARTNERS

Coca-Cola Amatil has a number of complementary relationships with other brand partners in the non-alcoholic ready-to-drink, alcoholic and hot beverages industries. Each relationship is different, and we work closely with our partners to ensure we grow our businesses together.

Non-Alcoholic Beverages

Monster In May 2016, we entered into agreements with Monster Energy Company, a subsidiary of Monster Beverage Corporation, of up to 20 years, for Australia, New Zealand, Fiji and Papua New Guinea. These agreements give us the exclusive right to produce, distribute and sell energy drinks including Monster Energy in Australia and New Zealand, Mother in Australia, New Zealand and Fiji, Live+ in New Zealand and BU in Papua New Guinea. This followed the announcement of Monster Beverage Corporation's long-term strategic partnership with The Coca-Cola Company in June 2015 to take ownership of The Coca-Cola Company energy brands at that time, including Mother and BU.

Made Group In October 2018 Coca-Cola Amatil and The Coca-Cola Company announced a joint acquisition of 45 per cent minority interest in Australia-based Made Group which produces a range of brands including Cocobella, Rokeby Farms, Impressed and NutrientWater.

Organic & Raw Trading Co In October 2018 Coca-Cola Amatil entered into an agreement to sell and distribute the Kombucha brand Mojo following the acquisition of Organic & Raw Trading Co by The Coca-Cola Company in September 2018.

Alcoholic Beverages

Beam Suntory In June 2015 we renewed our agreement with Beam Suntory to sell and distribute Beam Suntory's premium spirits portfolio in Australia and extended the relationship to New Zealand. The term of the agreement is 10 years in duration. We have distributed the Beam portfolio since 2006 and have seen the portfolio broaden significantly in that time.

Molson Coors International In 2013 we entered into a distribution agreement with Molson Coors International for Australia. Following Molson Coors' acquisition of the Miller brand in 2016 we replaced our historical arrangements with a new long-term agreement under which we have the exclusive right to manufacture, import and distribute a range of Molson Coors' products in Australia.

Casella Family Brands And Australian Beer Company In January 2013, we established a joint venture with Casella Family Brands to form Australian Beer Company. Australian Beer Company produces a range of beers and cider products including Yenda and Pressman's Cider as well as seasonal craft beers. Coca-Cola Amatil distributes Australian Beer Company's products.

C&C Group In July 2014, we entered into a distribution agreement with C&C Group – owner of the Magners brand – for the distribution of Magners in New Zealand. This was renewed in 2015 and then in May 2017, we also entered a new long-term agreement for distribution in Australia.

Abro In 2014 we brought the Rekorderlig brand into our portfolio by entering a long-term sales and distribution agreement with Chilli Brands. In 2018 we strengthened our relationship with the brand by entering into a long-term distribution agreement with Abro, the global brand owner of Rekorderlig Cider, and assumed full responsibility for the distribution and marketing of the brand in Australia.

Boston Beer Company In August 2013, we entered into a long-term distribution agreement with Boston Beer Company, which brought the Samuel Adams brand into our portfolio.

Wellington Beverage Co. In 2019 we entered into a long-term distribution agreement with Wellington Beverage Co. to add the Fortunate Favours Beer and Cider ranges to our New Zealand portfolio.

Coffee

Caffitaly In 2016 we enhanced our relationship with Caffitaly by securing the exclusive right to import and sell Caffitaly coffee machines and a range of our coffee brands in Indonesia. In 2018 we expanded this relationship by extending the exclusive Master Supply Agreement to include the sales and distribution of Caffitaly coffee machines and coffee capsules, including under the Grinders Café Expresso system in Australia, New Zealand and Samoa.

Rancilio In 2005, Grinders Coffee commenced a long-term relationship with Rancilio Group and remains a key trading partner for Rancilio professional coffee machines in Australia. A leading coffee equipment manufacturer, Rancilio Group is most widely acclaimed for technologically advanced coffee machines, both traditional and fully automatic, as well as instant and electronic doser grinders.

OUR PROGRESS

We work closely with all partners to leverage the unique strength of each partnership.

Non-Alcoholic Beverages

Core to what we do is our long and proud relationship with The Coca-Cola Company (TCCC).

TCCC is the global leader in beverages, with 133 years of experience and home to more than 500 brands across carbonated drinks, waters, juice, energy and sports drinks, dairy and plant-based beverages, and ready-to-drink teas and coffees. It is at the centre of the world's largest beverage distribution system, with consumers in almost every country.

Over the past five years we have worked to broaden and deepen our relationship with TCCC to unlock many of the benefits that come with being part of the Coca-Cola System.

In addition to access to leading iconic beverages we have had access to new products via a strong innovation pipeline and a strengthened Merger and Acquisition capability.

This has grown our network across the System, improved our knowledge and talent sharing with the bottler community, increased our access to data and insights and enabled us to leverage the work being done across the System in relation to responsible sourcing.

Alcoholic Beverages

We continued to focus on innovation and new product development through our partnership with Beam Suntory across Australia and New Zealand, and the successful launches of Roku premium gin and the Koyomi range of new-to-world Shochu-based drinks. We also built our category leadership position in bourbon and new age whiskey.

In the beer and cider categories, we worked closely with our partners to leverage opportunities across all categories. In beer and cider, our success continues to be driven by premium beer brands Coors, Blue Moon and Miller. With Australian Beer Company, Feral, Abro and C&C Group, we are also focused on growing our craft beer and our cider portfolios and working closely to take advantage of significant opportunities across categories where we can leverage our distribution and footprint.

Partnering with suppliers and responsible sourcing

In 2019 over 80 per cent of suppliers, by share of spend,[1] were assessed through responsible sourcing assessments that measure performance against the Coca-Cola Company's Supplier Guiding Principles or Amatil's Responsible Sourcing Guidelines. We apply a tiered approach, which includes partnering with independent third parties to assess suppliers in different risk procurement categories.

1 Supplier spend in Australia, New Zealand and Indonesia.

#1

COCA-COLA NEW ZEALAND: #1 APAC BOTTLER AND ONE OF THE TOP IN THE WORLD FOR TWO YEARS RUNNING

The Candler Cup is a global competition to find the very best Coca-Cola Company bottler in the world. Judging is based on executional excellence and commercial results.

For the second year running, Coca-Cola Amatil New Zealand was awarded #1 bottler in the Asia Pacific region. We went on to compete in the global Candler Cup where we became the only bottler to be a finalist for two consecutive years – a result we are very proud of.

It's a privilege to compete in this competition alongside bottlers from across the globe. The competition is not only a highlight on the calendar for our teams but an opportunity to showcase innovation and excellence from across our business.

The Candler Cup is named after Asa Candler who purchased control of Coca-Cola from inventor, John Pemberton, in 1887. By 1891, Candler had full control of the Coca-Cola product and when he sold the company in 1919, it was worth $US25 million (or $US342 million in today's money).

L-R: Chris Litchfield, Coca-Cola Amatil New Zealand Managing Director, James Quincey, The Coca-Cola Company, CEO, Steve Inch, Coca-Cola Amatil General Manager Sales.

ENGAGED PEOPLE

We provide a safe, open, diverse and inclusive workplace where our engaged people are energised by what we will achieve together and are proud of the difference we make.

5.4 injuries[1]
Total recordable frequency rate in 2019 per one million man-hours worked

84.8%
employees trained on Human Rights Policy

1 Excludes Group function injuries and hours.

> **“AT AMATIL, EVERYTHING WE DO TO ENGAGE, EMPOWER AND DEVELOP OUR LEADERS AND ORGANISATION BRINGS US TOGETHER WITH A COMMERCIAL AND VALUES-DRIVEN PURPOSE FOR TODAY AND TOMORROW.”**
> **KATE MASON**, Group Director, People and Culture

38%
OF BOARD
and 43% of Senior Executive **positions held by women**

MORE THAN
80%
OF SUPPLIER SPEND SCREENED[2]
using responsible sourcing criteria, including human rights considerations

OUR COMMITMENT

At Coca-Cola Amatil, we know that our success as an organisation depends on our people. Our overall commitment to, and expectations of, our people have been brought together in our People Pact, which is a statement of how we will work together to achieve organisation growth. Launched in 2017, the People Pact accompanies our vision and strategy, our values, leadership capabilities and our #onlyatAmatil moments and remains an important set of promises between individual employees and the organisation.

In support of our commitment to developing inspiring leaders who energise, empower and engage their teams, in 2019 we introduced newly created Amatil leadership development programs. These have resulted in enhanced capability and increased engagement within our management populations and accordingly, with the teams that they lead. Specifically, our David Gonski Women in Leadership program is now in its fourth year and continues to develop, inspire and increase the confidence and profile of our women leaders across Amatil.

Human Rights has always been a priority and our Human Rights Policy ensures that our commitment, particularly to our own people, is clear. Included in our suite of 2020 Sustainability goals we have publicly stated our commitment to:

- implementing and embedding our Human Rights Policy
- having a Zero Harm workplace
- having at least 30 per cent of Board, Senior Executive and Management positions held by women.

At Amatil, everything we do to engage, empower and develop our leaders and organisation brings us together with a commercial and values-driven purpose for today and tomorrow.

OUR APPROACH

Material hazards and priorities have been identified in our *Coca-Cola Amatil Group-wide Health and Safety Management Framework*. Our Diversity and Inclusion strategy also identifies priority areas for improvement. In addition to these, each business sets its own objectives and priorities on these topics, taking into consideration the needs of its people, business, markets, customers, consumers, partners, and communities.

The Board's Risk and Sustainability Committee oversees the *Group-wide Health and Safety Management Framework* and achievements. The Board's People Committee monitors the outcomes of our Diversity and Inclusion strategy. All people programs are guided by regulatory requirements and relevant company policies including the *Coca-Cola Amatil Group-wide Code of Conduct – How We Do Business, Health, Safety and Wellbeing Policy, Gender Diversity Policy, Human Rights Policy, Whistleblower Protection Policy, People Pact, Domestic and Family Violence Policy (Australia)* and *Domestic Violence Policy (New Zealand).*

Our Health and Safety Management Framework is certified at Group level under global OHSAS 18001 Standard. Formal joint management-worker health and safety committees operate at site level in all locations and all employees are represented by these committees. In most jurisdictions our formal agreements with trade unions also cover health and safety aspects. Health and safety performance is also monitored via regular internal and external audits and audits conducted by The Coca-Cola Company, to ensure we meet stringent quality, safety and environment requirements.

We also follow our own and partner guidelines such as *The Coca-Cola Company's Supplier Guiding Principles* and *Coca-Cola Amatil's Responsible Sourcing Guidelines.* Commitments to health, safety, diversity and human rights are also included as part of total supplier sustainability assessments covering the majority of our key suppliers.

2 Supplier spend in Australia, New Zealand and Indonesia.

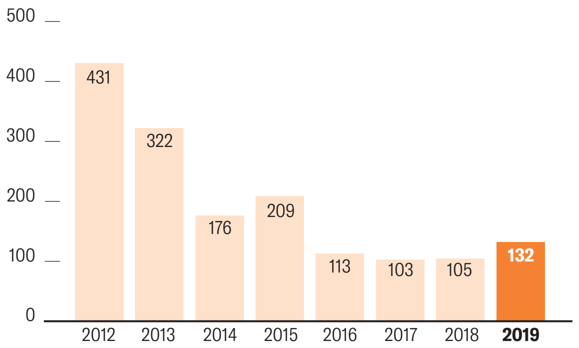
A BUSINESS OUR PEOPLE ARE PROUD OF

Coca-Cola Amatil New Zealand has been recognised as one of the country's best employers for the fourth consecutive year, receiving the prestigious Aon Best Employer Accreditation in 2019. This achievement adds to a range of official endorsements in recent years that recognise our commitment to our people.

EMPLOYEE VOLUNTEERING IN SAMOA

Our engineering team from Paradise Beverages showed their ingenuity and pride by repurposing plastic drums from our manufacturing sites into rubbish bins, donating these to local beach picnic sites, and volunteering for beach clean-ups.

Coca-Cola Amatil Group Injuries[1]



Coca-Cola Amatil Group Fatalities

	2012	2013	2014	2015	2016	2017	2018	2019
Australia	0	0	0	0	0	0	0	0
New Zealand	0	0	0	0	0	0	0	0
Indonesia	2	3	3	4	5	1	1	4
Fiji	0	0	0	1	0	0	0	0
Papua New Guinea	0	0	0	2	0	0	0	0
Paradise Beverages (Fiji & Samoa)	0	1	0	0	0	0	0	0
Total	**2**	**4**	**3**	**7**	**5**	**1**	**1**	**4**

OUR PROGRESS

We're proud of our culture and values, and the distinct and positive contribution our people make to the world in which we live. Across diverse regions and businesses, we focus on attracting, developing, retaining and engaging people who bring different experiences, thinking, attitudes, opinions and ideas. We also focus on keeping them safe, well and supported.

Safety and employee wellbeing

We strive to achieve and maintain a zero-harm workplace where safety is everyone's responsibility. The Group's *Health, Safety and Wellbeing Policy* requires all employees, suppliers, contractors and visitors to operate to the highest standards. For Coca-Cola Amatil, a safe workplace is the result of both our 'safety first' culture and a clearly defined set of requirements for all employees.

Tragically, our Indonesian business reported four traffic-related fatalities in 2019[2]. Three of these fatalities were Coca-Cola Amatil employees or contractors who died as a result of traffic accidents which occurred when they were working. One of the fatalities was a member of the public, who was involved in an accident where a third-party delivery driver, contracted to Coca-Cola Amatil, was found to be at fault.

Our condolences go to the family and friends of the deceased. Such a loss of life is unacceptable and our response to these incidents has been immediate and comprehensive, with full investigations and corrective actions applied locally and across the organisation. We invest in significant driver training programs across all countries, but particularly in Indonesia, where we've expanded these beyond our employees and contractors to the broader community.

Indonesia continues to take a multi-faceted approach to safety, with substantial investment in safety programs over the past five years. In addition to driver safety, Indonesia's hazard identification program has been instrumental in embedding a safety mindset and addressed many hazards across the business.

Although since 2012 we have reduced total injuries by 69 per cent, in 2019 we saw a 26 per cent increase in the total number of injuries to 132 from 105 in 2018. Reviews have been conducted and improvement plans are now in place to address this.

Human rights

In 2019, 84.8 per cent of our people across all countries completed the training program that we implemented, both online and offline, for our Human Rights Policy. Around 75 per cent of our employees are covered by collective bargaining agreements and we screen more than 80 per cent of supplier spend against responsible sourcing criteria, including human rights considerations across Amatil's supply base.

1 Restated for previous years excluding SPC. Our injury and diversity data covers direct employees, which excludes contractors and outsourced workers. 88.3 per cent of our direct employees have permanent roles while the balance are fixed term.
2 When reporting on loss of life we include all work-related incidents where employees or contractors have died, or which have occurred on-site; and all incidents involving members of the public, where, post-investigation, Coca-Cola Amatil or its contractors were found to be at fault.
3 Excludes Group function injuries and hours.
4 We have introduced a new and consistent definition for 2018 using Workplace Gender Equality Agency (Australia) descriptors. This has provided our 2018 baseline of 21 per cent. A managerial position is one that has a direct report.

Coca-Cola Amatil Group Recordable Injury Frequency Rate (TRIFR)[3]
Per one million man-hours worked

	2012	2013	2014	2015	2016	2017	2018	2019
Australian Beer Co.	N/A	N/A	0	25.0	0	0	0	0
Australian Beverages	29.7	18.6	14.3	16.2	8.4	7.8	7.9	9.8
New Zealand	9.2	7.5	5.9	8.0	6.0	7.0	6.1	17.3
Indonesia	1.9	2.5	1.4	2.4	1.8	1.3	1.6	1.5
Fiji	11.6	3.8	7.3	5.2	0	4.8	3.3	3.3
Papua New Guinea	22.5	41.0	2.9	7.2	3.8	4.2	1.3	2.6
Paradise Beverages (Fiji & Samoa)	13.1	9.5	8.8	5.5	2.8	7.3	10.4	9.67
Total	**14.4**	**10.8**	**6.6**	**8.1**	**4.8**	**5.0**	**4.3**	**5.4**

Engagement and development of our people

Our people feel engaged, included and developed. This is evidenced by the engagement scores we achieved across the business. In 2019 our Alcohol & Coffee business across all countries, Australian Beverages and Group Office moved to a new engagement survey platform, achieving an overall score of 70 per cent. Indonesia, New Zealand, and Fiji remained using the same survey platform achieving a combined 80 per cent. Indonesia recorded a significant increase of six percentage points to 81 per cent; Papua New Guinea and Australia experienced impressive increases of 15 and 12 percentage points respectively. New Zealand continues to produce leading engagement scores achieving 87 per cent in 2019.

Coca-Cola Amatil continues to support employee volunteering and fundraising, professional pro-bono services and matched workplace giving. All Australian-based employees receive one day's paid leave a year for volunteering and in 2019, 114 people accessed this leave. In addition, paid leave is provided, at the discretion of managers, for volunteering with emergency services.

Employee development is supported across our business by programs that build leadership skills at all levels, individual development and functional advancement. Our David Gonski Women Leaders program continues to build high performing, engaged female leaders and our talent succession processes ensure we have a strong pipeline of capable people to deliver our strategy for today and tomorrow. From 82 total participants since the program launched, 18 per cent have been promoted, 21 per cent have achieved expanded or new roles and 76 per cent have stayed with Amatil. Other programs include the Amatil X Academy in Indonesia, Leadership Speaker Series, Sisterhood Fiji and Change Agents in our Paradise Beverages business in Fiji.

Diversity and inclusion

We recognise that a diverse workforce encompasses gender, ethnicity, age, disability, religious beliefs, sexual orientation, family and relationship status, socio-economic background and education. Diversity also encompasses the many ways our people work, their life experience, location, ways of thinking and work experiences.

SKILLS FOR THE FUTURE, EXPERIENCE FOR LIFE, IN PAPUA NEW GUINEA

A cornerstone of our business transformation in Papua New Guinea is investment in the capability of our people.

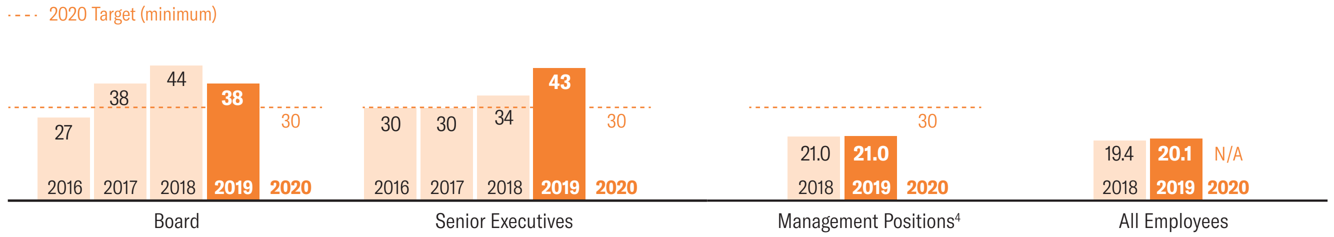
Programs such as the CareerTrackers Indigenous Internship Program and the Supply Chain Academy are providing the experience and technical development needed to connect people to industry, and ultimately provide job opportunities for current and future generations.

CareerTrackers is a non-profit organisation which aims to create pathways and support systems for young adults. Its 12-week program is designed to support students at university gain valuable work experience, develop presentation and communication skills and receive exposure to technical competencies through on-the-job experience. The program was launched in 2018 in Papua New Guinea and 37 interns have now completed it.

The Supply Chain Academy, launched in 2019, aims to upskill employees with technical skills to apply to their positions and enable them to apply sound thinking and right work behaviours with the machines they operate. To date, 26 employees have graduated from the program. With Papua New Guinea facing an increase in youth unemployment and a scarcity of skilled labour, these programs help develop a skilled workforce who will have a greater range of expertise to contribute not only to Amatil but the economic development of their country.

By embracing an inclusive culture, we build a team of people who bring their differences to work every day to deliver growth and build a stronger organisation for today, and tomorrow. We continue to make good progress on our gender diversity targets. Women now hold 38 per cent of Board, 43 per cent of senior executive and 21 per cent of management positions.

Coca-Cola Amatil Group Percentage Gender Split by Level (% of Females)



DELIGHTED CONSUMERS

We promise to delight consumers by bottling their favourite brands, providing choice and information across an unrivalled portfolio for everyone, everywhere, every day and making a positive contribution to our communities.

8.8%
Reduction achieved in sugar grams per 100ml in **Australia**

20%
Reduction targeted in sugar grams per 100ml by 2025 in **Australia** and **New Zealand**

13.5%
Reduction achieved in sugar grams per 100ml in **Indonesia**

20%
Target to reduce sugar grams per 100ml by 2020 compared to 2015 baseline in **Indonesia**

> **"WE AIM TO DELIGHT CONSUMERS WITH AN EXCEPTIONAL PORTFOLIO OF BRANDS ALWAYS WITHIN ARM'S REACH. THIS MEANS WE WILL HAVE YOU COVERED FROM YOUR FIRST COFFEE TO THE LAST ROUND."**
> **PETER WEST**, Managing Director, Australia

33 REFORMULATED PRODUCTS
in **Australia** and **New Zealand** since 2015 with lower sugar formulations while **Indonesia** has had eight products reformulated with lower sugar

14 NEW PRODUCT INNOVATIONS
in **Australia**, **New Zealand** and **Indonesia**

OUR COMMITMENT

We're open and responsive to changing consumer tastes and preferences and aligned with global health guidelines and United Nations Sustainable Development Goals.

We are committed to offering choice and information. We measure the amount of sugar per 100ml of our non-alcoholic beverages portfolio in all countries of operation and aim to reduce total sugar per 100ml by 10 per cent in Australia and New Zealand by 2020 and by over 20 per cent in Indonesia.[1]

We have also joined with industry peers in Australia to set an industry-wide pledge of a 20 per cent reduction in sugar per 100ml across our non-alcoholic beverages portfolio by 2025. This pledge is also shared by our New Zealand business. In addition, we are committed to have the nutrition and responsible consumption information that our consumers want, conveniently available.

Our vision to delight is not limited to consumers. We also seek to delight the communities in which we operate, through a unique, sustained and valued collective impact. We aim to contribute the equivalent of one per cent of EBIT to community investment and are tracking the impact of this investment over time.

OUR APPROACH

Our wellbeing initiatives, which include quality standards, are guided by regulatory requirements and relevant company policies. These include the *Coca-Cola Amatil Group Human Rights Policy* and *Alcohol Advertising and Marketing Standards*, which confirm our commitment to the wellbeing of our consumers. We also adhere to *The Coca-Cola Company's Responsible Marketing Policy, Global School Beverage Guidelines* and local industry voluntary commitments such as the *Alcohol Beverages Advertising Code* (known as ABAC) and DrinkWise Australia's voluntary labelling guidelines, the *Responsible Children's Marketing Initiative* in Australia, and New Zealand's *Healthy Kids Pledge*. Quality performance is monitored via regular internal and external audits and audits conducted by The Coca-Cola Company to ensure we meet stringent Quality, Safety and Environmental requirements. We are committed to World Health Organisation Guidelines on recommended added sugar intakes.

Our Coca-Cola Amatil Group-wide Community Strategy *Gotong Royong*[2] sets the framework for our community investment and activities. All community programs are guided by regulatory requirements and relevant company policies including the *Coca-Cola Amatil Group Human Rights Policy*, *Environment Policy* and *Responsible Sourcing Guidelines*. In partnership with The Coca-Cola Company there is a philanthropic foundation in Australia with an independent board and chairman. This is governed in accordance with Australian regulations and expectations of philanthropic foundations. In 2017 Coca-Cola Amatil joined LBG (formerly known as London Benchmarking Group) to verify and benchmark our community investment across the Group.

1 Based on portfolio-wide weighted volume sugar content (g/100ml). All targets are for 2020 compared to Moving Annual Trend for 1 January 2016 unless otherwise specified.
2 Gotong Royong is an Indonesian phrase that translates as 'cooperation in a community' or 'communal helping of one another'.

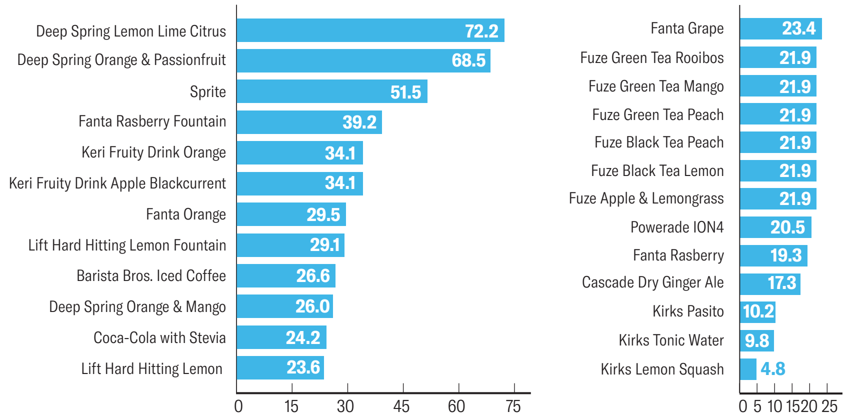
SUPPORTING BUSHFIRE RECOVERY IN AUSTRALIA

In late 2019 and early 2020 the east coast of Australia was ravaged by bushfires. To help emergency crews and communities, we donated more than 250,000 bottles of water and Powerade and the exclusive 'Share a Coke with the Firies' can was created as an expression of our thanks.

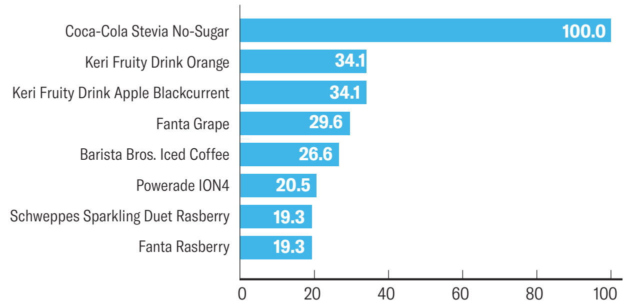
PROVIDING RELIEF TO FLOOD AFFECTED INDONESIA

In 2019 Indonesia was impacted floods in the greater Jakarta and Banten areas. To provide relief to communities in these areas, Amatil donated more than 37,000 bottles of Ades water and financial aid.

Australian Reformulations since 2015
% decrease in sugar content (g/100ml)



New Zealand Reformulations since 2015
% decrease in sugar content (g/100ml)



OUR PROGRESS

To fulfil our vision to delight our consumers, we are increasing choice in all product categories, building on our commitment to responsible marketing and providing consumers with the information they need to decide on the right beverage for them at any occasion. We have also made good progress on our community investment goals and have improved our ability to assess our programs' impact over time.

Delighting Consumers

During summer, Australians were able to 'Share a Coke' with friends and family with Coca-Cola releasing hundreds of its iconic bottles and cans featuring popular and diverse names that represent modern Australia. This successful campaign ensured every moment was memorable with personalised bottles of Coca-Cola.

Consumer Wellbeing

By the end of 2019 we had made good progress towards our sugar reduction goals for our non-alcoholic beverage portfolio. In Australia, we have reformulated 25 products since 2015, including five in 2019, and reduced our sugar grams per 100ml in Australia by 8.8 per cent compared to the 2015 baseline. In New Zealand we have reformulated eight products since 2015, reducing sugar grams per 100ml by 5.3 per cent. We are actively working in both countries to introduce further reformulations and low- or no-kilojoule new products that delight consumers, in 2020 and beyond. In both Australia and New Zealand 90 per cent of Coca-Cola product marketing in 2019 featured reduced or no-sugar Coca-Cola.

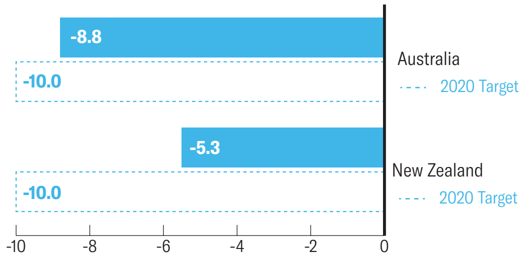
We are also making good progress in our other countries of operation, measuring portfolio-wide sugar content, implementing reformulation road maps, and planning further new low- or no-kilojoule product launches. In Indonesia, we have reformulated eight products since 2015, reducing sugar grams per 100ml by 13.5 per cent compared to the 2015 baseline.

In Australia, New Zealand and Indonesia we are continuing to make small pack sizes available in all distribution channels. Small packs are now offered in 90 per cent of grocery stores and 72 per cent of petrol and convenience stores in Australia. In New Zealand 100 per cent of grocery stores and 61 per cent of petrol and convenience stores offer small packs.

Product innovation further delighted consumers with the introduction of Nutriboost in Indonesia, New Zealand and Australia and Powerade Active Water in Australia and New Zealand. Indonesia also launched Sprite Waterlymon with less sugar content.

For our alcoholic beverage portfolio, we have continued to embed our Alcohol Advertising and Marketing Framework, a training and marketing approvals process that we introduced in 2017. In 2019 we completed an audit of a cross-section of all our alcohol advertising activities, across all countries; the findings of which showed a 100 per cent compliance rate.

Portfolio Sugar Reduction
% reduction in total portfolio-wide weighted volume average sugar content measured in grams per 100ml since 2015



Investing in our Communities

We're fortunate to operate in six countries, across diverse and engaged communities, and privileged to work across a range of community activities. These include philanthropic grants through The Coca-Cola Australia Foundation and dedicated funds contributed from sponsorship and marketing activities to support grassroots sports and community development initiatives, including in Indigenous communities. We're also always at the ready to provide water, food and other aid to people impacted by natural disasters, and to support community resilience beyond the immediate aftermath.

In 2019, the combined value of our cash, in-kind and volunteering hours, was $5.2 million, which is the equivalent of 0.81 per cent of EBIT. This community investment covered 162 activities, across six countries, and has been verified by LBG. Of note, since its establishment in 2002, The Coca-Cola Australia Foundation has provided more than $16 million to hundreds of charities, positively impacting the lives of many young Australians. In Indonesia, our 'Zone 1' program, with its focus on health, infrastructure and education, supports communities living close to our bottling facilities. In New Zealand and the Pacific, we support community-focused programs, as well as larger events such as the Coca-Cola Christmas in the Park in Auckland and Christchurch, and the Coca-Cola Games for secondary school athletes in Fiji. We also sponsor many smaller grass-roots sporting and community programs across Fiji and Samoa.

Finally, we leverage our significant business investment in employment, training, ingredient supply, assets and services so that we can also provide community and social development benefits wherever possible. Notable in this area is Grinders Coffee's over $1.95 million investment in Fairtrade community co-operatives over the past decade, and our annual $1 million investment in Australian social procurement initiatives, including Indigenous procurement.

2020 VERIFIED LBG AU & NZ

$5.2m
provided to community programs

NEW RECIPE, LESS SUGAR, GREAT TASTE

In 2019 Coca-Cola Amatil and The Coca-Cola Company introduced a reformulation of one of our most important brands, Sprite. Australians love the great Sprite taste; however, we also know that eating and drinking less sugar is important for many people.

To continue to delight our consumers, The Coca-Cola Company created a new recipe that not only tastes great but supports the wellbeing of consumers.

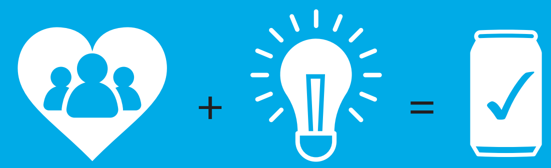
It's no small task to create a beverage consumers love – the process involved understanding consumer needs, developing reduced sugar recipes, implementing taste trials, refreshing the brand, and finally launching the new recipe.

In September 2019 the new Sprite recipe was launched which has 40 per cent less sugar (4.9 grams per 100ml) than the Sprite on the market in August 2019 (8.6 grams per 100 ml). Importantly, the new recipe continues to feature the unique lemon-lime taste that makes Sprite so popular.

This Sprite reformulation is one of many across the Amatil portfolio and forms part of our ongoing work with The Coca-Cola Company to launch reformulated products in order to reduce volume average weighted sugar content g/100ml by 10 per cent by 2020.

Reducing the sugar in Sprite is just one of the many things we are doing to help people make choices that are right for them. We're also reducing sugar in a range of other drinks, introducing more smaller pack sizes, and launching new, no sugar beverages.

OUR REFORMULATION RECIPE FOR SUCCESS



Consumers at the heart | Innovative recipe creation | Reduced sugar, still great taste

BETTER ENVIRONMENT

By striving to meet our commitments on packaging, water, energy and carbon reduction, we aim to leave a positive legacy and ensure minimal impact on the environment.

1.95 L/L
Target maintained for our non-alcoholic water usage ratio

290%[1]
Estimate of the amount of water replenished compared to the amount of water in our non-alcoholic products.

53.3%[2]
Renewable energy and low-carbon energy used

1 Indonesian Replenishment data is an estimate based on the actual replenishment value in 2018.
2 Low carbon energy includes natural gas, LPG and wood.

> **WE AIM TO MAKE THE RIGHT CHOICES NOW, IN A SUSTAINABLE WAY, FOR FUTURE GENERATIONS.**
>
> **BETTY IVANOFF,** Group Director, Legal and Corporate Affairs

100%
All single-serve plastic bottles now made from 100% recycled plastic in Australia and New Zealand

BOTTLES

20 YEARS
Operating Mission Pacific bottle and can collection scheme in Fiji

OUR COMMITMENT

Our focus is on those areas where we have the most opportunity to make a difference: sustainable packaging, water stewardship, energy management, climate protection and resilience, and caring for nature.

We have set public environment goals that we aim to achieve by the end of 2020[3]. These include:

- improving water intensity for non-alcoholic beverages to no more than 1.95L/L and improving water intensity for alcoholic beverages by 25 per cent (compared to 2013)
- delivering a 25 per cent carbon reduction for the 'drink in your hand'
- ensuring that 60 per cent of our energy requirements come from renewable and low-carbon sources
- developing a business case for 50 per cent recycled plastic in PET containers in Australia
- ensuring 80 per cent of spend with suppliers is covered by responsible sourcing assessments.

In Australia, we support the country's *2025 National Packaging Targets*; in New Zealand, the Ministry for the Environment's *Plastic Packaging Declaration*; and in Indonesia, the work of the Global Plastics Action Partnership.

We're also committed – in partnership with The Coca-Cola Company – to replenish 100 per cent of the water in finished products and share The Coca-Cola Company's vision for a 'World Without Waste' which includes an ambition to collect and recycle the equivalent of every bottle or can we sell by 2030. In 2019 The Coca-Cola Company also made a worldwide commitment, aligned with the Science Based Targets Initiative, to reduce its carbon footprint by 25 per cent by 2030, compared to 2015. Coca-Cola Amatil's emissions fall within the scope of this global goal.

OUR APPROACH

While material aspects and priorities have been identified in our Coca-Cola Amatil Group-wide Environment Strategy, we also ensure that each business sets its own environmental objectives and priorities, taking into consideration the needs of its operations, partners, communities, people and habitats.

We apply the *Precautionary Principle*[4] to assessing environmental risks and opportunities. The Board Risk and Sustainability Committee oversees the Group-wide Environment Strategy commitments and achievements.

All environment programs are guided by regulatory requirements and relevant company policies including the Coca-Cola Amatil Group-wide *Environment Policy*, *Water Policy*, and *Human Rights Policy*, both of which confirm our commitment to minimising our environmental impacts. *ISO 14001 Environmental Management* certification at site level ensures the appropriate environmental management and stewardship of resources.

Environmental performance is monitored via regular internal and external audits including audits conducted by The Coca-Cola Company to ensure we meet stringent quality, safety and environment requirements.

We also follow our own, and partner, guidelines such as The Coca-Cola Company's *Supplier Guiding Principles* and Coca-Cola Amatil's *Responsible Sourcing Guidelines*. Environmental sustainability is also included as part of supplier sustainability assessments covering most of Coca-Cola Amatil's key suppliers.

Each year we complete all mandatory external reporting such as that required under Australia's National Greenhouse and Energy Reporting Scheme, National Pollutant Inventory and the Australian Packaging Covenant, and voluntarily complete CDP Climate Change and CDP Water Security questionnaires.

3 All targets are for calendar year 2020 and from a 2010 baseline unless otherwise specified.
4 *Precautionary Principle* (2005), United Nations Educational, Scientific and Cultural Organisation.

LONG-TERM COMMITMENT TO RECYCLING IN FIJI

In 2019, Coca-Cola Amatil Fiji launched a new, clear (more recyclable) bottle for Sprite – a first in the South Pacific, while also celebrating 20 years of bottle and can recycling at Mission Pacific, a bottle buy-back scheme launched in 1999.

DELIVERING WATER TO THE COMMUNITY IN INDONESIA

In the Cimanggung district, where an Amatil production facility is located, and which has been experiencing drought conditions, we supplied clean water to more than 200 families. Using three dedicated storage tanks, every day we returned ~36,000 litres of water to the local community.

36%
of total Group packaging use recycled content

OUR PROGRESS

We've achieved good progress to date on our environment goals and plans and continue to work closely with partners and experts to further understand and mitigate our impact and to proactively implement solutions.

Total Group Packaging Used and Recycled Content 2019
Total tonnes of packaging materials (primary and secondary) used and % of recycled content

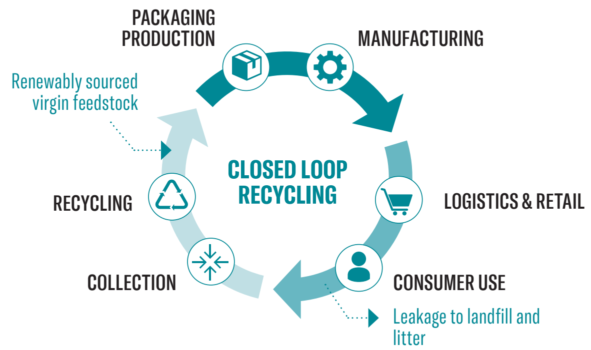
Material by weight	Tonnes	Recycled content	% Recycled
Paper/Board	45,514	21,193	47%
Glass	26,463	11,028	42%
Aluminium	40,712	26,104	64%
PET Resin	70,418	13,524	19%
HDPE	8,069	_	0%
Other Plastics	9,340	88	1%
Other Metals	456	75	16%
Composites	337	–	0%
Total	**201,309**	**72,012**	**36%**

Sustainable packaging

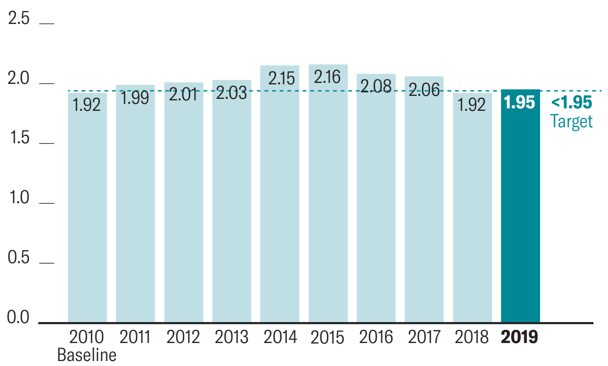
We are aiming to close the loop on our pack-to-pack recycling, and 2019 saw significant progress in this regard, particularly in Coca-Cola Amatil's use of recycled plastic bottles in Australia, New Zealand and Fiji. The transition of all single-serve bottles to 100 per cent rPET (the term used for recycled polyethylene terephthalate) in Australia and New Zealand was completed in December 2019. By the end of 2019, seven out of 10 plastic bottles in Australia were being made from 100 per cent recycled material, with average recycled content, by weight, increasing to 38 per cent from 25 per cent in 2018. We expect to achieve over 50 per cent recycled content in our plastic bottles in Australia in 2020. In New Zealand, all our plastic bottles smaller than one litre and water bottles across all sizes are now made from 100 per cent recycled PET. In Fiji we are also transitioning some of our bottles to recycled plastic. Group-wide we are using 36 per cent recycled materials in our packaging.

We continue to work with governments and stakeholders across all our countries of operation on packaging waste collection schemes. In Australia we play a pivotal role in container deposit and refund schemes. We are a joint venture partner in Exchange for Change, the New South Wales Scheme Coordinator, and a founding partner in Container Exchange, a not-for-profit organisation that manages the Queensland scheme. It was established in 2018 and a similar scheme is launching in Western Australia in June 2020. In addition, we have been operating the South Australian container deposit scheme for over 40 years through our wholly owned subsidiary Statewide Recycling.

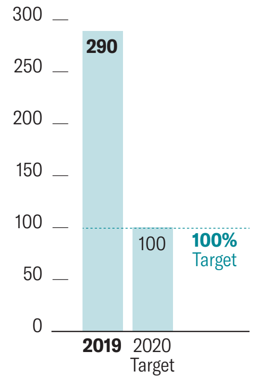
In Fiji, we've operated one of the main plastic bottle and can recycling schemes in the country, Mission Pacific, for 20 years and in 2019 launched our region's first Sprite in a clear plastic bottle to improve its recyclability.



Water Intensity Non-Alcoholic Beverages
Litres of water used per litre of finished product



Percentage of Water Replenishment vs Water in Finished Product
%



In New Zealand, Coca-Cola Amatil welcomed the Government's announcement that it was developing a beverage Container Return Scheme, while in Apia, Samoa, we've partnered with members of the Samoan Recycling and Waste Management Association to establish a series of public-place recycling bins for plastic PET bottles and aluminium cans.

For over 12 years in Indonesia we have, with partners, been organising ongoing daily beach clean-ups across five beaches, under the Bali Beach Clean-up program. This program has seen over 40,000 tonnes of waste collected and provides regular employment and skills training to a team of waste collectors. We also continue to use returnable glass bottles for non-alcoholic beverages in Samoa and in some Indonesian locations, as well as for our breweries in Fiji and Samoa.

40,000t
More than 12 years of Bali Beach Clean Up has collected over 40,000 tonnes of waste

In addition to these recycling efforts, we're also focused on removing unnecessary plastic from our packaging and early this year we **stopped distributing plastic drinking straws and stirrers** in Australia, and Fiji, replacing them with biodegradable paper straws in most countries.

In Indonesia, we continue to remove plastic from our packaging via a light-weighting program for primary, bottles and caps, and secondary, multi-pack shrink film and pallet wrap, plastic packaging; and since 2014 have decreased use of plastic across our PET packaging by 28.5 per cent. Indonesia also launched the new 'Affordable Single Serve Pack' line in East Java, producing lightweight plastic bottles coated with a thin layer of glass. The new bottles require 1,000 tonnes less plastic each year to produce.

To further 'close the loop' on our packaging, in 2019 we entered into a Heads of Agreement with Veolia Australia and New Zealand, to explore opportunities for a recycled plastic processing plant in Australia; and in Indonesia, signed a Memorandum of Understanding with Dynapack Indonesia for a joint venture to explore opportunities to establish a recycled PET facility.

Water stewardship

We conduct vulnerability assessments of the water sources for all our non-alcoholic bottling plants and have implemented management plans to ensure that the sources we use are sustainable – not only for our own operations but for the communities that also rely on them. These plans are reviewed annually and updated every five years in light of the changes that may have occurred in our business, the climate, community use, and for agricultural users, among other stakeholders.

Within our operations we view water as a precious resource and manage it accordingly. In 2019 we maintained our achievement against our non-alcoholic water usage ratio target of 1.95 L/L. We have a 2020 goal for alcoholic beverages to reduce the water usage ratio by 25 per cent compared to 2013. In 2019 we achieved a reduction of 11.8 per cent. Further focus is required to achieve this goal by 2020. The total water we used in our manufacturing operations in 2019 was 6,545 ML, a 4.6 per cent increase compared to the prior year, with over 75 per cent of this coming from municipal water supplies.

Together with The Coca-Cola Company we also implement water replenishment programs in most countries, and in 2019, we estimate that we replenished over 9,178 ML, which is 290 per cent of the water used in our finished products.

Sustainable water management

53.3%

energy used in our operations is from renewable or low-carbon sources

2019 Total Energy Use by Fuel/Energy Source (Manufacturing)
Including renewable and lower carbon energy and country split

		2019 GJ	2019 % of total
Low-carbon & renewable	Natural Gas	693,962	41.8%
	Sustainable Wood	22,220	1.3%
	LPG	51,618	3.1%
	Renewable Grid Electricity	109,290	6.6%
	On-site Solar	7,523	0.5%
	TOTAL	**884,613**	**53.3%**
Other energy	Non-Renewable Grid Electricity	622,151	37.5%
	Diesel & Petrol	152,063	9.2%
	TOTAL	**774,214**	**46.7%**
TOTAL		**1,658,827**	**100.0%**

Energy management, climate protection and resilience

We are committed to ensuring that we're playing a role in limiting global temperature increases to no more than 1.5 degrees Celsius.[1] We've set targets for use of renewable and low-carbon energy, which includes natural gas, as well as targets for reducing the emissions intensity associated with 'the drink in your hand'.

In 2019 we made good progress in these areas, with 53.3 per cent of the energy used in our operations now being renewable or from low-carbon sources. Following the launch of our 1.1 megawatt rooftop solar panel installation in Fiji in 2017, one of the largest in the country, we continue to invest in renewable energy projects around our region, including three on-site solar projects in Australia, at Eastern Creek, Richlands and Kewdale, with combined generation capacity of 3.5 megawatts, and Indonesia's largest rooftop solar project at Cibitung, with generation capacity of 7.1 megawatts. The Cibitung project will offset 8.9 thousand tonnes of carbon emissions per annum.

In Australia we are using the Large-scale Generation Certificates created from these projects to meet the mandatory minimum renewable power percentage required under the national Renewable Energy Target, and currently trading any excess certificates.

RESPONDING TO CLIMATE CHANGE

Coca-Cola Amatil recognises the importance of disclosing climate related risks and opportunities in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and will continue to improve its assessment, management and disclosure approach in line with these recommendations.

Improving our understanding of climate related risks and opportunities

The global climate is changing and will continue to in ways that affect the planning and day-to-day operations of businesses. The manifestations of climate change that have the potential to impact Coca-Cola Amatil are two-fold:

- Physical consequences relating to the physical changes to climatic conditions. Chronic changes such as rising temperatures, and increased droughts, and acute changes such as increased frequency and severity of weather events; and
- Transitional consequences relating to the shift to a resilient, low carbon economy through changes in policy, regulation, technology, market and reputation associated with adaptation to a new climate paradigm and decarbonisation of the global economy.

In 2019 Coca-Cola Amatil completed a third-party, primarily qualitative, climate change risk and opportunity assessment out to 2050. This assessment confirmed that climate change effects that have the potential to impact Coca-Cola Amatil include changes in weather patterns such as increased temperatures, altered rainfall patterns, and more frequent or intense extreme events such as heatwaves, drought, storms and increased frequency of natural disasters. These may cause major business disruption, increased energy costs, and key input scarcity (such as water, sugar and other agricultural ingredients).

Governance and risk management

In addition to the assessment conducted in 2019, climate change risk assessment is integrated into the enterprise risk assessment processes and reporting, including being part of regular reports to the Risk and Sustainability Committee of the Board on business risks and controls.

Targets and plans

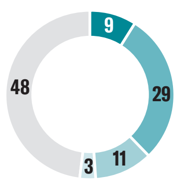
Coca-Cola Amatil has 2020 targets in place for emissions associated with its value chain, as well as use of low-carbon and renewable energy. Coca-Cola Amatil already has management plans in place for most of the identified risks including business continuity frameworks which are tested regularly to reduce the impact of any major disruption. In addition, Coca-Cola Amatil has water stewardship and efficiency strategies, energy efficiency and renewable energy initiatives and strong supplier review processes and relationships. In light of the 2019 assessment Coca-Cola Amatil is working to improve its understanding of its own emissions profile, and that of major suppliers, and developing a comprehensive plan to address the physical and transition risks identified.

Further climate change disclosure

We provide comprehensive disclosure through our annual sustainability reporting, our annual CDP Climate Change Response, and our annual CDP Water Response.

1 1.5 degrees Celsius is based on United Nations Framework Convention on Climate Change assessments and globally agreed 2015 United Nations Climate Change Conference in Paris commitments.

Drink in Your Hand Non-Alcoholic Beverage Emissions Profile 2018
%



In other countries these projects are providing direct renewable energy to our sites and reducing our emissions accordingly. The long-term power purchase agreement we entered into with the Murra Warra Wind Farm in Victoria became operational in 2019.

We also continue to invest in energy efficiency programs in all countries. These include rolling out additional sub-metering and energy efficient lighting, and considering energy efficient equipment in our bottling and packaging manufacturing plants. Over time, we are upgrading the fridges used in customer premises, to more energy efficient models, as well as replacing the refrigerants used with those with lower global warming potential.

Thanks to these initiatives and through the use of packaging with a lower carbon footprint, such as recycled plastic, we estimate that in 2018[1] our 'drink in your hand' emissions were 16 per cent lower than our 2010 emissions, and we are tracking well towards our targeted 25 per cent reduction by the end of 2020.

Responsible Sourcing

In 2019 we screened over 80 per cent of supplier spending using responsible sourcing criteria, including environmental impacts and management. Also, in Australia, 100 per cent of the sugar we use is certified under either Bonsucro or Smartcane Best Management Practice, and in Indonesia 85 per cent of the sugar used is Bonsucro certified.

Caring for nature

Across our six countries of operation we support programs that help protect and regenerate natural systems and support biodiversity. For over five years we have been planting trees and developing education and community programs as part of our Coca-Cola Forests program in Lampung, Sumedang, and Semarang in Indonesia. In Fiji, we have supported the Mamanuca Environment Society in protecting sea turtles since 2006, and our people participate in regular volunteering days, often with their families, for beach clean-ups and mangrove planting.

1 Following recommendations from a pre-assurance assessment of our inputs to the Drink in Your Hand tool, in 2019 we have completely aligned with an updated The Coca-Cola Company accounting model for calculating our emissions reduction. Results from the global model are available in the month of May in the following year. Consequently, we are now able to report our performance with a lag of one year in the Annual Report. However, an updated result for 2019 emissions will be published on our website in mid-2020.

AUSTRALIA'S FIRST 100 PER CENT RECYCLED PLASTIC BOTTLE FOR CARBONATED BEVERAGES

Australia is the first country in the world where all Coca-Cola bottles 600ml and under are made from 100% recycled plastic. This innovation took nine years of extensive research, innovation and design, and makes recycled plastic the norm with seven out of 10 bottles now being made from 100 per cent recycled PET across the Amatil portfolio in Australia.

While 100 per cent recycled plastic had previously been used to bottle still beverages, it had never been successfully achieved at scale in carbonated drinks.

The Amatil Futureworks team and Packaging Services Division were able to overcome the challenge of using 100 per cent recycled PET to package carbonated beverages, creating smart bottle designs that factor in the unique qualities of recycled plastic. This increase in the use of recycled plastic reduces the amount of new plastic resin used by Amatil by an estimated 10,000 tonnes/year in Australia and 2,900 tonnes/year in New Zealand.

"We've heard the community message loud and clear – that unnecessary packaging is unacceptable, and we need to do our part to reduce it," says Peter West, Managing Director Australia. "That's why we've taken this step to make recycled plastic the norm. It's the single largest increase in recycled plastic use in our history, and our strongest step forward in reducing packaging waste and the environmental impact of our operations."

The roll-out of increased recycled plastic across our range has been supported by a major advertising campaign in Australia and New Zealand to encourage further recycling.

In 2019 we also began exploring future opportunities for recycled plastic processing plants by signing a Heads of Agreement and Memorandum of Understanding with potential partners in Australia and Indonesia.

7/10

Bottles being made from 100% recycled plastic

STAKEHOLDERS

Along with creating millions of moments of happiness and possibilities, every day we are also focused on creating long-term value, both for our Shareholders, and for our society.

STAKEHOLDER ENGAGEMENT AND CREATING VALUE

We create value by seeking positive impacts for our people, customers, partners, consumers, the environment and our community.

The first step in creating value for our stakeholders is to understand what's important to them and then respond accordingly.

At Coca-Cola Amatil, stakeholder engagement is a circular, two-way activity that involves constant dialogue; it involves listening and responding, and is a major input to our business and sustainability strategy.

Stakeholder engagement does not happen in isolation. When we think about our stakeholders, we think about the society we live in, and how what we do as an organisation impacts those around us. The diagram on the right outlines who our stakeholders are, how we engage with them, what they care about; and importantly, how we respond.

Our stakeholders are those with an interest in our business as well as those in areas where we can make the biggest impact. Stakeholders also identify themselves to us if they would like us to take action to address issues that are important to them and that we are able to influence.

POLITICAL CONTRIBUTIONS

In 2019 we made no political donations in our countries of operation. In New South Wales, the Election Funding, Expenditure and Disclosures Act 1981 (NSW) prohibits political contributions and the Board has extended this to a policy of no political contributions across Australia. Rather, our focus is on community partnerships and participation in public policy development.

OUR MEMBERSHIPS

AUSTRALIA

Business Council of Australia, Business Council for Sustainable Development Australia, Australian Food and Grocery Council, Australian Beverages Council Limited and Australian Bottled Water Institute, Australasian Association of Convenience Stores, Australian Packaging Covenant Organisation, Alcohol Beverages Australia, DrinkWise Australia, Retail Drinks Australia, Australian Hotels Association and Philanthropy Australia

FIJI

Fiji Commerce and Employers Federation, Fiji Hotel & Tourism Association, Fiji Chamber of Commerce

INDONESIA

ASRIM (Association of Beverages Industry), GAPMMI (Association of Food and Beverages Producers), APINDO (Association of Employers), KADIN (Indonesian Chamber of Commerce and Industry), Indonesia Business Council for Sustainable Development, the Indonesia-Australia Business Council, Packaging and Recycling Association for Indonesia Sustainable Environment (PRAISE), and the Indonesia Plastic Waste Management Collaboration (IDN WM)

NEW ZEALAND

Food & Grocery Council, New Zealand Beverage Council, the New Zealand Packaging Forum, The New Zealand Initiative, the New Zealand Business and Parliament Trust, New Zealand Tax Union and New Zealand Taxpayers' Union

PAPUA NEW GUINEA

Manufacturer's Council of PNG, Port Moresby Chamber of Commerce & Industry, Business Council of PNG, and Australia Papua New Guinea Business Council

SAMOA

Samoa Chamber of Commerce; SAME (Samoa Association of Manufacturers and Exporters)

LONG TERM VALUE

CUSTOMERS & CONSUMERS

How do we engage?
- Dedicated customer sales and support teams
- MyCCA and SAM customer platform
- Developing AI and smart technologies
- Website

What do they care about?
- Service and product range
- Consumer health and wellbeing
- Responsible marketing and information
- How we're contributing to a better environment – specifically marine plastic pollution and sustainable packaging

How do we respond?
- In Australia, seven out of 10 of our plastic bottles are now being made entirely from recycled plastic
- Sugar reduction and product reformulations
- Ceased distribution of plastic straws
- Investing in new bottling technology
- New low and no sugar products and product variations

OUR PEOPLE

How do we engage?

Group-wide
- Amatil-wide engagement and pulse surveys
- Monthly Group MD video livestream and blog
- Intranet
- Workplace (Employee Social Network)

Business level
- Town Hall meetings and offsites
- Business MD all staff communications
- Employee safety committees

What do they care about?
- Employee health and safety
- How we are contributing to a better environment – specifically marine plastic pollution and sustainable packaging
- Consumer health and wellbeing
- How their role links to business strategy
- Diversity and inclusion

How do we respond?
- Zero harm as our safety goal
- Delivering on our sustainability commitments
- Delivering on The People Pact (our employee value proposition) and living our values
- Amatil-wide communications and engagement strategy
- Annual remuneration and performance discussions

BRAND & BUSINESS PARTNERS

How do we engage?
- Embedded and aligned operational teams
- Integrated business and procurement approach
- Partners for Growth Awards

What do they care about?
- Product integrity
- Consumer health and wellbeing
- Creating a World Without Waste
- Responsible sourcing and social procurement
- Human rights and ethical labour practices
- That we are a good corporate citizen, operating safely, sustainably and ethically

How do we respond?
- Sustainability Goals
- Human Rights Policy
- Launching annual human rights training across Amatil

GOVERNMENT & REGULATORS

How do we engage?
- One-to-one meetings
- Through industry associations

What do they care about?
- Compliance and transparency
- Responsible water sourcing, use and replenishment
- Reducing our carbon footprint
- Supporting biodiversity
- Manufacturing waste and recycling
- Economic contributions
- Employment practices

How do we respond?
- Continuous disclosure
- No political donations
- Ongoing employee training
- Target 60 per cent of energy sourced from low-carbon and renewables

SOCIETY & NGOS

How do we engage?
- Coca-Cola Australia Foundation (CCAF)
- Industry associations and charity partnerships
- Website and social platforms

What do they care about?
- Sustainable packaging
- Consumer wellbeing and sugar reduction (including our activity in Remote Indigenous Communities)
- Waste and recycling
- Container Deposit Schemes (CDS)
- Responsible water sourcing
- Our response to natural disasters such as drought and fire
- That we're a good corporate citizen, operating safely, sustainably and ethically

How do we respond?
- Employ more than 12,000 people across six countries
- CCAF delivering $1.1 million to our community each year
- Community activity:
  - Product donations
  - Employee volunteering
  - Matched employee workplace giving
  - Brand-led charity partnerships
  - Disaster relief
  - Sponsorship of community events
- Supporting well-run, cost effective CDS
- Exploring opportunities for a recycled plastic processing plant in Australia

SHAREHOLDERS

How do we engage?
- Annual Reports and General Meeting
- Investor conferences and meetings

What do they care about?
- Strong financial returns
- Financial discipline
- Clear business and sustainability strategy, sound leadership and good execution
- Disclosure of risks
- Planning for resilience

How do we respond?
- Regular performance reporting
- Amatil Value Proposition
- Group Strategy – Perform, Grow and Strong Organisation

GROUP PERFORMANCE

OVERVIEW

2019 marked the completion of a two-year transition period for the Group, with Group trading revenue growth for continuing operations of 6.7 per cent for the year reflecting the results of strategic initiatives across the Group.

Statutory Earnings Per Share (EPS) increased 34.3 per cent whilst ongoing EPS increased 1.5 per cent.

Statutory Earnings Before Interest and Tax (EBIT) of $603.4 million was up 31.9 per cent and statutory Net Profit After Tax (NPAT) of $374.4 saw an increase of 34.2 per cent. Ongoing EBIT of $639.3 million was up by 0.8 per cent and ongoing NPAT of $393.9 million increased by 1.4 per cent.

In FY19, Amatil achieved a strong ongoing free cash flow (before lease accounting changes)[1] result with an improvement of $70.8 million on the prior year.

Australian Beverages achieved pleasing progress across multiple areas of the business with an improvement in EBIT growth trajectory. The business achieved revenue growth for the first time in seven years together with volume growth for the year. Accelerated revenue and volume growth was delivered in 2H19 due to strong progress of the Accelerated Australian Growth Plan initiatives including focus on core range products, key selling weeks, driving growth in the state immediate consumption channel and targeted marketing initiatives such as the Share a Coke Campaign.

The FY19 result included another excellent year from the New Zealand and Fiji businesses as strong momentum continued from previous years. The New Zealand & Fiji segment delivered revenue growth of 7.3 per cent (or 4.7 per cent in constant currency) and EBIT growth of 10.1 per cent (or 7.7 per cent in constant currency). New Zealand achieved revenue, volume and high single digit earnings growth, with strong performances in both sparkling and still beverages.

Fiji delivered revenue and volume growth in both the sparkling and stills categories, across all major channels despite the impact of challenging economic conditions and unstable weather.

The Indonesia & Papua New Guinea segment delivered double-digit revenue and volume growth and strong EBIT growth. Indonesia achieved strong revenue and volume growth from excellent execution and investments in marketing and PNG delivered strong double-digit revenue, volume and EBIT growth with the rectification of previous operational issues.

Momentum in Alcohol & Coffee continued with another year of double-digit EBIT growth at 12.7 per cent (or 12.2 per cent in constant currency). Revenue grew 5.1 per cent (4.3 per cent in constant currency).

Our return on capital employed (before lease accounting changes) remains strong at 19.5%. Working capital increased by $107.1 million from increased receivables arising from strong sales performance in December in Australia and Indonesia, and increased inventory to support growth in PNG and New Zealand.

Our net debt position reduced to $1,221.7 million. Including the impact of the new lease accounting standard, net debt increased to $1,751.5. Ongoing EBIT interest cover increased from 8.8 times in FY18 to 9.7 times, reflecting increased interest income from Indonesia and PNG, partly offset by the inclusion of leasing interest in FY19.

We have declared a final dividend of 26.0 cents per share (2H18 26.0 cents per share), unfranked (2H18: 50 per cent franked), representing a full-year ongoing payout ratio of 86.4 per cent (excluding the 4c interim special dividend).

	2019 $M	2018 $M	Variance %
Ongoing[2]			
Trading revenue	**5,070.6**	**4,752.3**	**6.7**
Total revenue	**5,112.1**	**4,802.0**	**6.5**
Earnings Before Interest and Tax	639.3	634.5	0.8
Net finance costs	(65.7)	(72.5)	(9.4)
Income tax expense	(164.1)	(160.7)	2.1
Non-controlling interests	(15.6)	(13.0)	20.0
Profit attributable to Coca-Cola Amatil Limited Shareholders – ongoing	**393.9**	**388.3**	**1.4**
Profit/(loss) from discontinued operation after income tax	6.2	(122.5)	nm
Non-trading items after income tax[3]	(25.7)	13.2	nm
Profit attributable to Coca-Cola Amatil Limited Shareholders	**374.4**	**279.0**	**34.2**
	¢	**¢**	**¢**
Earnings per share – ongoing	54.4	53.6	1.5
Earnings per share	51.7	38.5	34.3

1 Refers to implementation of the new accounting standard AASB 16 Leases which applies from 1 January 2019, refer pages 105 to 107 of the attached Financial Report for further information.
2 Ongoing refers to continuing operations results adjusted to exclude non-trading items.
3 Non-trading items relating mainly to costs of the Australian business continuing transformation activities through implementing new and revised organisation designs, partially offset by gains on sale of property assets. 2018 also included non-recurring interest income relating to a cross-currency swap.

OTHER INFORMATION

	2019 $M	2018 $M	Variance %
Interim ordinary dividend per share – unfranked[4] (2018: 65.0% franked)	21.0	21.0	–
Interim special dividend per share – unfranked[4]	4.0	–	nm
Final ordinary dividend per share – unfranked[5] (2018: 50.0% franked)	**26.0**	**26.0**	**–**

4 Paid 9 October 2019 (2018: 9 October 2018).
5 Record date for the dividend entitlement is 26 February 2020 and is payable 15 April 2020 (2018: paid 10 April 2019).

FREE CASH FLOW

	2019 $M	2018 $M	Variance $M
Ongoing[1] (before lease accounting changes)[2]			
EBIT	**628.7**	**634.5**	**(5.8)**
Depreciation and amortisation expenses	279.2	258.4	20.8
Impairment charges	1.5	0.5	1.0
Changes in adjusted working capital[3]	(79.8)	42.3	(122.1)
Net interest and other finance costs paid	(43.0)	(86.9)	43.9
Income taxes paid	(99.9)	(159.6)	59.7
Movements in other items[4]	1.3	16.4	(15.1)
Operating cash flows – ongoing (before lease accounting changes)	**688.0**	**705.6**	**(17.6)**
Capital expenditure	(229.4)	(316.2)	86.8
Proceeds from sale of non-current assets	6.1	3.6	2.5
Payments for additions of other intangible assets	(1.3)	(0.4)	(0.9)
Free cash flows – ongoing (before lease accounting changes)	**463.4**	**392.6**	**70.8**
Operating cash flows – ongoing	**746.0**	**705.6**	**40.4**
Free cash flows – ongoing	**521.4**	**392.6**	**128.8**
Cash realisation[5] – ongoing (before lease accounting changes)	**99.5%**	**107.0%**	**(7.5) points**
Cash realisation – ongoing	**98.5%**	**107.0%**	**(8.5) points**

1 Ongoing refers to continuing operations results adjusted to exclude non-trading items.
2 Refer to pages 105 to 107 of the Financial Report for further details.
3 Working capital is adjusted to exclude the impact of non-cash flow and non-operating items such as foreign exchange translation, impacts of acquisitions and disposals of businesses and payables relating to additions of property, plant and equipment.
4 Mainly comprising of movements in prepayments and provisions.
5 Operating cash flows divided by NPAT adding back depreciation and amortisation expenses before tax.

Ongoing free cash flows (before lease accounting changes) increased by $70.8 million from 2018 and was mainly due to:

- **Working capital** was up due to increased receivables arising from strong sales performance in December in Australia and Indonesia and increased inventory to support growth in PNG and New Zealand.
- **Net finance costs** decreased due to reduced interest rates on Australian borrowings and higher interest rates on Indonesia and PNG deposits.
- **Tax payments** decreased driven by utilisation of deferred tax assets arising from prior period impairments, now realised as a result of the sale of the SPC business.
- **Capital expenditure** decreased due to deferral of capital expenditure on existing projects to 2020.

Ongoing cash realisation (before lease accounting changes) decreased by 7.5 points from 2018 mainly driven by increased working capital.

CAPITAL EXPENDITURE[1]

	2019 $M	2018 $M	Variance $M
Australian Beverages	57.0	112.1	(55.1)
New Zealand & Fiji	24.3	39.3	(15.0)
Indonesia & Papua New Guinea	79.0	97.5	(18.5)
Alcohol & Coffee	12.3	5.8	6.5
Corporate & Services	56.8	61.5	(4.7)
Capital expenditure – ongoing[2]	**229.4**	**316.2**	**(86.8)**
Capital expenditure/trading revenue – ongoing	**4.5%**	**6.7%**	**(2.2) points**
Capital expenditure/depreciation and amortisation[3] – ongoing (before lease accounting changes)[4]	**0.8x**	**1.2x**	**0.4x**
Capital expenditure/depreciation and amortisation – ongoing	**0.7x**	**1.2x**	**0.5x**

1 Capital expenditure is represented by payments for additions of property, plant and equipment and software development assets.
2 Ongoing refers to continuing operations results adjusted to exclude non-trading items.
3 Amortisation of software development assets.
4 Refer to pages 105 to 107 of the Financial Report for further details.

CAPITAL EXPENDITURE (CONTINUED)

Group capital expenditure was $86.8 million lower than FY18 at $229.4 million. This was lower than had been anticipated due to payments for some projects in Australia, New Zealand and Indonesia being deferred to 2020.

In **Australian Beverages:** Capex included spend predominantly for completion of projects initiated in the prior year i.e. the glass bottling line and additional value-added dairy and juice capacity at the Richlands facility in Queensland and an updated Transport Management System.

New Zealand & Fiji: Capex included the roll-out of additional cold drink equipment across New Zealand and Fiji and completion of the warehouse automation project in Auckland.

Indonesia & Papua New Guinea: Capex included completion of the new affordable single serve packs ('ASSP') line in Surabaya, a project initiated in the prior year. We also invested in a liquid sugar facility, upgrading our SAP system in Indonesia and commenced construction of a new warehouse in Lae.

Corporate & Services: Capex was driven mainly by investment in additional cold drink equipment in Australia, information technology initiatives and human resources systems.

CAPITAL EMPLOYED[1]

	2019 $M	2018 $M	Variance $M
Working capital[2]	447.5	340.4	107.1
Property, plant and equipment	1,825.7	1,855.0	(29.3)
Intangible assets	1,262.7	1,252.4	10.3
Current and deferred tax liabilities (net)	(310.2)	(241.6)	(68.6)
Derivative liabilities – non-debt related (net)	(27.5)	(27.3)	(0.2)
Other assets (net)[3]	22.5	48.9	(26.4)
Capital employed – ongoing (before lease accounting changes)[4]	**3,220.7**	**3,227.8**	**(7.1)**
Right of use assets (including related deferred tax)[4]	483.0	–	483.0
Capital employed – ongoing[5]	**3,703.7**	**3,227.8**	**475.9**
ROCE[6] – ongoing (before lease accounting changes)	**19.5%**	**20.1%**	**(0.6) points**
ROCE – ongoing	**18.4%**	**20.1%**	**(1.7) points**

1 Capital employed is referred to as Assets and Liabilities – Operating and Investing or segment net assets in the Financial Report.
2 Working capital is defined as current trade and other receivables plus inventories less current trade and other payables.
3 Mainly comprising of non-current assets (and associated liabilities) held for sale, prepayments, investments, defined benefit superannuation plans assets and liabilities and provisions.
4 Refer to pages 105 to 107 of the Financial Report for further details of the change.
5 Ongoing refers to continuing operations results adjusted to exclude non-trading items.
6 Return on capital employed (ROCE) is calculated as ongoing EBIT, divided by the average of capital employed at the beginning and at the end of the twelve-month period ended as at the balance date.

Ongoing capital employed (before lease accounting changes) decreased by $7.1 million from 2018 driven by:

- **Working capital** increased by $107.1 million from increased receivables arising from strong sales performance in December in Australia and Indonesia, and increased inventory to support growth in PNG and New Zealand.
- **Property, plant and equipment** decreased by $29.3 million mainly due to a lower than normal level of capex in 2019 and increased depreciation arising from significant capital expenditure on the Richlands warehouse and affordable single-serve pack ('ASSP') production line in Indonesia in 2018.
- **Intangible assets** increased by $10.3 million with additions to software largely being offset by amortisation expenses for the year.
- **Current and deferred tax liabilities (net)** increased by $68.6 million due to deferred tax assets arising from prior period impairments, now realised as a result of the sale of the SPC business.
- **Other assets (net)** decreased by $26.4 million resulting mainly from increased employee provisions.

CAPITAL – FINANCING

	2019 $M	2018 $M	Variance $M
Equity	**1,952.2**	**1,900.0**	**52.2**
Net debt			
Cash assets	(856.0)	(937.4)	81.4
Held to maturity investments	(83.0)	(116.7)	33.7
Loan receivable – interest bearing	(8.8)	(6.5)	(2.3)
Borrowings and other financial liabilities	2,269.0	2,470.1	(201.1)
Derivative assets – debt related (net)	(99.5)	(81.7)	(17.8)
Net debt (before lease accounting changes)[1]	**1,221.7**	**1,327.8**	**(106.1)**
Lease liabilities	529.8	–	529.8
Total net debt	**1,751.5**	**1,327.8**	**423.7**
Total capital – financing	**3,703.7**	**3,227.8**	**475.9**
Net interest cover[2] – ongoing[3] (before lease accounting changes)	**12.4x**	**8.8x**	**3.6x**
Net interest cover – ongoing	**9.7x**	**8.8x**	**0.9x**
Net debt/EBITDA[4] – ongoing (before lease accounting changes)	**1.3x**	**1.5x**	**(0.2)x**
Net debt/EBITDA – ongoing	**1.8x**	**1.5x**	**0.3x**

1 Refer to pages 105 to 107 of the Financial Report for further details of the change.
2 Calculated as EBIT divided by net finance costs.
3 Ongoing refers to continuing operations results adjusted to exclude non-trading items.
4 Net debt divided by earnings before interest, tax, depreciation and amortisation.

The balance sheet remains in a strong position. **Net debt (before lease accounting changes)** was lower at $1,221.7 million. Including the impact of the introduction of the new lease accounting standard, net debt increased to $1,751.5 million. As at 31 December 2019, the Papua New Guinea business had local currency (Kina) denominated cash assets and funds in held to maturity investments of $213.9 million (PGK 508.2 million); 2018: $291.1 million (PGK 692.5 million). This amount has decreased by $68.7 million since the peak in June 2018 of $282.6 million reflecting repayments of an intercompany loan and internal dividend payments. Presently there are Papua New Guinean government-imposed currency controls which impact the extent to which the cash held in Papua New Guinea can be remitted for use elsewhere in the Group.

Ongoing EBIT interest cover increased from 8.8 times in FY18 to 9.7 times, reflecting increased interest income from Indonesia and PNG, partly offset by the inclusion of leasing interest in FY19. Excluding the impact of the introduction of the new lease accounting standard, EBIT interest cover increased to 12.4 times.

Total available **debt facilities** at period end was $2.6 billion. The average maturity is 5.7 years. The maturity profile is as follows:

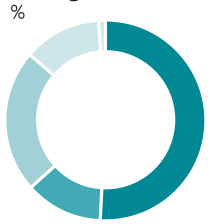
Borrowing maturity profile	31 December 2020 %	31 December 2021 %	31 December 2022 %	31 December 2023+ %
Committed and uncommitted facilities maturity	14.7	15.8	17.0	52.5

SEGMENT RESULTS OVERVIEW

	2019 $M	2018 $M	Variance %	Variance – constant currency[2] %	Ongoing[1] Trading Revenue %	Ongoing[1] Ongoing EBIT %	Ongoing[1] Volume %
Australian Beverages	369.0	376.1	(1.9)	(1.9)	50.9	57.7	48.5
New Zealand & Fiji	123.8	112.4	10.1	7.7	12.5	19.4	12.2
Indonesia & Papua New Guinea	97.3	85.1	14.3	8.2	23.0	15.2	39.3
Alcohol & Coffee	62.8	55.7	12.7	12.2	12.6	9.8	
Corporate & Services	(13.6)	5.2	nm	nm	1.0	(2.1)	
EBIT – ongoing	**639.3**	**634.5**	**0.8**	**(0.5)**	**100.0**	**100.0**	**100.0**

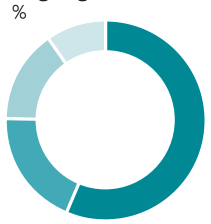
1 Ongoing refers to continuing operations results adjusted to exclude non-trading items.
2 The constant currency basis is determined by applying 2018 foreign exchange rates to 2019 local currency results.

Trading revenue
%



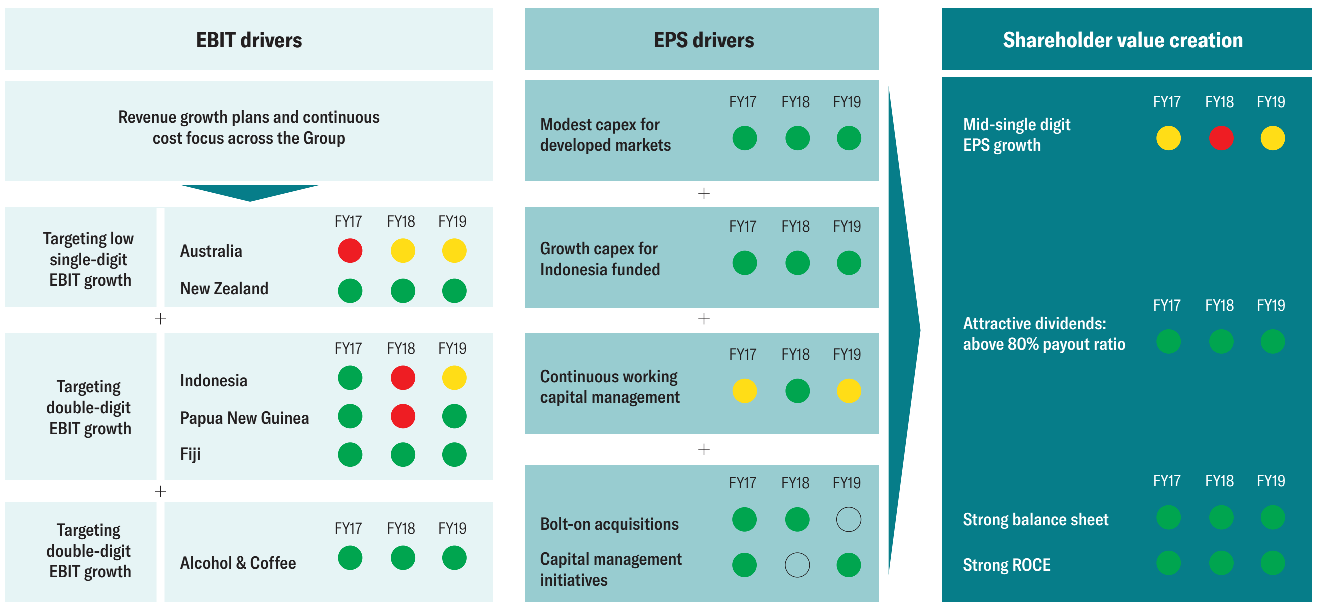
Australian Beverages	50.9
New Zealand & Fiji	12.5
Indonesia & Papua New Guinea	23.0
Alcohol & Coffee	12.6
Corporate & Services	1.0
	100.0

Ongoing EBIT
%



Australian Beverages	57.7
New Zealand & Fiji	19.4
Indonesia & Papua New Guinea	15.2
Alcohol & Coffee	9.8
Corporate & Services	(2.1)
	100.0

PERFORMANCE AGAINST OUR SHAREHOLDER VALUE PROPOSITION



GROUP OUTLOOK

2020 AND BEYOND

We expect to deliver mid-single digit earnings per share growth in 2020 and over the medium term.

We expect higher earnings growth in the second half of 2020 than the first half.

We remain on watch for the flow-on effects of the bushfires in Australia and Coronavirus (COVID-19).

Capital expenditure
Our Group capex is expected to be approximately $300 million in 2020.

Dividend
We expect a dividend payout ratio of above 80 per cent over the medium term.

Amatil dividends are expected to return to being franked in 2021 at above 50 per cent.

Balance sheet and return on capital employed
We expect the balance sheet to remain conservative with flexibility to fund future growth opportunities.

We expect to maintain strong return on capital employed.

AUSTRALIAN BEVERAGES

OUR BUSINESS

Our Australian Beverages business prepares, sells and distributes 30 non-alcoholic beverage brands to approximately 110,000 customers. In addition to the Coca-Cola family of products, our portfolio includes Sprite, Fanta, Lift, Kirks, Deep Spring, Mount Franklin, Pump, Powerade, Barista Bros, Fuze Tea, Keri Juice Blenders, Monster and Mother.

Headquartered in Sydney and with manufacturing and/or distribution facilities in every state, we have an unrivalled network and sales capability.

We directly employ approximately 3,000 people across Australia, the majority of whom are in sales, supply chain, production and warehousing. We operate nine production facilities and 11 warehouses across Australia.

Market overview

The non-alcoholic ready-to-drink beverage industry in Australia is at a mature stage, increasingly fragmented and evolving rapidly, marked by consumers embracing new trends. Current themes shaping the industry include:

- consumer demand trends and opportunities: healthier choices, value, convenience, innovation in packaging and reformulation, technology, environmental and social sustainability, and growth in 'boutique' brands
- competition: intensified competition between beverage companies, and development of private label brands by retailers
- changing trade environment: relationships with retailers, retail consolidation and growth, stronger non-traditional channels, technology
- changing regulatory environment: container deposit schemes.

Our route-to-market model

We sell and distribute our products directly to customers through a segmented execution strategy that leverages consumer and customer insights to get the right portfolio in every outlet. We use a range of route-to-market models to maximise profitability across brand, pack and channel portfolios. In addition to our traditional sales teams, we utilise online selling platforms. We offer an efficient and tailor-made delivery service to our customers, working with logistics and transport providers.

Our channel segmentation

We have implemented a more tailored approach to channel segmentation to better recognise outlet characteristics and drivers. The segmentation process considers several elements including the 'shopper mission', customer type, consumer type and product range, tailoring customer service packages accordingly:

- Retail
  - Grocery
  - Convenience & Petroleum
- On-The-Go
  - State Immediate Consumption (state operational accounts, e.g. Takeaway Foodservice, Bakery, Mixed Business, Newsagents)
  - Restaurants & Cafés 'RECA' (e.g. mainstream cafés, specialty cafés, premium cafés, mainstream restaurants, contemporary restaurants and premium restaurants)
  - National On Premise (e.g. national accounts including Foodservice, Entertainment, Services and Accommodation)
  - Vending (e.g. Education, Retail and Public Transit vending machines)
  - Licensed (e.g. on premise, off premise and integrated venues).

FINANCIAL SUMMARY

	2019 $M	2018 $M	Variance %
Trading revenue	**2,577.5**	**2,518.1**	**2.4**
Trading revenue per unit case	$8.32	$8.20	1.5
Volume (million unit cases)[1]	309.9	307.1	0.9
EBIT – ongoing[2]	**369.0**	**376.1**	**(1.9)**
EBIT margin on trading revenue – ongoing	**14.3%**	**14.9%**	**(0.6) points**
ROCE – ongoing (before lease accounting changes)[3]	**31.3%**	**33.1%**	**(1.8) points**

1 A unit case is the equivalent of twenty-four 8 US oz (237ml) serves or 5.678 litres.
2 Ongoing refers to continuing operations results adjusted to exclude non-trading items.
3 Refer to pages 105 to 107 of the attached Financial Report for further information.

2019 PERFORMANCE

Overview

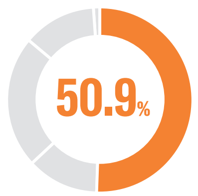
Our result demonstrates pleasing progress on our Accelerated Australian Growth Plan. Australian Beverages achieved revenue growth for the first time in seven years together with volume growth for the year.

The business delivered accelerated revenue and volume growth in 2H19 due to strong progress of the Accelerated Australian Growth Plan initiatives including focus on core range products, key selling weeks, driving growth in the state immediate consumptions channel and targeted marketing initiatives such as the Share a Coke Campaign. As a result, the Coca-Cola Trademark delivered volume and revenue growth for the year.

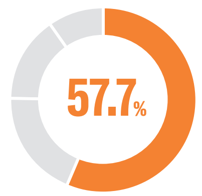
The Accelerated Australian Growth Plan required ruthless prioritisation of the areas that have the largest impact on the business performance. One strategic initiative of the plan is the increase of the sales force – 'Feet On The Street' – in the state immediate consumption channel to substantially increase our customer visitation frequency. With an increase of approximately 95 people, we virtually doubled the size of the sales force serving that channel.

As a result of this initiative, we have begun to see a volume improvement in the state immediate consumption channel across Australia which was reflected in our full-year result. Other additional benefits of this initiative included volume growth of the core range products and of our two largest customer segments – Gold and Silver – in the second half.

Group trading revenue
%



Group ongoing EBIT
%



We achieved volume growth of 0.9 per cent for the year despite a decline of 1.0 per cent in Queensland from the container deposit scheme. Excluding Queensland, total volumes increased by 1.5 per cent.

Trading revenue per unit case was 1.5 per cent higher than last year, comprising a 1.7 per cent increase from charges related to container deposit schemes, a 0.1 net investment in realised price and a 0.1 decrease from product/channel mix.

We have seen an improvement in our EBIT growth trajectory. The FY19 EBIT performance includes a $9.6 million benefit from the introduction of the AASB16 lease accounting standard. Further, we incurred $5.0 million of additional costs due to commissioning issues at our Richlands, Queensland distribution centre and manufacturing. These issues impacted mostly the first half and were resolved by year end.

Category volume summary – million unit cases (MUC[1])	2019 MUC	2018 MUC	Variance %
Sparkling			
Cola	157.9	156.1	1.2
Flavours/Adult	48.0	49.2	(2.4)
Total Sparkling	**205.9**	**205.3**	**0.3**
Frozen	**24.5**	**23.8**	**2.9**
Stills			
Water[2]	52.8	53.5	(1.3)
Value added Dairy/Energy	11.3	10.2	10.8
Other Stills[3]	15.4	14.3	7.7
Total Stills	**79.5**	**78.0**	**1.9**
Total	**309.9**	**307.1**	**0.9**

1 A unit case is the equivalent of twenty-four 8 US oz (237ml) serves or 5.678 litres.
2 Includes Neverfail.
3 Includes juice, tea, sports.

Category

Sparkling beverages and still beverages volumes increased by 0.3 per cent and 1.9 per cent respectively.

Must Win

Total sparkling beverages achieved volume growth, driven by the volume increase in the Coca-Cola Trademark due to double-digit growth of Coca-Cola No Sugar. This strong performance was offset by a slight decline in Classic Coca-Cola, however volume growth in this variant was achieved in the second half. The main contributors to this result were strategic growth initiatives such as the Share a Coke campaign and targeted execution in the state immediate consumption channel.

It is pleasing to see that the cola market[1] grew in value. Classic Coca-Cola held value share at 91% while our share in Diets/Lights Cola declined due to decreases in Diet Coke which was partially offset by gains in Coca-Cola No Sugar.

Underlying volume in water was impacted in FY19 by ceased sales of the low value/margin brand Peats Ridge in Officeworks in October 2018 (1.1 MUC impact). Excluding this impact, water volume would have increased by 0.6 per cent.

We held value share in the growing water market[1] and we are pleased with the increased distribution of Mount Franklin in the state immediate consumption channel.

Double Down

We have achieved strong volume and value share gains in energy due to strong execution and increased ranging with the introduction of nine additional SKUs of our Mother and Monster brands and launch of Coke Energy. The post launch underperformance of Coke Energy was offset by the strong performance of Monster. Value-added dairy grew volume and achieved value share gains benefitting from the introduction of Nutriboost.

Stabilise

Flavours/Adult volume and value share for the year were impacted by ongoing changes in pricing and ranging strategies by major retailers in the first half. This was partially offset by the good performance of Diets/Lights variants which achieved volume share gains and grew volume strongly.

The tea and sports categories grew volume strongly.

We saw an increase in our value share in juice despite the continuation of the challenging conditions in FY19.

Enter

Continued to drive targeted distribution of the Mojo and Made brands.

Channel

We achieved volume growth in all major channels as we continued refining execution of our strategy.

Grocery

In the grocery channel, we grew volume as a result of a balanced focus on driving volume during key selling weeks and better promotional management throughout the year. This was a solid result given the impact of the cessation of the low value/margin brand Peats Ridge in Officeworks in October 2018, representing a reduction of one million unit cases and driving the decline of water in grocery. We are pleased with the successful rate realisation achieved in key areas – large cola multipack cans and in the water category.

Our targeted initiatives across the store and strong execution during key selling weeks resulted in value share gains in still beverages and in the Coca-Cola No Sugar variant.

Convenience & Petroleum

Good momentum continued with strong volume growth and value share gains, driven by the double down strategies being implemented in the energy category. We delivered volume growth and improved value share in water due to increased ranging with key customers.

On-The-Go

The On-The-Go channel achieved volume growth as we continued to focus on the state immediate consumption and RECA channels.

We increased volumes in state immediate consumption as a result of the additional investment in 'Feet on the Street' and focus on driving the right range in-store.

There was a strong contribution from RECA due to volume momentum continuing from FY18 into FY19 following the implementation of clear design principles to ensure channel clarity and ownership.

We increased volume in the national on premise channel driven by additional volumes from Pizza Hut, McDonalds and Hungry Jacks.

Channel volume summary – million unit cases (MUC[2])	2019 MUC	2018 MUC	Variance %
Grocery, Convenience & Petroleum	186.5	185.2	0.7
On-The-Go[3]	123.4	121.9	1.2
Total	**309.9**	**307.1**	**0.9**

1 IRI 12 months to 5 January 2020. Share of Grocery and Convenience and Petroleum value.
2 A unit case is the equivalent of twenty-four 8 US oz (237ml) serves or 5.678 litres.
3 Includes national and state immediate consumption, RECA and Licensed.

Container deposit schemes

The average scheme charge across all eligible package types is 11.43 cents, excluding GST.

The **New South Wales** container deposit scheme commenced on 1 December 2017.

The **Australian Capital Territory** container deposit scheme began operating on 30 June 2018.

The **Queensland** container refund scheme commenced on 1 November 2018. National volumes increased by 0.9 per cent in FY19, whereas National excluding Queensland volumes increased by 1.5 per cent. This represents a lower impact on volumes in Queensland in FY19 than experienced in New South Wales in FY18.

The **Western Australia** container deposit scheme is expected to start in June 2020.

The **Tasmania** container deposit scheme is anticipated to be rolled out by 2022.

We support cost-effective well-run container deposit schemes where they exist in Australia.

2020 PRIORITIES & OUTLOOK

Accelerated Australian Growth Plan

In conjunction with The Coca-Cola Company, we are continuing to roll out our Accelerated Australian Growth Plan. The plan combines future proofing the portfolio with an enhanced and effective route-to-market strategy while taking a more tailored approach to segmentation. We have identified opportunities to sharpen our focus, and to ensure we prioritise the areas that have the greatest benefit to the business.

The prioritised Accelerated Australian Growth Plan initiatives and the investment in our field sales force form the building blocks of our plan, with these initiatives underpinned by key enablers that will support streamlining of costs and revenue growth. From a category perspective:

- **'Must Win'** categories are cola and water where we are committed to lead both market and share growth. In cola we seek to continue volume momentum as we deliver strong in-store activation and brand campaigns. We are focused on revitalising Diet Coke through distinctive silver packaging and targeted execution. Water represents an important strategic category in our portfolio due to its large size and strong growth of some subcategories. We expect to drive value through the launch of the new Mount Franklin Sparkling 10-pack cans and increasing awareness of the key sustainability initiatives with Mount Franklin Still variants.
- **'Double Down'** targets the value-added dairy and energy categories. Our strategic approach aims to accelerate volume and value growth and increase the market share in both categories through best in class execution. In value-added dairy we seek to continue to drive growth of the recently launched brand Nutriboost. We anticipate new product launches in energy and value-added dairy categories in FY20.
- **'Stabilise'** categories are flavours, tea, juice, sports and adult which play an important role in our portfolio. We will continue to undertake very targeted initiatives to stabilise flavours through a strong focus on the diets/lights variants.
- **'Enter'** captures emerging categories such as kombucha and cold pressed juice. We commenced the sales and distribution roll out of Mojo kombucha in Australia in 2019. In 2020 we will focus on targeted distribution and innovation of Mojo as well as precision ranging of the Made brands Rokeby Farms and Impressed juice.

Applying the same categorisation to our distribution channels:

- **'Must Win'** channels are those in which we can make the greatest impact on our performance: grocery and state immediate consumption. The grocery channel strategy is linked to the key activities undertaken in the cola and water categories, targeting initiatives across the store, maximising key selling weeks, premiumisation and innovation. We expect to continue to see improvement in execution in grocery where we have brought store merchandising services in-house. The state immediate consumption channel provides us with significant growth potential by leveraging the 'Feet on the Street' initiative. The program was completed in FY19 and we expect to see an acceleration of the benefits in 2020.
- **'Double Down'** channels – RECA and Convenience & Petroleum – offer the greatest potential for growth. The major focus in Convenience & Petroleum channels is on growing our value-added dairy and energy categories.
- **'Stabilise'** channels are those in which growth is expected to be limited – national on premise, direct to consumer and licensed. We will bring greater focus on alignment and understanding of our customers' priorities in these channels.
- **'Enter'** includes online and food aggregators which are an area of ongoing focus.

Our Accelerated Australian Growth Plan is supported by five 'enabler' initiatives:

- **Portfolio simplification and innovation:** we have identified significant range simplification opportunities in each of our channels that will support greater focus on our best-selling products. This will also have the benefit of enabling our processes and infrastructure to support innovation and growth opportunities. We will continue the roll out of the Price Quadrant Analysis (PQA) in the state immediate consumption channel.
- **Revenue growth management:** we will continue the roll out of RGM 2.0 and seek new revenue growth opportunities.
- **Continuation of the cost optimisation and reinvestment plans:** we continue to execute on a range of cost optimisation opportunities while reinvesting the cost savings. We seek to optimise the performance of our cold drink and vending equipment. We expect to see the benefits of the normalisation of the Richlands distribution centre in 2020 while exploring further opportunities.
- **Product packaging and sustainability:** we are committed to our sugar reduction and packaging targets and we have strong plans in place over 2020 to drive these ambitions and communicate our achievements with the broader community.
- **S&OP:** we continue to enhance our sales and operational planning processes in 2020 to deploy our strategy and support clearer decision making.

Improving alignment with The Coca-Cola Company

Over the past several years we have implemented initiatives to improve alignment with The Coca-Cola Company. Examples of these initiatives include the Accelerated Australian Growth Plan and the joint acquisition of a 45 per cent minority interest in the Australia-based Made Group. We continue to work closely with The Coca-Cola Company to leverage the 'Refresh The World. Make A Difference' strategy in Australia.

NEW ZEALAND & FIJI

OUR BUSINESS

Our New Zealand & Fiji Businesses prepare, sell and distribute 36 non-alcoholic beverage brands to approximately 20,500 retail outlets across the two markets. The list of products distributed across all markets includes the iconic Coca-Cola family of products, as well as Sprite, Fanta, Lift, Schweppes, Powerade, Mother, Deep Spring and FUZE Tea. We also produce locally-loved brands including L&P, Pump, Kiwi Blue and Keri Juice in New Zealand and Frubu and Jucy in Fiji.

With headquarters in Auckland, we directly employ approximately 1,000 people across New Zealand. Our major New Zealand manufacturing sites are in Auckland, Putararu and Christchurch.

Our Fiji Business is headquartered in Suva and employs around 300 people. Our main manufacturing site is in Suva with distribution warehouses at Lautoka and Labasa.

Market overview

The non-alcoholic ready-to-drink beverage industry in New Zealand is at a mature stage and evolving rapidly, marked by consumers embracing new trends. Current themes shaping the industry in New Zealand include:

- consumer demand trends and opportunities: healthier choices, value, convenience, innovation in packaging and reformulation, technology and environmental and social sustainability, growth in 'boutique' brands and fragmentation of the market
- increasing competition: between beverage companies and development of private label brands by retailers
- changing trade environment: relationship with retailers, retail consolidation and growth, stronger non-traditional channels, technology
- changing regulatory environment: container deposit schemes.

The non-alcoholic ready-to-drink beverage industry in Fiji is in a developing stage, and has grown as consumer demand and preferences expand and evolve.

Our route-to-market model

In New Zealand, we sell and distribute our products directly to customers through a segmented execution strategy that leverages consumer and customer insights to get the right portfolio in every outlet. We use a range of route-to-market models to maximise profitability across brand, pack and channel portfolios. In addition to our traditional sales teams, we also utilise online selling platforms. In Fiji we offer a high-touch face-to-face customer service model.

Our channel segmentation

New Zealand
- Grocery
- On-The-Go
  - Petroleum
  - General Route & Banner
  - Food Service
  - RECA
  - QSR
- Others

Fiji
- Grocery
- Convenience & Leisure
- Export

FINANCIAL SUMMARY

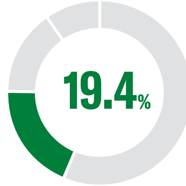
	2019 $M	2018 $M	Variance %	Variance – constant currency[1] %
Trading revenue	**635.5**	**592.4**	**7.3**	**4.7**
Trading revenue per unit case	$8.17	$7.90	3.4	0.9
Volume (million unit cases)	77.8	75.0	3.7	3.7
EBIT – ongoing[2]	**123.8**	**112.4**	**10.1**	**7.7**
EBIT margin on trading revenue – ongoing	**19.5%**	**19.0%**	**0.5 points**	**0.5 points**
ROCE – ongoing (before lease accounting changes)[3]	**31.1%**	**28.7%**	**2.4 points**	

1 The constant currency basis is determined by applying 2018 foreign exchange rates to 2019 local currency results.
2 Ongoing refers to continuing operations results adjusted to exclude non-trading items.
3 Refer to pages 105 to 107 of the attached Financial Report for further information.

2019 PERFORMANCE

Group trading revenue %

Group ongoing EBIT %



Overview

Our New Zealand & Fiji segment had another strong year with increases of 7.3 per cent (or 4.7 per cent in constant currency) in revenue and 10.1 per cent (or 7.7 per cent in constant currency) in EBIT.

New Zealand

We continued to see strong momentum in New Zealand in 2019. The business achieved revenue, volume and high single digit earnings growth from the sustained focus on growing the outlet base via smaller customers, one of the criteria for which it was nominated for The Coca-Cola Company Candler Cup competition.

The Coca-Cola Company introduced The Candler Cup competition across the Bottling system to recognise the 'Best Bottlers in the World'. In 2019 New Zealand was a finalist in the Candler Cup competition for the second year running. It is the only bottler in the world selected in the top four bottlers for two consecutive years.

With a long track record of strong and consistent execution, New Zealand delivered strong performances in both sparkling and still beverages. We grew revenue and volume in both categories supported by increased in-store range and outlet expansion.

We performed strongly in still beverages delivering volume growth in all categories. We are particularly encouraged by the strong volume growth from sports, energy and water.

We achieved revenue and volume growth and improved profitability in all major channels. In grocery, growth was driven by a strong promotional calendar and activation programs. On-The-Go and licensed grew driven by our consistent strategy and execution as well as our strong focus on creating value for our customers.

Fiji

In Fiji we delivered revenue and volume growth in both the sparkling and still categories, across all major channels despite impacts of challenging economic conditions and unstable weather. We are pleased to see continued double-digit EBIT growth as we maintained our focus on driving top line growth as well as delivering efficiencies across the supply chain.

2020 PRIORITIES & OUTLOOK

New Zealand

We are focused on maintaining our leadership position in sparkling and still beverages and improving our relationships with our brand partners. We are driving the fundamentals for sustainable and profitable growth by ensuring that we offer our customers and consumers the world's leading beverage brands across a broad range of categories and formats. We will continue adding to our manufacturing and distribution capabilities and building our sales and marketing execution capability.

Fiji

We continue to expand our distribution network through the roll out of cold drink equipment and increasing the number of outlets ranging our products.

ALCOHOL & COFFEE

OUR BUSINESS

Our Alcohol & Coffee Business is headquartered in Sydney and operates throughout the Asia Pacific region. Our capability extends to brewing, distilling, roasting, sales, marketing and distribution, and our portfolio of premium alcohol and coffee brands perfectly complements Amatil's market-leading non-alcoholic beverage range.

Market overview

Our premium alcohol portfolio includes a mix of established and high-potential emerging brands that we either own or sell and distribute in conjunction with global brand partners such as Beam Suntory and Molson Coors International.

Our premium spirits portfolio includes Jim Beam Bourbon – Australia's largest spirits and ready-to-drink brand – and emerging brands such as Canadian Club whiskey, now the fourth-largest brand by volume in the Australian market.

In beer and cider our success has been driven by premium beer brands Coors, Blue Moon and Miller. In 2017 we brought Feral Brewing into our portfolio and have established Yenda as a quality craft beer in the Australian market.

In Fiji and Samoa, our Paradise Beverages Business produces market-leading beers such as Fiji Gold, Fiji Bitter, Vonu Premium Lager, and Vailima; Paradise Beverages also produces premium spirits, including the highly acclaimed Rum Co. of Fiji range, for the local and export markets.

We are also a key player within the hot beverages market. Grinders Coffee was established in 1962 in Melbourne and acquired by Coca-Cola Amatil in 2005. Today it is one of Australia's premier coffee companies, combining innovation with heritage to deliver award-winning results.

Alcohol & Coffee employs around 800 people across the region, predominantly at our operations including Paradise Beverages breweries in Suva, Fiji and Apia, Samoa, and Paradise Beverages distillery in Lautoka, Fiji, the Grinders roastery in Fairfield, Victoria, Feral Brewing Company in Western Australia, and in state-based teams across Australia.

On 9 September 2019 we announced changes to the Alcohol & Coffee organisational structure and senior accountabilities to further integrate beverage categories across each country of operation.

As a result of these changes all Alcohol & Coffee categories will be managed in line with geographic responsibilities. As such, the Australian based Alcohol & Coffee portfolios will join the Australian Beverages team under the leadership of Peter West; Alcohol and Coffee in New Zealand, Paradise Beverages in Fiji and Samoa, and the international alcohol sales team, will join the New Zealand and Fiji businesses under the leadership of Chris Litchfield; and the Coffee portfolio in Indonesia will form part of the Indonesian business under the leadership of Kadir Gunduz. Amatil's segment financial reporting will be adjusted to reflect these changes in responsibilities commencing in first half 2020 reporting.

These changes will improve our customer alignment and build on the existing integration in parts of the business including shared operations and sales teams in Australia and the structure in New Zealand.

FINANCIAL SUMMARY

	2019 $M	2018 $M	Variance %	Variance – constant currency[1] %
Trading revenue	640.8	609.8	5.1	4.3
EBIT – ongoing[2]	62.8	55.7	12.7	12.2
EBIT margin on trading revenue – ongoing	9.8%	9.1%	0.7 points	0.7 points

1 The constant currency basis is determined by applying 2018 foreign exchange rates to 2019 local currency results.
2 Ongoing refers to continuing operations results adjusted to exclude non-trading items.

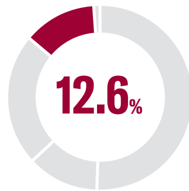
2019 PERFORMANCE

Alcohol & Coffee delivered its fifth consecutive year of double-digit EBIT growth, in line with our shareholder value proposition.

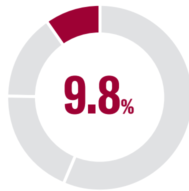
We delivered revenue growth of 5.1 per cent (or 4.3 per cent in constant currency) and EBIT growth of 12.7 per cent (or 12.2 per cent in constant currency).

This performance reflects strong momentum supported by our robust commercial strategy, best-in-class portfolio of brands, cost discipline and synergies with the non-alcoholic ready-to-drink business.

Group trading revenue %



Group ongoing EBIT %



Alcohol

In Alcohol, we grew revenue and achieved another year of double-digit EBIT growth with the benefit of price realisation in the spirits and premix categories.

In Australia, the spirits and premix categories grew strongly. Canadian Club continued to be the standout highlight for the year, delivering exceptional growth through effective marketing, strong sales execution as well as availability and popularity of Canadian Club Zero Sugar Dry. We are also seeing the benefit of strong innovation with the growing popularity of new brands including Koyomi. We achieved value share gains in rum, vodka and gin and strong volume growth in our gin and vodka categories, led by Roku gin, now the number six and fastest growing brand in the total gin category[3] and Russian Standard vodka. Our premium Japanese whisky portfolio continued to deliver growth.

We worked on our own brands and closely with our partners to leverage opportunities across all categories. Highlights during the year included:

Spirits and Premix: We launched Jim Beam Black Double Serve, a premium pre-mix variant. We saw continued strength of Maker's Mark in premium bourbon, capitalising on premiumisation trend and supported by a clear and compelling drinks strategy.

Beer, Bitters and Cider: We faced strong competitive pressures in some segments of the beer market, impacting our overall performance in the beer category. Some highlights for the year included: the national roll out of Feral Biggie Juice, recently voted number seven most popular Australian Craft beer in the GABS Hottest 100 beers of 2019. We continued benefitting from the Coors relationship with the National Basketball Association and its sport-led marketing campaigns. We launched a strong national campaign for Miller Genuine Draft cementing its music credentials, supported by extensive marketing and customer experience events. The launch of Rekorderlig Blush Rose was part of our innovation plans for cider.

Paradise Beverages: There was an adverse impact from the challenging trading conditions in Samoa driven by strong competition in beer and the measles outbreak in the last quarter of the year. The investment in our Fiji business included a new bottle filler in the brewery and a new packaging line at the distillery. We also rebuilt our office facilities at the Fiji brewery, following a fire in late 2017.

Coffee

Grinders Coffee achieved strong growth in the grocery channel in the bean, capsule and ground segments. National accounts volumes grew strongly in the second half, due to continued focus on in-market execution.

2020 PRIORITIES & OUTLOOK

We expect to continue achieving growth in each of our operating geographies.

Spirits and Premix: Our partnership with Beam Suntory across Australia and New Zealand continues to deliver new growth opportunities. We have a category leadership position in bourbon as well as in new age whiskey and are working with Beam Suntory to bring innovation to the market.

Beer, Bitters and Cider: We continue to focus on growing our craft portfolio led by Feral and working closely with our partners to take advantage of significant opportunities across categories where we can leverage our distribution and footprint.

Paradise Beverages: We will continue to focus on innovation and new product development, taking advantage of the increased capability and capacity generated by our capital investment program.

Coffee: We continue developing the Grinders master brand across our bean, ground and capsule products, expanding our retail and cafe presence in Australia.

3 Source: IRI. AU Liquor Dollar Sales 26 weeks to 12/01/2020.

INDONESIA & PAPUA NEW GUINEA

OUR BUSINESS

Our Indonesia & Papua New Guinea Businesses prepare, sell, distribute and market non-alcoholic ready-to-drink products to hundreds of thousands of modern and traditional trade outlets across the two regions. In addition to the iconic Coca-Cola family of products, our portfolio includes Sprite, Fanta, Nutriboost and Minute Maid. In each country we also produce locally-loved brands including Frestea and Ades in Indonesia and BU in Papua New Guinea.

In Indonesia we operate eight manufacturing facilities in Cibitung, Cikedokan, Bandung, Medan, Lampung, Semarang, Surabaya and Bali. We employ a total workforce of around 6,000 full-time employees and around 3,000 contractors, and distribute over 1.2 billion litres of refreshing drinks to outlets across the nation. We directly serve approximately 500,000 customers and indirectly distribute to approximately 1.5 million customers[1].

Coca-Cola Amatil and The Coca-Cola Company jointly own the Coca-Cola bottling operations in Indonesia ('PT Coca-Cola Bottling Indonesia' or 'CCBI'), 70.6 per cent and 29.4 per cent respectively.

Our Papua New Guinea Business employs more than 700 people and generates employment for workers in related industries such as transport, sea freight, raw material supply, consumables, machinery and equipment services. Our range of products is offered through a network of approximately 13,000 customers in various formats and spread around the 22 provinces of the country.

Market overview

The non-alcoholic ready-to-drink beverage industry in Indonesia offers considerable prospects for growth and we believe it will become a growth engine for Coca-Cola Amatil. Our vision for the region is underpinned by the country's significant long-term growth potential and favourable demographics. Current themes shaping the industry in Indonesia include:

- strong growth potential: Indonesia is forecast to be the world's fourth-largest economy by 2050; nominal gross domestic product per capita has increased 12 per cent per annum since 2005; and the economy is expected to be strong and relatively stable
- demographics: a young population
- growing affluence: there is a growing middle class personal consumption has grown 12 per cent per annum since 2005
- increasing competition: market is fragmented with many players, many of whom are single-category focused with additional minor but growing plays in other categories
- consumer spending: short-term challenges with subdued consumer spending in food and commercial beverages.

The non-alcoholic ready-to-drink beverage industry in Papua New Guinea is in a developing stage and has grown as consumer demand and preferences expand and evolve.

1 Nielsen numeric distribution – December 2019.

FINANCIAL SUMMARY

	2019 $M	2018 $M	Variance %	Variance – constant currency[1] %
Trading revenue	**1,165.4**	**981.7**	**18.7**	**10.8**
Trading revenue per unit case	$4.65	$4.32	7.6	0.5
Volume (million unit cases)	250.7	227.2	10.3	10.3
EBIT – ongoing[2]	**97.3**	**85.1**	**14.3**	**8.2**
EBIT margin on trading revenue – ongoing	**8.3%**	**8.7%**	**(0.4) points**	**(0.2) points**
ROCE – ongoing (before lease accounting changes)[3]	**11.6%**	**11.1%**	**0.5 points**	

1 The constant currency basis is determined by applying 2018 foreign exchange rates to 2019 local currency results.
2 Ongoing refers to continuing operations results adjusted to exclude non-trading items.
3 Refer to pages 105 to 107 of the attached Financial Report for further information.

Our route-to-market model

In Indonesia, we follow a two-fold distribution strategy that has generated significant improvements in effectiveness and efficiency in our route-to-market execution. In addition to our own distribution network, we have established a network of Coca-Cola Official Distributors across Indonesia. These distributors offer better capability to execute the 'last mile' delivery significantly increasing our customer reach while allowing us to maintain the relationships with our customers securing one of our strongest competitive advantages. We also have a large local sales team, segmented into the different market channels.

In Papua New Guinea, we have made significant progress on our route-to-market strategy as we build a distributor model, utilising managed third-party partners, in addition to expanding our own distribution network. A dedicated sales team and activation strategy has been put in place to manage our modern trade and key accounts.

Our channel segmentation

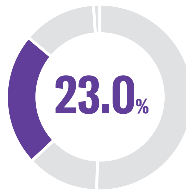
Indonesia

- Modern trade: Hypermarkets, Supermarkets, Minimarkets
- Traditional trade: Provision, Traditional Food Service, Kiosks
- Eating & Drinking
- Education
- Wholesalers

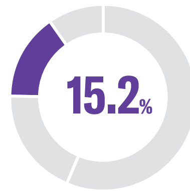
Papua New Guinea

- Modern Trade/Key accounts (Supermarkets and Minimarkets)
- Traditional Informal Ice Box Vending
- Kaibars (Eating & Drinking)

Group trading revenue %



Group ongoing EBIT %



2019 PERFORMANCE

In Indonesia & Papua New Guinea we delivered double-digit revenue and volume growth and strong EBIT growth.

Indonesia

We are pleased with the improvement achieved by the business which includes high single digit volume and revenue growth at a time when soft market conditions persisted and the overall non-alcoholic ready-to-drink market was flat. Overall achieved volume share gains in non-alcoholic ready-to-drink with sparkling up 3.3 percentage points. Our EBIT result reflected additional marketing spend with The Coca-Cola Company.

Gross domestic product growth has been relatively stable over the last four years, however, these levels are not translating into similar growth levels in the FMCG sector generally or in the non-alcoholic ready-to-drink beverage market specifically. Discretionary consumer spending on non-alcoholic ready-to-drink beverages has been constrained by changes in spending priorities (e.g. smartphones, entertainment and travel).

Against a backdrop of soft market conditions, we have focused on consistent execution of our commercial plans, which has resulted in continued momentum in the business evidenced by the consecutive volume growth achieved in each of the last seven quarters.

This continued growth demonstrates the resilience of the business as well as the success of the strategic initiatives of the Accelerate to Transform plan including improved product availability, increased affordability, building brand strength and channel relevance.

We have seen double-digit volume and revenue growth as well as transaction growth ahead of volume growth in our sparkling brands. Development of our key recruitment and frequency PET packs in the sparkling category has been particularly pleasing. Both the 250ml ASSP (affordable single-serve pack) and the 390ml packs delivered double-digit volume growth with an additional 100,000 outlets distributing at least one of these key packs. This follows the renewed focus on driving relevance of the sparkling category which demonstrates that our sparkling brands are clearly resonating with Indonesian consumers. There were clear benefits from the innovation introduced to the market in 2019, including recruitment of new consumers, target of more occasions and generation of incremental volume through the expansion of the Fanta portfolio and the introduction of Sprite Waterlymon, a product that plays in the near-water space with less carbonation and less sugar than classic Sprite. Additionally, growth in sparkling was supported by successful targeted brand campaigns undertaken following a significant review in conjunction with The Coca-Cola Company of Indonesian consumer trends. Some of the initiatives driving the category and strengthening the sparkling portfolio included:

- Coca-Cola: Participation in music festivals and football competitions helped to add excitement to the brand, leveraging The Coca-Cola Company sponsorship of the English Premier League
- Sprite: Continued the successful ‘No Bokis’ campaign and promoted Sprite Waterlymon through TV commercials and digital media placement to increase consumer awareness for the product
- Fanta: Targeted TV commercials to recruit new drinkers and link Fanta to the popular snacking occasion
- recruit new drinkers through increased penetration of the small affordable packs.

Water and value-added dairy were the main contributors to volume growth in still beverages. We are pleased with the value share gains achieved in both categories supported by innovation in Nutriboost with expanded pack sizes and the addition of new flavours – Coffee and Chocolate. The tea and juice performance was disappointing with volume and share declines.

The modern trade channel delivered volume and revenue growth while the Traditional Trade had a strong performance with all regions achieving volume and revenue growth, benefitting from our route-to-market model transformation and targeted customer value proposition.

Strong efficiency gains were delivered in manufacturing and administrative functions. We continue to invest in the capabilities of our people through our training academy model as well as through our bespoke leadership training programs. As a result of delivering on many of the elements of our transformation strategy, the business remains highly leveraged to deliver significant earnings improvements with higher levels of growth in the non-alcoholic ready-to-drink market in the future.

Papua New Guinea
Papua New Guinea continued the strong momentum from the first half. The business achieved double-digit volume, revenue and EBIT growth for the year driven by strong demand for sparkling beverages and benefitting from normalised operational conditions following the rectification of the operational challenges experienced in FY18.

2020 PRIORITIES & OUTLOOK

Indonesia
We are committed to our Accelerate to Transform strategy and cognisant of the challenges posed by the current market conditions. In conjunction with The Coca-Cola Company we undertook an extensive review in FY18 to further extend our consumer insights. Drawing on these insights, we will continue setting and executing our plans to repurpose our portfolio to adapt to the challenging operating environment.

Accelerating growth in all our sparkling brands will continue to be a priority for us in 2020 by driving sparkling relevance and availability and broadening the occasions in which our sparkling brands are consumed.

Another priority for us is continuing to build a locally relevant stills business by gaining share in value-added dairy and tea through strong execution and innovation. We are focused on stabilising our juice business through a more consistent approach to marketing, launching of a new pack with new flavours and a stronger commercial proposition. We seek to maintain our position in water and isotonic while taking advantage of any opportunities that arise.

Papua New Guinea
We are focused on strengthening our presence in sparkling through our core brands and accelerating growth in energy though the BU brand; developing our still portfolio by increasing penetration and distribution of our still brands; and optimising revenue opportunities through pack price architecture. The business will continue to expand its distribution network and seek productivity and efficiency improvements in manufacturing and logistics. Benefits are expected from supply chain investments and from a continued expansion of the beverages footprint.

CORPORATE & SERVICES

FINANCIAL SUMMARY

	2019 $M	2018 $M	Variance %
Trading revenue[1]	**51.4**	**50.3**	**2.2**
EBIT – ongoing[2]	**(13.6)**	**5.2**	**nm**

1 Represents revenue mostly from our recycling business in South Australia.
2 Ongoing refers to continuing operations results adjusted to exclude non-trading items.

Our Corporate & Services segment includes a variety of activities, including the Group corporate office functions and ancillary services such as property and equipment servicing.

Property
Since 2017, Amatil’s Property Division has taken a Group-wide approach to asset management of owned and leased properties, leading to the sale of sites and facilities that were surplus to requirements, as well as the 2017 sale and leaseback of the company’s flagship Richlands site.

The division has also rolled out a new property management system to provide increased controls and insights across the portfolio; commenced a review of the property footprint to develop long-term plans for all manufacturing sites; and overhauled facilities management processes.

2019 PERFORMANCE
In Corporate & Services, we recorded an EBIT loss of $13.6 million. The main contributors for this result were: lower earnings for our services division driven by lower services requirement to Australian Beverages; lower earnings for our property division due to reduced rental fees from Australian Beverages; and investments in Group capabilities and IT platforms.

SPC
In August 2018 we announced the commencement of a strategic review of growth options for SPC, which coincided with the completion of a four-year, $100 million co-investment in conjunction with the Victorian Government.

In November 2018 the review was concluded, and it was announced that the best way to unlock these opportunities is through divestment.

At the beginning of June 2019, it was announced that the business had been sold to Shepparton Partners Collective Pty Ltd. On 1 July 2019 we announced the successful completion of the transaction. The business was sold for a total consideration of $49.6 million, resulting in a gain from disposal of $13.8 million (after tax).

The sale agreement also includes a four-year deferred payment which, subject to business performance, could result in up to an additional $15 million of sale consideration at that time.

The sale of the SPC fruit and vegetable processing business was completed on 28 June 2019.

From a financial reporting perspective, SPC’s results and assets and liabilities were classified as a discontinued operation in the income statement and as held for sale on the balance sheet (for 2018) respectively.

SUSTAINABILITY STRATEGY

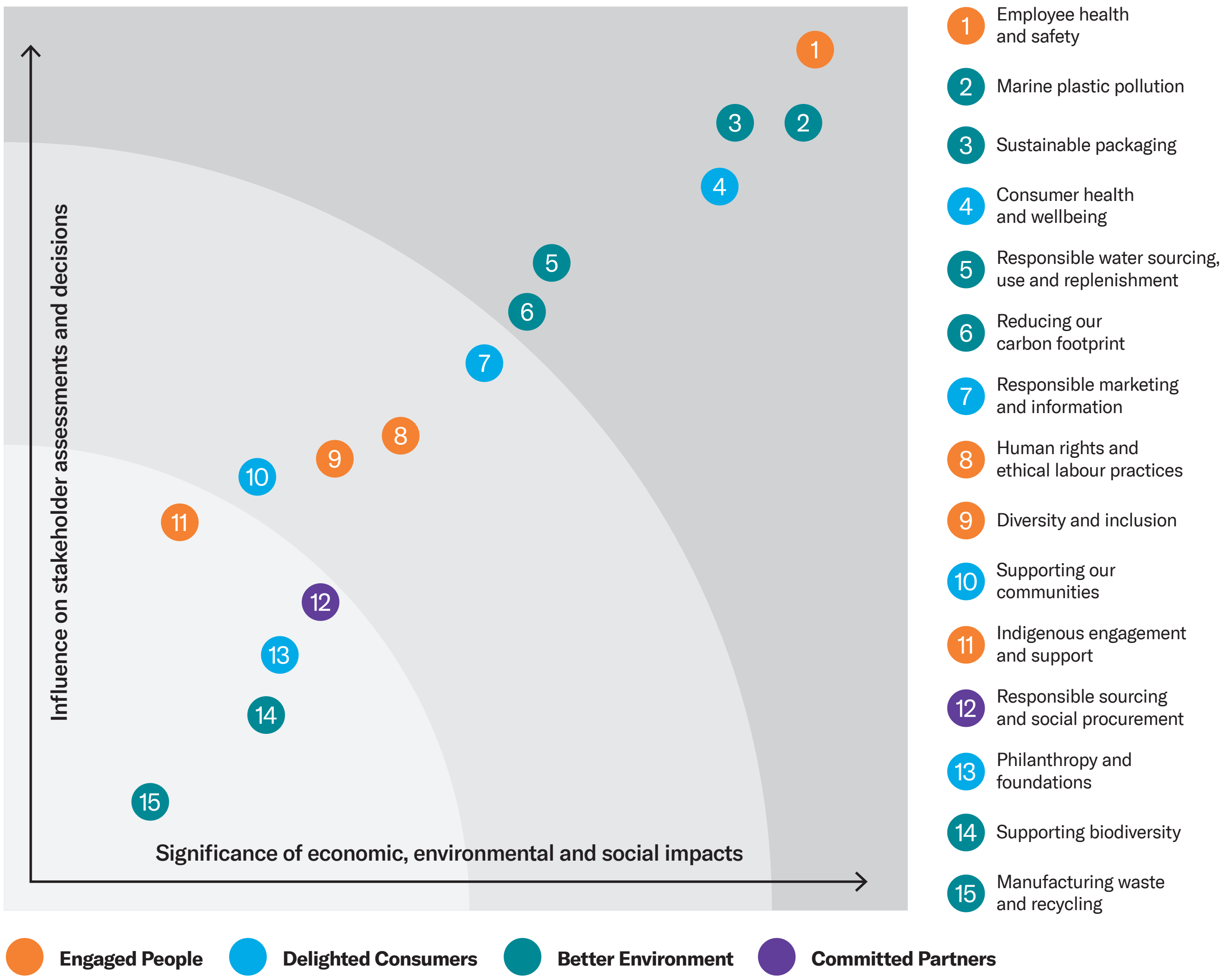
Coca-Cola Amatil is committed to making a distinct and positive contribution to the world in which we live. This means that with each decision we seek to deliver the best outcomes for our people, consumer choice and wellbeing, the environment, and our communities, as well as our Shareholders.

Coca-Cola Amatil's sustainability focus is on our people, wellbeing, environment, and our community. In 2017 Coca-Cola Amatil conducted a strategic review of each of our priority focus areas and developed a set of strategies and public goals to achieve by the end of 2020.

These 2020 goals are aligned with, and embedded in, our broader business strategies to deliver long-term sustainable business value. The goals have also been developed considering the expectations of all key stakeholders – our people, our partners, our communities, our customers and our investors – and focusing on those areas that are the most material and where we can make the most difference.

In 2018, we reviewed our sustainability priorities, by conducting a materiality assessment with internal and external stakeholders. This review confirmed that we are focused on areas of most importance where we can have the greatest impact, and we noted increased stakeholder concerns regarding sustainable packaging, consumer wellbeing, climate change and human rights and will continue to prioritise these areas. Our materiality matrix diagram shows the outcome of this assessment.

We also remain committed to an enhanced approach to sustainability reporting with more data and analysis on the sustainability performance of all our businesses referencing the Global Reporting Initiative framework, LBG (formerly 'The London Benchmarking Group') community investment guidelines and Sustainable Development Goals. Coca-Cola Amatil has also embarked on an assurance program to meet full verification and assurance of report data by 2020.



An overview of our 2020 commitments is overleaf, and our governance and strategic approach is provided below.

GOVERNANCE AND MANAGEMENT OF SUSTAINABILITY

From the Board to the Group Leadership Team, Group functions to the businesses, at Coca-Cola Amatil we are committed to continual improvement and acting responsibly to support a better future for all our stakeholders.

The Coca-Cola Amatil Board is committed to achieving the highest standards of corporate governance and business conduct. The Board sees this commitment as fundamental to the sustainability and performance of our business and to enhancing shareholder value.

The Risk and Sustainability Committee of the Board reviews the effectiveness of Coca-Cola Amatil's controls and strategies to manage our non-financial and operational risks and compliance matters by:

- reviewing and monitoring compliance with our legal and regulatory responsibilities, internal policies and industry standards on operational matters
- approving policies and standards that reflect our reputation
- reviewing and monitoring social issues that could impact our reputation
- reviewing Coca-Cola Amatil's non-financial and operational risks and controls.

Management decisions in relation to sustainability are made by the Group Managing Director, Group Leadership Team and individual members of management who have direct authority. Across the Group functions and within each business, our health and safety, supply chain, environment, people and culture, procurement, and public affairs, communications and sustainability teams are responsible for the day-to-day implementation, management, monitoring and reporting of specific initiatives.

Within our long-term value creation proposition, our approach to sustainability and value to society is now integrated with value to Shareholders. This means that as we pursue growth, we do so through the lens of seeking positive impacts for our people, consumer wellbeing, customers, brand partners, the environment and our community. Our sustainability focus areas are based on materiality to long-term business sustainability.

ENGAGED PEOPLE

Coca-Cola Amatil provides a safe, open, diverse and inclusive workplace where our people are energised by, and committed to, human rights and their safety and wellbeing at work.

For Coca-Cola Amatil, a safe workplace is the result of both our 'safety first' culture and a clearly defined set of requirements for all employees. Coca-Cola Amatil strives to achieve and maintain a zero-harm workplace where safety is everyone's responsibility and each individual is held to account. The Group's Health, Safety & Wellbeing Policy requires all employees, suppliers, contractors and visitors to operate to the highest standards.

Human rights is relevant to all of our people across all of our countries of operation and is an important consideration for Amatil today and tomorrow.

COMMITTED PARTNERS

Coca-Cola Amatil's Responsible Sourcing Guidelines together with The Coca-Cola Company's Supplier Guiding Principles provide our suppliers with the standards and procedures we expect our partners to adhere to in order to meet our sustainability objectives for engaged people, a better environment and delighted consumers.

We have a 2020 sustainability goal to ensure 80 per cent of suppliers, by share of spend, are covered by responsible sourcing agreements.

DELIGHTED CONSUMERS

Consumer wellbeing

The wellbeing of our consumers – physical, mental and social – is at the heart of our vision to delight millions of consumers every day. We are open and responsive to changing consumer tastes and preferences and aligned with global health guidelines and Sustainable Development Goals.

We focus on choice through reformulation and new product introductions, with a target to reduce sugar in our portfolio in Australia and New Zealand. We will measure the sugar grams per 100ml of our non-alcoholic beverages portfolio in all countries of operation and reduce total sugar grams per 100ml by 10 per cent in Australia and New Zealand (vs 2015 sugar grams per 100ml) and have the nutrition and responsible consumption information that our consumers want, conveniently available. By the end of 2019 we reduced our sugar grams per 100ml in Australia by 8.8 per cent compared to the 2015 baseline and are on track to achieve the 2020 goal with a strong reformulation program in 2019. In New Zealand we reduced sugar grams per 100ml by 5.3 per cent.

We also are committed to consumer education, responsible marketing, and promotion of consumer awareness of the impact of their choices on health and wellbeing.

Our community

We make a unique, sustained, and valued collective impact on the communities in which we operate. Our contribution in Australia, Indonesia, Papua New Guinea, New Zealand, Fiji and Samoa delivers outcomes in partnership with local communities to ensure they are relevant to local development needs and circumstances. We embrace the philosophy of Gotong Royong, or community cooperation, and we will aspire to contribute the equivalent of one per cent of EBIT and track the impact of this investment annually and over time.

Our community (continued)
Our contribution includes:

- Significant philanthropic grants through the Coca-Cola Australia Foundation and the Coca-Cola Indonesia Foundation as well as the contribution of dedicated funds from sponsorship and marketing activities to support grassroots sports and community development initiatives.
- Since establishment in 2002, the Coca-Cola Australia Foundation has provided more than $16 million to hundreds of charities, positively impacting many young Australians.
- Creating a culture that supports employee volunteering, including professional pro-bono services, employee fundraising and matched workplace giving.
- Being ready to lend a hand with provision of water, food and other aid to people impacted by natural disasters and to support community resilience beyond the immediate aftermath.
- Ensuring we leverage our significant business investment in employment, training, ingredient supply, assets and services so that we can also provide community and social development benefits wherever possible.

Coca-Cola Amatil's annual sustainability reports are available on our website www.ccamatil.com.

BETTER ENVIRONMENT

We aim to leave a positive legacy and ensure minimal impact on the environment. We work responsibly in all we do, seeking to make the right choices now, in a sustainable way, for future generations.

Our commitment is focused where we have the most opportunity to make a difference: sustainable packaging; water stewardship; energy management and climate protection; biodiversity; and responsible sourcing.

By 2020, we will continue to drive water neutrality for non-alcoholic beverages; target a 25 per cent improvement in water efficiency for alcoholic beverages and food categories; deliver a 25 per cent carbon reduction for the 'drink in your hand'; ensure that 60 per cent of our energy requirements come from renewable and low-carbon sources; and we aspire to packaging neutrality with business case development for 50 per cent recycled PET in our Australian portfolio.

To achieve this vision, we work closely with partners and environmental experts so that we can understand and mitigate our impact and be proactive in implementing solutions. We have taken a leadership role in working with governments and stakeholders across Australia on container deposit and refund schemes, including as a joint venture partner in Exchange for Change, the New South Wales Scheme Coordinator, and a founding partner in Container Exchange, a not-for-profit organisation that is the Product Responsibility Organisation that has established and now manages the Queensland container refund scheme which commenced in 2018 and is implementing the container refund scheme in Western Australia, which will commence in June 2020. In addition, we have run the South Australian container deposit scheme for over 40 years through our wholly owned subsidiary Statewide Recycling.

We also welcome and support The Coca-Cola Company's 'World Without Waste' global packaging strategy that has an industry-first goal of collecting and recycling the equivalent of every bottle or can it sells globally by 2030. In line with this commitment Coca-Cola Amatil approved the business case for 50 per cent recycled plastic in its Australian portfolio. The transition of all single-serve bottles to 100 per cent rPET in Australia and New Zealand was completed in December 2019. By the end of 2019, seven out of 10 plastic bottles in Australia were being made from 100 per cent recycled materials. In New Zealand, all our plastic bottles smaller than one litre and all water bottles across all sizes are now made from 100 per cent recycled PET.

OUR 2020 GOALS & 2019 PROGRESS

In 2017, we conducted a strategic review of our priority sustainability issues and opportunities and developed a set of strategies and public goals to achieve by the end of 2020. These were first published in our 2017 Operating and Financial Review and our 2017 Sustainability Report, both of which were released in early 2018.

These 2020 goals are aligned with, and embedded in, our broader business strategies to deliver long-term sustainable business value. In developing them, consideration was given to the expectations of all key stakeholders – our people, our partners, our communities, our customers, our consumers and our investors – and focus was placed on those areas that are most material to our business, where we can make the most difference and where we can deliver long-term value to both society and Shareholders.

In 2019 we continued to make good progress towards achieving these goals, and in some cases have already achieved the 2020 target. We note that for a few of the goals the 2019 divestment of our SPC business means changed baselines and scope.

We remain committed to an enhanced approach to sustainability reporting with more data and analysis on the sustainability performance of all our businesses referencing the Global Reporting Initiative framework and the LBG (formerly 'The London Benchmarking Group') community investment guidelines.

Coca-Cola Amatil has also begun an assurance program to meet full verification and assurance of 2020 Sustainability Goal progress by 2020 with metrics against five of our 10 targets undergoing and receiving limited assurance from external auditors for selected metrics. As in previous years, our community investment data is verified by LBG (London Benchmarking Group).

In 2020 we are finalising our strategies and ambitions beyond 2020 and look forward to publishing these in next year's Annual Report.

Our 2020 Goals By the end of 2020 we aim to:	**2019 progress**
Implement and embed our Human Rights Policy	– Screened over 80 per cent of supplier spend[1] using responsible sourcing criteria* – Launched our Human Rights Policy training program with 84.8 per cent of employees completing the training
Have a zero-harm workplace*	– 132 injuries in 2019[2] – This is a 26 per cent increase in injuries from the year before and a 69 per cent reduction from 2012
Have at least 30 per cent of Board, Senior Executive and Management positions held by women, and improve depth and breadth of representation across all functions and Businesses*	– 38 per cent of Board positions, 43 per cent of Senior Executive positions, and 21 per cent of Management positions held by women[3] – One of two ASX100 companies to have a female Chairman and Group Managing Director
Measure the sugar per 100ml of our non-alcoholic beverages portfolio in all countries of operation and reduce total sugar grams per 100ml by 10 per cent in Australia and New Zealand (compared to 2015)[4]	– 8.8 per cent reduction achieved in Australia for non-alcoholic beverages portfolio sugar grams per 100ml and 5.3 per cent reduction achieved for New Zealand
Improve water intensity for non-alcoholic beverages to achieve no more than 1.95L/L and target a 25 per cent improvement in water efficiency for alcoholic beverages (compared to 2013)*	– Maintained target for water intensity for non-alcoholic beverages of 1.95 L/L – Water efficiency for alcoholic beverages improved by 11.8 per cent
Reduce the carbon footprint of the 'drink in your hand' by 25 per cent (compared to 2010)	– Reduced the carbon footprint of the 'drink in your hand' by 16 per cent[5]
Use 60 per cent renewable and low-carbon energy in our operations	– Using 53.3 per cent renewable and low-carbon energy in our operations
Develop the business case for a weighted average of 50 per cent recycled plastic in PET containers across the Australian portfolio including carbonated soft drinks	– Business case for a weighted average of 50 per cent recycled plastic in PET containers in Australia was completed in 2018 and all targeted packs transitioned by the end of 2019 – 7 out of 10 packs being produced for Australia are now made from 100 per cent recycled plastic – Weighted average of recycled plastic in the Australian portfolio was 38 per cent in 2019, and on track to achieve 50 per cent in 2020 – By end 2019, 100 per cent of bottles under one litre and all water bottles will be made from 100 per cent recycled plastic in New Zealand
Screen 80 per cent of supplier spend using responsible sourcing criteria*	– Screening over 80 per cent of supplier spend using responsible sourcing criteria
Allocate the equivalent of 1 per cent of EBIT to community investment programs	– Invested A$5.2 million in community programs, equivalent to 0.81 per cent of EBIT

* Our 2019 performance against these goals has been assured by EY. More details are provided in EY's Limited Assurance Statement on page 155.

1 Supplier spend data is for Australia, New Zealand and Indonesia only. The proportion of supplier screening is measured based on the value of spend with suppliers who have been subject to one of Amatil's screening tools, compared to total supplier spend for the calendar year. Amatil applies different screening tools according to the level of spend, sector, and location of each supplier.

2 Total injuries include lost-time injuries, restricted work injuries and medical treatment injuries for employees only.

3 We define our senior executive as anyone reporting to the CEO or Group Leadership Team. Management positions are defined as anyone with a direct report. All figures exclude contractors and outsourced resources.

4 Sugar measurement is portfolio-wide weighted volume average total sugar content grams per 100ml. Baseline is MAT 31 December 2015.

5 Following recommendations from a pre-assurance assessment of our inputs to the Drink in Your Hand tool, in 2019 we have completely aligned with an updated The Coca-Cola Company accounting model for calculating our emissions reduction. Results from the global model are available in the month of May in the following year. Consequently, we are now able to report our performance with a lag of one year in the Annual Report. However, an updated result for 2019 emissions will published on our website in mid-2020.

CORPORATE GOVERNANCE

Coca-Cola Amatil's approach to corporate governance goes beyond compliance. Both the Board and all levels of Management are fully committed to achieving the highest standards of corporate governance and business conduct. Indeed, we see this commitment as fundamental to our vision of creating millions of moments of happiness and possibilities every day.

Corporate Governance Statement

Under ASX Listing Rule 4.10.3, Coca-Cola Amatil is required to benchmark its corporate governance practices against the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations, 3rd edition (ASX Governance Recommendations)*.

We confirm that we have complied with all the ASX Governance Recommendations for the period 1 January 2019 to 31 December 2019 (FY2019), as outlined in our 2019 Corporate Governance Statement and Appendix 4G, which can be found at www.ccamatil.com/our-company/corporate-governance/.

The Corporate Governance Statement, together with its accompanying Appendix 4G, has been approved by the Board and lodged with the ASX.

Coca-Cola Amatil's Corporate Governance Framework

The diagram on page 63 illustrates our corporate governance framework.

The Board and Its Role

The Board represents and serves the interests of Coca-Cola Amatil's Shareholders and is ultimately responsible for managing our business and affairs to the highest standards of corporate governance and business conduct. The Board also strives to protect and optimise Coca-Cola Amatil's performance and build sustainable value for all stakeholders, according to its duties and obligations and within a framework of prudent and effective controls that enable risks to be assessed and managed.

The Board's role and responsibilities, including those of its Committees, are set out in our Board Charter, which can be found at www.ccamatil.com/our-company/corporate-governance/.

Structure and Composition of the Board

Current Board members include an Executive Director (i.e. the Group Managing Director), two Non-Executive Directors (i.e. The Coca-Cola Company Nominee Directors) and five Independent Non-Executive Directors. Details of their qualifications and experience are set out on page 64.

The Nominations Committee ensures the Board comprises Directors who have the skills, experience, knowledge and diversity needed to support our strategic objectives and fulfil our legal and regulatory requirements.

The Board Skills Matrix (Skills Matrix) is an important tool in this process and sets out the key skills and experience that the Board looks for, together with the details of what each Director brings to the Board. Each year, this Skills Matrix is reviewed and amended as appropriate. Each Director then undertakes a self-assessment against it to identify their skill level against each required skill. These self-assessments are consolidated and reviewed by the Board. The Board then determines its position on each Director's self-assessment and identifies (a) any skill gaps or opportunities to be targeted in future Board appointments and (b) professional development initiatives for Directors.

The result of the FY2019 Skills Matrix review and assessment process is set out in the Corporate Governance Statement.

Performance Evaluation Process

The performance evaluation process for the Board, its Committees, individual Directors and KMPs is set out in the Corporate Governance Statement. Given their different roles and responsibilities, Directors' remuneration policies and practices differ from those that apply to the Group Managing Director and KMPs.

Board Committees

The Board has five standing Board Committees to help discharge its responsibilities. These are the:

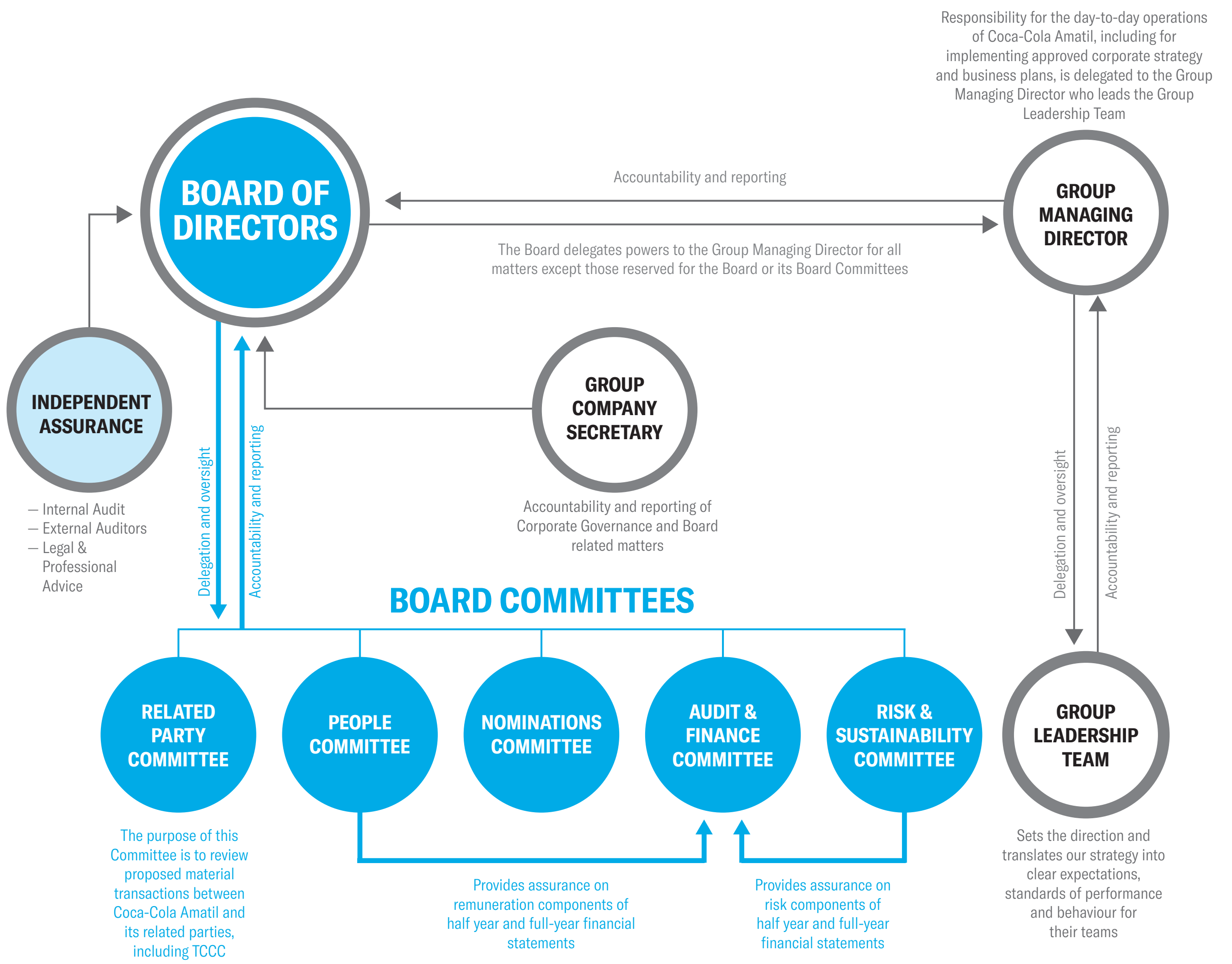
- Audit and Finance Committee;
- Nominations Committee;
- People Committee;
- Risk and Sustainability Committee; and
- Related Party Committee.

These Committees operate principally in a review or advisory capacity, except in cases where the Board specifically confers powers on a Committee. Each Committee has a charter, detailing its purpose, responsibilities and membership criteria.

Diversity and Inclusion

At Coca-Cola Amatil, we believe that the diversity of our business, markets, customers and people is a critical factor for our growth and ongoing success. Our strategy is built on the foundation of a strong organisation – and one where we celebrate the possibilities created by a vibrant, diverse and inclusive workforce.

This broad approach allows us to build a team of people with different backgrounds, opinions and experiences who bring their differences to work every day. Our Diversity and Inclusion strategy and principles aim to support our diversity and scale, ensure our people feel engaged and valued, and deliver business outcomes.



Risk Framework

The Board is responsible for ensuring that there are adequate systems and procedures in place to identify, assess, monitor and manage risks. During the year, the Risk and Sustainability Committee reviews reports by Management (and independent advisers) and, where appropriate, makes recommendations as to how the Board should respond to the material risks that Coca-Cola Amatil faces in the markets in which it operates. Other Committees (such as the Related Party Committee, the Audit and Finance Committee and the People Committee) review risk matters in more detail as required by their respective Charters.

The internal and external audit functions are separate and independent of each other. They provide an independent and objective review of the way in which the Group assesses and manages risk. To preserve this independence, the General Manager – Risk, who is the head of the internal audit function, has a direct reporting line to the Chairman of the Audit and Finance Committee.

The Board's Risk Management Policy formalises the Group's approach to the oversight and management of material business risks. The policy is implemented through a top-down and bottom-up approach to identify, assess, monitor and manage key risks across our business units. The principles we use for assessing risk and the effectiveness of controls are based on the International Standard ISO 31000:2018 Risk Management – Principles and guidelines.

The Risk and Sustainability Committee reviews our enterprise risk management framework at least annually. It conducted a risk, governance and culture deep dive review during FY2019, and was satisfied with the soundness and effectiveness of our risk management framework.

Coca-Cola Amatil Policies and Practices

The Coca-Cola Amatil Code of Conduct – 'How We Do Business' (Our Code of Conduct) was updated by the Board in 2017. It sets out the way in which our Directors, employees, contractors, consultants and third parties are required to conduct themselves every day. The document articulates our high standards of business conduct, built on our commitment to act fairly, morally and lawfully with all stakeholders.

The main Group level policies relevant to conduct can be found at www.ccamatil.com/our-company/corporate-governance/.

Communication with Shareholders

The rights of our Shareholders are detailed in Coca-Cola Amatil's Constitution. We also have a Disclosure and Communications Policy, which requires us to inform Shareholders about our strategic objectives and major developments. To allow Shareholders to effectively exercise these rights, the Board ensures our Shareholder communication is timely, relevant, useful and of high quality.

To further improve accessibility to information, we communicate with Shareholders through ASX announcements, Company publications such as the Annual Report, webcasting analyst and media briefings, the Annual General Meeting, the website (www.ccamatil.com) and through our Investor Relations function.

BOARD OF DIRECTORS

ILANA RACHEL ATLAS, AO
Chairman, Non-Executive Director (Independent)

Joined the Board in February 2011: Chairman, Related Party and Nominations Committees; and Member, People, Audit & Finance and Risk & Sustainability Committees.

Skills and experience: Ms Atlas has extensive financial and legal experience and has held executive and non-executive roles across many industry sectors. From 2003 to 2010, she held senior executive roles within Westpac Banking Corporation, including Group Secretary and General Counsel; and Group Executive, People where she was responsible for human resources, corporate affairs and sustainability.

Prior to working at Westpac Banking Corporation, Ms Atlas was a partner in law firm Mallesons Stephen Jaques (now known as King & Wood Mallesons). In addition to her practice in corporate law, she held a number of management roles in the firm including Executive Partner, People and Information, and Managing Partner.

Degrees/qualifications: Bachelor of Jurisprudence (Honours) and Bachelor of Laws (Honours) (The University of Western Australia); and Masters of Laws (The University of Sydney).

Other listed company boards in the past three years: Director, Australia and New Zealand Banking Group Limited; Director, OneMarket Limited (resigned on 2 December 2019); Former Director, Westfield Corporation Limited (retired on 7 June 2018).

Government and community involvement: Chairman, Jawun Pty Ltd; Director, Paul Ramsay Foundation; Director, Paul Ramsay Holdings; Panel Member, Adara Partners.

ALISON MARY WATKINS
Group Managing Director, Executive Director

Appointed in March 2014

Skills and experience: Ms Watkins joined Coca-Cola Amatil Limited in March 2014 as Group Managing Director. She has extensive experience in the food, beverage, retail and financial industries including holding the role as Managing Director of GrainCorp Limited and partner at McKinsey & Company earlier in her career.

Degrees/qualifications: Bachelor of Commerce (University of Tasmania); Fellow, Australian Institute of Company Directors; Fellow, Chartered Accountants Australia and New Zealand; and Senior Fellow, Financial Services Institute of Australasia.

Government and community involvement: Director, Centre for Independent Studies and the Business Council of Australia; Independent Panel Member of the 2018/2019 Independent Review of the Australian Public Service.

MASSIMO BORGHETTI, AO
Non-Executive Director (Independent)

Joined the Board in December 2015: Chairman, People Committee; and Member, Audit & Finance, Related Party and Nominations Committees.

Skills and experience: Mr Borghetti was the Chief Executive Officer (CEO) and Managing Director of the Virgin Australia Airline Group, from 2010 until 2019. He has over 40 years' experience in aviation, which also includes a long career at Qantas.

Other listed company boards in the past three years: Managing Director, Virgin Australia Holdings Limited.

Government and community involvement: Director of the Art Gallery of NSW Board of Trustees; Director, Charlie Teo Foundation.

JORGE GARDUÑO CHAVERO
Non-Executive Director (Nominee of TCCC)

Joined the Board in May 2018: Member, Audit & Finance Committee.

Skills and experience: Mr Garduño is the President and Representative Director of Coca-Cola Japan, a subsidiary of The Coca-Cola Company, and has held that role since 1 July 2017.

Since 1992, Mr Garduño has held a range of international leadership roles for The Coca-Cola Company across Latin America, Europe and Asia. These roles included responsibility for Franchise Leadership, Marketing, Key Accounts, Commercial Leadership, Planning and Revenue Growth Management for Coca-Cola de Mexico, and subsequently as General Manager of Coca-Cola Colombia, the General Manager of Coca-Cola Thailand and Laos, then General Manager of Coca-Cola Chile, then President of Coca-Cola Iberia (with responsibility for operations in Spain, Portugal and Andorra), and now as President of Coca-Cola Japan.

Degrees/qualifications: Bachelor of Arts (Business Administration) and Masters in Management from Tec de Monterrey Mexico; and Masters in Business Management for Executives from the University of Texas, Austin USA.

MARK GRAHAM JOHNSON
Non-Executive Director (Independent)

Joined the Board in December 2016: Chairman, Audit & Finance Committee; and Member, Risk & Sustainability, People, Related Party and Nominations Committees; Commissioner, Coca-Cola Bottling Indonesia and Coca-Cola Distribution Indonesia.

Skills and experience: Mr Johnson was CEO and Senior Partner of PricewaterhouseCoopers (PwC) from July 2008 to June 2012 and held other senior positions (both internationally and in Australia) during his 30-year career at PwC, serving major clients in areas of audit, accounting, due diligence, fund raising and risk and governance. Mark is an experienced company director in the listed, private and not-for-profit sectors.

Degrees/qualifications: Bachelor of Commerce (The University of New South Wales); Fellow, Chartered Accountants Australia and New Zealand; Certified Practicing Accountant Australia; and Fellow, Australian Institute of Company Directors.

Other listed company boards in the past three years: Chairman, G8 Education Limited, Westfield Corporation Limited (retired on 7 June 2018).

Other Boards: Director, Aurecon Group Pty Ltd and Corrs Chambers Westgarth.

Government and community involvement: Chairman, Hospitals Contribution Fund of Australia and Director, The Smith Family; Member, St Aloysius' College Council; Council Member, Council of the University of New South Wales.

KRISHNAKUMAR THIRUMALAI
Non-Executive Director (Nominee of TCCC)

Joined the Board in March 2014: Member, Risk & Sustainability and People Committees.

Skills and experience: Mr Thirumalai is the President of Coca-Cola India and South-West Asia. He has significant experience across developing and emerging markets in marketing, sales, distribution and supply chain, and more than 30 years' experience in the fast moving consumer goods sector, handling strategy, sales, marketing and general management. He was the Region Director for the India, Bangladesh, Sri Lanka and Communication and Nepal bottling operations of The Coca-Cola Company until April 2017.

Degrees/qualifications: Bachelor of Engineering (Electronics and Communication (Madras University); Master of Business Administration (MBA) (Indian Institute of Management); and Advanced Management Program (Wharton Business School).

Other Boards: Chairman, Coca-Cola (India) Pvt. Ltd.

Government and community involvement: Chairman, MNC Committee of the Confederation of Indian Industry.

PAUL DOMINIC O'SULLIVAN
Non-Executive Director (Independent)

Joined the Board in March 2017: Chairman, Risk & Sustainability Committee, Member, Audit & Finance, People and Related Party Committees.

Skills and experience: Mr O'Sullivan has experience in the telecommunications, banking and oil and gas sectors, both in Australia and overseas. He has held senior executive roles with Singapore Telecommunications (Singtel) and was previously the CEO of Optus. Mr O'Sullivan has also held management roles with the Colonial Group and the Royal Dutch Shell Group in Canada, the Middle East, Australia and United Kingdom. He is a member of the Board of Commissioners of Telkomsel, one of Indonesia's largest mobile communications company and a former Director of Bharti Airtel, one of India's leading mobile providers.

Degrees/qualifications: Bachelor of Arts (Economics) (Trinity College, University of Dublin); and Graduate of the Advanced Management Program (Harvard University).

Other listed company boards in the past three years: Director, Australia and New Zealand Banking Group Limited; Director, Healthscope Limited (retired on 6 June 2019).

Other Boards: Chairman, Singtel Optus Pty Limited; Chairman, Western Sydney Airport Corporation; Board of Commissioners, Telkomsel (Indonesia) and HOOQ Digital Pte. Ltd (resigned on 25 February 2020).

Government and community involvement: Director, St George & Sutherland Medical Research Foundation; Member of the Board, National Disability Insurance Agency; Director, St. Vincent's Health Australia.

PENELOPE ANN WINN
Non-Executive Director (Independent)

Joined the Board in December 2019: Member, Risk & Sustainability and Related Party Committees.

Skills and experience: Ms Winn has over 30 years of experience in retail with a focus on supply chain, digital strategy and business transformation in senior management roles in Australia and overseas. These roles included Director Group Retail Services with Woolworths Limited where she was responsible for leading the Logistics and Information Technology divisions, Online Retailing and the Customer Engagement teams across the organisation; Executive Director of Merchandise and Logistics for Myer Limited; and Director of Strategy and Change for ASDA Walmart UK.

Degrees/qualifications: Bachelor of Commerce degree (Australian National University), MBA (University of Technology Sydney) and is a graduate of the Australian Institute of Company Directors.

Other listed company boards in the past three years: Director, Caltex Australia Limited; Director, CSR Limited; Director, Goodman Limited.

Other Boards: Director, Goodman Funds Management Limited.

Government and community involvement: Member, Chief Executive Women; Mentor, Many Rivers Microfinance; Mentor, Kilfinan Foundation; Director, O'Connell Street Associates Proprietary Ltd.

GROUP LEADERSHIP TEAM

ALISON WATKINS
Group Managing Director

Appointed in March 2014

Prior to joining Coca-Cola Amatil, Alison's roles included Chief Executive Officer (CEO) of agribusiness GrainCorp Limited, CEO of Berri Limited, the market leader in Australian juice, and Managing Director of Regional Banking at ANZ. Alison spent 10 years at McKinsey & Company from 1989 to 1999 and became a partner of the Firm in 1996 before moving to ANZ as Group General Manager Strategy, reporting to the CEO. She has been a non-executive director of Australia and New Zealand Banking Group Limited, Woolworths Limited and Just Group Limited; and is a former Victorian President and National Board Member of the Australian Institute of Company Directors.

Alison holds a Bachelor of Commerce (University of Tasmania), is a Fellow of the Institute of Chartered Accountants, the Financial Services Institute of Australasia, and the AICD.

Alison is a non-executive director of The Centre for Independent Studies and of the Business Council of Australia.

PETER WEST
Managing Director, Australia

Appointed in April 2018

Peter joined Coca-Cola Amatil in April 2018, from Lion Pty Ltd where he was Managing Director of the Dairy and Drinks business. With more than 30 years of industry experience, Peter has held several senior roles at Mars Confectionery and Arnott's Biscuits Ltd including Regional President for Continental Europe for Mars Chocolate. He has a deep understanding of Australian and international FMCG, and a proven ability to work with customers and partners to drive growth and deliver results.

Peter holds a Bachelor of Business (Marketing) from Monash University Caulfield.

KADIR GUNDUZ
Managing Director, Indonesia & PNG

Appointed in October 2013

Kadir has extensive experience with the Coca-Cola System having started his 30-plus year career with the bottler in his home country of Turkey. Most recently, as President and CEO of Aujan Coca-Cola Beverages Co. based in Dubai, Kadir delivered impressive market and financial results through both expansion and organic growth in a number of markets. Previously Kadir spent almost three years with Coca-Cola Hellenic Bottling Company in Russia as Regional Director for South and Central Russia, followed by seven years with Coca-Cola South African Bottling Company in several senior leadership positions, including Country Manager – Tanzania, Regional Manager – SWA/Cambodia & Laos, and Division Director – Asia covering Vietnam, Cambodia, Laos, Nepal and Sri Lanka.

Kadir holds a Bachelor degree in Political Science/Public Management from Istanbul University.

CHRIS LITCHFIELD
Managing Director, New Zealand & Fiji

Appointed in July 2014

Chris has 28 years' experience with Coca-Cola Amatil. Beginning his career as a graduate, Chris held a number of sales and commercial roles before his appointment to General Manager of Sales and Marketing in 2007, a role he held until 2014. Chris has a proven track record of strong business leadership, customer management, new business acquisition and commercial planning. As Managing Director of New Zealand & Fiji, Chris has led a highly engaged workforce, achieving AON Best New Zealand Employer for the fourth consecutive year and delivering six years of profit growth.

Chris holds a Bachelor of Commerce degree from Canterbury University.

MARTYN ROBERTS
Group Chief Financial Officer

Appointed in July 2015

Martyn joined Coca-Cola Amatil from Woolworths Ltd, Australia's largest retailer. In his seven years with Woolworths, Martyn held several senior executive positions including Finance Director Supermarkets, General Manager Petrol, General Manager Corporate Strategy & Business Development and Group Financial Controller & Head of Investor Relations. Prior to Woolworths, he spent 10 years in various senior financial roles within the fashion and luxury goods sector in Sydney, London, Hong Kong and Paris.

After gaining a Bachelor of Science in Mathematics from the University of York, Martyn started his career with Coopers and Lybrand in the UK where he became a member of the Institute of Chartered Accountants of England and Wales.

BETTY IVANOFF
Group Director, Legal & Corporate Affairs

Appointed in April 2016

Betty joined Coca-Cola Amatil as Group General Counsel in April 2016, as a member of the executive, leading the legal and company secretariat teams across Coca-Cola Amatil's markets and operations. Betty was also appointed as an additional Company Secretary in September 2016. Further to her existing responsibilities for the Group's Legal, Governance and Compliance disciplines, Betty's role expanded in November 2019 to include leadership of the Group Public Affairs, Communications and Sustainability team.

Prior to joining Coca-Cola Amatil, Betty was the Group General Counsel and Company Secretary for GrainCorp Limited from 2008 and built the first legal and compliance team for the company, leading them through a period of vast growth and diversity, spanning many geographies. Betty previously held internal corporate counsel positions with companies including CSR Limited, Walter Constructions and Sinclair Knight Merz.

Betty holds a Bachelor of Laws from the University of Technology Sydney. She is an active member of the International Bar Association (IBA) and Australian Corporate Counsel (ACC).

DEBBIE NOVA
Group Chief Information Officer

Appointed in January 2018

Debbie was appointed to the new role of Group Chief Information Officer in January 2018. She is responsible for the IT strategy across the Coca-Cola Amatil Group, along with driving digital transformation and leveraging innovation and new technologies to enable further business growth.

Debbie has more than 20 years' experience in the Coca-Cola system, joining Coca-Cola Amatil in October 1996 during the deployment of sales and distribution systems in Indonesia. In November 2009 she joined the Indonesia Executive Team as Information Technology Director. In addition to her Information Technology role, in October 2015 Debbie was appointed to lead the HR function for Indonesia and was lead PMO for major company transformation initiatives in Indonesia. Since then, Debbie has led the introduction and implementation of IT solutions covering master data, Enterprise Resource Planning, business intelligence and mobile computing.

Debbie holds a Bachelor of Industrial Engineering from Trisakti University and she is a member of The Coca-Cola System IT Board, and the Steering Committee for the iCIO Community in Indonesia.

KATE MASON
Group Director, People & Culture

Appointed in March 2018

Kate joined Coca-Cola Amatil in 2014 as Human Resources Director for Australia, and became Chief Transformation Officer for Australian Beverages in December 2016. In her current role as Group Director People and Culture, Kate leads a regional team of functional experts across all aspects of People and Culture, Safety and Business Resilience.

Prior to Coca-Cola Amatil, Kate worked offshore for many years holding leadership roles in Singapore, London, New York and Zurich in companies such as Austrade, TST Learning, Credit Suisse and Amcor.

Kate is a Board Member and past President of International Women's Forum in Australia and previously held Board roles across a variety of not-for-profit organisations both here in Australia and Internationally.

Kate holds a Bachelor of Arts Degree (Administration), is a Graduate of the Australian Institute of Company Directors and a Fellow of the Australian Human Resources Institute.

BUSINESS AND SUSTAINABILITY RISKS

Coca-Cola Amatil is exposed to a range of market, financial, operational and socio-political risks that could have an adverse effect on the Group's future financial prospects. The nature and potential impact of these risks can change over time and vary in degree with what Coca-Cola Amatil can control. Coca-Cola Amatil has a risk management framework in place with internal control systems to mitigate these key business risks. For further information on Coca-Cola Amatil Limited's risk management framework, refer to our Corporate Governance Statement at www.ccamatil.com. This includes discussion of Coca-Cola Amatil Limited's approach under Principle 7 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 3rd edition, being 'Recognise and Manage Risk'.

Coca-Cola Amatil's key business risks include, but are not limited to:

- Beverage industry risks
- Economic and political risks
- Cyber risk
- The Coca-Cola Company (TCCC) and other brand partners relationship risk
- Risk connected with loss of value to society
- Regulatory risks
- Climate change risk
- Malicious product tampering risk
- Litigation risk
- Supply chain risk
- Business interruption risk
- Workplace Health and Safety (WHS) risk
- Foreign exchange risk
- Quality risk
- People risk.

Beverage industry risks

Fundamental shifts in the beverage and macroeconomic landscape continue to impact the beverage profit pool across the Group. These include changing consumer trends, a fragmented and price competitive trading environment, increasing margin pressure as manufacturer margins are squeezed by major retailers, digital disruption to supply chain and traditional 'bricks and mortar' retailers, and increased legislation and regulation. A primary driver is the health and wellness concerns around sugar and artificiality that are continuing to shift consumer preferences towards low- and no-kilojoule products, especially in developed countries. Coca-Cola Amatil's Regional Beverages Powerhouse strategy establishes a clear growth platform that builds on our expert knowledge of the beverages market in ASEAN and Oceania, a leading portfolio of brands, and a track record of delivering innovation to grow across beverages categories (and its share of those categories). Coca-Cola Amatil continues to engage with stakeholders to raise awareness of the impacts of additional regulations and find industry-led initiatives to achieve public policy objectives with minimal impact to consumers and Coca-Cola Amatil. If the Group fails to drive market growth in established categories and provide the types of products that some of its consumers prefer, this could adversely affect its business and financial results.

Economic and political risks

The World Economic Forum notes that the global economy is showing signs of vulnerability and is at risk of stagnation – reflected recently with the retail environment in Coca-Cola Amatil's markets continuing to be a challenge as consumer spending remains subdued across several areas, particularly in relation to food and beverage retailing. Other key external economic factors potentially impacting Coca-Cola Amatil are likely to include input commodity prices, foreign exchange rates, Papua New Guinea economic instability and the impact on foreign currency liquidity, tariffs and protectionism, and geopolitical turbulence in the form of US-China Trade wars, Brexit and Middle East tensions. Coronavirus (COVID 19) may also have an adverse impact on global economies. Coca-Cola Amatil is implementing a range of strategic initiatives over 2020 to build scale and relevance in the markets in which it operates, and continue to manage its commodity and foreign exchange risks.

Cyber risk

Cyber security and information privacy are an increasing challenge given the dynamic nature of these threats, and the importance of safeguarding intellectual property, supply chain systems, contractual agreements, operational technology and staff/customer information. Like many organisations, the majority of Coca-Cola Amatil's core activities and operations are enabled by technology. Coca-Cola Amatil is heavily reliant on these systems being available, data integrity being maintained and IT platforms operating effectively for business operations as well as to support the effective implementation of strategic plans. Cyber-attacks on our key business partners which do not directly target Coca-Cola Amatil also have the potential to disrupt our operations. Coca-Cola Amatil has a cyber security strategy and framework that is used to identify and address risks associated with cyber-attacks.

The Coca-Cola Company (TCCC) and other brand partners relationship risk

Coca-Cola Amatil's relationships with its partners are key to its success and forms a fundamental part of the core strategy. Coca-Cola Amatil's beverage business, of which The Coca-Cola Company branded products form the majority, relies on strong plans that are aligned for growth. Coca-Cola Amatil continues to drive further improvement in alignment with The Coca-Cola Company, and joint plans are in place with each of the alcohol and other brand partners to profitably drive volume. Coca-Cola Amatil's relationship with The Coca-Cola Company is governed in its various markets by Bottler's Agreements that set out the respective rights and responsibilities of Coca-Cola Amatil and The Coca-Cola Company. Termination of our agreements with The Coca-Cola Company or its other brand partners, or unfavourable renewal terms, could adversely affect Coca-Cola Amatil's profitability. Our agreements with The Coca-Cola Company are typically 10 years in duration and have consistently been renewed. Coca-Cola Amatil's Bottler's Agreements provide it exclusive rights to prepare, package, sell and distribute the relevant trademarked products of The Coca-Cola Company in a territory. The Group's agreements contain obligations in relation to preparation and marketing requirements of The Coca-Cola Company. The Coca-Cola Company typically takes overall responsibility for the consumer marketing of its products and supplies proprietary concentrates and beverage bases to Coca-Cola Amatil.

Risk connected with loss of value to society

Value to society refers to the net positive contribution we aim to deliver to society, also reflected in the level of acceptance or approval by local communities and stakeholders, including employees. A failure to deliver on Coca-Cola Amatil's consumer, investor and community expectations in relation to the social and environmental impacts created by our activities could result in damage to our brand, reputation and consumer sentiment. Coca-Cola Amatil is committed to making a distinct and positive contribution to the world in which we live, through product innovation, packaging innovation to reduce waste, environmental initiatives to reduce our impact, supporting human rights, and supporting diversity and inclusion in the workplace. Delivering on our commitments helps us maintain or improve the value we bring to society. Our sustainability reporting details our commitments and tracks our progress against these commitments.

Regulatory risks

The regulatory and political environment in all of Coca-Cola Amatil's operating jurisdictions continues to add to the complexity of our business. As a result, corporates are vulnerable to more frequent regulatory interventions, such as taxes on sugar, plastic and other packaging and waste, restrictions on marketing activity, additional mandatory product labelling requirements, evolving and expanding Climate Change risk disclosures and increased entitlements for casual workers. Coca-Cola Amatil continues to engage with stakeholders to raise awareness of the impacts of additional regulations and develop initiatives to achieve public policy objectives with minimal impact to consumers and the Group. Coca-Cola Amatil is subject to regular tax audits across its jurisdictions and interacts with tax authorities on a range of issues as part of the ongoing operations of tax authorities. In addition, Coca-Cola Amatil has responded to the increased focus by revenue authorities on how companies structure their business across borders by publishing an annual Tax Transparency Report to provide governments and stakeholders with information on its taxation contribution in all its countries of operation.

Climate change risk

The global climate is changing and will continue to in ways that affect the planning and day-to-day operations of businesses. The manifestations of climate change that have the potential to impact Coca-Cola Amatil are two-fold:

- Physical consequences relating to the physical changes to climatic conditions; and
- Transitional consequences relating to the shift to a resilient, low carbon economy through changes in policy, regulation, technology, market and reputation associated with adaptation to a new climate paradigm and decarbonisation of the global economy.

A more comprehensive climate change risk disclosure is detailed on page 36.

Malicious product tampering risk

Malicious product tampering or material threat of malicious product tampering would have an adverse financial impact. This may result from an initial product recall, impacting short-term sales, as well as a potentially longer-term adverse financial outcome, due to a loss of brand image and a loss of customer and consumer confidence in markets where product tampering occurs.

Litigation risk

From time to time, Coca-Cola Amatil may be party to claims and legal proceedings. Coca-Cola Amatil is committed to ensuring our business practices and dealings with and via third parties are ethical, legal, straightforward and open. We have established policies, procedures, standards and guidelines, which navigate how we conduct business the right way. Coca-Cola Amatil is mindful of the litigious landscape in the countries in which we operate including the emergence of class action activity. We continuously assess these risks, and endeavour to resolve commercial disputes amicably where possible.

Supply chain risk

Disruptions in Coca-Cola Amatil's supply chain due to the failure of a key supplier to meet its contractual obligations have the potential to significantly impact the Group's operations. This risk is most likely to result from a suppliers' inability to perform contractual supply obligations (e.g. due to unforeseen circumstances, labour disputes etc). Management work with stakeholders across the business to ensure we have the appropriate supply continuity plans in place for key inputs. Some residual supplier exposure is transferred by way of business interruption insurance.

Business interruption risk

A manufacturing shutdown or disruption to business could have a major impact on profit and on Coca-Cola Amatil's reputation with both consumers and customers. Coca-Cola Amatil is focused on ensuring that incident management, crisis response and business continuity frameworks are in place to address events (for example fire, explosion, civil unrest, terrorist attack, pandemic etc) that could result in a disruption.

Workplace health & safety risk

Coca-Cola Amatil highly values safety and is committed to ensuring that a robust and effective WHS framework is employed across the Group. While Coca-Cola Amatil has historically experienced low injury rates, the risk of serious injury through industrial and traffic accidents remains in all Coca-Cola Amatil markets due to the nature of the manufacturing and distribution business. Coca-Cola Amatil has a robust WHS framework that is reviewed on a regular basis by management and audited externally. Additionally, management continue to invest in initiatives to reduce WHS related risks.

Foreign exchange risk

The Group is exposed to the effect of foreign exchange risk principally related to exposure to fluctuations in the value of the Australian dollar versus various currencies in which it borrows money. The Group is also exposed to the effect of foreign exchange risk due to fluctuations in the value of the Australian dollar, Indonesian Rupiah and New Zealand Dollar versus foreign currencies with respect to its commitments to make capital expenditure, the purchase of raw materials and other expenses, and the currencies of the other countries in which it maintains assets offshore and recognises earnings. Further, liquidity in the local Papua New Guinea currency market remains a risk for the Group. Coca-Cola Amatil hedges exposure to foreign currency denominated borrowings (by the use of cross currency and foreign exchange swap transactions) and foreign currency raw materials and capital expenditure exposure (by use of forward foreign exchange contracts and foreign currency deposits) in accordance with the Board approved Treasury Policy. However, there can be no assurance that the Group will be successful in eliminating all such foreign currency risks.

Quality risk

The risk of product contamination exists for beverages currently made or sold by Coca-Cola Amatil and particularly in relation to sensitive beverages. Given Coca-Cola Amatil's extremely large beverage production volumes across the Group, the risk of quality issues is a key focus, with stringent product quality measures, risk management activities and incident management processes in place.

People risk

Our ability to recruit, retain and engage a talented and motivated workforce is a key success factor for Coca-Cola Amatil. Coca-Cola Amatil continue to build a strong employer brand, commit to developing and retaining talent and have established company-wide engagement principles to drive engagement across the Group.

Capital and financial risk management

Information concerning Coca-Cola Amatil's capital and financial risk management can be found in Note 14 to the financial statements.

Further disclosure

Further information in relation to strategy, prospects for future financial years and business risks has not been disclosed. In the opinion of the Directors, such disclosures would unreasonably prejudice the interests of the Group, by providing competitors information that Coca-Cola Amatil regards as being commercially sensitive to the business.

DIRECTORS' REPORT

Coca-Cola Amatil Limited and its subsidiaries

In accordance with the *Corporations Act 2001* (Cth), the Directors submit hereunder their Report on Coca-Cola Amatil Limited and its subsidiaries (referred to as Group), for the year ended 31 December 2019.

The Operating and Financial Review (OFR) on page 2 and the Remuneration Report on page 74 form part of this Directors' Report.

1 DIRECTORS

The names of the Directors of Coca-Cola Amatil Limited (also referred to as Company) in office during the financial year and until the date of this Report and each Director's holdings of shares and share rights in Coca-Cola Amatil Limited are detailed below:

	Ordinary shares No.	Long-Term Incentive Plan (LTIP) share rights[1] No.
Current		
Ilana Rachel Atlas, AO	42,000	–
Alison Mary Watkins	335,364	828,896
Massimo Borghetti, AO	15,994	–
Jorge Garduño Chavero	–	–
Mark Graham Johnson	10,000	–
Paul Dominic O'Sullivan	22,500	–
Krishnakumar Thirumalai	8,100	–
Penelope Ann Winn[2]	–	–
Former		
Catherine Michelle Brenner[3]	–	–
Julie Ann Coates[4]	–	–

1 Consists of the maximum number of unvested share rights in the 2018-2020 and 2019-2021 LTIP.
2 Appointed 2 December 2019.
3 Retired 15 May 2019.
4 Resigned 29 November 2019.

2 DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and the number of meetings attended by each of the Directors of the Company during the financial year are detailed below:

	Board of Directors		Audit & Finance Committee[1]		Risk & Sustainability Committee[1]		People Committee[1]		Related Party Committee[1]		Nominations Committee[1]		Other Board Sub-Committees[2]	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Current														
I.R. Atlas, AO	9	9	4	4	4	4	5	5	4	4	2	2	30	29
A.M. Watkins	9	9	–	–	–	–	–	–	–	–	–	–	5	5
M. Borghetti, AO	9	9	–	–	4	4	5	5	4	4	2	2	25	24
J.G. Chavero	9	8	4	4	4	3	–	–	–	–	2	2	–	–
M.G. Johnson	9	9	4	4	4	4	–	–	4	4	2	2	29	27
P.D. O'Sullivan	9	8	4	4	2	2	5	5	4	4	2	2	25	24
K. Thirumalai	9	6	–	–	4	4	5	5	–	–	2	2	–	–
P.A. Winn	1	1	–	–	1	1	–	–	–	–	–	–	–	–
Former														
C.M. Brenner	4	4	2	2	2	2	–	–	2	2	1	1	7	7
J.A. Coates	8	8	–	–	–	–	4	4	4	4	2	2	25	19

1 Refer to the Corporate Governance Statement at www.ccamatil.com for further details on Committees.
2 In any given year, the Board may decide to form Sub-Committees for the consideration of delegated matters such as potential transactions – including acquisitions, evaluation stages of joint ventures or other staged initiatives, divestments of businesses (SPC in 2019) and approving annual reporting content and other matters.

3 INFORMATION ON DIRECTORS

Particulars of the qualification, other directorships, experience and special responsibilities of each Director as at the date of this report are set out on pages 64 to 65 of this Annual Report. Particulars relating to Directors who retired and/or resigned during 2019 are provided below:

FORMER DIRECTORS

CATHERINE MICHELLE BRENNER

Non-Executive Director (Independent) – Retired 15 May 2019

Joined the Board in April 2008 and held these positions prior to retirement: Chair, Risk & Sustainability Committee, and Member, Audit & Finance, Related Party and Nominations Committees.

Skills and experience: Ms Brenner has extensive investment banking and public company experience. She has been a public Company Director for 15 years in the financial services, building materials, resources, property and biotech sectors including chairing remuneration, nominations, audit, risk and health and safety committees.

Degrees/qualifications: Bachelor of Laws and Bachelor of Economics (Macquarie University), and MBA (Australian Graduate School of Management).

Other listed company Boards in the past three years: AMP (retired on 30 April 2018); Boral Limited (retired on 30 October 2018).

Government and community involvement: Panel Member, Adara Partner; Director, SCEGGS Darlinghurst Limited.

JULIE ANN COATES

Non-Executive Director (Independent) – Resigned 29 November 2019

Joined the Board in March 2018 and held these positions prior to resignation: Member, Related Party, People and Nominations Committees.

Skills and experience: Ms Coates is currently the Managing Director of Goodman Fielder Australia and Goodman Fielder New Zealand. Previous to this role, she held several senior roles at Woolworths Limited, including Managing Director of Big W, Chief Logistics Officer and Human Resources Director. She worked closely on business strategy and major transformational change programs, delivering strong results at both a divisional and group level. As a member of Woolworths Limited's Management Board, she had extensive experience with financial and management accountability.

Degrees/qualifications: Bachelor of Arts and Diploma of Education (University of Melbourne), and the Advanced Management Program (Harvard University).

Other listed company Boards in the past three years: Director, Spotless Group Holdings Limited (retired July 2017).

4 COMPANY SECRETARIES

Currently, there are two Company Secretaries of Coca-Cola Amatil Limited. Their qualifications and experience are as follows:

BETTY IVANOFF

Group Director – Legal & Corporate Affairs

Joined Coca-Cola Amatil Limited in April 2016 as Group General Counsel and was appointed as a second Company Secretary in September 2016. In November 2019, her role was expanded to include leadership of Group Public Affairs, Communications & Sustainability. She holds a Bachelor of Laws degree from the University of Technology, Sydney and Advanced Management & Leadership from the University of Oxford – Said Business School. She has over 20 years' legal, company secretarial and commercial experience.

JANE MARGARET BOWD

Group Company Secretary

Joined Coca-Cola Amatil Limited in June 2017 as Group Company Secretary. She holds Master of Laws, Bachelor of Laws (Honours) and Bachelor of Arts (Honours) degrees from the Queensland University of Technology. She also holds a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia and is a Graduate of the Australian Institute of Company Directors. She has over 15 years' experience as a commercial and corporate lawyer and governance professional.

5 PRINCIPAL ACTIVITIES

Details of principal activities are set out in the OFR on pages 2 to 5.

There were no significant changes in the nature of the Group's principal activities during the year.

6 DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has paid premiums for Directors' and Officers' liability insurance in respect of Directors and Officers of the Company and subsidiaries as permitted by the *Corporations Act 2001*. The terms of the policy prohibit disclosure of details of the insurance cover and premiums.

7 INDEMNIFICATION OF AUDITORS

To the extent permitted by law, Coca-Cola Amatil Limited has agreed to indemnify its auditors, Ernst & Young (Australia), as part of the terms of its audit engagement agreement against claims made by third parties arising from the audit. The indemnity does not extend to any liability resulting from negligent, wrongful or wilful acts or omissions by Ernst & Young (Australia). No payment has been made to indemnify Ernst & Young (Australia) during or since the end of the financial year.

8 DIVIDENDS

	Rate per share ¢	Amount $M	Date paid or payable
Final dividend (unfranked) declared on ordinary shares for 2019 (not recognised as a liability in 2019)	26.0	188.2	15 April 2020
Dividends paid on ordinary shares in the financial year:			
Final dividend (franked to 50%) declared on ordinary shares for 2018 (not recognised as a liability in 2018)	26.0	188.2	10 April 2019
Interim dividend for 2019 (unfranked)	21.0	152.0	9 October 2019
Interim special dividend for 2019 (unfranked)	4.0	29.0	9 October 2019

9 SHARE RIGHTS

Details of movements in share rights during the financial year are included in Note 18 to the financial statements within the Financial Report.

10 ENVIRONMENTAL REGULATION AND PERFORMANCE

Management of environmental issues is a core component of operational management within the Group's businesses. The Group is committed to understanding and minimising any adverse environmental impacts of its beverage manufacturing and distribution activities, recognising that the key areas of environmental impact are water and energy use, the lifecycle of our packaging and litter, and carbon emissions.

Group policy is to ensure all environmental laws and permit conditions are observed. The Group monitors its environmental issues at an operational level, overlaid with a risk management and compliance system overseen by the Risk & Sustainability Committee. Although the Group's various operations involve relatively low inherent environmental risks, matters of non-compliance are identified from time to time and are addressed as part of routine management, and typically notified to the appropriate regulatory authority as required.

11 SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, other than as referred to in the OFR, there have been no significant changes in the state of affairs for the year.

12 EVENTS AFTER THE BALANCE DATE

Subsequent to the balance sheet date, no matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations, the results of those operations or the state of affairs of the Group in subsequent financial periods.

13 ROUNDING

The Company is of a kind referred to in the *Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, and, accordingly, amounts in this Report and the Financial Report have been rounded off to the nearest hundred thousand dollars, unless otherwise stated.

14 AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on pages 154.

NON-AUDIT SERVICES

The following non-audit services were provided by the Company's auditor, Ernst & Young (Australia). The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided mean that auditor independence was not compromised.

Ernst & Young (Australia) received or is due to receive the following amounts for the provision of non-audit services:

Other assurance services	$185.8 thousands
Other services	$1,025.2 thousands

REMUNERATION REPORT

Coca-Cola Amatil Limited and its subsidiaries

This Remuneration Report outlines remuneration strategy, framework and practices of Coca-Cola Amatil Limited (Amatil) and its subsidiaries, and how these apply to Key Management Personnel (KMP) in accordance with the requirements of the *Corporations Act 2001*. In this report, KMP consist of senior executives (referred to as KMP Senior Executives) and Non-Executive Directors.

The information contained in this Remuneration Report has been audited by Ernst & Young. Refer to the audit opinion on page 150.

INTRODUCTION FROM THE PEOPLE COMMITTEE CHAIR

Dear Shareholder,

I am pleased to introduce the Coca-Cola Amatil Remuneration Report for 2019. This report sets out the remuneration information for KMP Senior Executives and Non-Executive Directors, and describes the Group's remuneration framework that applies to these roles.

The end of 2019 marked the successful completion of a two-year transition period for the Group. In this final transition year, the targets set reflected the necessary investments required for the businesses. The results delivered against these targets were strong, indicating that the planned investments and our strategies are delivering. Australian Beverages is positioned to grow in 2020 and the Group is expected to deliver mid-single digit earnings per share growth in 2020 and over the medium term. Additionally, during 2019 the Group took important steps towards its Regional Beverages Powerhouse ambition through the divestment of the SPC business and announced the integration of the Alcohol & Coffee business into each geographic segment. These results and progress translated into value creation for Shareholders, with our share price appreciating 35% during 2019.

The Short-Term Incentive Plan outcomes reflect this strong performance with KMP Senior Executives receiving incentives at or above target. This contrasts with 2018 where results and incentive outcomes were well below target for most KMP Senior Executives. The Long-Term Incentive Plan also resulted in partial vesting due to the strong share price performance and returns delivered to Shareholders.

In 2019 no changes were made to the remuneration of the Group Managing Director and other Australia-based KMP Senior Executives. The Managing Director, New Zealand & Fiji, and the Managing Director, Indonesia & Papua New Guinea, both received modest increases.

Looking forward, the Group is committed to delivering mid-single digit earnings per share growth in 2020 and over the medium term. To support this, we will be reintroducing earnings per share to future Long-Term Incentive Plan grants to complement the existing Total Shareholder Return measures.

I trust you find this report informative.

Massimo Borghetti, AO
Chairman, People Committee
Sydney
20 February 2020

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1 WHO IS COVERED BY THE REPORT

For 2019, the KMP Senior Executives and Non-Executive Directors are:

Name	Role
KMP Senior Executives	
A.M. Watkins	Executive Director and Group Managing Director
M.J. Roberts[1]	Group Chief Financial Officer
K. Gunduz	Managing Director, Indonesia & Papua New Guinea
C.J. Litchfield	Managing Director, New Zealand & Fiji
P. West	Managing Director, Australian Beverages
Non-Executive Directors	
I.R. Atlas, AO	Chairman
M. Borghetti, AO	Non-Executive Director
J.G. Chavero	Non-Executive Director
M.G. Johnson	Non-Executive Director
P.D. O'Sullivan	Non-Executive Director
K. Thirumalai	Non-Executive Director
P.A. Winn[2]	Non-Executive Director
Former Non-Executive Directors	
C.M. Brenner[3]	Non-Executive Director
J.A. Coates[4]	Non-Executive Director

1 On 18 December 2019, the Group announced that Mr Roberts had resigned as Group Chief Financial Officer. At the time of finalising this report, Mr Roberts remains in his role and working his notice period. His final date of employment will be during the first half of 2020.
2 Appointed 2 December 2019.
3 Retired 15 May 2019.
4 Resigned 29 November 2019.

2 REMUNERATION @ AMATIL

A summary of KMP Senior Executive remuneration for 2019 is outlined below, along with the direction for 2020. Further details on 2019 remuneration outcomes can be found in Section 4.

What happened?

KMP Senior Executives	
Fixed remuneration	No changes were made to the fixed remuneration of the Group Managing Director and other Australia-based KMP Senior Executives in 2019, with moderate increases for the Managing Director, New Zealand & Fiji and Managing Director, Indonesia & Papua New Guinea.
2019 Short-Term Incentive Plan (STIP)	The STIP outcomes reflect strong performance of the Group and the businesses with KMP Senior Executives receiving incentives at or above target compared with 2018 where results and incentive outcomes were well below target for most KMP Senior Executives.
2017-2019 Long-Term Incentive Plan (LTIP) vesting	The 2017-2019 LTIP achieved partial vesting when tested on 31 December 2019. Vesting was as follows: — absolute total Shareholder return (Absolute TSR) – 30.6% total Shareholder return over the period (being 9.3% per annum) — relative total Shareholder return (Relative TSR) – nil vesting — earnings per share (EPS) – nil vesting. This resulted in 22.1% of the LTIP vesting (2018: the 2016-2018 LTIP grant did not vest).
Other	A one-off equity grant (sign-on award) vested to Peter West, Managing Director, Australian Beverages. This replaced a portion of an incentive at his previous employer which was forfeited upon commencing employment with the Group. Further details are set out in Section 11 Additional Disclosures.
Non-Executive Directors	
Non-Executive Director fees	No changes were made to Non-Executive Director fees during 2019.

What to expect?

The table below summarises key changes to be made to KMP Senior Executive remuneration for 2020. These changes have been informed by feedback received from Shareholders during 2019 and designed to support our return to growth from 2020 and the completion of our two-year transition period.

Performance conditions for upcoming 2020-2022 LTIP awards	Having completed our two-year transition period, we are reintroducing EPS as a performance measure for the 2020-2022 LTIP awards, with a target aligned to our Shareholder value proposition. The 2020-2022 LTIP awards will include: — EPS with a weighting consistent with the grants prior to 2019 i.e. the LTIP weightings will now be 33.3% Absolute TSR, 33.3% Relative TSR and 33.3% EPS — no changes to the existing Relative TSR and Absolute TSR measures — in response to Shareholder feedback, compound annual growth rate (CAGR) targets will be set and measured at the end of the three-year performance period. This contrasts with our historic approach to EPS where a simple average was used — to ensure focus of our KMP Senior Executives on the criticality of our ongoing[1] performance, and consistent with the Short Term Incentive, ongoing profit will be used as the basis for measuring EPS. The 2019-2021 LTIP award remains unchanged and does not include EPS as a performance measure. We simplified our approach in 2019 to focus solely on relative and total Shareholder returns. Given the 2019 calendar year fell within our transition period and included planned investments to support our return to growth, it was difficult to set EPS targets which would be meaningful to participants and acceptable to Shareholders. As we move into 2020, and in response to Shareholder feedback, we believe it is now appropriate to introduce EPS measured on a CAGR basis for the 2020-2022 LTIP awards.
Measuring profit for the 2020 STIP and 2020-2022 LTIP award	During the Group's two-year transition, statutory profit was used for incentive purposes. The rationale for using statutory profit over this period was to ensure focus on the whole result delivered to Shareholders, particularly in the context of planned one-off investments being made in the business. For 2020, the STIP and the LTIP will measure profit and earnings per share on an ongoing[1] basis. This will support a primary focus on ongoing trading performance. The Board will consider any one-off items that occur that impact profit and/or earnings per share and, where appropriate, hold individual executives accountable or reward them based on these items, with appropriate disclosure to Shareholders.

1 Being net profit after tax attributable to Shareholders of Coca-Cola Amatil Limited for continuing operations and before non-trading items.

3 OVERVIEW OF OUR REMUNERATION APPROACH

Remuneration strategy and principles

Our KMP Senior Executive remuneration is designed to support and reinforce the Group's purpose, values, strategy and our long-term approach to creating value for Shareholders and for society. The at-risk components of KMP Senior Executive remuneration are closely linked to successful execution of agreed plans and balance delivery in both the short and long term, to promote diligent risk management and sustainable growth.

Our approach is guided by the following principles:

Provide competitive remuneration and benefits	▶	based on consideration of all the relevant inputs (e.g. experience, performance, market) to attract and retain talented executives to lead Amatil.
Ensure significant proportion of remuneration at-risk	▶	with rewards based on the achievement of financial and other business objectives, and with outcomes aligned to affordability and Shareholder value creation.
Re-enforce an ownership mindset	▶	by delivering a significant portion of at-risk remuneration as shares rather than cash, and through encouraging and facilitating the building of a shareholding in Amatil.

How remuneration is set and reviewed

The remuneration for KMP Senior Executives is set on appointment to the role and then reviewed annually. We set both the fixed remuneration and the total remuneration opportunity by considering:

— experience, competence and performance in the role (or in a comparable external role if a new hire)
— competitive market pressures (e.g. scarcity of talent for the specific role or function within a specific geography)
— relevant market data (referencing a range around the 50th percentile for fixed remuneration and a 75th percentile opportunity, subject to performance, for total remuneration relative to comparable roles in comparable companies)
— desired focus on fixed versus at-risk remuneration
— internal equity with peer roles.

The components of remuneration

KMP Senior Executive remuneration consists of fixed and at-risk components:

Fixed remuneration	Consists of cash salary and superannuation contributions.
Short-Term Incentive Plan (with 40% delivered as deferred Coca-Cola Amatil Limited shares)	The STIP is the annual incentive plan for KMP Senior Executives. Awards under the STIP are based on business and individual performance measures, in addition to consideration of the way in which that performance was delivered (i.e. alignment with the Group's purpose and values and considering the individual's leadership accountability and responsibilities). A portion is paid in cash and a portion (40%) is delivered as Coca-Cola Amatil Limited shares, which are deferred for up to two years to ensure continued alignment with Shareholder value creation beyond the performance year of the incentive.
Long-Term Incentive Plan	The LTIP is an equity incentive plan used to align the reward of executives to the returns generated for Coca-Cola Amatil Limited Shareholders.
Other benefits	KMP Senior Executives are provided with other benefits including: — a company product allowance — annual health check — participation in the Employee Share Plan (ESP) known as MyAmatil. The ESP is open to all full and part-time employees of the Group on a voluntary basis with each participant able to contribute up to 3% per year of base salary to purchase shares. KMP Senior Executives are restricted to making contributions to MyAmatil during a trading window and must comply with the Trading in Coca-Cola Amatil Shares policy. For every share acquired a matching share is acquired, which under normal circumstances vests to the employee after a period of two years. There are no performance conditions. The Group Managing Director does not participate in this plan — life, total and permanent disability and salary continuance insurance premiums are also paid if the KMP Senior Executive chooses to be a member of the Coca-Cola Amatil Superannuation Plan in Australia. As an expatriate in Indonesia, Mr Gunduz's contract also provides for expatriate benefits including medical insurance, housing and utilities, home leave, school fees, and an expatriate allowance. Aligned with market practice in New Zealand, Mr Litchfield receives medical insurance cover and a car allowance packaged as part of his fixed remuneration.

REMUNERATION REPORT (CONTINUED)

Coca-Cola Amatil Limited and its subsidiaries

3 OVERVIEW OF OUR REMUNERATION APPROACH (CONTINUED)

The focus on fixed versus at-risk, and the relevant time period

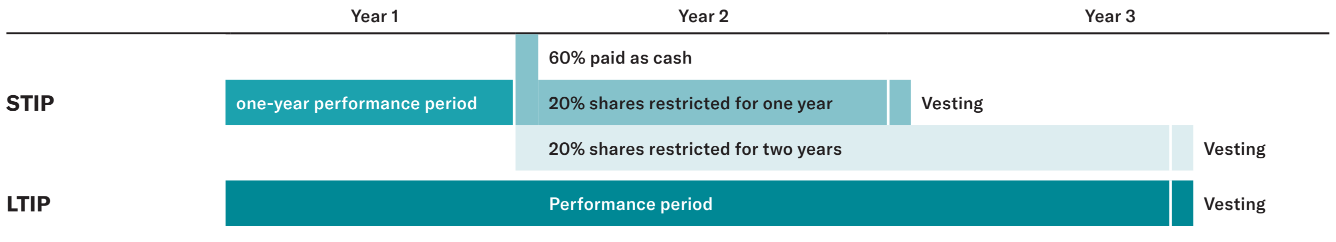
A significant portion of KMP Senior Executive remuneration is at-risk. The chart below illustrates the current mix between fixed remuneration, the STIP and the LTIP for each continuing KMP Senior Executive.

The at-risk components target and stretch are calculated with reference to the financial targets we set, in addition to the successful delivery of individual business objectives each year. All targets are intended to be challenging yet achievable.

	Fixed remuneration	STIP (at target and including share component)	LTIP (face value)[1]
Group Managing Director			
A.M. Watkins	30%	23%	47%
KMP Senior Executives reporting to the Group Managing Director			
Other KMP Senior Executives	41%	25%	34%

1 As described in our Notice of 2019 Annual General Meeting we have aligned with market practice and now describe LTIP grants from 2019 onwards as the face value grant, rather than our legacy target and maximum description. This has not changed the values being granted to executives.

The diagram below illustrates how the different components of remuneration deliver rewards (subject to performance) over a three-year cycle:



Minimum shareholding requirement

To ensure strong alignment with Shareholders, a minimum shareholding requirement applies to KMP Senior Executives and Directors to hold an amount equivalent in Coca-Cola Amatil Limited shares. These minimum shareholding requirements are:

KMP Senior Executives

— Group Managing Director: 100% of fixed remuneration.
— Other KMP Senior Executives: 50% of fixed remuneration.

A five-year time frame is permitted for KMP Senior Executives to attain this holding.

Non-Executive Directors

— 50% of the pre-tax Non-Executive Director base fee within three years of appointment.
— 100% of the pre-tax Non-Executive Director base fee within five years of appointment.

The requirement does not apply to TCCC nominee Directors given the significant shareholding held by TCCC, and their role as representatives of TCCC.

From time to time, KMP Senior Executives and Non-Executive Directors may be restricted from trading in Coca-Cola Amatil Limited given their access to confidential or price sensitive insider information which is not complete or disclosable under the ASX Listing Rules. This may impact their ability to meet the minimum shareholding requirement within the five-year time frame. As a result, this time frame may be extended at the Board's discretion. As at 31 December 2019, all KMP Senior Executives and Non-Executive Directors were compliant with the minimum shareholding requirement.

4 2019 REMUNERATION OUTCOMES

Five-year performance table

The table below provides an overview of the Group's short and long-term performance outcomes over the last five years:

Financial year end 31 December	2015	2016	2017	2018	2019
Profit for the year attributable to Shareholders of Coca-Cola Amatil Limited (before non-trading items) ($M)	393.4	417.9	416.2	388.3[1]	393.9[1]
Profit for the year attributable to Shareholders of Coca-Cola Amatil Limited ($M)	393.4	246.1	445.2	279.0	374.4
EPS (before non-trading items) (¢)	51.5	54.7	55.9	53.6[1]	54.4[1]
EPS (¢)	51.5	32.2	59.8	38.5	51.7
Dividends per share (¢)	43.5	46.0	47.0	47.0	47.0[2]
Closing share price as at 31 December ($)	9.30	10.12	8.51	8.19	11.06

1 Excluding the profit after tax attributable to SPC (treated as a discontinued operation in the financial report totalling $6.2 million (2018: loss of $122.5 million).
2 Excluding the 4¢ interim special dividend.

2019 STIP outcomes – summary of plan design

The following diagram summarises the STIP outcomes for 2019.

Profit performance assessed against approved targets

Profit performance weighted between Group and business performance to determine % of STIP achieved.

Revenue performance assessed against approved targets

Revenue performance weighted between Group and business performance to determine % of STIP achieved.

Individual objectives assessed

Each KMP Senior Executive is assessed against objectives specific to their role, other achievements met, and with consideration given to the way in which the performance was delivered.

Profit component (50% of STIP)	+	Revenue component (20% of STIP)	+	Objective achievement (30% of STIP)	=	Overall outcome (% of target)
Assessed 0% to 150% (threshold 50%, target 100%, stretch 150%) Range achieved was 108% to 143%	+	Assessed 0% to 150% (threshold 0%, target 100%, stretch 150%) Range achieved was 68% to 150%	+	Assessed 0% to 150% (on-target performance is 100%) Range achieved was 100% to 150%	=	Range achieved was 101% to 146%

4 2019 REMUNERATION OUTCOMES (CONTINUED)

2019 STIP outcomes – performance commentary

Overview

The end of 2019 marked the completion of a two-year transition period for the Group. In the final year of this transition revenue and profit targets were set by the Board to drive delivery of our strategy and plans, and reflected investments for growth in line with the Accelerated Australian Growth Plan, the Indonesia Accelerate to Transform Plan and our Group Strategy.

The results delivered by each business and the Group overall in 2019 were strong, indicating the planned investments and our strategies are delivering. During 2019 the Group took important steps towards its Regional Beverages Powerhouse ambition through the divestment of the SPC business and announced the integration of the Alcohol & Coffee business into each geographic segment. Notably:

— Australian Beverages lifted revenue and profitability markedly in the second half of 2019 and delivered revenue growth for the first time in seven years. The profit outcome delivered at approximately target, whilst the revenue outcome albeit strong, fell short of the challenging targets that had been set
— Indonesia & Papua New Guinea produced strong outcomes, with consistent above-market revenue growth, albeit lower than target, and on-target earnings consistent with our investment plans in Indonesia. We achieved a comprehensive and better than target improvement from Papua New Guinea after the operational challenges of 2018
— New Zealand & Fiji had another very strong year exceeding the expectations set for them and continuing the strong momentum from previous years
— Alcohol & Coffee delivered its fifth year of consecutive double digit earnings growth in line with target.

For the full year, the Group delivered ongoing Earnings Before Interest and Tax (EBIT) growth of 0.8%. Ongoing Net Profit After Tax (NPAT) growth was stronger at 1.4% driven by lower finance costs.

These results and progress translated into value creation for Shareholders, with our share price appreciating 35.0% during 2019.

Profit assessment

Profit assessment for the purposes of the STIP during our transition period was focused on statutory profit. The rationale for using statutory profit during our transition period was to ensure focus on the whole result delivered to Shareholders, particularly in the context of planned one-off investments being made in the business.

On 28 June 2019, the Group announced it had completed the sale of the SPC business to Shepparton Partners Collective Pty Ltd, with an expected profit on sale of $14 million (actual was $13.8 million after tax). The Board considered the sale and given the previous impairments of SPC determined not to include the profit on sale of SPC when determining STIP outcomes for 2019.

KMP Senior Executives were held to account for all other one-off items and no other adjustments were made to the statutory result for incentive purposes for 2019.

Revenue assessment

Revenue was introduced to the STIP in 2018 forming a 20% weighting and reflects the importance of the Group and businesses in delivering sustainable revenue growth. For 2019, challenging revenue targets were set for each business to drive a focus on growth. Recognising the importance of delivering revenue growth for the 2019 year the revenue component was only payable once growth was achieved. The payment schedule commenced at 0% payment for no growth and payment increasing with revenue growth in a straight line with 100% payable for reaching target, and 150% for achieving stretch.

Individual assessment

KMP Senior Executives delivered or exceeded their individual objectives which reflected our focus on successful execution of our strategic growth plans. Overall, the Group Managing Director, Group Chief Financial Officer, Managing Director, Australian Beverages and Managing Director, Indonesia & Papua New Guinea each achieved improved individual outcomes in 2019 with combined business and individual outcomes at or above target, compared with well below target for 2018. Only the Managing Director, New Zealand & Fiji achieved strong outcomes in both years, reflecting consistent and strong delivery of results in both years.

Further details on the STIP outcomes are included on the following pages.

2019 STIP outcomes – Group Managing Director outcome

Outlined below is the Group Managing Director's STIP scorecard and outcomes for 2019.

Component	Assessment			Outcome	Weight	Score % of target
Profit (50%)						
	Threshold (50%)	**Target (100%)**	**Stretch (150%)**			
Group EBIT (Statutory) ($M)	572.3	591.7 (actual: 590[1])	611.1	**Near target** outcome which was a result of strong business delivery, but non-trading item costs exceeding budget.	25%	95.4%
Group NPAT (Statutory) ($M)	339.3	351.6	363.9 (actual: 361[2])	**Above target** outcome due to strong business delivery, complemented by the Group's management of finance costs.	25%	136.5%
Revenue (20%)						
	Threshold (0%)	**Target (100%)**	**Stretch (150%)**			
Group Revenue ($M)	4,961.1	5,154.7 (actual: 5,170[3])	5,340.5	**Near target** outcome which was the result of the revenue performance of the businesses (some below and others above target) and a positive movement in foreign exchange.	20%	107.4%

Individual objectives (30%) — Weight 30%, Score 100.0%

Objective: Clear, compelling, agreed Group Strategy and successful execution

Outcomes delivered:
— divestment of SPC. Following the completion of a $100 million co-investment with the Victorian Government, a successful program to divest the business was undertaken, with strong stakeholder management demonstrated by the Group Managing Director
— confirmation of Regional Beverages Powerhouse Ambition and related growth strategy. The Group Managing Director worked closely with the Board and Group Leadership Team to define a beverages-focused, partner-based strategy for the Group, with a disciplined routine in place for reviewing progress and the initiation of several initiatives, including in-depth review of investment opportunities related to the Group's plastic recycling objectives
— decisively addressed opportunities to improve alignment with major brand partners The Coca-Cola Company, Beam Suntory and Molson Coors International
— leadership on plastics reduction and recycling with the shift to 100% recycled plastic for 7 out of 10 bottles in Australia and 6 out of 10 in New Zealand
— maintained focus and delivered pleasing progress towards most of the Group's 2020 Sustainability targets especially for sugar, plastic, energy, water and community contributions.

Objective: Successful execution of major market growth plans

Outcomes delivered:
— Accelerated Australian Growth Plan broadly on track, with high impact improvements successfully implemented including 'Feet On The Street' and channel-focused organisation model
— Indonesia Accelerate to Transform Strategy on track, with the 2018 Joint System Strategy Refresh embedded via routines, reporting and KPIs. Indonesia has now delivered seven quarters of consecutive above market growth and double-digit transaction growth for sparkling brands
— Papua New Guinea turnaround, including new leadership and governance improvements on track
— New Zealand five-year 'Journey' (vision and growth plan) achieved ahead of time and Journey 2.0 defined.

Objective: Build organisation and Group Leadership Capability

Outcomes delivered:
— successful planning and execution of a significant change to the Group's organisation model with the announcement of the Alcohol & Coffee and non-alcohol categories by geography, resulting in a simpler, more customer-focused model
— completion of a rigorous and comprehensive development process for Group Leadership Team executives with a range of concrete initiatives in place
— strong employee engagement levels across the Group including a 12 point increase in Australian Beverages to 71% and Indonesia and New Zealand both over 80%.

Scorecard result (% of target)	109.5%
Scorecard result (% of maximum)	73.0%

1 Group EBIT excluding gain on sale of SPC, calculated as EBIT for continuing operations of $598.8 million less EBIT loss of the discontinued operation (excluding the gain on sale) $9.1 million.
2 Group NPAT excluding gain on sale of SPC, calculated as NPAT attributable to Coca-Cola Amatil Limited Shareholders of $374.4 million less the after-tax gain on sale of SPC $13.8 million.
3 Group trading revenue, calculated as trading revenue for continuing operations $5,070.6 million plus trading revenue of the discontinued operation $99.3 million.

4 2019 REMUNERATION OUTCOMES (CONTINUED)

2019 STIP outcomes – other KMP Senior Executives outcomes

The table below summarises the 2019 performance and STIP outcomes for the other KMP Senior Executives (i.e. excluding the Group Managing Director which is outlined above):

KMP Senior Executive	STIP outcome	Profit outcome (50%)	Revenue outcome (20%)	Individual Objectives (30%): Objectives (themes which underpinned deliverables and targets for each KMP Senior Executive)	Individual Objectives (30%): Outcomes delivered
Group Chief Financial Officer	114.0% of target (76.0% of max)	Group: Above Target	Group: Above Target	– clear, compelling, agreed Group Strategy for Coca-Cola Amatil – successful execution of major market growth plans – improved capital management.	– vital leadership on our strategy and execution plans, including the sale of SPC, the development of the Regional Beverages Powerhouse ambition and growth strategy, shaping and launching our Long-Term Value Creation Proposition, and exploration of further opportunities across the international Coke system.
Managing Director, Indonesia & Papua New Guinea	114.2% of target (76.1% of max)	Group: Above Target Indonesia & Papua New Guinea: Above Target	Indonesia: Below Target Papua New Guinea: Above Target	– grow non-alcoholic ready-to-drink (NARTD) share of market value – continue to deliver Accelerate to Transform strategic priorities – continue to strengthen and build capability in Papua New Guinea, develop long-term plan.	– continued strong delivery of the Accelerate to Transform strategy in Indonesia which delivered improvements on all key metrics in line with or in excess of plan – rebuilding the basics in Papua New Guinea has been a major focus for 2019 and the progress has been comprehensive with a new leadership team in place, improvements in governance, core processes and enhanced capability within the team. The turnaround in performance and capability in Papua New Guinea has reignited strong sales growth for the business.
Managing Director, New Zealand & Fiji	146.3% of target (97.5% of max)	Group: Above Target New Zealand & Fiji: Above Target	New Zealand: Above Target	– build NARTD portfolio – increase customer growth – strengthen relationships with key partners – build tomorrow's margins with supporting capital expenditure program.	– the New Zealand & Fiji businesses delivered strong financial returns by unlocking productivity, winning market share and achieving consistently high employee engagement and customer experience scores – the Pacific Leadership Team (PLT) achieved its five-year 'Journey' and the Managing Director and PLT have created a new, exciting and equally stretching Journey 2.0 with broad buy-in – the Managing Director assumed responsibility for Paradise Beverages and is well progressed with identifying opportunities to improve operations and customer service across the Pacific.
Managing Director, Australian Beverages	100.7% of target (67.1% of max)	Group: Above Target Australian Beverages: At Target Australian Alcohol: Above Target	Australian Beverages: Below Target	– delivery of the Australia Accelerated Growth Plan and driving sustainable revenue and profit growth – review costs across the business, redeployment of resources and prioritise activities to achieve budget – drive improvement in engagement of Australian Beverages team – achievement of Immediate Consumption route-to-market investment, execution and improvement – build trust and sustainability through leadership in sugar reduction, water efficiency and packaging recycling.	– strong leadership and positioning the Australian business to return to growth in 2020 in line with our commitments and the Accelerated Growth Plan – has led strongly through change, implementing a channel based structure, reviewing costs, redeploying resources and prioritising activities, while achieving a significant uplift in employee engagement – successfully implemented the 'Feet On The Street' investment by placing more resources in customer facing roles which enabled a return to revenue growth – several Australian sustainability initiatives were successfully implemented through 2019 – the Managing Director took responsibility for the Alcohol & Coffee categories in Australia and has worked to build and maintain strong partner relationships.

2017-2019 LTIP grants – tested at the conclusion of the 2019 year

The performance period for the 2017-2019 LTIP commenced on 1 January 2017 and concluded on 31 December 2019. Performance was assessed at the end of the 2019 calendar year and as a result of performance over the period, there was partial vesting (last year the 2016-2018 LTIP grant did not vest).

Grant	Performance period	Performance measure	Weighting	Target	Stretch	Performance achieved
2017-2019	1 January 2017 to 31 December 2019	Absolute TSR	1/3	8%	12%	9.3% per annum, 132.6% vesting
		Relative TSR	1/3	51st percentile	75th percentile	42nd percentile, nil vesting
		EPS	1/3	5%	8%	2.7% average EPS, nil vesting

EPS for the 2017-2019 LTIP is measured with a primary focus on our statutory EPS result. The People Committee considered this result and whether any adjustments are necessary. For the purposes of the 2017-2019 LTIP, EPS was calculated as follows:

Measurement period	Start EPS	End EPS	%	Notes
2017 vs 2016	54.7¢ (statutory excluding SPC impairment)	59.8¢ (statutory)	9.3%	As disclosed in the 2017 Remuneration Reports, we excluded SPC impairment from the 2016 result for all incentive calculations for the rationale previously described.
2018 vs 2017	59.8¢ (statutory)	38.5¢ (statutory)	(35.6%)	No adjustments.
2019 vs 2018	38.5¢ (statutory)	51.7¢ (statutory)	34.3%	No adjustments.
3-year average			2.7%	Consistent with our historic approach, this is calculated as a simple average.

Adjustments to unvested STIP Shares or LTIP awards

Each year, the Committee considers whether any events have occurred (or become apparent) during the year that merit an increase and/or reduction to unvested STIP shares or LTIP awards. Applying the remuneration accountability framework, the Committee considered the 2019 calendar year and determined that no such adjustment was required for KMP Senior Executives.

Remuneration received by KMP Senior Executives in 2019

The following table sets out the value of the remuneration received by KMP Senior Executives during the year. The figures in this table differ from those outlined in the statutory table later in Section 7 mainly because the statutory table includes an apportioned accounting value for all unvested LTIP grants (which remain subject to the satisfaction of performance and service conditions and may not ultimately vest).

The values disclosed in the below table, while not in accordance with the accounting standards, are intended to help Shareholders better understand the linkages between performance and the remuneration realised by the KMP Senior Executives in relation to 2019.

The table below shows:

– fixed remuneration

– STIP excluding the post-tax share component

– any vesting of STIP shares, LTIP awards, and/or MyAmatil matching shares.

4 2019 REMUNERATION OUTCOMES (CONTINUED)

Remuneration earned related to 2019

	Fixed remuneration					At-risk – performance related				
	Salary $	Leave accrual $	Non-monetary benefits[1] $	Other benefits[1] $	Super-annuation $	STIP excluding post-tax share component[2] $	Vesting of STIP shares[3] $	Vesting of LTIP[4] $	Other[5] $	Total $
A.M. Watkins	2,179,234	123,619	10,201	–	20,767	1,510,005	196,185	881,935	–	4,921,946
M.J. Roberts	915,572	16,918	6,335	–	20,767	504,679	70,433	188,750	29,639	1,753,093
K. Gunduz	768,765	–	566,219	318,767	20,767	394,798	95,214	148,082	21,953	2,334,565
C.J. Litchfield	582,741	4,225	714	52,603	49,533	434,315	137,348	127,467	16,249	1,405,195
P. West	1,129,234	34,596	6,765	–	20,767	547,526	27,165	–	695,625	2,461,678

1 Details are as under:
- Non-monetary benefits: product allowance, insurance premiums (life, total and permanent disablement and temporary salary continuance) through the Coca-Cola Amatil Superannuation Plan and annual health check
- Other benefits: cash benefits such as car allowance (Mr Litchfield), expatriate benefits (Mr Gunduz), recreation allowance (Mr Gunduz), and club membership (Mr Litchfield).

2 The cash component of the 2019 STIP (which is payable in March 2020) excluding the post-tax share component. The shares are restricted half for one year and half for two years. The share amounts will be disclosed in the above table in the year of vesting.

3 Vesting of the share component of the STIP for prior year incentives. The amounts shown represent half of the share component of the 2017 STIP and half of the share component of the 2018 STIP. The value represents the post-tax amount used to purchase Coca-Cola Amatil Limited shares.

4 The 2017-2019 LTIP partially vested in relation to the Absolute TSR measure.

5 Details are as follows:
- MyAmatil matching shares: The matching shares that vested during 2019. The value represents the amount used to purchase Coca-Cola Amatil Limited shares
- A one-off equity grant to Mr West vesting on 21 February 2020 was made as a sign-on award to replace a portion of an incentive at his previous employer which was forfeited when commencing employment with the Group. Further details are provided in Section 11 Additional Disclosures.

The remuneration earned and lapsed for KMP Senior Executives

	Plan	Actual % of target	Actual % of maximum	Forfeited % of maximum
A.M. Watkins	2019 STIP	109.5	73.0	27.0
	2017-2019 LTIP	44.2	22.1	77.9
M.J. Roberts	2019 STIP	114.0	76.0	24.0
	2017-2019 LTIP	44.2	22.1	77.9
K. Gunduz	2019 STIP	114.2	76.1	23.9
	2017-2019 LTIP	44.2	22.1	77.9
C.J. Litchfield	2019 STIP	146.3	97.5	2.5
	2017-2019 LTIP	44.2	22.1	77.9
P. West	2019 STIP	100.7	67.1	32.9

5 KMP SENIOR EXECUTIVE REMUNERATION FRAMEWORK

2019 STIP

Set out below is a summary of the terms and conditions which apply to the Plan for all KMP Senior Executives:

What is the purpose of the Plan?

The STIP is the annual incentive plan which seeks to incentivise strong performance from KMP Senior Executives. Awards under the Plan are based on performance for the year from 1 January 2019 to 31 December 2019.

What are the performance conditions and why were they chosen?

The 2019 plan has three components: profit, revenue and individual business objectives. Profit and revenue targets are based on the Board's approved business plans for the year, with the remaining component of the incentive containing specific business objectives applicable to the role of each KMP Senior Executive. These objectives are aligned with the priorities set out in the business plan and strategy. All targets are intended to be stretching yet achievable.

Profit component and revenue components

To reflect the importance of delivering to the expectations of our Shareholders, profit and revenue are used together in the Plan. The intention is to ensure an appropriate focus on sustainable revenue growth, which is also profitable. The table below outlines how we measure profit and revenue:

Business segment	Profit (50%)	Revenue (20%)
Group	Measured as profit for the year attributable to Shareholders of Coca-Cola Amatil Limited, and as EBIT. We believe the use of these two measures together, and weighted equally, ensures a focus on the profit result generated for Shareholders, and reflects the performance of the businesses (as better represented by the EBIT result)	Measured as trading revenue
Each business	Measured as EBIT	

The performance of the Group Managing Director and the Group Chief Financial Officer is measured on the Group results, whereas the managing Directors of individual businesses are assessed predominantly on the performance of their businesses, with only a small portion assessed against the Group result.

A threshold, target and stretch are set for Group and each business based on the business plan and the degree of difficulty the Committee and management believe is inherent in the targets. Each individual business therefore has a different threshold and stretch.

The maximum that can be achieved, requiring achievement of the stretch targets, is 150% against the profit and revenue targets.

Individual business objectives (30%)

This component is based on the achievement of objectives set at the beginning of the year. Each objective details a specific goal, and the related tasks and measures of success. They can include further financial metrics and both quantitative and qualitative objectives with relevant measures. Weightings are assigned to each objective to reflect their relative importance to delivery of the strategy and required focus.

In addition to assessing objectives, the Committee considers the remuneration accountability framework, and considers any other results through the year (that were not reflected in the objectives), and how the performance was delivered (through demonstrating strong leadership aligned with the Amatil values).

The maximum that can be achieved is 150% against any individual business objectives.

5 KMP SENIOR EXECUTIVE REMUNERATION FRAMEWORK (CONTINUED)

How is performance assessed?

The Committee relies on the audited Coca-Cola Amatil Limited financial results for the financial year to determine the extent to which profit and revenue targets have been achieved.

Consistent with current practice, in 2019 our KMP Senior Executives were assessed against profit targets, with a focus on the Group's statutory result. This approach ensures incentives are aligned with the result delivered for Shareholders, including appropriate management of one-off non-trading items (both costs and benefits). When determining incentive outcomes, the Committee considers these non-trading items. Where it judges appropriate, the Committee adjusts outcomes upwards or downwards to better reflect the performance delivered and alignment with Shareholders. While the Committee seeks to minimise such adjustments, in 2019 it excluded the profit related to the sale of SPC.

The achievement of individual business objectives and the overall performance of KMP Senior Executives are assessed and recommended for approval to the Committee by the Group Managing Director. The Committee separately assesses the Group Managing Director's performance and makes a recommendation to the Board for approval.

The Committee believes this process provides an accurate and objective assessment of performance, with the appropriate level of governance, review and approval.

How is the incentive calculated?

The incentive is calculated by assessing performance and applying the relevant weightings:

Profit result (50% of STIP)
Assessed against the threshold, target and stretch and results in an outcome between 0% and 150%.

+

Revenue result (20% of STIP)
Assessed against the threshold, target and stretch and results in an outcome between 0% and 150%.

+

Individual business objectives (30% of STIP)
Achievement of individual business objectives, with consideration of other results throughout the year (that were not reflected in the objectives), and how the performance was delivered.

Each KMP Senior Executive is assessed between 0% and 150%.

×

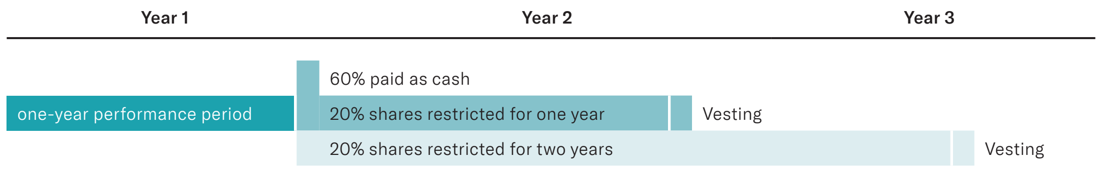
Target STIP opportunity

How much can the executive earn each year?

Each KMP Senior Executive has a target opportunity specified in their contract or remuneration review letter. The 2019 target STIP opportunity for the Group Managing Director was 80% of fixed remuneration, and 60% for the other KMP Senior Executives. The maximum award an individual can earn is 150% of target.

How is the award paid?

60% of the post-tax award is paid as cash and 40% is delivered in Coca-Cola Amatil Limited shares. Half of the shares are subject to a one-year holding period and half are subject to a two-year holding period.



The shares are purchased on market and held irrespective of whether the executive is employed by the Group during this period. The executive receives dividends and voting rights on the shares during this time. The shares are released to the executive at the end of the holding period.

If an individual is terminated for cause prior to the release date of the shares, the shares are forfeited.

Is there any clawback or malus discretion?

The Board has the discretion to reduce the number of unvested STIP shares (including to zero), if it judges such an action appropriate. The Board considers the application of malus before any scheduled release of unvested shares.

2019-2021 LTIP

Set out below is a summary of the terms and conditions of the 2019 grants made under the LTIP:

What is the purpose of the Plan?

The LTIP is an equity incentive plan used to align the reward of KMP Senior Executives to the returns generated for Coca-Cola Amatil Limited Shareholders.

Who participates?

The Board annually invites KMP Senior Executives to participate in the Plan.

What type of awards are granted?

The LTIP is a grant of rights to Coca-Cola Amatil Limited shares that vest after three years subject to the achievement of the performance conditions stipulated. There is no exercise price attached to the rights.

What size of awards are granted?

The maximum face value for the 2019 LTIP grant for the Group Managing Director was 120% of fixed remuneration, and 80% for other KMP Senior Executives.

How is the number of rights determined?

The maximum number of rights awarded is determined on a face value basis (i.e. by dividing the maximum award opportunity by the market price of Coca-Cola Amatil Limited shares over the 30 days preceding the beginning of the performance period). To achieve vesting of the maximum number of rights, each of the performance conditions must be met in full at their stretch levels of performance.

What is the performance period?

Grants made under the LTIP have a three-year performance period. For the 2019 grant, the performance period is from 1 January 2019 to 31 December 2021.

What are the performance conditions and why were they chosen?

The performance conditions, targets and vesting schedules are reviewed each year prior to grants being made, to ensure they align with Group strategy and the interests of Shareholders.

For the 2019-2021 LTIP awards, we simplified our approach to focus solely on Relative TSR and Absolute TSR. Half of the award will be assessed independently against each measure.

The use of both measures of Total Shareholder Return (TSR) will reward both relative and absolute Shareholder value creation. The Committee believes the two measures complement one another and provide a balanced assessment of performance in terms of the returns generated for Shareholders. The absolute measure has the benefit of providing executives with clarity on the level of share price growth required for maximum vesting.

What is the Relative TSR performance condition and target?

Relative TSR represents the change in the value of the Group's share price over the performance period plus reinvested dividends, expressed as a percentage of the opening value of the share.

The Group's Relative TSR is measured over the performance period and assessed against the TSR of the comparator group over the same period. Coca-Cola Amatil Limited is then given a percentile ranking based on its comparative TSR performance. The comparator group comprises the ASX 100 (less financial and mining companies) as defined at the start of the performance period, reflecting a peer group of comparable Top 100 Australian listed companies.

The proportion of rights vested in this tranche is determined based on the following:

TSR percentile vs comparator group	Percentage of maximum award that vests
Less than 51st	Nil
51st	50%
Between 51st and 75th	Pro-rata vesting on a straight-line basis between 50% and 100%
75th and above	100%

5 KMP SENIOR EXECUTIVE REMUNERATION FRAMEWORK (CONTINUED)

What is the Absolute TSR performance condition and target?	The Group's Absolute TSR is measured over the performance period and assessed relative to a target of 8% CAGR for partial vesting and a target for maximum vesting of 12% CAGR. The proportion of rights in this tranche that vest is determined based on the following table: **TSR – CAGR** — **Percentage of maximum award that vests** Less than 8% — Nil 8% — 50% Between 8% and 12% — Pro-rata vesting on a straight-line basis between 50% and 100% 12% and above — 100%
How are performance conditions assessed?	At the completion of the three-year performance period, an external consultant undertakes the Relative TSR and Absolute TSR calculations to ensure independence of the calculation. The Committee reviews the findings of the performance assessments and approves the vesting or lapsing of awards in accordance with the vesting tables.
Is retesting permitted?	There is no retesting of performance if performance conditions are not met at the end of the three-year performance period.
What happens on ceasing employment?	Where a participant resigns or is terminated for cause before the end of the performance period, all rights will lapse immediately. Unless the Board determines otherwise, if a participant ceases employment before the end of the performance period for any other reason: — rights will be pro-rated to the date of cessation and tested against the performance conditions at the end of the performance period if more than one-third of the performance period has elapsed; or — all rights will lapse immediately if less than one-third of the performance period has elapsed.
What happens if a change of control occurs?	In the event of a change of control prior to the end of the performance period, the Board has retained discretion to vest any unvested LTIP awards.
Are there dividends or voting rights?	There are no dividend entitlements or voting rights attached to the rights awarded. The entitlement to receive dividends and voting rights only applies if the rights vest and shares are acquired.
Is there any clawback or malus discretion?	The Board has the discretion to reduce the number of unvested LTIP rights (including to zero), where appropriate. The Board considers the application of malus before any scheduled release of unvested LTIP rights.

6 REMUNERATION GOVERNANCE

Roles in determining remuneration

The table below sets out the roles of the Board, the People Committee and management in relation to Board and KMP Senior Executive remuneration:

Board	People Committee	Management
— Accountable for KMP remuneration — Approves Group Managing Director remuneration, including the application of the accountability framework — Approves Non-Executive Director remuneration (with Shareholder approval required for the overall limit).	— Makes recommendations to the Board on Group Managing Director and Non-Executive Director remuneration — Approves executive reward strategy, incentive plans, KMP Senior Executive remuneration and application of the accountability framework — Seeks input and advice from other Committees on matters that relate to KMP Senior Executive remuneration (e.g. risk management, safety performance etc).	— Prepares recommendations and information for the Committee's consideration and approval — Implements the approved remuneration arrangements.
External independent advice		
The People Committee also has access to independent advice. In 2019, the People Committee continued to utilise PricewaterhouseCoopers. No remuneration recommendations (as defined by the *Corporations Act 2001*) were provided in 2019. Advice was limited to market information with respect to the Group Managing Director's and the Non-Executive Directors' remuneration, and a market insight briefing for the Committee.		

Preventing unintended consequences

The reward framework has design elements that protect against the risk of unintended and unjustifiable outcomes. These include:

— measuring incentive plans across a suite of relevant performance measures, and not placing too much emphasis on one specific aspect of performance

— assessing performance through the types of objectives set, the deferred component of the STIP and the time periods over which performance is measured: one-year for the STIP, and three years for the LTIP

— the STIP deferred shares and LTIP awards, which continue in the plan beyond cessation of employment (subject to the reason for ceasing employment) and ensure a focus on long-term Shareholder value creation

— a minimum shareholding requirement for KMP Senior Executives to ensure their incentives align with Shareholder interests

— the Board's ability to adjust STIP outcomes and reduce unvested STIP deferred shares, as well as unvested LTIP awards. These provisions are drafted broadly to provide the Board scope to exercise this authority as required.

Remuneration accountability framework

In determining remuneration outcomes for KMP Senior Executives, the Board considers not only the financial and individual performance outcomes, but also the way in which that performance was delivered using an accountability framework. The accountability framework supports rigour and consistency in how executive performance is measured and reflected through remuneration. This framework:

— describes the types of incidents that need to be identified and reported (e.g. safety, financial mis-statements, breaches of codes of conduct, poor audit findings, and breaches of post-employment restraints)

— explicitly outlines the consequences of different performance outcomes (e.g. no remuneration review, reduced STIP outcomes, or applying malus to unvested STIP shares or LTIP awards)

— considers each event on a case-by-case basis, recording precedents, ensuring consistency and reflecting both negative and positive outcomes

— typically reserves that decisions will be made at year-end regarding the totality of the individual's contribution throughout the year

— notes that in serious cases consequences may extend beyond the consideration of remuneration alone, e.g. an individual may be required to leave Coca-Cola Amatil Limited.

The accountability framework is considered each year when assessing KMP Senior Executive performance. The Group Managing Director reviews and makes recommendations on the application of the framework for their direct reports. These recommendations are then considered and approved by the People Committee. For the Group Managing Director, the People Committee considers the application of the accountability framework and makes recommendations to the Board for approval.

7 REMUNERATION DETAILS FOR 2019 – STATUTORY REPORTING

Total remuneration reported in 2019 – statutory table

The following table shows the total remuneration for the KMP Senior Executives during the current and previous reporting periods. The table has been prepared in accordance with the accounting standards, and accordingly, differs from the information presented in the actual remuneration earned in 2019 Section 4. Amounts are calculated from the date the individual was appointed to the KMP position or up to the date the individual ceased to hold the KMP position.

		Fixed					At-risk – performance related				Total remuneration	
		Short-term				Post- employment	Short-term	Share-based payments				Performance related
		Salary	Leave accrual	Non-monetary benefits[1]	Other benefits[1]	Superannuation	STIP[2]	LTIP[3]	ESP matching shares	One-off equity award[4]		
	Year	$	$	$	$	$	$	$	$	$	$	%
KMP Senior Executives												
A.M. Watkins	2019	2,179,234	123,619	10,201	–	20,767	1,916,250	1,232,567	–	–	5,482,638	57
Executive Director and Group Managing Director	2018	2,179,710	92,208	10,216	–	20,290	580,300	1,223,697	–	–	4,106,421	44
M.J. Roberts	2019	915,572	16,918	6,335	–	20,767	640,455	263,791	11,448	–	1,875,286	48
Group Chief Financial Officer	2018	916,048	3,507	5,737	–	20,290	200,411	286,025	27,481	–	1,459,499	33
K. Gunduz	2019	768,765	–	566,219	318,767	20,767	548,330	211,127	23,063	–	2,457,038	31
Managing Director, Indonesia & Papua New Guinea	2018	737,735	–	488,999	368,362	20,290	130,258	203,475	22,132	–	1,971,251	17
C.J. Litchfield	2019	582,741	4,225	714	52,603	49,533	593,326	183,804	16,466	–	1,483,412	52
Managing Director, New Zealand & Fiji	2018	528,663	–	710	51,841	44,936	518,655	167,598	15,860	–	1,328,263	52
P. West (appointed 30 April 2018)	2019	1,129,234	34,596	6,765	–	20,767	694,830	349,065	33,877	695,625	2,964,759	35
Managing Director, Australian Beverages	2018	757,544	41,068	4,399	–	15,278	256,278	143,411	22,726	–	1,240,704	32
Former KMP Senior Executive												
E.C. Wilson (ceased role on 28 February 2018) Group Human Resource Director	2018	112,983	–	1,402	–	8,231	–	2,224	3,389	–	128,229	2
Total KMP Senior Executives	**2019**	**5,575,546**	**179,358**	**590,234**	**371,370**	**132,601**	**4,393,191**	**2,240,354**	**84,854**	**695,625**	**14,263,133**	
	2018	**5,232,683**	**136,783**	**511,463**	**420,203**	**129,315**	**1,685,902**	**2,026,430**	**91,588**	**–**	**10,234,367**	

1 Benefits are:
- Non-monetary benefits: product allowance, insurance premiums (Life, Total and Permanent Disablement and Temporary Salary Continuance) through the Coca-Cola Amatil Superannuation Plan, annual health check
- Other benefits: cash benefits such as car allowance (Mr Litchfield), expatriate benefits (Mr Gunduz), recreation allowance (Mr Gunduz), and club membership (Mr Litchfield).

2 The STIP awards inclusive of the share component.

3 Represents the estimated fair value of Coca-Cola Amatil Limited shares offered in the LTIP calculated by multiplying the target number of shares by the fair value of the shares at grant date and amortised over the performance period. Where actual results or management estimates indicate that EPS components of plans have not vested or will not vest, amortisation ceases, and pre-expensed amounts are reversed.

4 A one-off equity grant to Mr West vesting on 21 February 2020 was made as a sign-on award to replace a portion of an incentive at his previous employer which was forfeited when commencing employment with the Group. Further details are provided in Section 11 Additional Disclosures.

8 KMP SENIOR EXECUTIVE EMPLOYMENT AGREEMENTS

Each KMP Senior Executive has a formal employment agreement. The agreements are of a continuing nature and have no set term.

A standardised approach to new executive employment agreements was implemented in 2015. There are variances in the termination entitlements provided in the legacy contracts as summarised below:

	Notice period and severance payments		
	Notice period by employer or executive (months)	Severance (provided unless executive resigns or is terminated for cause)	Restraint following termination (months)
A.M. Watkins	12	Not applicable	12
M.J. Roberts	6	Not applicable	6
K. Gunduz	3	Notice plus one month per year of service (capped at 12 months)	6
C.J. Litchfield	3	Notice plus one month per year of service (capped at 12 months)	6
P. West	6	Not applicable	6

In addition to the above, Ms Watkins' employment contract specifies that on cessation of employment the minimum one-year service requirement for pro-rata eligibility for existing LTIP grants does not apply.

9 NON-EXECUTIVE DIRECTOR FEES

The remuneration of Non-Executive Directors comprises Directors' fees (base plus Board Committee fees) and superannuation contributions. No element of remuneration is performance related.

Based on market information received from external remuneration consultants (via the Committee), Directors' fees are set and approved by the Board. Setting the fees considers the size and complexity of the Group's operations, the Directors' associated workload and their responsibility for the stewardship of Coca-Cola Amatil Limited.

No changes were made to Non-Executive Directors' fees during 2019.

The fees are paid within a maximum Directors' fee limit of $2.8 million, which was approved at the 2016 Annual General Meeting. This is a maximum limit and current fees fall below this limit.

Directors' fees

The annual Directors' fees (excluding superannuation contributions) payable to Non-Executive Directors for the year ended 31 December 2019 were as follows:

	Chairman fee $	Member fee $
Board of Directors	490,000	169,100
Audit & Finance Committee	35,000	17,500
Risk & Sustainability Committee	35,000	17,500
People Committee	35,000	17,500
Indonesia Board of Commissioners	–	25,000

No fees are payable in respect of membership of the Related Party Committee or the Nominations Committee. The Chairman of the Board does not receive any Committee fees.

Director shareholding requirement

Non-Executive Directors' are required to hold an amount equivalent to 50% of the pre-tax Director base fee within three years of appointment, and 100% within five years of appointment. This is subject to any share trading restrictions that may impact on meeting the requirement within the required time frames.

The requirement does not apply to TCCC nominee Directors given the significant shareholding held by TCCC, and their role as representatives of TCCC.

Superannuation contributions

In addition to Director fees, Coca-Cola Amatil Limited makes superannuation contributions up to the amount required by the Superannuation Guarantee legislation. If an exemption applies (such as that introduced by the recent legislation impacting Non-Executive Directors on multiple Boards), contributions will instead be made as cash.

Other benefits

Non-Executive Directors can access the staff sampling program that provides employees with a limited amount of company products for personal consumption.

9 NON-EXECUTIVE DIRECTOR FEES (CONTINUED)

The following table has been prepared in accordance with section 300A of the *Corporations Act 2001* and lists the amounts paid or payable for services provided by each Non-Executive Director during the year:

		Short-Term		Post-employment	
	Year	Base fees $	Committee fees $	Superannuation $	Total $
Non-Executive Directors					
I.R. Atlas, AO	2019	490,000	–	20,726	510,726
	2018	490,000	–	20,290	510,290
M. Borghetti, AO	2019	169,100	52,501	20,767	242,368
	2018	169,100	51,256	20,290	240,646
J.G. Chavero	2019	169,100	35,000	19,389	223,489
Appointed on 16 May 2018	2018	105,915	22,017	12,154	140,086
M.G. Johnson	2019	169,100	78,001	20,767	267,868
	2018	169,100	63,531	20,290	252,921
P.D. O'Sullivan	2019	169,100	57,065	20,482	246,647
	2018	169,100	35,309	19,419	223,828
K. Thirumalai	2019	169,100	35,000	19,389	223,489
	2018	169,100	34,644	19,356	223,100
P.A. Winn	2019	14,092	1,458	1,477	17,027
Commenced 2 December 2019					
Former Non-Executive Directors					
C.M. Brenner	2019	63,106	19,593	7,726	90,425
Resigned on 15 May 2019	2018	169,100	59,034	20,290	248,424
J.A. Coates	2019	155,008	16,042	16,250	187,300
Resigned on 29 November 2019	2018	140,917	11,096	13,876	165,889
M. Jansen					
Retired on 16 May 2018	2018	63,640	13,577	7,336	84,553
Total Non-Executive Directors	**2019**	**1,567,706**	**294,660**	**146,973**	**2,009,339**
	2018	**1,645,972**	**290,464**	**153,301**	**2,089,737**

10 KMP SHAREHOLDINGS

KMP Senior Executives

As noted earlier, to ensure alignment with Shareholders, a minimum shareholding requirement applies. Subject to any share trading restrictions that may impact the attainment of these thresholds within the guideline's time frames, the Group Managing Director is required to hold an amount equivalent to 100% of fixed remuneration. Other KMP Senior Executives are required to hold 50% of fixed remuneration in Coca-Cola Amatil Limited shares. A five-year time frame is permitted to attain this holding.

The table below shows the movements in shareholdings for KMP Senior Executives during 2019. These include:

— purchased shares and vested shares: either purchased on market or received through a Coca-Cola Amatil Limited share plan and no longer subject to any restrictions
— STIP shares: purchased as part of a STIP award that have not yet completed their holding period and remain subject to forfeiture in specific circumstances
— Employee Share Plan (MyAmatil) shares: purchased and matching shares that have not yet completed their holding period and remain subject to forfeiture in specific circumstances.

KMP Senior Executives		Opening balance	Purchased, granted or DRP[1]	Transfers/ others	Closing balance
A.M. Watkins	Purchased and vested shares	223,805	81,762	22,314	327,881
	STIP shares	14,831	14,966	(22,314)	7,483
		238,636	**96,728**	**–**	**335,364**
M.J. Roberts	Purchased and vested shares	27,957	17,066	14,087	59,110
	STIP shares	5,417	5,168	(8,001)	2,584
	Employee Share Plan shares	12,130	3,178	(6,086)	9,222
		45,504	**25,412**	**–**	**70,916**
K. Gunduz	Purchased and vested shares	86,563	18,867	15,718	121,148
	STIP shares	8,474	4,443	(10,696)	2,221
	Employee Share Plan shares	9,148	5,288	(5,022)	9,414
		104,185	**28,598**	**–**	**132,783**
C.J. Litchfield	Purchased and vested shares	75,190	16,994	19,938	112,122
	STIP shares	7,398	17,073	(15,935)	8,536
	Employee Share Plan shares	7,032	4,023	(4,003)	7,052
		89,620	**38,090**	**–**	**127,710**
P. West	Purchased and vested shares	–	–	3,305	3,305
	STIP shares	–	6,609	(3,305)	3,304
	Employee Share Plan shares	4,248	7,106	–	11,354
		4,248	**13,715**	**–**	**17,963**

1 Includes the purchase of shares and shares issued under the Dividend Reinvestment Plan (DRP) and shares granted under various employee ownership plans, including the vesting of the 2017-2019 LTIP.

Non-Executive Directors

As described earlier in this report, the Directors are required (subject to any share trading restrictions that may impact the attainment of thresholds within the guideline's time frames) to hold an amount equivalent to:

— 50% of the pre-tax Non-Executive Director base fee within three years of appointment
— 100% of the pre-tax Non-Executive Director base fee within five years of appointment.

The requirement does not apply to TCCC nominee Directors given the significant shareholding held by TCCC, and their role as representatives of TCCC.

The table below shows the movements in ordinary shares that were held by Non-Executive Directors in 2019:

	Opening balance[1]	Movements	Closing balance
Non-Executive Directors			
I.R. Atlas, AO	42,000	–	42,000
M. Borghetti, AO	15,994	–	15,994
J.G. Chavero	–	–	–
M.G. Johnson	10,000	–	10,000
P.D. O'Sullivan	22,500	–	22,500
K. Thirumalai[2]	8,100	–	8,100
P.A. Winn	–	–	–
Former Non-Executive Directors			
C.M. Brenner[3]	18,232	(18,232)	–
J.A. Coates[4]	–	–	–

1 Includes existing balances of shares on appointment to Non-Executive Director roles, and any shares held in the legacy Non-Executive Director retirement plan or Non-Executive Director share plan.
2 Shares held in the form of American Depository Receipts.
3 C.M. Brenner retired on 15 May 2019 and ceased to be a Non-Executive Director.
4 J.A. Coates resigned on 29 November 2019 and ceased to be a Non-Executive Director.

11 ADDITIONAL DISCLOSURES

Share rights held by KMP Senior Executives under the LTIP

The table below summarises the number of current share rights and their movements during the year.

	Plan	Grant date	Opening balance	Maximum number of share rights[1] Granted	Vested	Lapsed/Other	Closing balance
A.M. Watkins	2017-2019	16 May 2017	360,822	–	(79,741)	(281,081)	–
	2018-2020	16 May 2018	414,204	–	–	–	414,204
	2019-2021	3 June 2019	–	414,692	–	–	414,692
			775,026	**414,692**	**(79,741)**	**(281,081)**	**828,896**
M.J. Roberts	2017-2019	16 May 2017	77,222	–	(17,066)	(60,156)	–
	2018-2020	16 May 2018	88,646	–	–	–	88,646
	2019-2021	3 June 2019	–	88,752	–	–	88,752
			165,868	**88,752**	**(17,066)**	**(60,156)**	**177,398**
K. Gunduz	2017-2019	16 May 2017	60,588	–	(13,389)	(47,199)	–
	2018-2020	16 May 2018	68,338	–	–	–	68,338
	2019-2021	3 June 2019	–	72,684	–	–	72,684
			128,926	**72,684**	**(13,389)**	**(47,199)**	**141,022**
C.J. Litchfield	2017-2019	16 May 2017	52,152	–	(11,525)	(40,627)	–
	2018-2020	16 May 2018	58,370	–	–	–	58,370
	2019-2021	3 June 2019	–	63,980	–	–	63,980
			110,522	**63,980**	**(11,525)**	**(40,627)**	**122,350**
P. West	2018-2020	16 May 2018	54,437	–	–	–	54,437
	2019-2021	3 June 2019	–	109,004	–	–	109,004
			54,437	**109,004**	**–**	**–**	**163,441**

1 Numbers are quoted based on maximum potential vesting.

The table below provides the value[1] of share rights granted, vested or lapsed during the year.

	2019-2021 plan – granted Maximum $	2017-2019 plan – vested/lapsed At date vested $	At date lapsed[2] $
A.M. Watkins	2,347,157	199,353	1,549,424
M.J. Roberts	502,336	42,665	331,604
K. Gunduz	411,391	33,473	260,178
C.J. Litchfield	362,127	28,813	223,951
P. West	616,963	–	–

1 All values are calculated in accordance with AASB 2 Share-based Payment. The grant date value assumes target vesting, while the maximum, vested and lapsed amounts are based on the full number of rights granted.
2 Lapsed includes forfeited value and is calculated using the maximum value less the vested amount.

Share rights held by KMP Senior Executives under the LTIP (continued)

The table below provides a summary of vesting and forfeiture, the future financial years in which vesting may occur, and the estimated maximum total value of grants that could vest:

	Share-based compensation benefits Year granted	% vested	% forfeited	Financial years in which rights may vest	Maximum total value of grant yet to vest[1] $
A.M. Watkins	2019	–	–	2021	1,564,771
	2018	–	–	2020	1,088,896
	2017	22.1%	77.9%	2019	–
M.J. Roberts	2019	–	–	2021	334,891
	2018	–	–	2020	233,040
	2017	22.1%	77.9%	2019	–
K. Gunduz	2019	–	–	2021	274,261
	2018	–	–	2020	179,653
	2017	22.1%	77.9%	2019	–
C.J. Litchfield	2019	–	–	2021	241,418
	2018	–	–	2020	153,448
	2017	22.1%	77.9%	2019	–
P. West	2019	–	–	2021	411,308
	2018	–	–	2020	286,218

1 No grants will vest if the performance conditions are not satisfied; hence, the minimum value of the grants yet to vest is nil. The maximum value has been estimated based on the fair value per grant at the maximum achievement of the vesting scale less amounts already expensed at 31 December 2019.

The table below summarises the key terms of grants that have vested or lapsed during the year and that remain unvested as at 31 December 2019:

	Grant date	Vesting/ expiry date	Performance measure	Fair value at grant date per share right[1] $	Performance achieved[2]
KMP Senior Executives	16 May 2017	31 Dec 2019	Absolute TSR	2.50	133% vesting
			Relative TSR	3.58	Nil vesting
			EPS	8.46	Nil vesting
	16 May 2018	31 Dec 2020	Absolute TSR	3.02	To be determined
			Relative TSR	4.90	To be determined
			EPS	7.87	To be determined
	3 June 2019	31 Dec 2021	Absolute TSR	3.95	To be determined
			Relative TSR	7.37	To be determined

1 Fair values vary due to differing grant and vesting dates.
2 The rewards received under the LTIP are dependent on long-term performance; the 2018 and 2019 grants are still to be tested. The percentage of grants that will vest will be determined based upon the Group's performance at the end of each performance period.

11 ADDITIONAL DISCLOSURES (CONTINUED)

Other equity awards

As a result of Mr West, Managing Director, Australian Beverages joining Coca-Cola Amatil Limited in April 2018, Mr West forfeited a long-term incentive award related to his previous employment. Amatil agreed to provide a one-off equity award with a service period from April 2018 to February 2020. This award granted was conditional on verification from the previous employer that equity he had forfeited would have vested and the award only compensated for a portion of this forfeiture (i.e. one of the two tranches that he was forgoing).

Following verification received in December 2019, Amatil granted the share rights to Mr West on 5 February 2020 to the value of $695,625 (61,668 rights). Given this was an award to satisfy forfeiture of an incentive from a previous employer that was confirmed to have met its performance conditions and vested, there were no Amatil performance conditions attached to this award. Following completion of the service period from April 2018 to February 2020, the award will vest to Mr West on 21 February 2020.

Loans to KMP and other transactions of KMP and their personally related entities

Neither Coca-Cola Amatil Limited or its subsidiaries have loans with KMP or was party to any other transactions with KMP (including their personally related entities).

The Directors' Report has been signed in accordance with a resolution of the Directors.

Ilana R. Atlas, AO
Chairman
Sydney
20 February 2020

Alison M. Watkins
Group Managing Director
Sydney
20 February 2020

FINANCIAL REPORT

Coca-Cola Amatil Limited and its subsidiaries for the year ended 31 December 2019

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CONSOLIDATED INCOME STATEMENT

Coca-Cola Amatil Limited and its subsidiaries for the year ended 31 December

	Note	2019[1] $M	2018 $M
Continuing operations			
Trading revenue	2	5,070.6	4,752.3
Cost of goods sold		(2,974.7)	(2,751.4)
Delivery		(235.9)	(213.3)
Gross profit		**1,860.0**	**1,787.6**
Other revenue	2	41.5	49.7
Expenses[2]			
Selling		(677.2)	(637.0)
Warehousing and distribution		(177.1)	(173.2)
Support services and other[3]		(450.3)	(410.2)
	3	(1,304.6)	(1,220.4)
Share of profit from equity accounted investments		1.9	0.1
Earnings before interest and tax		**598.8**	**617.0**
Net finance costs			
Finance income		41.6	31.1
Finance costs[3]	3	(107.3)	(89.1)
		(65.7)	(58.0)
Profit before income tax		**533.1**	**559.0**
Income tax expense[3]	11a	(149.3)	(144.5)
Profit from continuing operations		**383.8**	**414.5**
Discontinued operation			
Profit/(loss) from discontinued operation, net of tax	12c	6.2	(122.5)
Profit for the year		**390.0**	**292.0**
Attributable to:			
Shareholders of Coca-Cola Amatil Limited		374.4	279.0
Non-controlling interests		15.6	13.0
Profit for the year		**390.0**	**292.0**
Basic and diluted earnings per share (EPS) attributable to Shareholders of Coca-Cola Amatil Limited		**¢**	**¢**
Group	5	51.7	38.5
Continuing operations	5	50.9	55.5

1 Leases have been accounted for under the new lease accounting standard AASB 16 for this period only; refer to pages 105 to 107 for further transition details.
2 Comparative amounts were restated for consistency with the current period's presentation.
3 Includes amounts classified as non-trading items. Refer to Notes 3b and 11a for further detail.

Notes appearing on pages 105 to 148 to be read as part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Coca-Cola Amatil Limited and its subsidiaries for the year ended 31 December

	2019 $M	2018 $M
Profit for the year	**390.0**	**292.0**
Other comprehensive income		
Items to be reclassified to the income statement in subsequent periods:		
Foreign exchange differences on translation of foreign operations	67.1	74.2
Reclassification of foreign exchange differences on disposal of businesses	–	3.1
Cash flow hedges	(7.1)	(17.8)
Income tax effect relating to cash flow hedges	2.7	5.2
Other reserve movements	1.4	6.1
Income tax effect relating to other reserve movements	(0.3)	(1.1)
	63.8	**69.7**
Items not to be reclassified to the income statement in subsequent periods:		
Actuarial valuation reserve	(0.3)	1.5
Income tax effect	0.1	(0.2)
	(0.2)	**1.3**
Other comprehensive income	**63.6**	**71.0**
Total comprehensive income for the year	**453.6**	**363.0**
Attributable to:		
Shareholders of Coca-Cola Amatil Limited	417.9	339.0
Non-controlling interests	35.7	24.0
Total comprehensive income for the year	**453.6**	**363.0**
Total comprehensive income for the year, attributable to Shareholders of Coca-Cola Amatil Limited arising from:		
Continuing operations	411.7	458.8
Discontinued operation	6.2	(119.8)
	417.9	**339.0**

Notes appearing on pages 105 to 148 to be read as part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Coca-Cola Amatil Limited and its subsidiaries for the year ended 31 December

	Note	Attributable to Shareholders of Coca-Cola Amatil Limited						
		Share capital $M	Treasury shares $M	Reserves $M	Accumulated losses $M	Total $M	Non-controlling interests $M	Total equity $M
At 1 January 2019		**1,920.1**	**(12.6)**	**323.4**	**(686.0)**	**1,544.9**	**355.1**	**1,900.0**
New accounting standard[1]		–	–	–	(37.0)	(37.0)	–	(37.0)
At 1 January 2019 (restated)		**1,920.1**	**(12.6)**	**323.4**	**(723.0)**	**1,507.9**	**355.1**	**1,863.0**
Total comprehensive income for the year		–	–	43.5	374.4	417.9	35.7	453.6
Disposal of discontinued operation		–	–	1.0	(1.0)	–	–	–
Transactions with Shareholders:								
Share-based remuneration		–	(0.4)	5.6	–	5.2	–	5.2
Dividends paid	4	–	–	–	(369.2)	(369.2)	(0.4)	(369.6)
		–	(0.4)	6.6	(370.2)	(364.0)	(0.4)	(364.4)
At 31 December 2019		**1,920.1**	**(13.0)**	**373.5**	**(718.8)**	**1,561.8**	**390.4**	**1,952.2**
At 1 January 2018		**1,920.5**	**(13.4)**	**262.5**	**(620.7)**	**1,548.9**	**331.4**	**1,880.3**
New accounting standard[1]		–	–	–	(4.1)	(4.1)	–	(4.1)
At 1 January 2018 (restated)		**1,920.5**	**(13.4)**	**262.5**	**(624.8)**	**1,544.8**	**331.4**	**1,876.2**
Total comprehensive income for the year		–	–	60.0	279.0	339.0	24.0	363.0
Transactions with Shareholders:								
Share-based remuneration		–	0.8	0.9	–	1.7	–	1.7
Share buy-back		(0.4)	–	–	–	(0.4)	–	(0.4)
Dividends paid	4	–	–	–	(340.2)	(340.2)	(0.3)	(340.5)
		(0.4)	**0.8**	**0.9**	**(340.2)**	**(338.9)**	**(0.3)**	**(339.2)**
At 31 December 2018		**1,920.1**	**(12.6)**	**323.4**	**(686.0)**	**1,544.9**	**355.1**	**1,900.0**

1 Refer to the overview section on pages 105 to 107 for details of the accounting standard changes.

Notes appearing on pages 105 to 148 to be read as part of the financial statements.

CONSOLIDATED BALANCE SHEET

Coca-Cola Amatil Limited and its subsidiaries as at 31 December

	Note	2019 $M	2018 $M
Current assets			
Cash assets	14a	856.0	937.4
Trade and other receivables	6	1,047.1	961.1
Inventories	6	646.4	626.1
Held to maturity investments	14	83.0	116.7
Derivatives	14d	27.0	21.2
Current tax assets	11b	39.5	34.0
Prepayments		74.1	63.5
Assets held for sale	12	1.1	55.2
Total current assets		**2,774.2**	**2,815.2**
Non-current assets			
Property, plant and equipment	7	1,825.7	1,855.0
Right of use assets[1]	8a	462.9	–
Intangible assets	9	1,262.7	1,252.4
Investments	12	66.5	65.2
Defined benefit superannuation plans	12a	14.4	16.7
Derivatives	14d	129.3	132.5
Other receivables		9.0	9.3
Prepayments		25.4	19.5
Loans receivable interest bearing	14	8.8	6.5
Total non-current assets		**3,804.7**	**3,357.1**
Total assets		**6,578.9**	**6,172.3**
Current liabilities			
Trade and other payables	6	1,246.0	1,246.8
Borrowings	14b	306.6	154.2
Other financial liabilities	14c	90.3	67.9
Lease liabilities[1]	8b	72.6	–
Employee benefits provisions	12b	109.7	82.4
Current tax liabilities	11b	21.2	14.8
Derivatives	14d	21.3	32.2
Liabilities associated with assets held for sale	12	–	45.2
Total current liabilities		**1,867.7**	**1,643.5**
Non-current liabilities			
Borrowings	14b	1,872.1	2,248.0
Lease liabilities[1]	8b	457.2	–
Employee benefits provisions	12b	12.1	11.6
Deferred tax liabilities[2]	11b	308.4	260.8
Defined benefit superannuation plans	12a	46.2	41.3
Derivatives	14d	63.0	67.1
Total non-current liabilities		**2,759.0**	**2,628.8**
Total liabilities		**4,626.7**	**4,272.3**
Net assets		**1,952.2**	**1,900.0**
Equity			
Share capital	13	1,920.1	1,920.1
Treasury shares	13	(13.0)	(12.6)
Reserves	13	373.5	323.4
Accumulated losses		(718.8)	(686.0)
Equity attributable to Shareholders of Coca-Cola Amatil Limited		**1,561.8**	**1,544.9**
Non-controlling interests		390.4	355.1
Total equity		**1,952.2**	**1,900.0**

1 Balances arise due to adoption of the new leasing accounting standard from 1 January 2019, refer to pages 105 to 107 for further transition details.
2 2019 includes a deferred tax asset of $20.1 million relating to the new leasing requirements.

Notes appearing on pages 105 to 148 to be read as part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Coca-Cola Amatil Limited and its subsidiaries for the year ended 31 December

	Note	2019 $M	2018 $M
Inflows/(outflows)			
Operating cash flows			
Receipts from customers		6,199.5	5,945.1
Payments to suppliers and employees[1]		(5,374.1)	(5,076.1)
Lease payments (interest component)[2]		(14.8)	–
Interest income received		42.3	23.0
Interest and other finance costs paid		(85.3)	(109.9)
Income taxes paid		(99.9)	(159.6)
Net operating cash flows	14a	**667.7**	**622.5**
Investing cash flows			
Payments for:			
— additions of property, plant and equipment		(204.3)	(306.7)
— additions of software development assets	9	(29.2)	(32.6)
— additions of other intangible assets	9	(1.3)	(0.4)
— investments		(5.2)	(37.4)
— acquisition of a business, net of cash acquired		–	(15.2)
— held to maturity investments		–	(113.6)
Proceeds from:			
— disposal of property, plant and equipment[3]		33.7	86.5
— disposal of business	12c	39.6	–
— held to maturity investments		33.3	–
— government grant relating to additions of property, plant and equipment		–	5.0
— dividends received from investments		0.2	0.3
Net investing cash flows		**(133.2)**	**(414.1)**
Financing cash flows			
Lease payments (principal component)[2]		(58.2)	–
Proceeds from borrowings and other financial liabilities		153.8	429.0
Borrowing repaid		(371.0)	(424.3)
Payments for share buy-back, including transaction costs		–	(0.4)
Dividends paid	4	(369.2)	(340.2)
Dividend paid to non-controlling interests		(0.4)	(0.3)
Loan given		(2.3)	(6.5)
Net financing cash flows		**(647.3)**	**(342.7)**
Net decrease in cash and cash equivalents		(112.8)	(134.3)
Cash and cash equivalents held at the beginning of the year		935.4	1,036.3
Effects of exchange rate changes on cash and cash equivalents		31.8	33.4
Cash and cash equivalents held at the end of the year	14a	**854.4**	**935.4**

1 Includes $39.0 million (2018: $56.5 million) of cash outflows relating to non-trading items of the respective period.
2 The balances arise or have been impacted by the adoption of the new leasing accounting standard from 1 January 2019; refer to pages 105 to 107 for further transition details. In the previous year, lease payments formed part of payments to suppliers and employees within operating cash flows. Under the new standard, lease payments (excluding short-term, low-value and variable leases) are allocated between interest and principal components and classified within operating and financing cash flows respectively.
3 Includes $27.6 million (2018: $82.9 million) of cash inflows relating to non-trading items of the respective period.

Notes appearing on pages 105 to 148 to be read as part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Coca-Cola Amatil Limited and its subsidiaries

OVERVIEW

Coca-Cola Amatil Limited (also referred to as Company) is a for-profit company limited by shares that is incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. Our registered office is located at Level 13, 40 Mount Street, North Sydney, NSW 2060. Coca-Cola Amatil Limited does not have a parent entity. The nature of the operations and principal activities of Coca-Cola Amatil Limited and its subsidiaries together (referred to as Group, we, us or our) are described in Note 1 Segment Reporting. This financial report was authorised for issue in accordance with a resolution of the Coca-Cola Amatil Limited Board of Directors on 20 February 2020.

BASIS OF PREPARATION

This general purpose financial report:

— is prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*

— has been prepared on the basis of historical cost, except for certain financial assets and liabilities which have been measured at fair value (Note 16)

— complies with International Financial Reporting Standards as issued by the International Accounting Standards Board

— is presented in Australian Dollars

— presents reclassified comparative information where necessary to conform to changes in presentation in the current period. Comparative information was not restated to reflect the adoption of AASB 16 Leases

— presents all values as rounded to the nearest hundred thousand dollars under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless stated otherwise

— is prepared in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations which requires:

a) the consolidated income statement is prepared on a continuing operations basis

b) the consolidated balance sheet assets and liabilities of the discontinued operation are disclosed on separate line items denoted as held for sale, only for the year in which the held for sale classification was made (2018)

c) the statement of cash flows is presented for the full Group

d) Note 12c provides financial information for the discontinued operation.

NEW AND AMENDED STANDARDS ADOPTED

2019

AASB 16 Leases
The Group adopted this standard from 1 January 2019. The Group elected to adopt the modified retrospective approach in transitioning to the standard which means that there is no restatement of comparative information.

a) Changes to accounting

i) In general
For a qualifying lease, we now recognise a right of use asset and lease liability based on the present value of future lease payments which excludes payments of a variable nature. The nature and structure of our lease portfolio is such that the interest rates implicit in the leases are not readily determinable. The Group therefore uses Incremental Borrowing Rates (IBRs) to discount the future value of lease payments. The IBR denotes the rate of interest that a lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to purchase an asset of a similar value to the right of use asset in a similar economic environment.

Lease payments (excluding payments for short-term, low-value and variable consideration leases), previously expensed within EBIT on a straight-line basis, now reduce the lease liability. The straight-line depreciation of the right of use asset is now expensed within EBIT. As the lease liability is carried at present value, an interest expense arises over the duration of the lease term.

The principal component of lease payments is reclassified in the statement of cash flows from operating to financing activities.

OVERVIEW (CONTINUED)

BASIS OF PREPARATION (CONTINUED)

AASB 16 Leases (continued)
ii) Transition
In adopting this standard, the opening lease liability balance has been determined as the present value of future lease payments discounted using applicable IBRs, for terms which approximate the remaining lease term as at 1 January 2019.

The opening right of use assets' balance has been determined as follows:
— for the Group's 14 largest property leases, which represent the bulk of the Group's total leases (by total committed future cash flows), as the present value of committed lease payments since commencement of the lease, less cumulative straight-line depreciation and utilising 1 January 2019 discount rates for durations equivalent to the remaining lease term. This approach results in an adjustment to opening accumulated losses
— for all other leases, as being equal to the opening lease liability.

The following practical expedients, allowed by the standard, were used:
— exclusion of leases with remaining terms of less than 12 months, from the new accounting requirements
— application of a single discount rate to each portfolio of leases with reasonably similar characteristics
— use of hindsight to determine the lease term for leases that include options to extend or terminate the lease.

The weighted average IBR applied to lease liabilities on 1 January 2019 was 3.0%.

Determination of the lease term is a key judgement exercised by management on a recurring basis. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

b) Financial impacts

The impacts on the financial statements and notes as at and for the year ended 31 December 2019 are shown throughout this report. At the date of transition, the new standard resulted in the following increases:

	$M
Balance sheet as at 1 January 2019	
Right of use assets	454.1
Lease liabilities	506.9
Deferred tax assets	15.8
Accumulated losses	37.0

For further details regarding additions, depreciation and other movements in right of use assets refer to Note 8a.

A reconciliation of total operating lease commitments as at 31 December 2018 (as disclosed in our 2018 financial report) to the opening lease liability, as above, is shown below:

Opening lease liability reconciliation	
Operating lease commitments as at 31 December 2018 payable:[1]	
— within one year	77.5
— later than one year but not later than five years	207.4
— later than five years	339.6
	624.5
Impact of discounting	(110.3)
Other factors	(7.3)
Lease liability as at 1 January 2019	506.9

1 Represents the undiscounted sum of committed future lease payments.

The Group's income statement was impacted (mainly in the Non-Alcohol Beverages – Australia segment) as follows:

	$M
Income statement (continuing operations) for the year ended 31 December 2019	
Operating lease expenses (previous lease accounting)[1]	79.5
Depreciation of right of use assets[1]	(68.9)
EBIT	10.6
Net finance costs	(14.8)
Profit before income tax	(4.2)
Income tax expense	1.2
Profit for the year	(3.0)

1 Under the previous standard, operating lease expenses were recognised within EBIT. Under the new standard, lease expenses are recognised in the income statement and comprise depreciation of right of use assets recognised within EBIT and interest expenses arising from lease liabilities recognised within net finance costs.

IFRIC 23 – Uncertainty over Income Tax Treatments
The Group adopted this interpretation from 1 January 2019. The introduction of this standard did not have any material impact on the Group's financial statements and accordingly, there are no retrospective adjustments.

2018

AASB 15 Revenue from Contracts with Customers
The Group adopted this standard from 1 January 2018. The introduction of this standard did not have any material impact on the Group's financial statements and accordingly, there are no retrospective adjustments.

Additional disclosures of the Group's unchanged revenue accounting policies as required by the standard are included in Note 2.

AASB 9 Financial Instruments
The Group had previously early adopted AASB 9 Financial Instruments – 2013, which was otherwise required to be adopted from 1 January 2018. The Group has adopted AASB 9 Financial Instruments – Impairment – 2014, from 1 January 2018. In adopting this standard, allowances for doubtful debts increased by $5.8 million, resulting in a decrease in deferred tax liabilities of $1.7 million and an increase in opening accumulated losses of $4.1 million as at 1 January 2018. These adjustments arose from moving to an expected credit losses approach for allowances for doubtful debts, as required by the new accounting standard. This change had an immaterial impact on the Group's income statement for the year ended 31 December 2018.

USE OF ESTIMATES

In applying the Group's accounting policies, management has made a number of estimates and assumptions concerning the future. The key estimates and assumptions that are material to the financial statements relate to the following areas:
— estimation of useful lives of property, plant and equipment and intangible assets, refer to Notes 7 and 9
— impairment testing of goodwill and indefinite life intangible assets, refer to Note 10
— income tax, refer to Note 11
— accruals for rebates and promotional allowances, refer to Note 6c
— net assets held for sale, refer to Note 12c.

PRINCIPLES OF CONSOLIDATION

SUBSIDIARIES

The consolidated financial statements of the Group comprise those of the parent entity, Coca-Cola Amatil Limited, and its subsidiaries. The Group controls an entity when it has power over the entity, is exposed to, and has the rights to, variable returns from its involvement with that entity and has the ability to affect those returns.

In preparing the consolidated financial statements, the effects of all intra-group 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 are made to bring into line any dissimilar accounting policies that may exist.

NON-CONTROLLING INTERESTS (NCIs)

The Group measures NCIs at their proportionate share of the subsidiary's identifiable net assets, results for the year and movements in reserves. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for in equity as transactions with Shareholders.

OVERVIEW (CONTINUED)

FOREIGN CURRENCY TRANSLATION

Both the functional and presentation currency of Coca-Cola Amatil Limited and its Australian subsidiaries is the Australian dollar. Each entity in the Group determines its own functional currency, reflecting the currency of the primary economic environment in which it operates.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Exchange rate gains or losses arising from the application of these procedures are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

The assets and liabilities of foreign subsidiaries are translated into Australian dollars by applying the rate ruling at balance date and revenue and expense items are translated at the average rate calculated for the period. Transactions in equity are translated by applying the rate ruling on the date of the transaction with no subsequent revaluation. The exchange differences arising from translation of the financial statements of foreign subsidiaries at these various exchange rates are recognised in other comprehensive income within the foreign currency translation reserve. When a foreign operation is sold, the associated exchange differences are reclassified to the income statement as part of the gain or loss on sale.

I OUR RESULTS

1 SEGMENT REPORTING

We operate in a number of segments, based on results that are reported to the Group Managing Director. The Australia, New Zealand & Fiji, and Indonesia & Papua New Guinea Non-Alcohol Beverages segments manufacture, distribute, market and sell sparkling beverages and other non-alcohol beverages. The Alcohol & Coffee Beverages segment manufactures, distributes, markets and sells alcohol and coffee products. The Corporate & Services segment includes other non-individually reportable businesses and comprises of the corporate office function for the Group, management of key property assets of Australia and New Zealand and the provision of certain support services to the Group and third-party customer businesses. The majority of the Group's revenues are recognised at the point in time at which products are delivered to the customer.

SPC results were previously reported under the Corporate, Food & Services segment. Following the decision to divest the business in 2018, SPC results and net assets which were designated as held for sale in 2018 were excluded and reported separately in Note 12c Discontinued Operation.

The Group's financial statements are affected by seasonality depending on the timing of certain festivities in the different countries within which Coca Cola Amatil operates. Typically, revenue, earnings and operating cash flows of Australian and New Zealand-based operations are greater in the second half of the financial year due to the Christmas holiday trading period, which can lead to associated effects on working capital components. Similarly, the Ramadan period positively impacts the timing of the Indonesian business's financial performance within the financial year.

Segment revenue is evaluated with reference to trading revenue. Segment results are evaluated on an earnings before interest, tax and non-trading items basis. Segment net assets include Net assets – Operating and Investing amounts (which excludes net debt). Net debt comprises of cash assets, held to maturity investments, interest bearing receivables, borrowings, debt related derivative assets and liabilities, and other financial and lease liabilities. 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. Inter-segment transactions are conducted on normal commercial terms and conditions.

SEGMENT INFORMATION

	Non-Alcohol Beverages											
	Australia		New Zealand & Fiji		Indonesia & Papua New Guinea		Alcohol & Coffee Beverages		Corporate & Services		Total	
Continuing operations	2019 $M	2018 $M	2019 $M	2018 $M	2019 $M	2018 $M	2019 $M	2018 $M	2019 $M	2018 $M	2019 $M	2018 $M
Segment revenue	**2,577.5**	**2,518.1**	**635.5**	**592.4**	**1,165.4**	**981.7**	**640.8**	**609.8**	**51.4**	**50.3**	**5,070.6**	**4,752.3**
EBITDA before non-trading items[1]	493.8	438.0	165.3	142.1	196.7	168.8	69.7	61.9	61.9	82.1	987.4	892.9
Depreciation expense – right of use assets[2]	(52.0)	–	(10.6)	–	(5.4)	–	(0.6)	–	(0.3)	–	(68.9)	–
Depreciation and amortisation expenses	(72.8)	(61.9)	(30.9)	(29.7)	(94.0)	(83.7)	(6.3)	(6.2)	(75.2)	(76.9)	(279.2)	(258.4)
Segment results	**369.0**	**376.1**	**123.8**	**112.4**	**97.3**	**85.1**	**62.8**	**55.7**	**(13.6)**	**5.2**	**639.3**	**634.5**
Non-trading items[3]											(40.5)	(17.5)
EBIT[1]											**598.8**	**617.0**
Other segment information												
Capital employed	1,188.7	1,110.7	392.5	400.9	850.5	817.5	307.0	315.7	482.0	583.0	3,220.7	3,227.8
Right of use assets, including related deferred tax assets[2]	409.3	–	58.4	–	11.2	–	3.1	–	1.0	–	483.0	–
Segment net assets	**1,598.0**	**1,110.7**	**450.9**	**400.9**	**861.7**	**817.5**	**310.1**	**315.7**	**483.0**	**583.0**	**3,703.7**	**3,227.8**
Net debt[4]											(1,751.5)	(1,327.8)
Net assets											**1,952.2**	**1,900.0**
Segment additions to non-current assets[5]	**110.7**	**111.5**	**37.6**	**41.1**	**81.4**	**103.7**	**13.0**	**5.8**	**67.7**	**103.1**	**310.4**	**365.2**

1 EBITDA refers to earnings before interest, tax, depreciation and amortisation while EBIT refers to earnings before interest and tax.
2 Balances arise due to impact of change to lease accounting, refer to pages 105 to 107 for further transition information.
3 Refer to Note 3b for further details.
4 Refer to Note 14 for further details.
5 Comprises of additions to investments, right of use assets, property, plant and equipment and intangible assets.

GEOGRAPHICAL INFORMATION

	Trading revenue[1]		Non-current assets[2]	
Continuing operations	2019 $M	2018 $M	2019 $M	2018 $M
Australia	3,096.0	3,014.8	2,180.6	1,810.1
New Zealand & Fiji	809.3	755.6	637.4	590.7
Indonesia & Papua New Guinea	1,165.3	981.9	799.8	771.8
	5,070.6	**4,752.3**	**3,617.8**	**3,172.6**

1 Reflects the customer geographic location of trading revenue earned by the Group.
2 Comprises of property, plant and equipment, right of use assets, intangible assets and investments.

I OUR RESULTS (CONTINUED)

2 REVENUE

	2019 $M	2018 $M
Trading revenue from continuing operations		
Sale of products	5,012.8	4,695.2
Rental of equipment and service fees	57.8	57.1
	5,070.6	**4,752.3**
Other revenue from continuing operations		
Rendering of services	13.0	12.1
Miscellaneous rental and sundry income	28.5	37.6
	41.5	**49.7**
	5,112.1	**4,802.0**

The Group earned 33.5% (2018: 35.6%) of its trading revenue from continuing operations from its top three customers mainly in Australia, being Woolworths Limited, Coles Group Limited and Metcash Limited (2018: Woolworths Limited, Wesfarmers Limited and Metcash Limited).

RECOGNITION AND MEASUREMENT

Sale of products
The Group sells a range of beverage products to wholesale, retail and consumer customers. A sale is recognised when control of the product has transferred, being when the product is delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the product has been shipped to the location specified by the customer and the customer accepts the product in accordance with agreed arrangements.

Revenue from sales is recognised based on the contract agreed between the customer and Coca-Cola Amatil. Contracts do not commit customers to purchasing anything nor commit Coca-Cola Amatil to deliver the same but set out the terms and conditions that apply between the parties at the time an order is placed by a customer and accepted by Coca-Cola Amatil. The terms and conditions cover a range of conditions including pricing, settlement of liabilities, return policies, provision and servicing of equipment and any other negotiated performance obligations.

No element of financing is present in the pricing arrangement. Settlement terms range from cash-on-delivery to credit terms ranging from 7 to 90 days. Terms reflect negotiations with customers, policies, procedures and controls held by each business as it relates to customer credit risk.

For customers who purchase on credit, a receivable is recognised when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Rental of equipment and service fees
The Group earns revenue from renting equipment that is used to dispense certain of its beverage products purchased by the customer. Rental agreements generally range from 12 to 24 months in duration and revenue is recognised on a straight-line basis over the term. Rental paid in advance is not recognised as revenue until the period the payment relates to has passed.

Service fee revenue mainly arises from container recycling services provided to manufacturers and distributors of eligible containers in certain Australian jurisdictions. Revenue is based on the volume of containers processed and is recognised as the service is delivered.

Financing components
As the Group does not have any contracts where the period between the transfer of the promised product or services to the customer and payment by the customer exceeds one year, it does not adjust any of the transaction prices for the time value of money.

3 EXPENSES

a) INCOME STATEMENT DISCLOSURE

	2019 $M	2018 $M
Profit before income tax from continuing operations includes the following specific expenses (excluding non-trading items):		
Remuneration and on-costs	764.9	733.9
Defined contribution and defined benefit superannuation expenses	50.4	50.0
Share-based payments expense	10.4	9.3
Employee related costs	825.7	793.2
Finance costs	92.5	103.6
Finance costs – lease liabilities	14.8	–
Depreciation expense[1]	315.7	230.8
Amortisation expense	31.4	27.6

1 2019 includes depreciation expense – right of use assets of $68.9 million.

b) Non-trading items

Transactions which are material to the financial statements individually or in aggregate and are either non-recurring or arise from activities other than those associated with Coca-Cola Amatil's ordinary trading activities are classified as non-trading items. Such transactions are included in the support services and other expenses, net finance costs and income tax expense line items within the income statement.

	2019 $M	2018 $M
Profit before income tax[1] from continuing operations includes the following amounts (by nature), which are classified as non-trading items:		
Gain from property sales	14.0	54.3
Redundancy employee costs	(27.0)	(23.2)
Impairment of non-current assets	(14.3)	–
Accelerated depreciation expense – plant and equipment	–	(6.1)
Other net expenses	(13.2)	(28.0)
	(40.5)	**(3.0)**

1 Refer to Note 11a for details of income tax on non-trading items.

These amounts have arisen mainly due to:
- sale of remainder of the Thebarton, South Australia property following closure of manufacturing operations. (2018: First lot of the Thebarton site, a surplus property in Auckland, New Zealand and sale and leaseback of the Kewdale, Western Australia manufacturing and warehousing site)
- the Australian beverages and Alcohol & Coffee businesses continuing transformation activities through implementing new and revised organisation designs across most functional areas
- impairment of various under-performing investment ($5.6 million) and plant and equipment ($8.7 million) assets mainly in Australia and Alcohol & Coffee
- accelerated depreciation charges (2018) and other costs relating to the Thebarton site closure
- costs associated with implementation of container deposit schemes
- 2018 included a non-recurring amount of interest income relating to a cross currency swap.

I OUR RESULTS (CONTINUED)

3 EXPENSES (CONTINUED)

RECOGNITION AND MEASUREMENT

Employee related costs

Employee related costs include wages and salaries, annual leave, sick leave, incentives, compensated absences and other benefits, which are charged against profit in their respective expense categories when services are provided by, or benefits vest with, the employee. The Group's contributions made to defined contribution superannuation plans are recognised as an expense when they fall due.

For accounting policies on defined benefit superannuation plans, provision for employee benefits and share-based payments, refer to Notes 12a, 12b and 18 respectively.

Finance costs

Finance costs mainly comprise of interest costs on borrowings, lease and other financial liabilities and the time value amounts under the defined benefit superannuation plans.

We record interest costs as expenses in the period in which they are incurred, except where they are included in the costs of qualifying assets.

4 DIVIDENDS

	2019 $M	2018 $M
a) SUMMARY OF DIVIDENDS PAID DURING THE YEAR		
Prior year final dividend		
Paid at 26.0¢ per share franked to 50% (2018: 26.0¢ per share franked to 70%)	188.2	188.2
Current year interim dividend		
Paid at 21.0¢ per share unfranked (2018: 21.0¢ per share franked to 65%)	152.0	152.0
Special – declared at 4.0¢ per share unfranked	29.0	–
	369.2	**340.2**
b) DIVIDENDS DECLARED AFTER BALANCE DATE AND NOT RECOGNISED AS LIABILITIES		
Current year final dividend		
Declared at 26.0¢ per share unfranked (2018: 26.0¢ per share franked to 50%)	**188.2**	**188.2**

The unfranked portion of the 2019 final dividend represents conduit foreign income.

	2019 $M	2018 $M
c) FRANKING BALANCE		
Balance at the end of the year	4.7	19.4
Franking debits which will arise from refund of income tax provided for in the financial statements	(33.0)	(20.1)
	(28.3)	**(0.7)**

d) DIVIDEND REINVESTMENT PLAN (DRP)

Our DRP is available to eligible Shareholders. The DRP provides eligible Shareholders with the opportunity to receive fully paid ordinary shares, in lieu of cash dividends, which are acquired on market, at the price calculated using the daily volume weighted average market price of Coca-Cola Amatil Limited shares during the 10 trading days commencing on the third trading day after the record date for the dividend. The ex dividend and record dates for the final dividend entitlement are 25 February 2020 and 26 February 2020 respectively.

5 EARNINGS PER SHARE

	2019 ¢	2018 ¢
Basic and diluted earnings per share (EPS) attributable to Shareholders of Coca-Cola Amatil Limited:		
Group	51.7	38.5
Continuing operations	50.9	55.5
Ongoing[1]	54.4	53.6
	M	**M**
The following provides share and earnings information used in the calculation of basic and diluted EPS:		
Weighted average number of ordinary shares on issue	724.0	724.0
	$M	**$M**
Profit for the year attributable to Shareholders of Coca-Cola Amatil Limited:		
Group	374.4	279.0
(Deduct)/add back: (profit)/loss from discontinued operation, net of tax	(6.2)	122.5
Continuing operations	368.2	401.5
Add back/(deduct): non-trading items after tax[2]	25.7	(13.2)
Ongoing	393.9	388.3

1 Ongoing refers to continuing operations results adjusted to exclude non-trading items.
2 Includes expenses from continuing operations of $40.5 million (2018: $3.0 million) (refer to Note 3b) and tax benefit of $14.8 million (2018: $16.2 million) (refer to Note 11a).

II OUR ASSETS AND LIABILITIES – OPERATING AND INVESTING

HOW THE GROUP MANAGES ITS OVERALL FINANCIAL POSITION

We manage the Group's overall financial position by segregating the balance sheet into two categories: Assets and Liabilities – Operating and Investing; and Capital – Financing. Assets and Liabilities – Operating and Investing is managed at the Group operations level while Capital – Financing (refer to Section III) is managed by the Group's centralised Treasury function.

Details of Assets and Liabilities – Operating and Investing are as follows:

	Note	2019 $M	2018 $M
Working capital	6	447.5	340.4
Property, plant and equipment	7	1,825.7	1,855.0
Intangible assets	9	1,262.7	1,252.4
Current and deferred tax liabilities (net)	11b	(310.2)	(241.6)
Derivative liabilities (non-debt related) (net)	14d	(27.5)	(27.3)
Other assets (net)	12	22.5	48.9
		3,220.7	**3,227.8**
Right of use assets, including related deferred tax asset ($20.1 million)[1]	8	483.0	–
		3,703.7	**3,227.8**
Capital – Financing	Section III	**3,703.7**	**3,227.8**

1 Arising from the new lease accounting standard; refer to pages 105 to 107 for further transition details.

6 WORKING CAPITAL

	Note	2019 $M	2018 $M
Trade and other receivables	6a	1,047.1	961.1
Inventories	6b	646.4	626.1
Trade and other payables	6c	(1,246.0)	(1,246.8)
		447.5	**340.4**

6a TRADE AND OTHER RECEIVABLES

	2019 $M	2018 $M
Trade receivables net of allowance for doubtful amounts	936.6	854.9
Other receivables	110.5	106.2
	1,047.1	**961.1**
Movement in the allowance for doubtful receivables		
At 1 January	(15.7)	(9.5)
AASB 9 adjustment[1]	–	(5.8)
Charged to the income statement	(9.0)	(3.8)
Written off against trade receivables	5.5	3.2
Reclassified to assets held for sale	–	0.5
Net foreign currency and other movements	(0.3)	(0.3)
At 31 December	**(19.5)**	**(15.7)**
Trade receivables past due but not impaired		
Under 30 days	58.6	63.5
31 – 90 days	26.3	28.4
Over 91 days	6.5	5.6

1 Refer to the overview section on page 107 for details of the accounting standard change.

RECOGNITION AND MEASUREMENT

Trade and other receivables are recognised at the face value of amounts due less an allowance for doubtful receivables. Doubtful receivables are determined using an expected credit loss approach whereby trade and other receivables that share the same or similar credit risk characteristics and debt ageing are grouped and then assessed for collectability as a whole.

Refer to Note 15b) ii) on credit risk of trade and other receivables.

For details of related party receivables included in trade and other receivables, refer to Note 17.

6b INVENTORIES

	2019 $M	2018 $M
Raw materials	264.3	233.1
Finished goods	264.9	287.7
Other (work in progress and consumable spare parts)	117.2	105.3
	646.4	**626.1**

RECOGNITION AND MEASUREMENT

Inventories are stated at the lower of cost (including fixed and variable factory overheads where applicable) and net realisable value. Cost is determined on the basis of first-in-first-out, average or standard – whichever is the most appropriate in each case. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Costs of inventories include the transfer from equity of gains or losses on qualifying cash flow hedges relating to inventory purchases.

6c TRADE AND OTHER PAYABLES

	2019 $M	2018 $M
Trade payables	601.3	597.2
Other payables	115.1	108.5
Accrued charges	529.6	541.1
	1,246.0	**1,246.8**

RECOGNITION AND MEASUREMENT

Trade and other payables are carried at amount due. Liabilities are brought to account for amounts payable in relation to goods received and services rendered, whether or not billed at the reporting date. Accrued charges represent accruals for marketing rebates, promotional allowances and amounts due for supplies and services received but not invoiced at the reporting date.

For details of related party payables included in trade and other payables, refer to Note 17.

KEY ESTIMATES

The accruals for rebates and promotional allowances that are raised are based on estimates of a range of factors including anticipated consumer purchases and product mix.

II OUR ASSETS AND LIABILITIES – OPERATING AND INVESTING (CONTINUED)

7 PROPERTY, PLANT AND EQUIPMENT

	Land $M	Buildings and leasehold improvements $M	Plant and equipment $M	Property, plant and equipment under construction $M	Total $M
31 December 2019					
Cost	186.4	535.8	3,215.3	273.9	4,211.4
Accumulated depreciation and impairment	–	(194.1)	(2,191.6)	–	(2,385.7)
	186.4	**341.7**	**1,023.7**	**273.9**	**1,825.7**
Movement:					
At 1 January 2019	183.8	333.6	1,039.1	298.5	1,855.0
Additions	–	0.2	4.6	205.0	209.8
Disposals[1]	(5.8)	(5.1)	(5.9)	–	(16.8)
Classified as held for sale	(0.9)	–	(0.2)	–	(1.1)
Depreciation expense	–	(21.1)	(225.7)	–	(246.8)
Impairment charges[1]	–	–	(10.2)	–	(10.2)
Reclassification	6.5	24.5	200.8	(231.8)	–
Net foreign currency and other movements	2.8	9.6	21.2	2.2	35.8
At 31 December 2019	**186.4**	**341.7**	**1,023.7**	**273.9**	**1,825.7**
31 December 2018					
Cost	183.8	504.3	3,152.2	298.5	4,138.8
Accumulated depreciation and impairment	–	(170.7)	(2,113.1)	–	(2,283.8)
	183.8	**333.6**	**1,039.1**	**298.5**	**1,855.0**
Movement:					
At 1 January 2018	212.5	343.7	1,071.7	236.9	1,864.8
Additions	–	0.3	6.9	306.7	313.9
Disposals[1]	(15.5)	(9.2)	(10.5)	–	(35.2)
Classified as held for sale[2]	(12.7)	(12.7)	(16.5)	(26.7)	(68.6)
Depreciation expense	–	(21.8)	(217.6)	–	(239.4)
Impairment charges[1]	–	–	(1.2)	–	(1.2)
Reclassification	–	22.2	186.2	(208.4)	–
Net foreign currency and other movements	(0.5)	11.1	20.1	(10.0)	20.7
At 31 December 2018	**183.8**	**333.6**	**1,039.1**	**298.5**	**1,855.0**
1 January 2018					
Cost	212.5	544.1	3,338.4	236.9	4,331.9
Accumulated depreciation and impairment	–	(200.4)	(2,266.7)	–	(2,467.1)
	212.5	**343.7**	**1,071.7**	**236.9**	**1,864.8**

1 Mainly relates to non-trading items; refer to Note 3b for further details.
2 Mainly relates to property, plant and equipment of the discontinued operation; refer to Note 12c for further details.

RECOGNITION AND MEASUREMENT

Carrying value and depreciation

Property, plant and equipment assets are stated at cost less accumulated depreciation and impairment. Cost includes the transfer from equity of gains or losses from cash flow hedges undertaken for the purchases of property, plant and equipment. Subsequent expenditure is capitalised when it is probable that future economic benefits associated with the expenditure will flow to the Group. Property, plant and equipment assets, other than land, are depreciated on a straight-line basis over the estimated useful lives of the assets and are tested for impairment when there is any indication of impairment. Useful life details of these assets were as follows:

Buildings and leasehold improvements	20 to 50 years
Plant and equipment	2 to 25 years

An item of property, plant and equipment is derecognised upon its disposal. Any gain or loss arising on derecognition (calculated by deducting the carrying amount and costs of disposal from proceeds) is included in the income statement in that financial year.

Impairment

Property, plant and equipment are tested for impairment in accordance with the policy for impairment testing disclosed in Note 10. An impairment loss is recognised when the carrying amount of property, plant and equipment exceeds its recoverable amount, which is defined as the greater of an asset's fair value less costs to sell, or value in use.

KEY ESTIMATES

Useful lives of assets are generally estimated based on historical experience. However, the future utilisation of assets is reviewed annually and considered against their remaining useful life with adjustments made when deemed necessary.

Capital expenditure commitments

	2019 $M	2018 $M
Estimated aggregate amount of contracts for purchase of property, plant and equipment not provided for, payable within one year	**52.7**	**82.5**

8 LEASES

8a RIGHT OF USE ASSETS

The Group enters non-cancellable leases on properties, motor vehicles, forklifts and other items of plant and equipment. Lease terms vary in length and generally, when approaching expiry, are either extended at the option of the Group or are renegotiated. Our leases mainly relate to properties in Australia and New Zealand.

	Property $M	Plant and equipment $M	Total $M
Cost	584.3	104.0	688.3
Accumulated depreciation	(205.1)	(20.3)	(225.4)
At 31 December 2019	**379.2**	**83.7**	**462.9**
Movement:			
Opening balances arising from adoption of AASB 16 Leases	401.3	52.8	454.1
Additions	10.2	54.7	64.9
Depreciation	(45.1)	(23.8)	(68.9)
Disposals	(0.6)	(1.0)	(1.6)
Classified as held for sale	(1.0)	–	(1.0)
Net foreign currency and other movements	14.4	1.0	15.4
At 31 December 2019	**379.2**	**83.7**	**462.9**

II OUR ASSETS AND LIABILITIES – OPERATING AND INVESTING (CONTINUED)

8b LEASE LIABILITIES

	Total $M
Movement:	
Opening balances arising from adoption of AASB 16 Leases	506.9
Additions	64.9
Interest	14.8
Repayments	(73.0)
Disposals	(1.6)
Classified as held for sale	(1.1)
Net foreign currency and other movements	18.9
At 31 December 2019	**529.8**
Current liabilities	72.6
Non-current liabilities	457.2
At 31 December 2019	**529.8**

8c SHORT-TERM, LOW-VALUE AND VARIABLE LEASES

As allowed by the Standard, there is no change to the recognition and measurement of short-term, low asset value and variable leases. Short-term leases are those with terms equal to or less than 12 months and low asset value leases include portable electronic devices and office equipment. The amounts recognised in EBIT for these leases are:

	Total $M
Lease type	
Short-term	20.4
Low-value	2.9
Variable	165.5

Short-term leases
In addition to payments made for leases with terms of less than 12 months, this disclosure amount also includes (and is mainly represented by) the fixed component of lease payments made for Australian product transportation services under contracts with less than 12 months remaining from the date of transition to the new standard. Such payments ordinarily fall into the new lease accounting requirements; however, Amatil applied the practical expedient available on transition which permitted such amounts to be treated as short-term leases.

Variable leases
This amount mainly consists of the variable component of lease payments made for the abovementioned product transportation services, whereby these components are dependent on various factors such as number of cases of product delivered, number of trips and pallets. Generally, the majority of these contracts are structured in a manner such that payments are dependent or linked to these factors, hence making these leases mainly variable in nature.

The total cash outflow for leases (including short-term, low-value and variable leases) in 2019 was $261.8 million.

For details on the overall transition methodology and implementation of AASB 16 Leases by Amatil, please refer to pages 105 to 107.

9 INTANGIBLE ASSETS

	Indefinite lives				Definite lives		
	Investments in bottlers' agreements $M	Goodwill $M	Brand names and trademarks $M	Other $M	Brand names and trademarks $M	Software development and other assets $M	Total $M
31 December 2019							
Cost	943.0	153.0	17.8	2.5	29.4	348.6	1,494.3
Accumulated amortisation and impairment	–	–	–	–	(19.9)	(211.7)	(231.6)
	943.0	**153.0**	**17.8**	**2.5**	**9.5**	**136.9**	**1,262.7**
Movement:							
At 1 January 2019	939.4	152.9	14.7	2.5	12.8	130.1	1,252.4
Additions	–	–	–	–	–	30.5	30.5
Disposals	–	–	–	–	–	(0.3)	(0.3)
Amortisation expense	–	–	–	–	(0.3)	(31.1)	(31.4)
Net foreign currency and other movements	3.6	0.1	3.1	–	(3.0)	7.7	11.5
At 31 December 2019	**943.0**	**153.0**	**17.8**	**2.5**	**9.5**	**136.9**	**1,262.7**
31 December 2018							
Cost	939.4	152.9	14.7	2.5	32.3	346.6	1,488.4
Accumulated amortisation and impairment	–	–	–	–	(19.5)	(216.5)	(236.0)
	939.4	**152.9**	**14.7**	**2.5**	**12.8**	**130.1**	**1,252.4**
Movement:							
At 1 January 2018	929.3	147.5	13.8	2.5	9.7	105.1	1,207.9
Additions	–	–	–	–	–	33.0	33.0
Acquisition of a business	–	6.2	–	–	–	14.1	20.3
Disposals	–	–	–	–	–	(4.2)	(4.2)
Amortisation expense	–	–	–	–	(0.3)	(27.3)	(27.6)
Net foreign currency and other movements	10.1	(0.8)	0.9	–	3.4	9.4	23.0
At 31 December 2018	**939.4**	**152.9**	**14.7**	**2.5**	**12.8**	**130.1**	**1,252.4**
At 1 January 2018							
Cost	929.3	147.5	112.1	2.5	28.5	319.2	1,539.1
Accumulated amortisation and impairment	–	–	(98.3)	–	(18.8)	(214.1)	(331.2)
	929.3	**147.5**	**13.8**	**2.5**	**9.7**	**105.1**	**1,207.9**

RECOGNITION AND MEASUREMENT

Indefinite lives

Indefinite life intangible assets, except for goodwill, are recognised initially at the date of acquisition at their fair value which is deemed to be cost.

Investments in bottlers' agreements (IBAs)
We have a number of bottling agreements with The Coca-Cola Company (TCCC) which provide Coca-Cola Amatil Limited with the exclusive rights to prepare, package, distribute and sell TCCC branded products in each of the six countries in which Coca-Cola Amatil Limited operates.

The agreements are for mainly 10-year terms and reflect the long and ongoing relationship between the Group and TCCC. No consideration is payable upon renewal or extension of the agreements.

In assessing the useful life of the agreements, consideration is given to the Group's history of dealings with TCCC since 1939, their established international practices and equity interests in the Group, participation of nominees of TCCC on Coca-Cola Amatil Limited's Board of Directors and the ongoing profitability of TCCC brands. Accordingly, no factor can be identified that would result in the agreements not being renewed or extended and therefore the agreements have been assessed as having indefinite useful lives, which require annual impairment testing.

Goodwill
Goodwill is the excess of the cost of a business acquisition over the fair value of net assets acquired. Goodwill is not amortised but is tested annually for impairment.

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II OUR ASSETS AND LIABILITIES – OPERATING AND INVESTING (CONTINUED)

9 INTANGIBLE ASSETS (CONTINUED)

RECOGNITION AND MEASUREMENT (CONTINUED)

Definite lives

Definite life intangible assets are recognised at cost. Assets acquired in a business acquisition are recognised at the date of acquisition at fair value, which is deemed to be cost. Following initial recognition, intangible assets are amortised on a straight-line basis over their useful lives and tested for impairment when there is any indication of impairment. Useful life details for these assets are as follows:

Brand names and trademarks	40 to 50 years
Software development and other assets	3 to 14 years

Any gain or loss arising on derecognition (calculated by deducting the carrying amount and costs of disposal from proceeds) is included in the income statement in that financial year.

Impairment

Intangible assets are tested for impairment in accordance with the policy for impairment testing assets disclosed in Note 10. In the case of definite life intangible assets where an impairment indicator exists, an impairment loss is recognised when the carrying amount of the assets exceeds its recoverable amount, which is defined as the greater of an asset's fair value less costs to sell, or value in use.

KEY ESTIMATES

Useful lives of assets are generally estimated based on historical experience. However, the condition and future utilisation of assets are reviewed annually and considered against their remaining useful life with adjustments made when deemed necessary.

10 IMPAIRMENT TESTING

RECOGNITION AND MEASUREMENT

At each reporting date, we assess whether there is an indication that an asset may be impaired. Where an indicator of impairment exists or where annual impairment testing for an asset is required, we make a formal estimate of its recoverable amount. An impairment loss will be recognised in the income statement for the amount by which the carrying value of an asset exceeds the recoverable amount, which is defined as the greater of an asset's fair value less costs to sell, or value in use. Non financial assets, other than goodwill, that suffered an impairment in prior periods are reviewed for possible reversal of the impairment at each reporting date.

A summary of intangible assets deemed to have indefinite lives is presented below:

	IBAs $M	Goodwill $M	Brand names and trademarks $M	Other $M	Total $M
31 December 2019					
Non-Alcohol Beverages					
— Australia	680.1	39.1	–	2.5	721.7
— New Zealand & Fiji	222.0	9.1	–	–	231.1
— Indonesia & Papua New Guinea	39.8	17.0	–	–	56.8
Alcohol & Coffee Beverages	1.1	74.1	17.8	–	93.0
Corporate & Services	–	13.7	–	–	13.7
	943.0	**153.0**	**17.8**	**2.5**	**1,116.3**
31 December 2018					
Non-Alcohol Beverages					
— Australia	691.9	38.9	–	2.5	733.3
— New Zealand & Fiji	208.1	9.2	–	–	217.3
— Indonesia & Papua New Guinea	38.4	16.1	–	–	54.5
Alcohol & Coffee Beverages	1.0	74.9	14.7	–	90.6
Corporate & Services	–	13.8	–	–	13.8
	939.4	**152.9**	**14.7**	**2.5**	**1,109.5**

KEY ESTIMATES

Methodology

Management uses the 'value-in-use' approach to determine the recoverable value of each cash generating unit (CGU). The value is based on the net present value of a 5-year forecast plus a terminal value estimation using appropriate perpetuity growth rates.

The 5-year cashflow forecast is based on:

— 3-year Board approved business plans, risk adjusted based on an assessment of the historical trends and level of accuracy of previous forecasts
— an assessment of sustainable growth for years 4 and 5 based on the risk adjusted trend for the first 3 years
— a terminal growth based an assessment of inflation and perpetual growth using market and economic data.

For the years beyond the 3-year business plans the forecast takes into consideration the following key inputs:

— Volumes – non-alcohol ready to drink (NARTD) market growth and share data (by category for Australia and Indonesia) and gross domestic product (GDP) growth externally sourced
— Pricing – long-term inflation rates, level of market competitiveness and trends
— EBIT Margin – historic and forecast trends, and management view of long-term sustainable margin
— Capital expenditure – percentage of forecast sales taking into account capacity requirements and age of assets
— Working capital movement – percentage of sales adjusted for trends.

Discount rates

Discount rates applied to our forecast cash flows represent the weighted average cost of capital (WACC) for the Group in relation to each CGU, risk adjusted where applicable. The local discount rates used are provided in the table below:

	2019 $M	2018 $M
Australia	7.2	7.2
New Zealand	7.1	7.1
Fiji	10.8	10.8
Indonesia	11.9	11.9
Papua New Guinea	14.6	14.1

Terminal growth rates

The terminal growth rates in real terms applied range from nil to 1.0%.

Impact of possible changes in key assumptions

Indonesia

The recoverable amount of the Indonesian CGU is estimated to be 5% above the carrying amount, which would be eliminated if the average annual revenue growth for the 5-year forecast period was reduced by 0.3% from 6.4% to 6.1%, the discount rate increased by 0.4% from 11.9% to 12.3% or the real terminal growth rate decreased by 0.5% from 1.0% to 0.5%.

Other CGUs

Based on current economic conditions and performances of our other CGUs, there are no reasonably possible changes in key assumptions used to determine recoverable amounts which would could cause recoverable amounts to decline below the carrying amounts for the CGUs.

II OUR ASSETS AND LIABILITIES – OPERATING AND INVESTING (CONTINUED)

11 INCOME TAX

a) INCOME TAX EXPENSE

	2019 $M	2018 $M
i) Total income tax expense:		
Current tax expense	83.7	137.1
Net deferred tax expense/(benefit)	65.2	(39.1)
Adjustment to current tax of prior periods	(1.2)	6.2
Total income tax expense	**147.7**	**104.2**
Total income tax expense includes:		
Income tax benefit from discontinued operation	(1.6)	(40.3)
Income tax benefit on non-trading items	(14.8)	(16.2)
ii) Reconciliation of Coca-Cola Amatil Limited's applicable (Australian) tax rate to the effective tax rate:		
Profit from continuing operations before income tax	533.1	559.0
Profit/(loss) from discontinued operation before income tax	4.6	(162.8)
	537.7	**396.2**
	%	%
Applicable (Australian) tax rate	30.0	30.0
Overseas tax rates differential	(1.6)	(2.0)
Non-assessable income	(0.4)	(1.0)
Recognition of previously unrecognised tax losses[1]	(1.5)	(3.2)
Non-allowable and other items	0.3	0.3
Derecognition of deferred tax assets[1]	0.3	1.2
Impairment of non-current assets[1]	0.4	1.0
Effective tax rate	**27.5**	**26.3**
Effective tax rate from continuing operations (excluding non-trading items)	28.6	28.6
	$M	$M
iii) Net deferred tax expense/(benefit) recognised in income tax expense relates to the following:		
Inventories and allowances for current assets	(0.4)	1.6
Accrued charges and employee expense obligations	(6.6)	5.5
Other deductible items (includes derivatives)	4.4	1.9
Property, plant and equipment and intangible assets	–	(1.5)
Right of use assets and lease liabilities	(3.9)	–
Retained earnings balances of overseas subsidiaries[2]	0.5	1.4
Recognition of previously unrecognised tax losses	2.8	(12.5)
Other taxable items (includes derivatives)	(3.1)	4.7
Disposal of previously impaired business[3]	71.5	(40.2)
	65.2	**(39.1)**

b) CURRENT AND DEFERRED TAX LIABILITIES (NET)

	2019 $M	2018 $M
Current tax assets	39.5	34.0
Current tax liabilities	(21.2)	(14.8)
Deferred tax liabilities	(308.4)	(260.8)
	(290.1)	**(241.6)**
Deferred tax liabilities recognised in the balance sheet relate to the following:		
Inventories and allowances for current assets	6.8	(24.7)
Accrued charges and employee expense obligations	(44.2)	(45.2)
Other deductible items (includes derivatives)	(19.8)	(20.0)
Property, plant and equipment and intangible assets	351.5	308.5
Right of use assets and lease liabilities	(20.1)	–
Retained earnings balances of overseas subsidiaries[2]	12.1	13.6
Other taxable items (includes derivatives)	22.1	28.6
	308.4	**260.8**

1 Mainly relates to non-trading items and discontinued operation; refer to Notes 3b and 12c for further details.
2 Represents withholding taxes payable on unremitted earnings of overseas subsidiaries.
3 Mainly relates to inventory and property, plant and equipment of disposed business.

RECOGNITION AND MEASUREMENT

Current tax
Current tax asset or liability represents amounts receivable or payable in relation to income taxes attributable to taxable profits of the current or prior financial years, less instalments of income tax paid. The tax rates and laws used to compute current taxes are those that are enacted or substantially enacted as at the reporting date.

Deferred tax
Deferred tax balances arise when there are temporary differences between accounting carrying amounts and the tax bases of assets and liabilities, other than for the following:

— where the difference arises from the initial recognition of an asset or liability in a transaction that is not an acquisition of a business and affects neither the accounting profit nor taxable profit or loss
— where temporary differences relate to investments in subsidiaries to the extent the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Australian tax consolidation
Coca-Cola Amatil Limited has a consolidated group for income tax purposes with each of its wholly-owned Australian subsidiaries. The entities within the tax consolidated group have entered a tax funding agreement whereby each subsidiary will compensate Coca-Cola Amatil Limited for the amount of tax payable that would be calculated as if the subsidiary was a taxpaying entity.

Coca-Cola Amatil Limited, as the head entity, and the subsidiaries in the tax consolidated group continue to account for their own current and deferred tax amounts. The amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right. The current tax balances are then transferred to Coca-Cola Amatil Limited via intercompany balances.

Tax reviews
Coca-Cola Amatil is subject to regular tax reviews across our jurisdictions and interacts with tax authorities on a range of issues as part of the ongoing operations of these tax authorities. In Australia, the Australian Taxation Office (ATO) rates Coca-Cola Amatil as a 'key taxpayer' and it is subject to the ATO's 'Top 100' assurance program using its justified trust methodology. At present, Coca-Cola Amatil is subject to ATO audits/reviews of income tax and excise. There are also ongoing audits/reviews in Indonesia and Papua New Guinea by their respective tax authorities. At present, Coca-Cola Amatil has not received notification of any material assessments from any tax authority in the jurisdictions in which it operates. In addition, Coca-Cola Amatil has responded to increased government and stakeholder focus by publishing an annual Tax Transparency Report in accordance with the terms of the Australian Voluntary Tax Transparency Code.

II OUR ASSETS AND LIABILITIES – OPERATING AND INVESTING (CONTINUED)

11 INCOME TAX (CONTINUED)

KEY ESTIMATES

In determining the Group's deferred tax assets and liabilities, management is required to make an estimate about the availability of future taxable profits and cash flows. Changes in circumstances will alter expectations, which may impact the amount of tax losses and temporary differences not yet recognised.

The details of unrecognised deductible temporary differences are as follows:

	2019 $M	2018 $M
Capital losses – no expiry date	1,289.3	903.9
Other items – no expiry date	35.4	35.4
	1,324.7	**939.3**
Potential tax benefit	**397.4**	**281.8**

The Group has determined as at the reporting date that future taxable profits and capital gains to utilise these tax assets are not sufficiently probable and therefore no deferred tax benefit has been recognised.

12 OTHER ASSETS (NET)

	Note	2019 $M	2018 $M
Prepayments – current and non-current		99.5	83.0
Assets held for sale[1]		1.1	55.2
Investments[2]		66.5	65.2
Defined benefit superannuation plans (net)	12a	(31.8)	(24.6)
Other receivables – non-current		9.0	9.3
Employee benefits provisions – current and non-current	12b	(121.8)	(94.0)
Liabilities associated with assets held for sale	12c	–	(45.2)
		22.5	**48.9**

1 2018 comprises $45.2 million of assets held for sale of the discontinued operation; refer to note 12c; and $10.0 million of property assets held for sale.
2 Comprises $25.1 million (2018: $29.0 million) investment in joint ventures, $34.3 million (2018: $34.1 million) investment in associates (mainly a 45% interest in Made (Aust) Pty Ltd, Made Manufacturing Pty Ltd and Made Brands Pty Ltd) and $7.1 million (2018: $2.1 million) in other investments.

12a DEFINED BENEFIT SUPERANNUATION PLANS

We sponsor a number of superannuation plans that incorporate defined contribution and defined benefit categories. The defined benefit plans are the Coca-Cola Amatil Superannuation Plan (CCASP), which is predominantly Australia-based, and the CCBI Superannuation Plan (CCBISP), which is Indonesia-based (collectively Plans). The defined benefit category for the CCASP is closed to new entrants. The Plans provide benefits for employees or their dependants on retirement, resignation or death. In the majority of cases, this takes the form of lump sum payments.

The obligation to contribute to the Plans is covered by a combination of trust deeds, legislation and regulatory requirements. Contributions are made at levels necessary to ensure the Plans have sufficient assets to meet their vested benefit obligations. The rate of contribution is based on a percentage of employees' salaries and wages and is regularly reviewed and adjusted based on actuarial advice.

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

	CCASP[1]		CCBISP[2]		Total	
	2019 $M	2018 $M	2019 $M	2018 $M	2019 $M	2018 $M
a) BALANCES RECOGNISED IN THE BALANCE SHEET						
Present value of defined benefit obligations at the end of the year	55.4	53.9	46.2	41.3	101.6	95.2
Fair value of plan assets at the end of the year	(69.8)	(70.6)	–	–	(69.8)	(70.6)
Net defined benefit (assets)/liabilities	**(14.4)**	**(16.7)**	**46.2**	**41.3**	**31.8**	**24.6**
b) EXPENSE RECOGNISED IN THE INCOME STATEMENT						
Service cost	2.3	2.5	3.1	3.3	5.4	5.8
Curtailment loss	–	1.1	–	–	–	1.1
Interest income on defined benefit superannuation assets	(0.7)	(1.0)	–	–	(0.7)	(1.0)
Interest cost on defined benefit superannuation liabilities	–	–	3.5	2.8	3.5	2.8
	1.6	**2.6**	**6.6**	**6.1**	**8.2**	**8.7**
c) AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE INCOME						
Actuarial losses/(gains) – experience	1.1	0.4	(0.2)	(0.2)	0.9	0.2
Actuarial losses/(gains) – financial assumptions	5.3	0.4	–	(5.0)	5.3	(4.6)
Actuarial losses/(gains) arising during the year	6.4	0.8	(0.2)	(5.2)	6.2	(4.4)
Return on plan assets (greater)/less than discount rate	(5.9)	2.9	–	–	(5.9)	2.9
Remeasurement recognised in other comprehensive income	**0.5**	**3.7**	**(0.2)**	**(5.2)**	**0.3**	**(1.5)**
d) MOVEMENT IN DEFINED BENEFIT OBLIGATIONS						
Present value at the beginning of the year	53.9	64.6	41.3	42.9	95.2	107.5
Service cost	2.3	2.5	3.1	3.3	5.4	5.8
Interest cost	2.2	2.6	3.5	2.8	5.7	5.4
Curtailment loss	–	1.1	–	–	–	1.1
Actuarial losses/(gains)	6.4	0.8	(0.2)	(5.2)	6.2	(4.4)
Benefits paid from plan assets or by plan employer respectively	(9.0)	(17.5)	(3.9)	(3.5)	(12.9)	(21.0)
Net foreign currency and other movements	(0.4)	(0.2)	2.4	1.0	2.0	0.8
Present value at the end of the year	**55.4**	**53.9**	**46.2**	**41.3**	**101.6**	**95.2**
e) MOVEMENT IN PLAN ASSETS						
Fair value at the beginning of the year	(70.6)	(87.6)	–	–	(70.6)	(87.6)
Interest income	(2.9)	(3.6)	–	–	(2.9)	(3.6)
Return (greater)/less than discount rate	(5.9)	2.9	–	–	(5.9)	2.9
Benefits paid	9.0	17.5	–	–	9.0	17.5
Other movements	0.6	0.2	–	–	0.6	0.2
Fair value at the end of the year	**(69.8)**	**(70.6)**	**–**	**–**	**(69.8)**	**(70.6)**

1 CCASP's assets include no amounts relating to any of Coca-Cola Amatil Limited's own financial instruments, or any property occupied by, or other assets used by, Coca-Cola Amatil Limited.
2 CCBISP has no plan assets. PT Coca-Cola Bottling Indonesia and PT Coca-Cola Distribution Indonesia, in total, accrue CCBISP's liabilities as per the actuarial assessment.

II OUR ASSETS AND LIABILITIES – OPERATING AND INVESTING (CONTINUED)

12a DEFINED BENEFIT SUPERANNUATION PLANS (CONTINUED)

	CCASP		CCBISP	
	2019 %	2018 %	2019 %	2018 %
f) PLAN ASSETS				
The percentage invested in each asset class at the reporting date was:				
Equity instruments	35.1	36.7	–	–
Debt instruments	28.0	29.1	–	–
Real estate	4.8	5.0	–	–
Cash and cash equivalents	11.4	13.8	–	–
Other	20.7	15.4	–	–
	100.0	**100.0**	**–**	**–**
g) PRINCIPAL ACTUARIAL ASSUMPTIONS				
Used at reporting date to measure defined benefit obligations of each plan (p.a.):				
Discount rate	2.6	4.3	7.3	8.3
Future salary increases	2.3	2.5	7.0	8.0
Future inflation	2.0	2.0	3.5	4.5
Future pension increases	2.0	2.0	–	–

h) EXPECTED FUTURE CONTRIBUTIONS

Coca-Cola Amatil Limited contributions are agreed between the Plan trustees and Coca-Cola Amatil Limited, following advice from the Plan actuary at least every three years (or more frequently if circumstances require).

Vested benefit obligations represent the estimated total amount that the Plans would be required to pay if all defined benefit members were to voluntarily leave the Plans on the particular valuation date. However, the liability recognised in the balance sheet is based on the projected benefit obligation which represents the present value of employee benefits accrued to date, assuming that employees will continue to work and be members of the Plans until their exit. The projected benefit obligation takes into account future increases in an employee's salary and provides a longer-term view of the financial position of the Plans.

i) MATURITY PROFILE OF DEFINED BENEFIT OBLIGATIONS

The weighted average durations of the defined benefit obligation for CCASP and CCBISP are 7.2 and 8.2 years respectively.

RECOGNITION AND MEASUREMENT

Current and adjusted prior period related service costs are recognised in the income statement as they accrue. Interest is recognised in the income statement for implied returns on plan assets (interest income), and for changes in the time value of plan obligations (interest expense), using the applicable discount rate. Revaluation adjustments arising from changes in actuarial assumptions, and differences between actual and implied returns on plan assets are recognised in other comprehensive income within the actuarial valuation reserve.

12b EMPLOYEE BENEFITS PROVISIONS

	2019 $M	2018 $M
Current	109.7	82.4
Non-current	12.1	11.6
	121.8	**94.0**

RECOGNITION AND MEASUREMENT

Employee benefits
Employee benefits provisions include liabilities for benefits accumulated as a result of employees rendering services up to balance date, including related on-costs, in relation to annual, sick, long service and other leave, incentives, termination and other benefits. These benefits are charged to the income statement when services are provided and to the extent the benefits are expected to vest with employees. Employee benefits provisions are measured at remuneration rates expected to be applicable to future payments which settle these liabilities and are discounted back to the reporting date using market yields on corporate bonds with maturities aligned to the estimated timing of settlement payments.

Termination benefits included in employee benefits are recognised as an expense when the Group is committed to a formal detailed plan to terminate employees before their normal retirement date, and the Group can no longer withdraw the termination offer.

12c DISCONTINUED OPERATION

SALE OF SPC

On 30 November 2018, the Group announced that the 2018 strategic review of SPC had concluded with a decision to proceed toward divestment. The associated assets and liabilities were consequently presented as held for sale in the 2018 financial statements and assessed for impairment in accordance with accounting standards, resulting in the net assets being reduced to a nil carrying amount.

On 28 June 2019, the sale of the business was completed and financial information relating to the discontinued operation is set out below:

	2019[1] $M	2018 $M
Assets and liabilities of the discontinued operation		
Assets		
Receivables and prepayments	41.6	36.3
Inventories	27.1	5.5
Property, plant and equipment	5.8	3.4
Total assets	**74.5**	**45.2**
Liabilities		
Trade and other payables	34.8	39.0
Provisions	5.5	6.2
Total liabilities	**40.3**	**45.2**
Net assets of the discontinued operation	**34.2**	**–**

1 Balances were disposed on 28 June 2019.

	2019 $M	2018 $M
Results of the discontinued operation		
Revenue	99.3	210.2
Expenses	(108.4)	(223.0)
Impairment expense	–	(146.9)
Gain from changes in fair value of previously impaired assets	13.7	–
EBIT	**4.6**	**(159.7)**
Net finance costs	–	(3.1)
Profit/(loss) before income tax	**4.6**	**(162.8)**
Income tax benefit	1.6	40.3
Profit/(loss) after tax from discontinued operation	**6.2**	**(122.5)**
Cash flows of the discontinued operation		
Net operating cash flows	(28.9)	(26.6)
Proceeds from disposal of business	39.6	–
Payments for additions of property, plant and equipment	(4.1)	(18.1)
Net investing cash flows	35.5	(18.1)
Net financing cash flows	–	(0.3)
Net increase/(decrease) in cash and cash equivalents generated by the discontinued operation	**6.6**	**(45.0)**
Contribution to earnings per share (EPS) by the discontinued operation		
Basic and diluted EPS (cents)	**0.9**	**(17.0)**
Gain on disposal		
Total consideration	49.6	–
Carrying amount of net assets disposed	(34.2)	–
Transaction costs	(1.7)	–
Gain from changes in fair value of previously impaired assets	13.7	
Income tax benefit	0.1	–
	13.8	**–**

KEY ESTIMATES

Assets held for sale are carried at the lower of carrying value or fair value less costs to sell. Judgement is required to determine the fair value less costs to sell of certain assets. During the comparative period the net assets of SPC were classified as held for sale with the net assets to be sold impaired to $nil. In determining the fair value less costs to sell for the SPC net assets, consideration was given to non-binding sales offers and costs of disposal which are inherently subject to estimation and therefore actual outcomes may vary on sale completion.

III OUR CAPITAL – FINANCING

HOW THE GROUP MANAGES ITS CAPITAL – FINANCING

We manage our capital to ensure that entities in the Group have continued access to funding to support the business activities and strategies of the Group while maximising returns to Shareholders through the optimisation of net debt and equity balances.

Our capital is equity plus net debt. Net debt is calculated as the sum of borrowings, debt related derivatives and other financial and lease liabilities, less cash assets and held to maturity investments.

In order to maintain or adjust our capital structure, the Group may undertake certain activities such as adjusting the amount of dividends paid to Shareholders, return equity to Shareholders, issue new shares or buy back existing shares. The Group continuously reviews the capital structure to ensure that:

— sufficient finance for the business is maintained at a reasonable cost
— sufficient funds are available for the business to carry out its investing activities, such as purchasing of property, plant and equipment and acquisitions of businesses
— distributions to Shareholders are maintained within stated dividend policy parameters
— where funds are or will be in excess to that required to enact the Group's business strategies, the return of equity funds to Shareholders is considered.

Details of Capital – Financing are as follows:

	Note	2019 $M	2018 $M
Equity	13	1,952.2	1,900.0
Net debt[1]	14	1,751.5	1,327.8
		3,703.7	**3,227.8**

1 Increase is due to $529.8 million of lease liabilities.

13 EQUITY

	Note	2019 $M	2018 $M
Share capital	13a	1,920.1	1,920.1
Treasury shares	13b	(13.0)	(12.6)
Reserves	13c	373.5	323.4
Accumulated losses		(718.8)	(686.0)
Non-controlling interests		390.4	355.1
		1,952.2	**1,900.0**
		$	$
Net tangible assets per share[1]		(0.23)	0.40
Net tangible assets per share (before lease accounting changes)[2]		0.48	0.40

1 Calculated by excluding right of use assets from the assets base.
2 Arising from the new lease accounting standard; refer to pages 105 to 107 for further transition details.

13a SHARE CAPITAL

The number of fully paid ordinary shares on issue is unchanged from 2018 at 723,999,699.

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 issued. 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.

13b TREASURY SHARES

This account is used to record purchases of Coca-Cola Amatil Limited ordinary shares to satisfy obligations to provide shares to employees in accordance with the requirements of employee ownership plans. At 31 December 2019, these shares have not vested to employees and therefore are controlled by the Group. Refer to Notes 13c and 18 for further information on the share-based remuneration reserve and employee ownership plans respectively.

13c RESERVES

	2019 $M	2018 $M
Foreign currency translation	(20.7)	(67.6)
Share-based remuneration	29.6	23.0
General	342.7	342.7
Actuarial valuation	28.5	28.8
Cash flow hedging	(21.0)	(16.8)
Other	14.4	13.3
	373.5	**323.4**

NATURE AND PURPOSE OF RESERVES

Foreign currency translation
This reserve aggregates the translation differences arising from the translation of the financial statements of foreign subsidiaries as described in the foreign currency translation policy described in the overview on page 108.

Share-based remuneration
This reserve is used to record obligations to provide employees with Coca-Cola Amatil Limited ordinary shares in accordance with employee ownership plans (including tax effects). Refer to Notes 13b and 18 for further information regarding treasury shares and employee ownership plans respectively.

General
This reserve relates to The Coca-Cola Company's 29.4% investment in Coca-Cola Amatil Limited's Indonesian business (PT Coca-Cola Bottling Indonesia), which arose from the 2015 transaction between equity holders of Coca-Cola Amatil Limited and recognised in reserves.

Actuarial valuation
This reserve is used to record movements in defined benefit superannuation plan assets and liabilities due to revaluations arising from changes in actuarial assumptions and differences between actual and implied returns on plan assets (including tax effects). Refer to Note 12a for further information.

Cash flow hedging
This reserve is mainly used to record the revaluation impact of recognising financial assets and liabilities at fair value (including tax effects) where these financial assets and liabilities are used as cash flow hedges and qualify for hedge accounting. Refer to Note 14d for further information.

Movements in the reserve were as follows:

	2019 $M	2018 $M
Opening balance	(16.8)	(3.1)
Derivative revaluation	(0.6)	(25.8)
Cash revaluation[1]	(3.3)	6.1
Other movements	(3.3)	1.9
Deferred tax effect	2.8	5.2
Total movements recognised in other comprehensive income	**(4.4)**	**(12.6)**
Non-controlling interests	0.2	(1.1)
Closing balance	**(21.0)**	**(16.8)**

1 Movements in the Australian value of cash held in foreign currencies that are in hedge relationships relating to forecast capital expenditure and raw material purchases.

III OUR CAPITAL – FINANCING (CONTINUED)

13c RESERVES (CONTINUED)

Other

This reserve is used to record currency basis (which is the cost or benefit of exchanging one floating currency for another) of debt related derivatives hedging foreign currency denominated bonds, credit risk of derivative hedges and the time value portion of options used to hedge foreign currency and interest related exposures.

Movements in the reserve were as follows:

	Note	2019 $M	2018 $M
Opening balance		13.3	8.3
Currency basis		(1.0)	4.4
Credit risk		1.9	(1.4)
Time value of options		0.3	3.1
Deferred tax effect		(0.1)	(1.1)
Total movement recognised in other comprehensive income		**1.1**	**5.0**
Closing balance		**14.4**	**13.3**

14 NET DEBT

	Note	2019 $M	2018 $M
Cash assets	14a	(856.0)	(937.4)
Loans receivable interest bearing		(8.8)	(6.5)
Borrowings – current	14b	306.6	154.2
Borrowings – non-current	14b	1,872.1	2,248.0
Other financial liabilities	14c	90.3	67.9
Held to maturity investments[1]		(83.0)	(116.7)
Derivative assets – debt related (net)	14d	(99.5)	(81.7)
		1,221.7	**1,327.8**
Lease liabilities	8b	529.8	–
		1,751.5	**1,327.8**

1 Represents investments in Papua New Guinean government bonds and are recognised at amortised cost.

14a CASH AND CASH EQUIVALENTS

	2019 $M	2018 $M
Cash on hand and at banks	498.4	374.8
Short-term deposits	357.6	562.6
Cash assets	856.0	937.4
Bank overdrafts	(1.6)	(2.0)
	854.4	**935.4**

RECOGNITION AND MEASUREMENT

Cash assets comprises cash on hand, cash at banks and short-term deposits with a maturity of one year or less that are repayable to the Group on demand and are subject to an insignificant risk of changes in value.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods, depending on the near-term cash requirements of the Group and earn interest at the respective short-term deposit rates.

RESTRICTIONS ON CASH HELD IN PAPUA NEW GUINEA

As at 31 December 2019, Coca-Cola Amatil's Papua New Guinea business had local currency (Kina) denominated cash assets and funds in held to maturity investments of $213.9 million (PGK 508.2 million) (2018: $291.1 million (PGK 692.5 million)). Presently, there are Papua New Guinean government-imposed currency controls which impact the extent to which the cash held in Papua New Guinea can be remitted for use elsewhere in the Group.

	2019 $M	2018 $M
Reconciliation of earnings before interest and tax (EBIT) to net operating cash flows		
EBIT from continuing operations	598.8	617.0
EBIT from discontinued operation	4.6	(159.7)
	603.4	457.3
Adjustments for:		
Depreciation and amortisation expenses	279.7	267.0
Depreciation expense – right of use assets[1]	69.1	–
Impairment charges[2]	15.8	148.1
Changes in adjusted working capital[3]	(115.5)	43.6
Net interest and other finance costs paid	(43.0)	(86.9)
Lease payments (interest component)[1]	(14.8)	–
Income taxes paid	(99.9)	(159.6)
Other items (refer below)	(27.1)	(47.0)
	64.3	165.2
Net operating cash flows	**667.7**	**622.5**
Other items comprise of the following:		
Share of profit from equity accounted investments	(1.9)	(0.1)
Profit from disposal of property, plant and equipment[2]	(19.5)	(47.9)
Profit from disposal of business	(13.7)	–
Movements in:		
— prepayments	(16.2)	4.3
— provisions	26.5	(27.9)
— sundry items	(2.3)	24.6
	(27.1)	**(47.0)**

1 Balances arise due to adoption of the new leasing accounting standard from 1 January 2019, refer to pages 105 to 107 for further transition details.
2 Mainly comprises of non-trading items; refer to Note 3b for further details.
3 Working capital is adjusted to exclude the impact of non-cash flow and non-operating items such as foreign exchange translation, acquisitions and disposals of businesses and trade and other payables relating to additions of property, plant and equipment.

RECONCILIATION OF MOVEMENTS IN LIABILITIES ARISING FROM FINANCING ACTIVITIES TO NET FINANCING CASH FLOWS

	2018					2019			
	Opening balance $M	Cash flows $M	Foreign exchange $M	Other movements $M	Closing balance $M	Cash flows $M	Foreign exchange $M	Other movements $M	Closing balance $M
Bonds	2,314.1	(201.2)	5.0	38.1[1]	2,156.0	(17.9)	1.3	17.7[1]	2,157.1
Bank loans	29.1	210.0	–	0.9[1]	240.0	(220.0)	–	–	20.0
Other financial liabilities and borrowings	69.9	(4.1)	6.3	–	72.1	20.7	(2.5)	–	90.3
Derivatives – debt related (net)	(39.6)	–	–	(42.1)[1]	(81.7)	–	–	(17.8)[1]	(99.5)
Lease liabilities	–	–	–	–	–	(58.2)	–	588.0[2]	529.8
Total liabilities from financing activities	2,373.5	4.7	11.3	(3.1)	2,386.4	(275.4)	(1.2)	587.9	2,697.7
Payments for share buy-back		(0.4)				–			
Loan given		(6.5)				(2.3)			
Dividends paid		(340.5)				(369.6)			
Net financing cash flows		**(342.7)**				**(647.3)**			

1 Mainly relates to foreign currency movements attributable to bonds hedged with foreign currency swaps (these swaps are classified as Derivatives – debt related; refer to note 14d for further details).
2 For details of movements in lease liabilities refer to note 8b.

III OUR CAPITAL – FINANCING (CONTINUED)

14b BORROWINGS

	2019 $M	2018 $M
Current		
Unsecured:		
Bonds	305.0	150.9
Bank overdrafts	1.6	2.0
Other	–	1.3
	306.6	**154.2**
Non-current		
Unsecured:		
Bonds	1,198.0	1,370.0
Bonds (swapped into local currency)[1]	654.1	635.1
Bank loans	20.0	240.0
Other	–	2.9
	1,872.1	**2,248.0**

1 Cross currency swaps are used by the Group to swap foreign currency bonds into the required local currency. These swaps are recognised within derivatives – debt related; refer to note 14d.

RECOGNITION AND MEASUREMENT

Borrowings are initially recognised at fair value at settlement date and subsequently at amortised cost using the effective interest method, net of associated transaction costs. Borrowings are derecognised when the obligation under the liability is discharged, cancelled or expired.

14c OTHER FINANCIAL LIABILITIES

COLLATERAL

The Group, as part of its capital and risk management strategy, uses financial instruments to hedge the Group's exposure to adverse fluctuations in market risks. The hedges are marked-to-market, to determine fair value, at regular intervals to test for hedge effectiveness between the underlying hedged item and the hedging instrument.

Due to changes in the fair value of the hedge contracts and to minimise the impact of credit default, the Group received $90.3 million (USD 63.0 million) as cash collateral pledged from external counterparties (2018: $67.9 million (USD 48.0 million)). Coca-Cola Amatil Limited holds the collateral under agreements to provide protection against credit risk exposure by its counterparties. As at 31 December 2019, if pledged collaterals were included in the master netting arrangements on the derivative portfolio, net derivative assets would reduce to $18.3 million net derivative liability (2018: net impact would reduce the net derivative assets to $13.6 million).

RECOGNITION AND MEASUREMENT

Cash collateral received or paid by the Group is recognised at fair value at settlement date in the statement of cash flows. All other financial assets are recognised on trade date. A financial asset or liability is derecognised as and when the rights to receive or obligation to pay cash flows from the asset or liability have expired or the Group has transferred its rights to receive, or obligation to pay, cash flows.

14d DERIVATIVE NET ASSETS/(LIABILITIES)

	2019 $M	2018 $M
Balance sheet derivatives comprise:		
Assets – current	27.0	21.2
Assets – non-current	129.3	132.5
Liabilities – current	(21.3)	(32.2)
Liabilities – non-current	(63.0)	(67.1)
Derivative net assets	**72.0**	**54.4**

Derivative net assets comprise of:

		Derivative carrying amounts			Movements in		Movements recognised in	
	Note	Assets $M	Liabilities $M	Net $M	Derivatives $M	Recognised underlying hedged items $M	Income statement $M	Other comprehensive income $M
2019								
Debt related – fair value hedges[1]								
— cross currency swaps[2]		97.9	(1.6)	96.3	12.5	(12.1)	12.1	0.4
Debt related – cash flow hedges[3]								
— cross currency swaps[2]		14.3	(11.1)	3.2	5.3	(5.3)	–	5.3
Total debt related	15a) i) & ii)	**112.2**	**(12.7)**	**99.5**	**17.8**	**(17.4)**	**12.1**	**5.7**
Non-debt related – fair value hedges								
— foreign exchange contracts		–	–	–	–	–	–	–
Non-debt related – cash flow hedges								
— foreign exchange contracts	15a) i)	24.4	(4.7)	19.7	(2.2)	3.3	1.1	(3.3)
— interest rate contracts	15a) ii)	14.1	(47.5)	(33.4)	(13.7)	13.7	–	(13.7)
— commodity contracts	15a) iii)	5.6	(19.4)	(13.8)	15.7	(15.7)	–	15.7
Total non-debt related		**44.1**	**(71.6)**	**(27.5)**	**(0.2)**	**1.3**	**1.1**	**(1.3)**
Total derivatives		**156.3**	**(84.3)**	**72.0**	**17.6**	**(16.1)**	**13.2**	**4.4**
2018								
Debt related – fair value hedges[1]								
— cross currency swaps[2]		108.8	(25.0)	83.8	40.2	(42.1)	42.1	(1.9)
Debt related – cash flow hedges[3]								
— cross currency swaps[2]		8.5	(10.6)	(2.1)	1.9	(1.9)	–	1.9
Total debt related	15a) i) & ii)	**117.3**	**(35.6)**	**81.7**	**42.1**	**(44.0)**	**42.1**	**–**
Non-debt related – fair value hedges								
— foreign exchange contracts		–	–	–	(0.3)	0.3	(0.3)	–
Non-debt related – cash flow hedges								
— foreign exchange contracts	15a) i)	25.0	(3.1)	21.9	32.4	(35.9)	(3.5)	35.9
— interest rate contracts	15a) ii)	5.4	(25.1)	(19.7)	(6.3)	6.3	–	(6.3)
— commodity contracts	15a) iii)	6.0	(35.5)	(29.5)	(47.7)	47.7	–	(47.7)
Total non-debt related		**36.4**	**(63.7)**	**(27.3)**	**(21.9)**	**18.4**	**(3.8)**	**(18.1)**
Total derivatives		**153.7**	**(99.3)**	**54.4**	**20.2**	**(25.6)**	**38.3**	**(18.1)**

1 The underlying hedged item represents bonds swapped into local currency. Foreign currency and interest related movements in these bonds and movements in related hedging derivatives are offset within the income statement. The net effect results in no impact on net debt other than any hedge ineffectiveness that may arise from credit valuation adjustments and currency basis that does not form a part of the hedge relationship. The accumulated change in the fair value of the hedged bonds is equal to the carrying amount of the derivative which is $66.3 million (2018: $60.3 million). The carrying value of the hedged bonds is $372.7 million (2018: $356.8 million).
2 Includes currency basis adjustment.
3 Refer to footnote 1, with movements being recognised in other comprehensive income rather than the income statement.

III OUR CAPITAL – FINANCING (CONTINUED)

14d DERIVATIVE NET ASSETS/(LIABILITIES) (CONTINUED)

RECOGNITION AND MEASUREMENT

Derivative financial instruments are used to manage exposures to certain financial risks and are recognised at fair value. On subsequent revaluation, for example, at trade date, derivatives are carried as assets when their fair value has increased and as liabilities when their fair value has decreased.

The effectiveness of the hedging relationship is tested at inception and at regular intervals thereafter by means of cumulative dollar offset effectiveness calculations. The primary objective is to determine if changes to the fair value of the hedged item and the derivative are highly correlated and thus support the assertion that there will be a high degree of offset in fair value movements achieved by the hedge.

For all hedges, amounts recognised in equity are transferred to the functional cost areas appropriate to the hedged item, as and when the hedged item is consumed, except for basis risk adjustments.

Any gain or loss is reclassified to the income statement when the Group exercises, terminates or revokes designation of the hedge relationship. Any ineffectiveness that may arise from credit valuation adjustments is recognised in the income statement as finance costs.

The Group designates its derivatives as hedges for either:

— the fair values of certain liabilities (fair value hedges)

— the cash flows associated with assets and liabilities and highly probable forecast transactions (cash flow hedges).

Fair value hedges are used to mitigate the exposure that arises from changes in the fair value of a hedged item such that changes in the fair value of the hedged item are offset against the changes in the value of the hedging instrument. Where there is a gain or loss from remeasuring the fair value of the derivative, they are recognised within net finance costs in the income statement.

Cash flow hedges are used to hedge future cash flows or a probable transaction that could affect the income statement. Any gain or loss on effective portions of the hedging instrument is recognised directly in equity, while any gain or loss on ineffective portions is recognised in the income statement within net finance costs. If the forecast transaction is revoked or no longer expected to occur, amounts previously recognised in equity are transferred to the income statement over the remaining life of the underlying exposure.

The Group placed certain amounts of foreign currency on deposit that were used to hedge highly probable forecast purchases of capital expenditure items and raw materials. Movements in the translation of these deposits are recognised within other comprehensive income.

For reporting purposes, the Group categorises its hedges as either debt related or non-debt related.

Debt related

Debt related derivatives apply solely to hedging of the foreign currency principal amounts and fair values of borrowings. During the financial year, the Group held cross currency swaps to mitigate exposures to changes in the fair value of a portion of the Group's foreign currency denominated debt from fluctuations in foreign currency and interest rates. The changes in fair values of the hedged debt resulting from movements in exchange rates and interest rates are offset against the changes in the values of the cross currency swaps. The objective of this hedging is to convert foreign currency borrowings to local currency borrowings at inception. No significant portion of the change in the fair value of the cross currency swap is expected to be ineffective as the amount of the cross currency swap is the same as that of the underlying debt and all cash flow and reset dates coincide between the borrowing and the swaps.

Non-debt related

Non-debt derivatives relate to all financial instruments other than those that are debt related, being foreign currency, commodity and interest rate derivatives (as these do not impact the calculation of net debt). These hedges comprise fair value and cash flow hedges.

Refer to Note 15 for further information on Coca-Cola Amatil Limited's financial risk management process.

Presentation, offsetting and netting arrangements

The Group 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 a default event occurs. If these netting arrangements were to be applied to the derivative portfolio as at 31 December 2019, derivative assets and liabilities would each reduce by $19.1 million (2018: $66.2 million).

IV OUR RISK MANAGEMENT

15 FINANCIAL RISK MANAGEMENT

HOW THE GROUP MANAGES FINANCIAL RISK

Our financial risk management activities are carried out by the Group's Treasury function, which is governed by a Board approved Treasury Policy which strictly prohibits any speculative trading. The Group's risk management activities seek to reduce the volatility of financial performance, which assists in the delivery of the Group's financial targets. This is achieved through a process of identifying, recording and communicating financial exposures and risks within the Group upon which risk management strategies are applied using derivatives and hedge accounting practices. Refer to Note 14d for further information on the recognition and measurement of derivatives.

The Group's financial assets and liabilities originate from, and are used for, operating and investing activities which generate financial assets and liabilities including cash, trade and other receivables and trade and other payables, and for financing activities, which are used to invest surplus funds and to raise funds for the Group's operations and take the form of cash, term deposits, bonds, bank loans and bank overdrafts.

Risk management

Financial assets and liabilities, being primarily derivative or hedging contracts, are used to manage financial risks that arise from the abovementioned activities. These risks are summarised and described further, in the following sections:

a) market risks relating to:
- i) foreign currencies
- ii) interest rates
- iii) commodity prices.

b) other financial risks relating to:
- i) liquidity
- ii) credit
- iii) foreign currency translation.

a) MARKET RISKS

Sensitivity – analyses

The below sensitivity analyses illustrate possible outcomes from the Group's approach to financial risk management in relation to market risks. The analyses show the effect on profit and other comprehensive income for the year if market rates had been 10% higher or lower with all other variables held constant, taking into account existing financial asset and liability exposures and related hedges. A sensitivity of 10% has been selected as this is considered reasonable given the current level of market prices, the volatility observed on a historical basis and market expectations for future movements.

	Profit for the year		Other comprehensive income	
	2019 $M	2018 $M	2019 $M	2018 $M
Foreign currency rates				
10% increase	–	–	(37.7)	(21.7)
10% decrease	–	–	46.0	28.4
Interest rates[1]				
10% increase in variable rates	(1.4)	(1.4)	(0.6)	(1.0)
10% decrease in variable rates	1.4	1.4	0.6	1.0
Commodity prices[2]				
10% increase	–	–	13.1	14.2
10% decrease	–	–	(13.1)	(14.2)

1 10% refers to applying a multiplication factor (rather than addition) to the underlying interest rate.
2 The table does not show the sensitivity to the Group's total underlying exposures or the impact of changes in volumes that may arise from an increase or decrease in commodity prices.

As shown in the table above, a movement in market rates by 10% would have no material impact on profit for the year, reflecting the Group's approach to hedging as described in Note 14d. Volatility does arise in other comprehensive income mainly due to the remeasurement of derivatives to fair value as at the reporting date.

The following sub-sections provide additional detail for each market risk.

IV OUR RISK MANAGEMENT (CONTINUED)

15 FINANCIAL RISK MANAGEMENT (CONTINUED)

a) MARKET RISKS (CONTINUED)

i) Foreign currency risk

Foreign currency risk refers to the risk that the cash flows arising from a financial commitment or recognised asset or liability will fluctuate due to changes in foreign currency rates. The Group's foreign currency risk arises primarily from:

— firm commitments and/or highly probable forecast transactions for receipts and payments settled in foreign currencies and prices dependent on foreign currencies respectively
— cash, term deposits and borrowings denominated in foreign currency
— translation of the financial statements of Coca-Cola Amatil Limited's foreign subsidiaries, refer to Note 15b) iii).

The Group's risk management policy for foreign exchange allows hedging of forecast cost of goods sold related transactions for up to four years before requiring executive management approval. Foreign currency denominated capital expenditure is generally hedged upon the making of firm commitments. The policy prescribes a range of minimum and maximum hedging parameters linked to actual and forecast transactions involving material foreign currency exposures which are progressively increased to a range of 35% to 100% in the current year.

The Group's material foreign currency transactions (relative to each subsidiary's functional currency) are mainly conducted in the following currencies:

— Australian Dollars (AUD)
— United States Dollars (USD) – primarily for commodity purchasing, borrowings and capital expenditure
— New Zealand Dollars (NZD)
— Japanese Yen (JPY) – primarily for borrowings
— Euros (EUR) – primarily for capital expenditure
— Norwegian Krone (NOK) – primarily for borrowings.

At the reporting date, the Group had exposure to foreign currency risk on the following financial assets and liabilities (due to the items being denominated in currencies other than the reporting currencies) and mitigated that risk with the hedges presented in the following table:

	2019				2018			
Financial assets and liabilities (exposures)	**USD $M**	**JPY $M**	**Other $M**	**Total $M**	**USD $M**	**JPY $M**	**Other $M**	**Total $M**
Cash assets	157.5	–	0.3	157.8	77.8	–	0.9	78.7
Borrowings – bonds	71.7	374.7	207.7	654.1	70.8	356.8	207.5	635.1
Other financial liabilities	90.3	–	–	90.3	67.9	–	–	67.9

			Hedge ranges as at inception – exchange rates						
Hedging derivatives – net assets/(liabilities)	**Carrying amount $M**	**Nominal amounts[1] $M**	**AUD/USD**	**AUD/NZD**	**AUD/JPY**	**NZD/USD**	**AUD/NOK**	**IDR/USD**	**Average maturity profile years**
2019									
Cross currency swaps[2]	37.4	575.3	–	1.29	85-88	0.83	5.93	–	>5
Debt related	**37.4**								
Foreign currency forwards[3]	19.7	839.7	0.67-0.81	1.04-1.06	–	0.63-0.74	–	13,800-14,000	<3
Non-debt related	**19.7**								
2018									
Cross currency swaps[2]	27.6	574.1	–	1.29	85-87	0.83	5.93	–	>5
Debt related	**27.6**								
Foreign currency forwards[3]	20.4	457.9	0.71-0.81	1.05-1.10	–	0.66-0.74	–	14,940-15,000	<2
Currency options[3]	1.5	144.1	0.72-0.81	–	–	0.67-0.73	–	–	<1
Non-debt related	**21.9**								

1 Principal amounts converted to AUD at balance date foreign exchange rates.
2 Carrying amount classified as derivatives – debt related.
3 Derivatives used for firm commitments and/or highly probable forecast purchases of raw materials and capital expenditure.

ii) Interest rate risk

Interest bearing financial assets and liabilities which expose the Group to interest rate risk are predominantly cash assets, borrowings, held to maturity investments and other financial and lease liabilities.

The Group's risk management policy for interest rate risk seeks to minimise the effects of interest rate movements on its financial asset and liability portfolio through management of the exposures. The policy prescribes that the average maturity of the hedging portfolio must be between one and five years. It is usual practice for the next 12 months' floating rate exposures to be largely fixed up to a maximum of 100% of the forecast exposure.

The Group primarily enters interest rate swap and cross currency swap agreements to manage these risks.

At the reporting date, the Group had the following mix of financial assets and liabilities bearing interest and hedges to mitigate interest rate risk:

	2019				2018			
Financial assets and liabilities (exposures)	**Average floating rate % p.a.**	**At floating rates $M**	**At fixed rates $M**	**Carrying amount $M**	**Average floating rate % p.a.**	**At floating rate $M**	**At fixed rates $M**	**Carrying amount $M**
Cash assets	4.9	856.0	–	856.0	3.3	937.4	–	937.4
Held to maturity investments	–	–	83.0	83.0	–	–	116.7	116.7
Loans receivable	–	–	8.8	8.8	–	–	6.5	6.5
Bonds	–	–	2,157.1	2,157.1	2.2	0.9	2,155.1	2,156.0
Bank loans, bank overdrafts and other borrowings	1.7	21.6	–	21.6	2.6	246.2	–	246.2
Other financial liabilities	2.0	90.3	–	90.3	1.7	67.9	–	67.9
Lease liabilities[1]	–	–	529.8	529.8	–	–	–	–

Hedging derivatives – net assets/(liabilities)	**Carrying amount $M**	**Nominal amounts[2] $M**	**Hedge ranges[3] % p.a.**	**Average maturity profile years**	**Carrying amount $M**	**Nominal amounts[2] $M**	**Hedge ranges[3] % p.a.**	**Average maturity profile years**
Cross currency swaps	62.1	292.7	1.4-2.6	>5	54.1	292.7	2.4-3.6	>5
Debt related	**62.1**				**54.1**			
Interest rate options	–	–	–	–	(0.5)	50.0	3.3-4.5	<1
Interest rate swaps	(11.2)	453.8	3.1-4.0	>5	(8.4)	753.5	3.1-4.9	>5
Cross currency swaps	(22.2)	282.6	2.6	>5	(10.8)	281.4	3.2	>5
Non-debt related	**(33.4)**				**(19.7)**			

1 Refer to the overview section on pages 105 to 107 for details of the accounting standard change.
2 Principal amounts converted to AUD at balance date foreign exchange rates.
3 As at inception.

iii) Commodity price risk

Commodity price risk is the risk arising from volatility in commodity prices in relation to raw materials (mainly sugar, aluminium, resin and coffee) used in the business.

The Group's risk management policy for commodity price risk allows hedging of forecast transactions for up to four years before requiring executive management approval. The policy prescribes a range of minimum and maximum hedging levels linked to actual and forecast transactions involving strategic commodity exposures which are progressively increased to a range of 70% to 100% in the current year.

The Group primarily enters futures and swap contracts to hedge commodity price risk, with the objective of obtaining lower raw material prices and a more stable and predictable commodity price outcome. Futures contracts are mainly used to hedge the primary exposures, being aluminium ingot, raw sugar and resin, which are priced on the London Metal Exchange, Intercontinental Exchange and on the Independent Chemical Information Services respectively. These exposures are designated to be the risk component which are hedged with futures contracts. These together form a part of the hedge relationship and are designed to be highly effective. Costs associated with rolling of aluminium cans, refining of raw sugar and any other transaction costs represent other risk components which do not form part of the hedge relationship but are recognised within cost of goods sold in the income statement.

IV OUR RISK MANAGEMENT (CONTINUED)

15 FINANCIAL RISK MANAGEMENT (CONTINUED)

a) MARKET RISKS (CONTINUED)

iii) Commodity price risk (continued)

The Group had exposure to commodity price risk on the following annual usage quantities and mitigated that risk with the hedges presented in the following table:

	Exposure	Hedging				
Commodity	Annual usage metric tonnes	Derivatives[1]	Carrying amount $M	Nominal volume metric tonnes	Hedge range – commodity prices[2]	Maturity profile years
2019						
Aluminium ingot	32,968	Futures	(1.0)	29,700	1,718.8-2,075.0	<2
Raw sugar	242,778	Futures	(3.2)	243,801	276.0-425.1	<2
Coffee	3,000	Futures	(1.0)	2,041	2,178.2-2,829.6	<1
PET resin	75,656	Futures	(8.6)	23,849	1,180.0-1,363.0	<2
Non-debt related liabilities			**(13.8)**			
2018						
Aluminium ingot	31,150	Futures	0.5	27,975	1,695.3-2,167.0	<2
Raw sugar	278,183	Futures	(18.8)	208,036	276.0-425.1	<2
Coffee	2,505	Futures	(1.2)	2,126	2,224.0-2,972.0	<2
PET resin	72,162	Futures	(10.0)	32,616	1,300.0-1,363.0	<2
Non-debt related liabilities			**(29.5)**			

1 Mainly futures, including some swaps.
2 USD per metric tonne at inception date of hedge.

b) OTHER FINANCIAL RISKS

i) Liquidity risk

Liquidity risk is the risk there will be insufficient funds available to meet the Group's financial commitments as and when they fall due, and the risk of unforeseen events which may curtail cash inflows.

To help reduce liquidity risk, the Group:

— has a liquidity policy which targets a minimum level of committed facilities relative to net debt
— has readily accessible funding arrangements in place
— generally utilises financial assets and liabilities that are tradeable in liquid markets
— staggers maturities of financial assets and liabilities.

Liquidity risk is measured by using cash flow forecasts and comparing projected debt levels against total committed facilities.

The contractual cash flows and expected timings of the Group's financial liabilities are shown in the table below. The contractual amounts represent the net future undiscounted principal and interest cash flows and therefore may not equal to the carrying amounts in the financial statements.

		Expected timing of contractual cash outflows				
Financial liabilities (exposures)	Carrying amount $M	Less than 1 year $M	1 to 2 years $M	2 to 5 years $M	Over 5 years $M	Total $M
As at 31 December 2019						
Trade and other payables	1,246.0	1,246.0	–	–	–	1,246.0
Borrowings	2,178.7	381.9	397.7	644.2	1,155.2	2,579.0
Other financial liabilities	90.3	90.3	–	–	–	90.3
Lease liabilities[1]	529.8	86.4	78.1	161.5	303.3	629.3
Derivative liabilities	84.3	2.3	1.9	–	9.2	13.4
Total financial liabilities	**4,129.1**	**1,806.9**	**477.7**	**805.7**	**1,467.7**	**4,558.0**

		Expected timing of contractual cash outflows				
Financial liabilities (exposures)	Carrying amount $M	Less than 1 year $M	1 to 2 years $M	2 to 5 years $M	Over 5 years $M	Total $M
As at 31 December 2018						
Trade and other payables	1,246.8	1,246.8	–	–	–	1,246.8
Borrowings	2,402.2	231.8	618.3	874.0	1,121.5	2,845.6
Other financial liabilities	67.9	67.9	–	–	–	67.9
Derivative liabilities	99.3	22.6	2.6	2.6	48.6	76.4
Total financial liabilities	**3,816.2**	**1,569.1**	**620.9**	**876.6**	**1,170.1**	**4,236.7**

1 Refer to the overview section on pages 105 to 107 for details of the accounting standard change.

The Group had the following financing facilities available at the reporting date:

	2019 $M	2018 $M
Bank loan facilities		
Total arrangements	500.0	500.0
Carrying amount – used as at the end of the year	(20.0)	(240.0)
Available facilities as at the end of the year	**480.0**	**260.0**
Bank overdraft facilities		
Total arrangements	19.5	19.5
Carrying amount – used as at the end of the year	(1.6)	(2.0)
Available facilities as at the end of the year	**17.9**	**17.5**

The available undrawn committed bank loan facilities are sufficient to fund the repayment of all current borrowings of $306.6 million as at 31 December 2019.

ii) Credit risk

Credit risk is the risk that a contracting entity will not fulfil its obligations under the terms of a financial instrument and will cause the Group to make a financial loss. The Group has exposure to credit risk on all financial assets included in the Group's balance sheet. To help manage this risk, the Group:

— has a policy for establishing credit limits for the entities it deals with
— may require collateral.

For credit purposes, there is only a credit risk where the contracting entity is liable to pay the Group on settlement. The Treasury Policy sets limits on the amount of credit exposure to each financial institution. New derivatives, cash and term deposit transactions are limited to financial institutions that meet minimum credit rating criteria in accordance with the Policy or as approved under the Policy. These limits are set to minimise the concentration of risk and therefore mitigate the risk of financial loss as a result of a counterparty's failure to make a payment.

Customer credit risk is managed by each business subject to established policies, procedures and controls relating to customer risk management. Credit limits are set for each customer and these are regularly monitored. For information concerning percentage of sales to the Group's top three customers and trade receivables past due but not impaired, refer to Notes 2 and 6a respectively.

The Group's maximum exposure to credit risk is the sum of the carrying amount of all cash assets, held to maturity investments, loans receivable, trade and other receivables and derivative asset balances.

IV OUR RISK MANAGEMENT (CONTINUED)

15 FINANCIAL RISK MANAGEMENT (CONTINUED)

b) OTHER FINANCIAL RISKS (CONTINUED)

iii) Foreign currency translation risk

The financial statements for each of Coca-Cola Amatil Limited's foreign operations are prepared in their local currency. For the purposes of preparing the Group's consolidated financial information, each foreign operation's financial statements are translated into Australian Dollars using applicable foreign exchange rates for the reporting period. A translation risk exists on translating the financial statements of Coca-Cola Amatil Limited's foreign operations. As a result, volatility in foreign exchange rates can impact the Group's net assets, profit and other comprehensive income.

The Group does not, as a matter of policy, hedge translation risk. However, there are occasions when it is considered appropriate to hedge foreign currency denominated earnings and this form of translation risk may be hedged from time to time.

16 FAIR VALUE

The Group applies historical cost accounting, with the exception of financial assets and liabilities. These financial assets and liabilities, and a summary of how fair value accounting is applied, are summarised below:

Financial assets and liabilities	Carrying amount and fair value relationship
Cash, trade and other receivables and payables	Values are approximately the same mainly due to their short-term nature.
Borrowings – bonds	At 31 December 2019, the carrying and fair values of the Group's bonds were $2,157.1 million and $2,272.2 million (2018: $2,156.0 million and $2,172.1 million) respectively. To calculate fair values, inputs were based on interest rates and yield curves at commonly quoted intervals and credit spreads (Level 2 inputs) that are observable for a similar liability in the market. Bonds pay fixed interest; difference between the carrying and fair values for bonds is driven by the agreed fixed interest and Level 2 inputs used to calculate the fair value.
Long-term deposits and borrowings – other than bonds	Values are approximately the same, mainly due to the absence of material break costs on early repayment or cancellation.
Derivatives	Accounted for at fair value using the valuation techniques described below.

DERIVATIVES – VALUATION TECHNIQUES

Fair values of derivatives based on quoted prices in active markets are categorised as Level 1. The Group establishes fair value by using valuation techniques such as discounted cash flow or option pricing models (Level 2), using inputs that are observable either directly (as prices) or indirectly (derived from prices). These include reference to the fair values of recent arm's length transactions, involving the same or similar instruments. The classification of derivatives by level is shown in the table below:

	2019			2018		
Derivative	Level 1 $M	Level 2 $M	Carrying amount $M	Level 1 $M	Level 2 $M	Carrying amount $M
Assets	5.6	150.7	156.3	6.0	147.7	153.7
Liabilities	(10.8)	(73.5)	(84.3)	(25.5)	(73.8)	(99.3)
Derivative net assets	**(5.2)**	**77.2**	**72.0**	**(19.5)**	**73.9**	**54.4**

V OTHER INFORMATION

17 RELATED PARTIES

PARENT ENTITY

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

RELATED ENTITIES

TRANSACTIONS WITH ENTITIES WITH SIGNIFICANT INFLUENCE OVER THE GROUP

As at the end of the financial year, The Coca-Cola Company (TCCC) through its subsidiary, Coca-Cola Holdings (Overseas) Limited, for 2018 and 2019 held 30.8% of Coca-Cola Amatil's fully paid ordinary shares. Further, TCCC owns 29.4% of the shares in PT Coca-Cola Bottling Indonesia, a subsidiary of the Company (refer below for further details).

	2019 $'000	2018 $'000
TCCC and its subsidiaries		
Purchases and other payments	791,166.1	718,321.1
Reimbursements and other receipts	33,249.8	36,587.4
Amounts receivable	38,452.7	39,244.0
Amounts payable	133,743.2	114,827.2

TRANSACTIONS WITH OTHER RELATED ENTITIES

	2019 $'000	2018 $'000
Joint ventures		
Purchases and other payments	10,868.0	11,913.8
Reimbursements and other receipts	1,705.6	1,310.7
Amounts receivable	414.7	402.7
Amounts payable	925.8	1,008.0
Associates		
Purchases and other payments	69,649.2	53,337.9
Amounts receivable	9,151.6	7,047.8
Amounts payable	3,560.8	10,736.8
Other related parties		
Purchases and other payments	67,621.2	11,869.3
Reimbursement and other receipts	555.0	81.5
Amounts receivable	826.3	1,423.6
Amounts payable	10,865.1	8,372.8
Loans receivable – interest bearing	8,782.8	6,500.0

V OTHER INFORMATION (CONTINUED)

17 RELATED PARTIES (CONTINUED)

TERMS AND CONDITIONS OF TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties are conducted under normal commercial terms and conditions. Receivable and payable balances at year end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivable and no provision has been raised for allowance for doubtful receivables relating to amounts owed by related parties.

Transactions with TCCC and its subsidiaries

Purchases and other payments
This represents purchases of concentrates and beverage bases and royalty payments for Coca-Cola trademarked products and finished goods.

Reimbursements and other receipts
Under a series of arrangements, the Group participates with certain subsidiaries of TCCC to jointly develop the market of the territories in which the Group operates. These arrangements include a regular shared marketing expenses program, under which the Group contributes to certain TCCC incurred marketing expenditure and TCCC contributes to certain marketing expenditure incurred by the Group. Amounts received are either accounted for as an increase to revenue or as a reduction to expense, as appropriate.

	2019 $M	2018 $M
Investments in joint ventures and associates		
Balance at beginning of year	63.1	28.0
Acquisitions/additions	0.2	35.3
Impairments	(5.6)	–
Share of loss from joint ventures	(0.2)	(0.5)
Share of profit from associates	2.1	0.6
Dividends received	(0.2)	(0.3)
	59.4	63.1

KEY MANAGEMENT PERSONNEL (KMP)

Disclosures relating to KMP are set out in Note 19 and in the Directors' Report.

18 EMPLOYEE OWNERSHIP PLANS

Coca-Cola Amatil Limited has the following plans: the Employees Share Plan, the Long-Term Incentive Plan and the Executive Post-Tax Share Purchase Plan. Coca-Cola Amatil Limited fully paid ordinary shares issued under these plans rank equally with all other existing fully paid ordinary shares with respect to voting rights, dividends and future bonus and rights issues.

EMPLOYEES SHARE PLAN (ESP)

The ESP provides all full-time and part-time permanent employees with an opportunity to contribute up to 3% of their base salary to acquire shares in Coca-Cola Amatil Limited. The ESP is administered by a trustee which acquires and holds shares on behalf of the participants. These shares are purchased on market at prevailing market prices. Shares forfeited under the terms of the ESP are also utilised. For every share acquired with amounts contributed by a participant, a matching share is acquired by the trustee, which under normal circumstances vests with the employee after a period of two years from their date of issue (acquisition or utilisation) with contributions made by the employing entities. There are no performance conditions. Members of the ESP receive dividends on both vested and unvested shares held on their behalf by the trustee. As at 31 December 2019, the number of shares in the ESP, both vested and unvested, was 3,067,792 (2018: 3,352,054). The number of shares vested to employees was 1,333,373 (2018: 1,658,053). All shares were purchased on market during the year.

LONG-TERM INCENTIVE PLAN (LTIP)

Under Coca-Cola Amatil Limited's LTIP, senior executives (as approved by the Board) have the opportunity to be rewarded with fully paid ordinary shares, providing the LTIP meets minimum pre-determined hurdles covering a three-year period, as set by the People Committee. These shares are purchased on market or issued to the trustee once the LTIP vests.

LTIP 2019-2021 has two performance conditions, namely Relative Total Shareholder Return (TSR) and Absolute TSR. The prior plans had three performance conditions, namely Relative TSR, Absolute TSR and EPS. Details of the performance and service conditions for the LTIP 2019–2021 are provided in the Remuneration Report.

Dividends are payable to participants of the LTIP only once the rights vest into shares.

The fair value of shares offered in the LTIP was determined by an independent external valuer using an option pricing model with the following input:

Plan	2019-2021	2018-2020	2017-2019
Grant date	3 June 2019	16 May 2018	16 May 2017
Grant date share price	$9.37	$8.97	$9.60
Volatility	19.0%	20.0%	21.0%
Dividend yield per annum	5.1%	5.0%	4.9%
Risk free rate per annum	1.1%	2.1%	1.7%

Set out below are details of share rights granted under the LTIP:

Sub-plan	Grant date	Opening balance No.	Granted No.	Vested No.	Lapsed and forfeited No.	Closing balance No.	Weighted average fair value $
31 December 2019							
2017-2019	16 May 2017	1,323,768	–	(272,555)	(1,051,213)	–	4.85
2018-2020	16 May 2018	1,640,688	–	–	(169,400)	1,471,288	5.26
2019-2021	3 June 2019	–	1,741,450	–	(148,230)	1,593,220	5.66
		2,964,456	**1,741,450**	**(272,555)**	**(1,368,843)**	**3,064,508**	
31 December 2018							
2016-2018	18 May 2016	1,582,814	–	–	(1,582,814)	–	4.66
2017-2019	16 May 2017	1,541,284	–	–	(217,516)	1,323,768	4.85
2018-2020	16 May 2018	–	1,789,194	–	(148,506)	1,640,688	5.26
		3,124,098	**1,789,194**	**–**	**(1,948,836)**	**2,964,456**	

EXECUTIVE POST-TAX SHARE PURCHASE PLAN

All senior executives are required to have a portion of their short-term incentives deferred as restricted shares. The shares are purchased on market and trading of these shares by the executives is restricted for 12 months for 50% of the shares, with the remaining 50% restricted for 24 months. Dividends are payable to the participants of the Plan. Details on the forfeiture conditions of these shares are provided in the Remuneration Report. As at 31 December 2019, the number of restricted shares in the Plan was 88,419 (2018: 127,470).

V OTHER INFORMATION (CONTINUED)

18 EMPLOYEE OWNERSHIP PLANS (CONTINUED)

RECOGNITION AND MEASUREMENT

The value of services provided by employees to the Group in return for Coca-Cola Amatil Limited's shares granted under employee ownership plans is measured by reference to the fair value of the shares as at the grant date. Fair values are determined as the cost of shares purchased for employer contributions to the ESP (shares are purchased at grant date) and are determined by an independent external valuer for shares granted under the LTIP (shares are purchased at vesting date).

The fair value of shares is charged to the income statement over the vesting period, with a matching increase in the share-based remuneration reserve recognised, representing the obligation to provide these shares on vesting. On vesting, the treasury shares account and this reserve are reduced.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition, such as Relative TSR and Absolute TSR, or subject to service conditions not being fulfilled (as determined by the Board at its absolute discretion).

19 KMP DISCLOSURES

	2019 $'000	2018 $'000
KMP remuneration by category		
Short-term	12,750.7	9,619.8
Post-employment	279.6	282.6
Share-based payments	3,242.2	2,421.7
	16,272.5	**12,324.1**

Further details are contained in the Remuneration Report.

Loans to KMP

Neither Coca-Cola Amatil Limited nor any other Group company has loans to KMP.

Other transactions with KMP and their personally related entities

Neither Coca-Cola Amatil Limited nor any other Group company was party to any other transactions with KMP (including their personally related entities).

20 AUDITOR'S REMUNERATION

	2019 $'000	2018 $'000
Amounts received, or due and receivable, by:		
Coca-Cola Amatil Limited auditor, Ernst & Young (Australia) for:		
Audit or half-year review of the financial reports	3,062.1	3,467.6
Other services:		
— assurance related[1]	185.8	155.5
— tax compliance	118.0	155.7
— other[1]	907.2	208.7
	1,211.0	519.9
	4,273.1	**3,987.5**
Member firms of Ernst & Young in relation to subsidiaries of Coca-Cola Amatil Limited for:		
— audit or half-year review of the financial reports	965.5	786.8
— other services	37.2	162.7
	1,002.7	**949.5**
	5,275.8	**4,937.0**

1 Relates to fees for other assurance and agreed-upon-procedure services where the Company has a discretion whether the service is provided by the auditor or another firm.

21 COCA-COLA AMATIL LIMITED DISCLOSURES

	2019 $M	2018 $M
a) FINANCIAL POSITION		
Current assets	490.4	391.7
Non-current assets	4,784.4	4,853.5
Total assets	**5,274.8**	**5,245.2**
Current liabilities	1,287.7	835.3
Non-current liabilities	1,821.6	2,195.4
Total liabilities	**3,109.3**	**3,030.7**
Net assets	**2,165.5**	**2,214.5**
Equity		
Share capital	1,920.1	1,920.1
Reserves	35.3	34.6
Retained earnings	210.1	259.8
Total equity	**2,165.5**	**2,214.5**
b) FINANCIAL PERFORMANCE		
Profit for the year	319.5	242.5
Total comprehensive income for the year	315.9	180.6
c) GUARANTEES		
Subsidiaries' bonds, bank loans and other guarantees	142.6	182.5

22 DEED OF CROSS GUARANTEE

Coca-Cola Amatil Limited and certain subsidiaries as indicated in Note 23 have entered into a Deed of Cross Guarantee which provides that all parties to the Deed will guarantee to each creditor, payment in full of any debt of each company participating in the Deed on winding-up of that company. In addition, as a result of *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*, subsidiaries are relieved from the requirement to prepare financial statements.

	2019 $M	2018 $M
Consolidated income statement for the closed group[1]		
Profit before income tax	515.2	177.7
Income tax expense	(84.1)	(51.3)
Profit for the year	**431.1**	**126.4**
Accumulated losses at the beginning of the year	(1,368.4)	(1,151.8)
Impact of the new accounting standards[2]	(37.6)	(2.7)
Dividends paid	(369.2)	(340.3)
Accumulated losses at the end of the year	**(1,344.1)**	**(1,368.4)**

1 Total comprehensive income for the year was $411.9 million (2018: $113.1 million), represented by profit for the year of $432.7 million (2018: $126.4 million) adjusted for movements in the hedging reserve of $21.3 million decrease (2018: $10.8 million decrease) and in the actuarial valuation reserve of $0.5 million increase (2018: $2.5 million decrease).

2 Refer to the overview section on pages 105 to 107 of the accounting standards changes.

V OTHER INFORMATION (CONTINUED)

22 DEED OF CROSS GUARANTEE (CONTINUED)

	2019 $M	2018 $M
Consolidated balance sheet for the closed group		
Current assets		
Cash assets	185.3	106.1
Trade and other receivables	830.1	840.6
Inventories	351.1	350.1
Derivatives	17.0	21.2
Prepayments	40.4	39.6
Current tax assets	33.7	29.0
Assets held for sale	–	55.2
Total current assets	**1,457.6**	**1,441.8**
Non-current assets		
Property, plant and equipment	823.0	842.1
Right of use assets	392.7	–
Intangible assets	893.6	897.2
Investments in securities	727.3	721.2
Investments	61.4	65.2
Defined benefit superannuation plans	14.4	16.7
Derivatives	111.1	116.2
Other non-current assets	85.4	31.2
Total non-current assets	**3,108.9**	**2,689.8**
Total assets	**4,566.5**	**4,131.6**
Current liabilities		
Trade and other payables	1,015.6	872.7
Borrowings	305.0	150.9
Lease liabilities	54.7	–
Other financial liabilities	90.3	67.9
Employee benefits provisions	78.5	59.5
Current tax liabilities	–	1.8
Derivatives	20.7	31.4
Liabilities associated with assets held for sale	–	45.2
Total current liabilities	**1,564.8**	**1,229.4**
Non-current liabilities		
Borrowings	1,755.4	2,129.3
Lease liabilities	405.2	–
Employee benefits provisions	10.5	10.0
Deferred tax liabilities	164.9	118.7
Derivatives	49.7	54.4
Total non-current liabilities	**2,385.7**	**2,312.4**
Total liabilities	**3,950.5**	**3,541.8**
Net assets	**616.0**	**589.8**
Equity		
Share capital	1,920.1	1,920.1
Treasury shares	(13.0)	(12.5)
Reserves	53.0	50.6
Accumulated losses	(1,344.1)	(1,368.4)
Total equity	**616.0**	**589.8**

23 INVESTMENTS IN SUBSIDIARIES

	Footnote	Country of incorporation	Equity holding[1] 2019 %	Equity holding[1] 2018 %
Coca-Cola Amatil Limited	2	Australia		
Subsidiaries				
Amatil Investments (Singapore) Pte Ltd		Singapore	100	100
– Coca-Cola Amatil (Fiji) Pte Limited		Fiji	100	100
– Paradise Beverages (Fiji) Limited		Fiji	89.6	89.6
– Samoa Breweries Limited		Samoa	93.9	93.9
– PT Coca-Cola Bottling Indonesia	3	Indonesia	70.6	70.6
– PT Coca-Cola Distribution Indonesia	4	Indonesia	100	100
Associated Products & Distribution Proprietary	2	Australia	100	100
– Coca-Cola Amatil (PNG) Limited		Papua New Guinea	100	100
AX Ventures Pty Ltd	2	Australia	100	100
Brewhouse Investments Pty Ltd	2	Australia	100	100
– Feral Brewing Company Pty Ltd	2	Australia	100	100
– Brewcorp Pty Ltd	2	Australia	100	100
– Brewcorp Unit Trust		Australia	100	100
C-C Bottlers Limited	2	Australia	100	100
Coca-Cola Amatil (Aust) Pty Ltd	2	Australia	100	100
– Apand Pty Ltd	2	Australia	100	100
– Beverage Bottlers (NQ) Pty Ltd	2	Australia	100	100
– Beverage Bottlers (Qld) Limited	2	Australia	100	100
– Can Recycling (S.A.) Pty Ltd	2	Australia	100	100
– Coca-Cola Amatil (CDE Aust) Pty Ltd	2	Australia	100	100
– Coca-Cola Amatil (Holdings) Pty Ltd	2	Australia	100	100
– Coca-Cola Amatil (UK) Limited (formerly Chilli Brands (Australia) Limited)		United Kingdom	100	100
– Crusta Fruit Juices Pty Ltd	2	Australia	100	100
– Quenchy Crusta Sales Pty Ltd	2	Australia	100	100
– Perfect Fruit Company Pty Ltd (formerly Votraint No 1987 Pty Ltd)	2	Australia	100	100
Coca-Cola Holdings NZ Limited		New Zealand	100	100
– Coca-Cola Amatil (N.Z.) Limited		New Zealand	100	100
Matila Nominees Pty Ltd	5	Australia	100	100
Neverfail Springwater Limited	2, 6	Australia	100	100
– Purna Pty Ltd	2	Australia	100	100
– Neverfail Bottled Water Co Pty Ltd	2, 7	Australia	100	100
– Neverfail SA Pty Ltd	2	Australia	100	100
– Neverfail Springwater Co Pty Ltd	2	Australia	100	100
– Neverfail Springwater (Vic) Pty Ltd	2	Australia	100	100
– Neverfail WA Pty Ltd	2	Australia	100	100
– Real Oz Water Supply Co (Qld) Pty Ltd	2	Australia	100	100
– Neverfail Springwater Co (Qld) Pty Ltd	2	Australia	100	100
Pacbev Pty Ltd	2	Australia	100	100
– CCA Bayswater Pty Ltd	2	Australia	100	100
Sale Proprietary Co 1 Limited (formerly SPC Ardmona Limited)	2	Australia	100	100
– Sale Proprietary Co 2 Limited (formerly SPC Ardmona Operations Limited)	2	Australia	100	100
– Sale Proprietary Co 3 Pty Ltd (formerly Austral International Trading Company Pty Ltd)	2	Australia	100	100
– Sale Proprietary Co 4 Pty Ltd (formerly Henry Jones Foods Pty Ltd)	2	Australia	100	100
– Sale Proprietary Co 5 Pty Ltd (formerly Hallco No. 39 Pty Ltd)	2	Australia	100	100

V OTHER INFORMATION (CONTINUED)

23 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

	Footnote	Country of incorporation	Equity holding[1] 2019 %	2018 %
– Sale Proprietary Co 6 Limited (formerly Ardmona Foods Limited)	2	Australia	100	100
– Sale Proprietary Co 7 Pty Ltd (formerly Goulburn Valley Canners Pty Ltd)	2	Australia	100	100
– Sale Proprietary Co 8 B.V. (formerly SPC Ardmona (Netherlands) BV)	8	Netherlands	100	100

Names inset indicate that shares or units are held by the company immediately above the inset. The above subsidiaries carry on business in their respective countries of incorporation.

1 The proportion of ownership interest is equal to the proportion of voting power held.
2 These companies are parties to a Deed of Cross Guarantee as detailed in Note 22 and are eligible for the benefit of *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*.
3 Coca-Cola Amatil Limited holds 3.4% of the shares in this company and TCCC holds 29.4% interest in this company.
4 Coca-Cola Amatil Limited holds 0.01% of the shares and PT Coca-Cola Bottling Indonesia holds 99.99% of the shares in this company.
5 Matila Nominees Pty Ltd is the trustee company for the Group's employee ownership plans and also the Trustee to the Deed of Cross Guarantee.
6 Neverfail Springwater Limited holds 40.7% of the shares in Neverfail Bottled Water Co Pty Ltd.
7 Neverfail Bottled Water Co Pty Ltd holds 1.5% of the shares in Neverfail Springwater (Vic) Pty Ltd.
8 Sale Proprietary Co 8 B.V. is in process of liquidation.

24 NEW STANDARDS AND INTERPRETATIONS

Coca-Cola Amatil has not early adopted any new standards, amendments to standards and interpretations that have been issued or amended but are not yet effective.

25 EVENTS AFTER THE BALANCE DATE

Subsequent to the balance sheet date, no matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations, the results of those operations or the state of affairs of the Group in subsequent financial periods.

DIRECTORS' DECLARATION

Coca-Cola Amatil Limited and its subsidiaries

In accordance with a resolution of the Directors of Coca-Cola Amatil Limited dated 20 February 2020, we state that:

In the opinion of the Directors:

a) the financial statements, notes and the additional disclosures included in the Directors' Report of the Group are audited, and are in accordance with the *Corporations Act 2001*, including:

   i) giving a true and fair view of the Group's financial position as at 31 December 2019, and of its performance for the year ended on that date; and

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

b) the financial statements and notes also comply with *International Financial Reporting Standards* as disclosed on page 105 of the Financial Report;

c) at the date of this declaration, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

d) at the date of this declaration, there are reasonable grounds to believe that the Company and the wholly owned subsidiaries identified on pages 147 and 148 of the Financial Report as being parties to a Deed of Cross Guarantee with Matila Nominees Pty Ltd as trustee, will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed.

This declaration has been made after receiving the declarations required to be made to Directors by the Group Managing Director and Group Chief Financial Officer, in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 31 December 2019.

On behalf of the Directors

Ilana R. Atlas, AO
Chairman
Sydney
20 February 2020

Alison M. Watkins
Group Managing Director
Sydney
20 February 2020

INDEPENDENT AUDITOR'S REPORT

Coca-Cola Amatil Limited and its subsidiaries

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COCA-COLA AMATIL LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

OPINION

We have audited the financial report of Coca-Cola Amatil Limited (the Company) and its subsidiaries (collectively "the Group"), which comprises the consolidated balance sheet as at 31 December 2019, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

BASIS FOR OPINION

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COCA-COLA AMATIL LIMITED (CONTINUED)

Key Audit Matters (Continued)

Why significant	How our audit addressed the key audit matter
1. Carrying Value of Indonesian Cash Generating Unit	
Due to the limited amount by which the recoverable amount of the Indonesian Cash Generating Unit (CGU) exceeds it's carrying value, this CGU is susceptible to impairment. As disclosed in Note 10 to the financial statements, the assessment of impairment for the Indonesian CGU, involves critical accounting estimates and significant judgements. Note 10 also demonstrates the amount of change to the revenue, discount rate and terminal growth rate assumptions which would lead to an impairment charge being required. This was considered a key audit matter given the limited headroom and significant judgment required in performing this assessment.	Our audit procedures included the following: • Assessed whether the methodology used by the Group met the requirements of Australian Accounting Standards • Tested the mathematical accuracy of the cash flow model • Assessed whether the carrying value of the CGU used in the impairment test was appropriately determined in accordance with the Australian Accounting Standards • Assessed the cash flow forecasts by considering the historical reliability of the Group's cash flow forecasts, recent results, and our knowledge of the business and industry, corroborating this data with external information where possible • Evaluated the Group's analysis of the sensitivity of changes in key assumptions used in their impairment testing model, by considering a range of reasonably possible changes in key assumptions • Involving our business valuation and modelling specialists in the consideration of key assumptions such as, the discount rate, and terminal growth rates • Assessed the adequacy of the financial statement disclosures relating to impairment testing
2. Accounting for Rebates and Promotional Allowances	
As disclosed in Note 2 to the financial statements, revenue is recognised when control of the product has transferred, being when the product is delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is recognised net of rebates and promotional allowances owed to customers based on their individual contractual arrangements. The recognition and measurement of rebates and promotional allowances, including establishing an appropriate accrual at year end, involves significant judgment and estimate, particularly related to the expected level of rebate claims by the customers. This was considered a key audit matter given the value of the rebate and promotional allowances provided to customers, together with the level of judgment involved in estimating the accrual for promotional allowances at year end.	Our audit procedures included the following: • Considered the application of Australian Accounting Standards to the Group's accounting policies regarding rebates and promotional allowances • Evaluated the effectiveness of the Group's processes to calculate and record rebates and promotional allowances • For a sample of contracts and promotional activities, assessed whether the rebates and promotional allowances were calculated in accordance with the terms of each contract • Considered the impact of customer claims and payments made subsequent to year end • Analysed movements, trends and the ageing profile of the rebates and promotional allowances accrual • Performed analysis of write backs to the rebate and promotional allowances throughout the year • Enquired of the Group as to the existence of any side arrangements or contracts with unusual terms and conditions • Considered the presentation and disclosure in respect of rebates and promotional allowances in the financial statements

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COCA-COLA AMATIL LIMITED (CONTINUED)

INFORMATION OTHER THAN THE FINANCIAL REPORT AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises the information included in the Company's 2019 Annual Report other than the financial report and our audits report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or Group or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COCA-COLA AMATIL LIMITED (CONTINUED)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT (CONTINUED)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE AUDIT OF THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 74 to 98 of the directors' report for the year ended 31 December 2019.

In our opinion, the Remuneration Report of Coca-Cola Amatil Limited for the year ended 31 December 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Katrina Zdrilic
Partner
Sydney
20 February 2020

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF COCA-COLA AMATIL LIMITED

As lead auditor for the audit of Coca-Cola Amatil Limited for the financial year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Coca-Cola Amatil Limited and the entities it controlled during the financial year.

Ernst & Young

Katrina Zdrilic
Partner
Sydney
20 February 2020

INDEPENDENT LIMITED ASSURANCE REPORT

Coca-Cola Amatil Limited and its subsidiaries

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INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF COCA-COLA AMATIL LIMITED

Assurance conclusion

Ernst & Young ('EY', 'we') was engaged by Coca-Cola Amatil Limited ('Amatil') to undertake limited assurance as defined by the Australian Audit Standards, hereafter referred to as a 'review', over selected performance disclosures as marked with an asterisk within the 'Being a Sustainable Business' section of Amatil's Annual Report ('the Report') for the year ended 31 December 2019. Based on our review, nothing has come to our attention that caused us to believe that the selected performance disclosures presented below, have not been prepared and presented fairly, in all material respects, in accordance with the criteria detailed below.

What our review covered:

We reviewed Amatil's selected performance disclosures, listed below, and marked with an asterisk in the Report, for the year ended 31 December 2019.

Amatil 2020 Goal	Selected Performance Disclosures
Have a zero-harm workplace	Total Injuries
Have at least 30 per cent of Board, Senior Executive and Management positions held by women and improve depth and breadth of representation across all functions and Businesses	Proportion of Women on the Board, Senior Executive and Management positions (%)
Improve water efficiency for non-alcoholic beverages to achieve no more than 1.95L/L and target a 25 per cent improvement in water efficiency for alcoholic beverages (compared to 2013) and food (compared to 2010)	Water intensity for non-alcoholic beverages and reduction in water intensity for alcoholic beverages (L/L)
Screen 80 per cent of supplier spend using responsible sourcing criteria	Percentage of supplier spend screened using responsible sourcing criteria (%)

Criteria

The following criteria have been applied:

- Global Reporting Initiative (GRI) Standards
- Amatil's own publicly disclosed criteria

Key responsibilities

EY's responsibility and independence

Our responsibility was to express a limited assurance conclusion on Amatil's selected performance disclosures included in the Report. We were also responsible for maintaining our independence and confirm that we have met the requirements of the *APES 110 Code of Ethics for Professional Accountants* including independence and have the required competencies and experience to conduct this assurance engagement.

Amatil's Responsibility

Amatil's management was responsible for selecting the Criteria, and fairly presenting the selected performance disclosures in accordance with that Criteria. This responsibility included establishing and maintaining internal controls, adequate records and making estimates that are reasonable in the circumstances.

Our approach to conducting the review

We conducted this review in accordance with the *Australian Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('ASAE 3000') and the terms of reference for this engagement as agreed with Amatil on 11 November 2019.

Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the selected performance disclosures and related information, and applying analytical and other review procedures, including:

- conducting interviews with key personnel to understand Amatil' process for collecting, collating and reporting the selected performance disclosures;
- checking that the Criteria has been reasonably applied in preparing the selected performance disclosures;
- undertaking analytical procedures to check the reasonableness of the reported data;
- performing recalculations of performance metrics to confirm quantities stated were replicable;
- testing the accuracy of a sample of data points using source documentation;
- checking aggregation of selected performance disclosures and transcription to the Report; and
- checking the appropriateness of the presentation relating to the selected performance disclosures.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Limited Assurance

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance statement, or on the selected performance disclosures to which it relates, to any persons other than the management and the Directors of Amatil, or for any purpose other than that for which it was prepared. Our review included web-based information that was available via web links as of the date of this assurance statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.

Ernst & Young

Meg Fricke
Partner
Melbourne, Australia
6 April 2020

SHAREHOLDER INFORMATION

Coca-Cola Amatil Limited and its subsidiaries

SHAREHOLDER INFORMATION

Additional information required by Australian Securities Exchange Listing Rules is as follows. This information is current as at 13 March 2020.

Distribution Schedule of Shareholders

Size of Holding	Number of Shareholders	Number of Ordinary Shares	% Issued Capital
1 – 1,000	27,692	9,746,605	1.34
1,001 – 5,000	14,106	31,894,722	4.41
5,001 – 10,000	1,945	13,751,164	1.90
10,001 – 100,000	1,032	21,635,783	2.99
100,001 and over	66	646,971,425	89.36
Total	**44,841**	**723,999,699**	**100.00**

There were 4,621 holders of less than a marketable parcel of 48 ordinary shares.

Substantial Shareholders

The names of Substantial Shareholders of the Company's ordinary shares (holding not less than 5%) who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

Coca-Cola Holdings (Overseas) Limited[1]	223,049,276

Top 20 Registered Shareholders		Number of Shares	% of Issued Capital
1	COCA-COLA HOLDINGS (OVERSEAS) LTD	223,049,276	30.81
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	202,234,211	27.93
3	J P MORGAN NOMINEES AUSTRALIA LIMITED	95,524,689	13.20
4	CITICORP NOMINEES PTY LIMITED	76,603,056	10.58
5	NATIONAL NOMINEES LIMITED	14,572,626	2.01
6	BNP PARIBAS NOMINEES PTY LIMITED	10,254,439	1.42
7	SOLIUM NOMINEES (AUSTRALIA) PTY LTD	8,187,452	1.13
8	MATILA NOMINEES PTY LIMITED	2,586,783	0.36
9	JIKINTA INVESTMENTS PTY LTD	1,381,331	0.19
10	MILTON CORPORATION LIMITED	1,061,584	0.15
11	AMP LIFE LIMITED	873,159	0.12
12	YOUYANG PTY LTD	819,866	0.11
13	NEALE EDWARDS PTY LTD	586,618	0.08
14	NORTH LAURA NOMINEES PTY LTD	460,000	0.06
15	THE MANLY HOTELS PTY LIMITED	456,761	0.06
16	BNP PARIBAS NOMS(NZ) LTD	399,186	0.06
17	NETWEALTH INVESTMENTS LIMITED	379,783	0.05
18	BNP PARIBAS NOMINEES PTY LTD	378,393	0.05
19	POWERWRAP LIMITED	355,576	0.05
20	QUALVEST PTY LTD	328,000	0.05
Total		**640,492,789**	**88.47**

1 Major holdings of The Coca-Cola Company.

ANNUAL GENERAL MEETING

Coca-Cola Amatil's 2020 Annual General Meeting (AGM) will be held virtually on 26 May 2020 at 10.00am (AEST). Please refer to the AGM Notice of Meeting for further details.

In light of the escalating COVID-19 pandemic, we encourage Shareholders to monitor Amatil's corporate website or the Australian Securities Exchange (ASX) website for updates (if any) relating to the AGM.

VOTING RIGHTS

The AGM Notice of Meeting contains instructions to Shareholders on the various voting mechanisms available to them. Shareholders should follow those instructions while casting their votes or call Amatil's share registry, Link Market Services, should they face any technical difficulties in casting their vote.

LISTINGS

Amatil's ordinary shares are quoted under the symbol CCL on Australian Securities Exchange (ASX) and are traded on ASX on the issuer sponsored sub-register or under CHESS (Clearing House Electronic Subregister System).

During FY 2019, Amatil listed $133 million 2.45% Senior Secured Notes on the ASX under the symbol CCLHA.

Amatil's ordinary shares are traded in the United States in the form of American Depositary Receipts (ADRs) issued by The Bank of New York Mellon as Depositary. The ADRs trade over-the-counter under the symbol CCLAY.

Amatil has a number of Senior Secured Notes listed on the Singapore and Luxembourg Stock Exchanges.

ANNUAL REPORTS

The Amatil Annual Report is available at Amatil's website www.ccamatil.com. Printed copies of Annual Reports are only mailed to those Shareholders who have elected to receive one. Amatil encourages Shareholders to receive notification of all Shareholder communications by email and have internet access to documents including Company Announcements, Dividend Statements and Notices of Shareholder Meetings. In this way, Shareholders receive prompt information and have the convenience and security of electronic delivery, which is not only cost-effective but environmentally friendly.

COMPANY PUBLICATIONS

Other than the Annual Report (which for FY19 includes the Sustainability Report), Amatil publishes a Corporate Governance Statement.

Shareholders are encouraged to access Shareholder communications and information online at www.ccamatil.com.

WEBSITE

All material contained in this Report is also available on Amatil's website. In addition, announcements to the ASX, media releases, and presentations by senior management are also published on the website. The website address is www.ccamatil.com.

DIVIDENDS PAID

The sum of dividends paid to Shareholders relating to 2019 was 47.0 cents per share (excluding the interim special dividend of 4.0 cents per share); flat against 2018. Based on ongoing operations, this represents a payout ratio of 86.4% for the full year. Dividends for 2019 were unfranked, and full year free cash flow was sufficient to cover both interim and final dividend payments.

DIRECT DEPOSIT OF DIVIDENDS

As previously advised to Shareholders, commencing with the final dividend payment in April 2012, Amatil introduced a system of mandatory direct crediting of dividends in Australia.

Commencing with the 2013 final dividend payment in April 2014, the same mandatory direct crediting was introduced in New Zealand, and cheques will only be paid to non-New Zealand overseas Shareholders without an Australian or New Zealand financial institution account, or in exceptional circumstances.

If you are an Australian or New Zealand resident Shareholder, any Amatil dividends will be paid directly into your bank account on the dividend payment date. Your dividend payment statement will be sent by mail or emailed to you on that date.

If you are an Australian or New Zealand Shareholder and have not provided your Australian or New Zealand bank account details, you will not receive your dividend until you do so. You can provide your bank account details by contacting the share registry, Link Market Services.

DIVIDEND REINVESTMENT PLAN

Participation in the Dividend Reinvestment Plan (DRP) is optional and available to all Shareholders, except those who are resident in the United States, or in any place in which, in the opinion of the Directors, participation in the DRP is or would be illegal or impracticable. Shareholders may elect to participate for all or only some of their shares. Shares under the DRP were purchased on market for the 2019 interim and final dividend at the market price of Amatil ordinary shares calculated at each dividend payment, being the weighted average price of all ordinary Amatil shares sold on the ASX and Chi-X trading platforms during the 10 trading days commencing on the third trading day after the record date for the dividend. There is no brokerage, stamp duty or other transaction costs payable by participants. The DRP discount was reduced from 2.0% to nil with effect from the 2010 interim dividend payment.

The DRP rules may be modified, suspended or terminated by the Directors at any time by way of an announcement to the ASX and placed on Amatil's website. Changes will be effective on the date of the announcement. For additional information and a DRP application form, please contact our share registry, Link Market Services on tel: +61 1300 554 474 or via website at www.linkmarketservices.com.au.

TAX FILE NUMBERS

Australian tax payers who do not provide details of their tax file number will have the unfranked portion of dividends subjected to the top marginal personal tax rate plus Medicare levy. It may be in the interests of Shareholders to ensure that tax file numbers have been supplied to the share registry. Forms are available from the share registry should you wish to notify the registry of your tax file number or tax exemption details.

CHANGE OF ADDRESS

It is important for Shareholders to notify the share registry in writing promptly of any change of address. As a security measure, the old address should also be quoted as well as your Shareholder Reference Number (SRN). You may also update your details online at www.linkmarketservices.com.au.

FIVE-YEAR FINANCIAL HISTORY

Coca-Cola Amatil Limited and its subsidiaries

	2015	2016	2017	2018	2019
Summarised income statement – ongoing[1] ($M)					
Trading revenue	**5,093.6**	**5,077.7**	**4,933.8**	**4,752.3**	**5,070.6**
EBIT	**660.6**	**683.4**	**678.7**	**634.5**	**639.3**
Net finance costs	(86.2)	(73.0)	(68.8)	(72.5)	(65.7)
Income tax expense	(171.0)	(181.3)	(177.9)	(160.7)	(164.1)
Non-controlling interests	(10.0)	(11.2)	(15.8)	(13.0)	(15.6)
Profit attributable to Coca-Cola Amatil Limited Shareholders – ongoing	**393.4**	**417.9**	**416.2**	**388.3**	**393.9**
Profit/(loss) from discontinued operation after income tax	–	–	–	(122.5)	6.2
Non-trading items after tax	–	(171.8)	29.0	13.2	(25.7)
Profit attributable to Coca-Cola Amatil Limited Shareholders	**393.4**	**246.1**	**445.2**	**279.0**	**374.4**
Other performance measures					
Dividends per share (cents)	43.5	46.0	47.0	47.0	47.0
Final dividend franking per share (%)	75.0	75.0	70.0	50.0	–
Special dividend per share – unfranked (cents)	–	–	–	–	4.0
EPS – ongoing (cents)	51.5	54.7	55.9	53.6	54.4
EPS (cents)	51.5	32.2	59.8	38.5	51.7
EBIT interest cover – ongoing (times)	7.7	9.4	9.9	8.8	9.7
EBIT interest cover – ongoing (before lease accounting changes)[2] (times)	7.7	9.4	9.9	8.8	12.4
Return on capital employed (ROCE) – ongoing (%)	18.6	20.4	20.9	20.1	18.4
ROCE – ongoing (before lease accounting changes) (%)	18.6	20.4	20.9	20.1	19.5
Operating cash flow – ongoing ($M)	626.8	774.8	589.2	705.6	746.0
Operating cash flow – ongoing (before lease accounting changes) ($M)	626.8	774.8	589.2	705.6	688.0
Free cash flow – ongoing ($M)	390.3	490.5	429.3	392.6	521.4
Free cash flow – ongoing (before lease accounting changes) ($M)	390.3	490.5	429.3	392.6	463.4
Capital expenditure/trading revenue – ongoing (%)	5.0	5.8	6.3	6.7	4.5
Summarised balance sheet ($M)					
Net assets – operating and investing – ongoing (before lease accounting changes)	3,556.1	3,267.0	3,217.5	3,227.8	3,220.7
Add: right of use assets, including related deferred tax[2]	–	–	–	–	483.0
Less: net debt	(1,146.3)	(992.8)	(1,337.2)	(1,327.8)	(1,221.7)
Less: lease liabilities[2]	–	–	–	–	(529.8)
Net assets	**2,409.8**	**2,274.2**	**1,880.3**	**1,900.0**	**1,952.2**

1 Ongoing refers to continuing operations results adjusted to exclude non-trading items. The SPC business was classified as a discontinued operation for 2018, refer to page 127 of the financial report for further details.
2 Refer to pages 105 to 107 of the financial report for further details.

GLOSSARY

Coca-Cola Amatil Limited and its subsidiaries

BEVERAGES RELATED

Alcohol Ready-To-Drink beverages (ARTD)	Alcohol beverages, including beer and pre-mixed spirit categories
Non-Alcohol Ready-To-Drink beverages (NARTD)	Non-alcohol beverages, including sparkling and still categories
Sparkling and frozen beverages	Non-alcohol beverages including sugar cola, non-sugar cola, flavours and adult beverages and Frozen non-alcohol beverages
Still beverages	Non-alcohol beverages including water (carbonated and non-carbonated), sports, energy, juice, flavoured milk and tea
Unit case	A unit case is the equivalent of twenty-four 8 US oz (237ml) serves or 5.678 litres

FINANCIAL MEASURES

CAGR	Compound annual growth rate
Capex or capital expenditure	Payments for additions of property, plant and equipment and software development assets less related grant proceeds received from a government
Cash realisation	Calculated on an ongoing basis as net operating cash flows divided by profit after tax, adding back depreciation and amortisation expenses before tax
EBIT	Earnings before interest and tax
EPS	Earnings per share, determined as profit attributable to Shareholders of Coca-Cola Amatil Limited divided by the weighted average number of shares on issue during the year
Free cash flow	Cash flows generated by the business which are available to reinvest in capital expenditure, reduce net debt or return amounts to Shareholders mainly in the form of dividends and is calculated as net operating cash flows less capex and payments for other intangible assets and plus proceeds from disposal of property, plant and equipment
Net interest cover	Ongoing EBIT divided by net finance costs
Net tangible assets per share	Net tangible assets per share is calculated by dividing total equity attributable to the Shareholders of Coca-Cola Amatil Limited less intangible and right of use assets, by the number of shares at year end
Non-trading items	Transactions which are material to the financial statements individually or in aggregate and are either non-recurring or arise from activities other than those associated with Coca-Cola Amatil's ordinary trading activities
NPAT	Profit after tax for the year attributable to Shareholders of Coca-Cola Amatil Limited
PET	Polyethylene Terephthalate. The material used for the Group's plastic bottles.
Return on Capital Employed or ROCE	Ongoing EBIT, divided by the average of the Assets and Liabilities – Operating and Investing (net assets of the Group excluding net debt) at the beginning and at the end of the 12-month period ended as at the balance date
rPET	Recycled PET
Statutory	Financial measures stated in accordance with accounting standards
Ongoing	Financial measures stated before (or excluding) non-trading items and on a continuing operations basis

OTHERS

Amatil X	Amatil X is our emerging possibilities platform, designed to nurture and scale opportunities for growth
Coca-Cola System, Coke System, Coke Bottling System	The Coca-Cola Company, its subsidiaries and bottling partners
TCCC	The Coca-Cola Company
The Company	Coca-Cola Amatil Limited
The Group, We, Us or Our	Coca-Cola Amatil Limited and its subsidiaries
TRIFR	Total Recordable Injury Frequency Rate
nm	Not meaningful

DIRECTORIES & CALENDAR OF EVENTS

CORPORATE OFFICE

Ana Metelo
Group Head of Investor Relations

Betty Ivanoff
Group Director, Legal and Corporate Affairs

REGISTERED OFFICE

Coca-Cola Amatil Limited
Coca-Cola Place
Level 13, 40 Mount Street
North Sydney NSW 2060
Ph: +61 2 9259 6222

AUDITOR

Ernst & Young (Australia)
Ernst & Young Centre
200 George Street
Sydney NSW 2000

SHARE REGISTRY AND OTHER ENQUIRIES

For enquiries about Coca-Cola Amatil Limited Shares:

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Ph: 61 1300 554 474
Fx: 61 2 9287 0303
Email: cca@linkmarketservices.com.au
Web: www.linkmarketservices.com.au

For enquiries about American Depositary Receipts:

BNY Mellon Shareowner Services
PO Box 505000
Louisville, KY 40233-5000
USA
US Domestic Calls (toll free): 1 888 BNY ADRS or 1888 269 2377
International Calls: +1 201 680 6825
Email: shrrelations@bnymellon.com
Website: www.mybnymdr.com

For enquiries about the operations of the Company:

Investor Relations
Coca-Cola Place
Level 13, 40 Mount Street
North Sydney NSW 2060
Email: investors@ccamatil.com
Web: www.ccamatil.com

For enquiries about Sustainability
Email: sustainability@ccamatil.com

CALENDAR OF EVENTS 2020

Thursday 20 February
2019 Full Year Results announcement

Tuesday 25 February
Ex-dividend date (2019 Final Dividend)

Wednesday 26 February
Record date for dividend entitlements

Thursday 27 February
Last election date for Dividend Reinvestment Plan

Wednesday 15 April
2019 Final Dividend payment date

Tuesday 26 May
Annual General Meeting

Thursday 20 August
2020 Half Year Results announcement

Tuesday 25 August
Ex-dividend date (2020 Interim Dividend)

Wednesday 26 August
Record date for dividend entitlements

Thursday 27 August
Last election date for Dividend Reinvestment Plan

Tuesday 13 October
2020 Interim Dividend payment date

ANNUAL GENERAL MEETING

Coca-Cola Amatil's 2020 Annual General Meeting will be held virtually on 26 May 2020 at 10.00am (AEST).

In light of the escalating COVID-19 pandemic, we encourage Shareholders to monitor Amatil's corporate website or the Australian Securities Exchange (ASX) website for updates (if any) relating to the AGM.

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