



A.B.N. 26 004 139 397

**Financial and Statutory Reports
For the financial year ended 31 December 2015**

For further information, please contact:

Investors & Analysts

David Akers
+61 2 9259 6185
+61 412 944 577
david.akers@ccamatil.com

Media

Liz McNamara
+61 2 9259 6280
+61 405 128 176
liz.mcnamara@ccamatil.com

FINANCIAL AND STATUTORY REPORTS

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

for the year ended 31 December

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DIRECTORS' REPORT

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

In accordance with the Corporations Act 2001, the Directors submit hereunder their Report on Coca-Cola Amatil Limited and its subsidiaries (referred to as Group), for the year ended 31 December 2015.

The Operating and Financial Review (OFR) on page 4 and the Remuneration Report on page 18 form part of this Directors' Report.

1 NAMES AND PARTICULARS OF DIRECTORS

The names of the Directors of Coca-Cola Amatil Limited (referred to as CCA or 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 CCA are detailed below:

	Ordinary shares No.	Long Term Incentive Plan (LTIP) share rights ¹ No.
David Michael Gonski, AC	434,894	–
Alison Mary Watkins	54,706	594,026
Ilana Rachel Atlas	5,000	–
John Borghetti ²	–	–
Catherine Michelle Brenner	14,732	–
Anthony Grant Froggatt	19,151	–
Martin Jansen	10,173	–
Wallace Macarthur King, AO	56,771	–
David Edward Meiklejohn, AM	25,497	–
Krishnakumar Thirumalai	–	–

1 Consists of the maximum number of unvested share rights in the 2014-2016 and 2015-2017 LTIPs.

2 Appointed 1 December 2015.

Particulars of the qualifications, other directorships, experience and special responsibilities of each Director are set out in the front section of this Annual Report.

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 & Risk Committee ¹		Sustainability Committee ^{1,2}		People Committee ^{1,3}		Related Party Committee ¹		Nominations Committee ¹		Other Committee ⁴
	Meetings held while a Director	No. of meetings attended	Meetings held while a member	No. of meetings attended	Meetings held while a member	No. of meetings attended	Meetings held while a member	No. of meetings attended	Meetings held while a member	No. of meetings attended	Meetings held while a member	No. of meetings attended	No. of meetings attended
D.M. Gonski, AC	7	7	5	5	5	5	5	5	7 ⁶	7	1 ⁶	1	–
A.M. Watkins	7	7	–	–	–	–	–	–	–	–	–	–	1
I.R. Atlas	7	7	5	5	–	–	5	5	7	7	1	1	–
J. Borghetti	1	1	–	–	–	–	–	–	–	–	–	–	–
C.M. Brenner	7	7	1	1	5 ⁶	5	5	5	7	7	1	1	–
A.G. Froggatt	7	7	5	5	–	–	5 ⁶	5	7	7	1	1	–
M. Jansen ⁵	7	7	5	4	5	4	–	–	–	–	–	–	–
W.M. King, AO	7	6	–	–	5	4	–	–	7	6	1	1	–
D.E. Meiklejohn, AM	7	7	5 ⁶	5	5	5	–	–	7	7	1	1	–
K. Thirumalai ⁵	7	5	–	–	–	–	5	3	–	–	–	–	–

1 Refer to the Corporate Governance Statement found in CCA's 2014 Annual Report or to CCA's website (for updates) at www.ccamatil.com for further details on Committees.

2 Formerly known as the Compliance & Social Responsibility Committee.

3 Formerly known as the Compensation Committee.

4 Committee was created to attend to administrative matters on behalf of the Board. A quorum for this Committee was any two Directors, or any one Director and the Group Chief Financial Officer.

5 Nominees of The Coca-Cola Company and are non-residents of Australia.

6 Chairman of the relevant Committee.

3 PRINCIPAL ACTIVITIES

Details of principal activities are included in the OFR.

4 DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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

5 INDEMNIFICATION OF AUDITORS

To the extent permitted by law, CCA has agreed to indemnify its auditors, Ernst & Young 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 a negligent, wrongful or wilful acts or omission by Ernst & Young. No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

6 DIVIDENDS

	Rate per share ¢	Amount \$M	Date paid or payable
Dividend declared on ordinary shares for 2015 (not recognised as a liability):			
Final dividend (franked to 75%)	23.5	179.4	5 April 2016
Dividends paid on ordinary shares in the financial year:			
Final dividend for 2014 (franked to 75%)	22.0	168.0	7 April 2015
Interim dividend for 2015 (franked to 75%)	20.0	152.7	6 October 2015

7 SHARE RIGHTS

Details of movements in share rights during the financial year are included in Note 17 to the financial statements within the Financial Report.

8 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 and food manufacturing activities, recognising that the key areas of environmental impact are water and energy use, recycling rates and litter.

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 compliance system overseen by the 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.

9 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 other significant changes in the Group's state of affairs or principal activities during the 12 months to 31 December 2015.

10 EVENTS AFTER THE BALANCE 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.

11 ROUNDING

The Company is of a kind referred to in the Australian Securities and Investments Commission (ASIC) Class Order No. 98/100 and, in accordance with this Class Order, amounts in this Report and the Financial Report have been rounded off to the nearest hundred thousand dollars, unless otherwise stated.

12 AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Auditor independence

The following independence declaration has been obtained from the Company's auditor, Ernst & Young:



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

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

Auditor's Independence Declaration to the Directors of Coca-Cola Amatil Limited

As lead auditor for the audit of Coca-Cola Amatil Limited for the financial year ended 31 December 2015, 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

Michael Wright
Partner
Sydney
17 February 2016

Liability limited by a scheme approved under
Professional Standards Legislation

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 received or is due to receive the following amounts for the provision of non-audit services:

- Other assurance services \$403,000
- Tax compliance services \$23,000
- Other services \$84,000

OPERATING AND FINANCIAL REVIEW

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

This Operating and Financial Review (OFR) outlines CCA's principal activities, financial summary, business strategies and prospects for future financial years in accordance with the requirements of the Corporations Act 2001, and the Australian Securities and Investments Commission's Regulatory Guidance 247 "Effective Disclosure in an Operating and Financial Review".

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1 GROUP

A Principal activities

We are proud of our great range of global brands we produce locally in each of the six countries in which we operate and that consumers choose to make them part of their everyday lives.

As one of the largest manufacturer, distributor and sellers of ready-to-drink beverages in the Asia-Pacific region, we are committed to continuing to lead within our industry through the innovation and growth of our brands and products that are already loved by so many.

With around 14,000 employees across businesses in Australia, New Zealand, Fiji, Indonesia, Papua New Guinea and Samoa, we work as one team to deliver our best every day for our consumers, our customers, our partners, our communities and our shareholders who share in our success.

With access to approximately 270 million consumers through the Group's customers, we are committed to building a strong and sustainable future where we are best positioned to capture growth and deliver long-term value to our shareholders.

We aim to delight our consumers through a diversified portfolio of products. Our product range includes sparkling beverages, spring water, sports and energy drinks, fruit juices, iced tea, flavoured milk, coffee, tea, beer, cider, spirits, packaged ready-to-eat fruit and vegetable snacks and products.

The Group works closely with The Coca-Cola Company (TCCC), being the owner of the various Coca-Cola brands and manufacturer of related syrups and concentrates, to manufacture and package Coca-Cola, along with other Coca-Cola brands including Sprite, Fanta, Pump and Powerade. Through the Group's sales and distribution networks we deliver these and many other category-leading brands, to our consumers every day.

With low and zero kilojoule beverages a growing part of our portfolio we are continuing to work to respond to the changes in consumer demands to ensure the long term sustainability of our business. These changes in demands presents great opportunities for us to further develop our portfolio of products.

We understand our responsibility to always consider the impact we have on the world in which we live and strive continually to earn and maintain the respect of our communities.

The Coca-Cola Company and other partners

CCA's largest shareholder, TCCC, owns 29.2% of CCA's issued share capital and has two directors on CCA's ten member Board of Directors. Further information of the Group's investments in bottler's agreements and relationships with TCCC can be found in Notes 8 and 16 to the financial statements within the Financial Report.

On 2 April 2015, a subsidiary of TCCC invested US\$500.0 million (\$652.6 million, or \$646.8 million after transaction costs) in new ordinary shares in CCA's Indonesian business. The investment equates to a 29.4% ownership interest in the business, diluting CCA's equity ownership to 70.6%. CCA retained control of, and therefore continues to consolidate, PT Coca-Cola Bottling Indonesia, resulting in TCCC's investment being classified as a non-controlling interest (NCI) within the financial statements of the Group.

Other beverage brand owners and businesses that CCA partners with include Beam Suntory and the Casella Group.

1 GROUP (CONTINUED)

B Financial summary

a) Income statement

	2015 \$M	2014 \$M	Variance %
Trading revenue			
Non-Alcohol Beverages			
Australia	2,763.0	2,785.3	(0.8)
New Zealand & Fiji	513.0	488.0	5.1
Indonesia & PNG	1,008.9	927.5	8.8
Alcohol & Coffee Beverages	434.4	355.5	22.2
Corporate, Food & Services	374.3	386.5	(3.2)
Total trading revenue	5,093.6	4,942.8	3.1
Earnings before interest, tax (EBIT) and significant items¹			
Non-Alcohol Beverages			
Australia	463.8	462.9	0.2
New Zealand & Fiji	98.8	92.3	7.0
Indonesia & PNG	48.7	44.3	9.9
Alcohol & Coffee Beverages	34.1	25.9	31.7
Corporate, Food & Services	15.2	26.1	(41.8)
Total EBIT (before significant items)	660.6	651.5	1.4
Net finance costs	(86.2)	(121.9)	(29.3)
Income tax expense	(171.0)	(153.4)	11.5
Non-controlling interests	(10.0)	(0.7)	
Profit for the year – attributable to shareholders of CCA (before significant items)¹	393.4	375.5	4.8
Significant items after tax	–	(103.4)	
Profit for the year – attributable to shareholders of CCA	393.4	272.1	44.6

1 Refer to Note 3b) to the financial statements within the Financial Report for further details of significant items.

Trading revenue and EBIT

Refer to page 13 for commentary of trading revenue and EBIT by business.

Net finance costs

Net finance costs decreased by 29.3% or \$35.7 million in 2015 driven by the US\$500.0 million equity injection by TCCC into CCA's Indonesian business.

Income tax expense

The effective tax rate was 29.8% for 2015, which is broadly consistent with the prior year rate of 29.2% (29.0% before significant items), the Australian company tax rate of 30%, and the Group's mix of earnings by country.

Non-controlling interests

As a result of TCCC's equity injection into CCA's Indonesian business, resulting in a 29.4% ownership of the business, TCCC's share of CCA Indonesia's profit after tax from the transaction date of 2 April 2015, was the main contributor to the increase in non-controlling interests share of the Group's profit for the year.

Significant items after tax

There were no significant items recognised in 2015. In 2014, significant items after tax of \$103.4 million (expense) were recognised. Refer to Note 3b) to the financial statements within the Financial Report for further details of significant items.

b) Financial position

The Group's summarised balance sheet as at the end of the financial year is shown below:

	2015 \$M	2014 \$M	Variance \$M
Assets and Liabilities – Operating and Investing	3,556.1	3,558.0	(1.9)
Capital – Financing			
Equity	2,409.8	1,686.7	723.1
Net debt	1,146.3	1,871.3	(725.0)
Total Capital – Financing	3,556.1	3,558.0	(1.9)

Details of movements in Assets and Liabilities – Operating and Investing and Capital – Financing are included below in sections i) and ii).

OPERATING AND FINANCIAL REVIEW (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

1 GROUP (CONTINUED)

B Financial summary (Continued)

b) Financial position (Continued)

i) Assets and Liabilities – Operating and Investing (capital employed)

	2015 \$M	2014 \$M	Variance \$M
Working capital ¹	525.1	474.5	50.6
Property, plant and equipment	2,019.9	2,031.2	(11.3)
Intangible assets	1,265.9	1,277.0	(11.1)
Current and deferred tax assets/(liabilities)	(188.6)	(167.4)	(21.2)
Net non-debt derivative (liabilities)/assets	(24.2)	15.0	(39.2)
Other net liabilities ²	(42.0)	(72.3)	30.3
	3,556.1	3,558.0	(1.9)
Return on capital employed (ROCE)³	18.6%	18.5%	0.1 pts

1 Working capital is defined as current trade and other receivables plus inventories, less current trade and other payables.

2 Mainly comprising of employee expense obligations and prepayments.

3 Determined as EBIT (before significant items) divided by the average of the opening and closing balance of assets and liabilities – operating and investing.

Capital employed has been held flat compared to last year end enabling a marginal improvement in ROCE, which remains well above CCA's cost of capital.

Working capital increased by \$50.6 million reflecting growth in the Alcohol business, an increase in safety stock in SPC ahead of the season and the commissioning of the new tomato line. As anticipated, timing related increases identified at the half year reversed during the second half.

Property, plant and equipment reduced by \$11.3 million due to the disposal of two sites in the Australian Beverages business. Depreciation was in line with additions.

Net non-debt derivative liabilities increased by \$39.2 million reflecting the impact of a fall in the value of the Australian dollar, lower commodity prices and lower interest rates.

Other net liabilities have reduced due to a decrease in superannuation liabilities and increase in prepayments.

ii) Capital – Financing

	2015 \$M	2014 \$M	Variance \$M
Equity	2,409.8	1,686.7	723.1
Net debt			
cash assets	(1,237.5)	(818.2)	(419.3)
long term deposits	(88.1)	–	(88.1)
interest bearing liabilities	2,535.6	2,663.5	(127.9)
Net debt derivative (assets)/liabilities	(63.7)	26.0	(89.7)
Total net debt	1,146.3	1,871.3	(725.0)
	3,556.1	3,558.0	(1.9)

The balance sheet remains in a very strong position. Net debt decreased by \$725.0 million to \$1,146.3 million. This was driven by the receipt of the equity injection by TCCC in Indonesia of \$646.9 million in Australian dollars. The improved free cash flow was also able to fund the dividend payment resulting in a reduction in net debt by \$69.6 million.

Cash assets have increased by \$419.3 million to \$1,237.5 million. The increase is driven by the equity injection from TCCC in Indonesia held on deposit until the funds are required for capital spend to support the growth strategy. In addition there has been an increase in funds in PNG due to the lack of foreign currency liquidity. Of the \$88.1 million held in long term deposits, \$77.1 million held in Indonesia will repay a debt maturing in April 2017.

Total available debt facilities at year end was \$2.5 billion. The average maturity is 3.7 years and the maturity profile is as follows:

	31 Dec 2016 %	31 Dec 2017 %	31 Dec 2018 %	31 Dec 2019 %	31 Dec 2020+ %
Borrowing maturity profile					
Committed and uncommitted facilities maturity year	21.3	20.4	16.8	6.4	35.1

All debt maturing up until February 2017 is fully funded.

1 GROUP (CONTINUED)

B Financial summary (Continued)

b) Financial position (Continued)

iii) Significant unrecognised assets

The Group has a number of significant products in its portfolio that are sold under brands owned by the Group. These brands include Mount Franklin, Deep Spring and Kirks in Australia, Deep Spring, Pump and L&P in New Zealand, and Jucy in Fiji.

As these brands were internally generated, purchased in prior periods for immaterial amounts, or historically amortised in total through the income statement, the balance sheet of the Group for the financial year ended 31 December 2015, in accordance with accounting standards, does not contain any asset values for these brands.

c) Free cash flow

	2015 \$M	2014 \$M	Variance \$M
EBIT	660.6	507.1	153.5
Depreciation and amortisation expenses	270.2	266.6	3.6
Impairment charges	4.9	57.2	(52.3)
Changes in adjusted working capital ¹	(57.3)	(12.2)	(45.1)
Net interest and other finance costs paid	(91.6)	(129.3)	37.7
Income taxes paid	(148.2)	(179.0)	30.8
Movements in other items	(11.8)	79.8	(91.6)
Net operating cash flows	626.8	590.2	36.6
Payments for additions of property, plant and equipment and software development assets (net of government grant)	(256.0)	(285.3)	29.3
Payments for additions of other non-current assets	(0.2)	–	(0.2)
Proceeds from sale of non-current assets	19.7	6.7	13.0
Free cash flow	390.3	311.6	78.7

1 Working capital is adjusted to exclude the impact of non-cash flow and non-operating items such as foreign exchange translation, acquisitions of businesses and payables relating to additions of property, plant and equipment.

Free cash flow was \$390.3 million, a \$78.7 million increase on last year.

Cash realisation has increased by 1.3% points to 93.1% for the year and the free cash flow was sufficient to cover the dividend payments for the year excluding the receipt of TCCC's US\$500 million equity injection in Indonesia.

Net operating cash flow improved by \$36.6 million driven by lower interest and tax payments partly offset by an increase in working capital. Significant items totalling \$144.4 million (before tax) affected 2014 net operating cash flows mainly in EBIT, impairment charges and provisions (within movements in other items).

The lower interest cost was driven by the US\$500 million equity injection by TCCC in Indonesia. Tax paid was lower than last year due to Australian tax instalments changing in 2014 to monthly from quarterly and the impact of the decline in earnings in 2014 on tax instalments paid in 2015.

The \$57.3 million increase in adjusted working capital is driven by the growth of the Alcohol business, an increase in safety stock in SPC ahead of the season and the commissioning of the new tomato line.

Capital spend was lower than forecast at the interim results announcement in August 2015 due to timing and control of spend on approved projects rather than cancellation of projects. The proceeds from sale primarily relate to the sale of two production sites in Australian Beverages.

d) Returns

Earnings per Share

Earnings per Share (before significant items) increased by 4.7% from 49.2 to 51.5 cents per share, due to the increase in profit for the year attributable to shareholders of CCA (before significant items). Earnings per Share for 2014 was 35.6 cents per share, including significant item charges (after tax) of \$103.4 million.

Dividends

The final dividend declared is 23.5 cents, franked to 75.0%, bringing the full year dividend to 43.5 cents (2014: 42.0 cents), representing a payout ratio of 84.4% for the year.

1 GROUP (CONTINUED)

C Strategy and performance against initiatives

Strategy

The following information is provided to enable users of CCA's Annual Report to make informed assessments about CCA's strategies and prospects for future financial years. Information that could result in likely material detriment to CCA, owing to its commercially sensitive or confidential nature, or which could provide a third party a commercial advantage, has not been included.

The information contained in this section has been provided on the basis of business plans and strategies (and related risks) as previously approved by the Company's Board of Directors. In the future, changes to the business plans, strategies and related risks may occur. CCA will provide suitable updates to shareholders in this regard, as required.

In accordance with CCA's strategic review outcomes announced in October 2014, CCA's business plans have been developed reflecting three broad Group strategic themes:

1. Strengthening our category leadership position in each of our markets;
2. Making a step change in our productivity and in-market execution; and
3. Building better alignment with The Coca-Cola Company and other partners.

The strategies for different areas of our business are as follows:

Australasia – Stabilise earnings and return to growth

- Strengthen our brand portfolio to increase our appeal to a wider range of consumers;
- Optimise our revenue management by optimising price, pack architecture and strengthening our promotional management;
- Redesign the route to market model to improve cost to serve and better leverage our scale;
- Restructure our cost base to deliver ongoing productivity gains; and
- Deliver steady earnings and volume growth in New Zealand.

Indonesia – Expand our market presence to realise the market's potential

- Improve product availability and affordability across different channels;
- Build brand strength and channel relevance through a multi-category portfolio;
- Drive cost competitiveness from operating leverage, transformed route-to-market and reduced complexity; and
- Agreement for a US\$500.0 million equity injection by a subsidiary of TCCC in PT Coca-Cola Bottling Indonesia to accelerate the growth plan with aligned volume and return targets.

Alcohol – Continue to build our product portfolio in Australia and New Zealand

Strengthen our product offering and customer servicing capability to the licensed channel by leveraging CCA's large-scale sales, manufacturing and distribution infrastructure assets.

SPC – Invest to restore to a profitable, modern food business

Strong transformation plan to revitalise the brand portfolio and return the business to growth.

1 GROUP (CONTINUED)

C Strategy and performance against initiatives (Continued)

Performance against initiatives

- **Australian Beverages earnings stabilised despite challenging conditions.** We delivered positive volume growth by focusing on our strategy of optimising our portfolio and product mix and improving our route to market execution. The cost savings identified under our efficiency program and route to market transformation are being reinvested into the business to support our leadership position on price and to maintain a strong focus on brand development, innovation and technology. We have driven transactions by widening choice, increasing consumer relevance in our core Sparkling Beverages portfolio and strengthening our stills offer.
- **New Zealand & Fiji earnings increased 7.0% driven by strong performances across Sparkling Beverages and water.** This growth was achieved by bringing innovation to market across our beverages categories and continued focus on targeted channel and market activation. A new 10-year partnership with Restaurant Brands New Zealand encompassing KFC and Pizza Hut franchises commenced in January 2016 and will cement CCA's position as New Zealand's leading quick service restaurant beverage supplier. Fiji delivered very strong volume and earnings growth driven by a revitalised economy and disciplined market execution.
- **Indonesia & Papua New Guinea earnings increased 9.9% with Indonesia facing headwinds stemming from a slowing economy, impacting volume and profitability.** In challenging conditions, our revenue and cost management initiatives partially offset lower volume growth and increased cost of goods sold resulting from the significant depreciation of the Indonesian rupiah against the US dollar during 2015. Solid progress has been made in winning market share in Sparkling Beverages and tea categories. Indonesia's economic growth is at its lowest level in five years which has resulted in some planned CCA capital investment being deferred. TCCC's equity injection of US\$500 million reiterates our joint commitment to the Indonesian market, has reduced net debt and financing costs in the short term and, as demand increases, capital expenditure will be up-weighted. Segment earnings for the year benefited from the appreciation of the PNG kina.
- **Alcohol & Coffee earnings grew 31.7%, continuing the momentum from the first half.** Sales in alcoholic ready-to-drink beverages and spirits benefited from a redesigned partnership with Beam Suntory now encompassing the Suntory range of spirits and expanding the relationship to New Zealand. The partnership leverages the strengths of both organisations with a core focus on premium brand development. In addition, the Yenda craft beer range, Paradise Beverages in Fiji and Grinders Coffee grew significantly, contributing to a strong earnings result.
- **Corporate, Food & Services earnings decreased by \$10.9 million.** This was due to costs associated with a range of projects to support the Group strategy such as the Beam Suntory agreements and one-off provisions in SPC including the closure of the Mooroopna plant as part of the ongoing transformation.
- **Finance costs decreased by \$35.7 million.** The lower costs were mainly driven by TCCC's US\$500 million equity injection in Indonesia but also included some non-recurring foreign exchange hedging gains which improved profit attributable to CCA shareholders by around \$6 million.

D Financial outlook and prospects summary

In October 2014, CCA announced the results of a strategic review of the Group and outlined a path to stabilising earnings and restoring growth. Our result in 2015 reinforces the confidence we have in our strategy. We are seeing the benefits of our product and geographic diversity which has allowed us to build momentum in the face of challenging conditions and structural shifts in the Sparkling Beverages category. In Australia and New Zealand we are actively managing our response to changing consumer preferences through product innovation as well as providing consumers with information and choice to enjoy our beverages.

We are excited about the new "Taste the Feeling" campaign for Coca-Cola. This campaign connects us with our consumers in a new way by driving the relevance of the Coca-Cola trademark and reminding people when and why to drink Coca-Cola. Importantly the "One Brand" approach continues the journey we started in 2015, moving from separate brands and separate ideas across the Coca-Cola trademark, to one brand with different product choices to meet all our consumer needs.

In 2014 we stated our target of returning CCA to mid single-digit growth in earnings per share over the next few years. We remain confident that our plans are moving us in the right direction and aim to take another step towards this goal in 2016. The pace of recovery will depend on the success of revenue initiatives in Australia and Indonesian economic factors.

We anticipate 2016 net finance costs to be in line with 2015 due to a full year benefit of TCCC's US\$500 million equity injection in Indonesia, offset by non-recurring gains in 2015.

We expect to generate sufficient free cash flow to allow continued targeting of a medium term dividend payout ratio of over 80%. We also expect to maintain a conservative balance sheet position which provides us with flexibility to fund future growth opportunities.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

1 GROUP (CONTINUED)

E Sustainability strategy

CCA 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, our environment, our communities as well as our shareholders. CCA's sustainability strategy focuses on accountability, targets, transparency and ethics across four pillars: Our people, Our environment, Our wellbeing and Our community. CCA reports in detail against each of these through our Sustainability Report. An overview of our performance in each of these areas is provided below.

Our People

CCA provides a safe, open and inclusive workplace where our people are energised by, and committed to, their safety and wellbeing at work.

For CCA, a safe workplace is the result of both our 'safety first' culture and a clearly defined set of requirements for all employees. CCA 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. In 2015, CCA's continued commitment to a safe and healthy workforce was demonstrated through a range of achievements, including:

- Delivery of a 50% injury reduction over the 2012 – 2015 period through the "Live Safe" program;
- Training of more than 3,000 leaders and team members in the Behavioural Safety Program;
- Implementation of health, fitness and wellbeing programs across the Group, further supporting our people to take proactive ownership of their health and safety; and
- First prize in the inaugural TCCC Global Safety Awards by the Australian Beverages business for their Behavioural Safety Program.

In addition, a recent employee survey concluded that 'safety and a zero harm culture' featured in the top quartile of engagement imperatives, highlighting continued improvement in the safety culture of the organisation.

At CCA, the importance of creating a culture that values inclusion, recognises the unique contributions of our people, and builds capability is critical to our success. CCA is a 'relevant employer' under the Workplace Gender Equality Act, and reports on behalf of our Australian based businesses. In addition, the Group has set measurable objectives to increase the representation of women in senior executive management and above roles from 16% to 22% by 2016 in accordance with the ASX Corporate Governance Principles and Recommendations relating to diversity.

CCA continues to focus on training and development of our people, fostering an environment that supports and encourages growth of employee skills through various systems, internal processes, and implementation of a performance based culture.

Our environment

CCA has a long standing commitment to the environment and the communities that we operate in. Our employees share an awareness of, and commitment to the importance of sound environmental management. Our core focus areas include minimising water and energy use, improving recycling rates and reducing litter. Highlights for 2015 include:

- Maintaining and expanding our commitment to sound environmental management by maintaining certification to ISO14001 across our operating sites. CCA is also currently preparing to implement the requirements of the recently updated ISO14001:2015 standard;
- Continuing to supply our customers with some of the most energy efficient coolers on the market and trialling new technologies to further reduce the environmental impact of these units;
- Continuing our work in further optimising packaging to reduce our consumption of raw materials and maintain recyclability across all pack formats;
- Continuing our focus on the sustainable use of our water sources by regularly updating our hydrogeological studies to ensure sustainable supply at the highest possible quality;
- Continuing to set and achieve targets in water and energy efficiency as well as waste to landfill and recycling at all of our production facilities; and
- Continuing to investigate opportunities with our key partners in utilities supply for renewable and low carbon technologies.

Our wellbeing

CCA is committed to making a distinct and positive contribution to the wellbeing of its consumers. CCA does this by providing consumers with choice and information they need to make the right decisions for them and their families. The broad range of kilojoule and pack size options means that CCA's products can be enjoyed as part of a balanced, healthy lifestyle which includes a sensible diet, proper hydration and regular physical activity.

1 GROUP (CONTINUED)

E Sustainability strategy (Continued)

Our wellbeing (Continued)

We know we have a role to play in promoting the energy balance message and helping consumers make the right choices. CCA is continuing to increase the choice available to consumers and improve product information, including:

- Providing a low or zero kilojoule option in all of CCA's major Australian and New Zealand sold brands since the end of 2014;
- Launching Coke Life in 2015 in Australia and New Zealand, a product that has 35% fewer kilojoules and is naturally sweetened with stevia;
- Providing varied portion sizes, including the launch of the 250ml can across our Australian and New Zealand market and 200ml multipacks;
- Providing comprehensive consumer information and education about kilojoules, nutrition and physical activity, including nutrition and kilojoule labelling on 75% of vending machines in Australia and New Zealand; and
- In conjunction with TCCC, partnering with the Bicycle Network in Australia to support "The Happiness Cycle", a community program that has provided more than 9,000 teenagers across Australia with bicycles and an app to assist them to increase their physical activity.

Our community

CCA contributes to the economic and social development of local communities in which we operate through a range of initiatives including those detailed below.

Australia

- Assisting disadvantaged young people with more than \$1.0 million in grants through the Coca-Cola Foundation (in conjunction with TCCC);
- Supporting community causes our employees care about with dollar for dollar matched payroll giving and provision of volunteer leave;
- Donating products to Foodbank to support the delivery of half a million meals to charities across Australia;
- Assisting in natural disaster response by providing products to emergency services and people in need;
- Donating products to charity events; and
- Ongoing charity partnerships with the Avner Pancreatic Cancer Foundation and, through our Mount Franklin brand, with the McGrath Foundation.

New Zealand

- Providing education scholarships to young under privileged New Zealanders;
- Supporting Keep New Zealand Beautiful through a partnership to educate, and invest in infrastructure, on waste, recycling and litter;
- Providing Christmas Box donations of products as well as more than 100 volunteers, to support disadvantaged families with food, beverages and gifts during the Christmas period; and
- Providing product donations for disaster relief and charity events including support for the Prime Minister's Youth Development Forum three day event providing youth from low socioeconomic environments the opportunity to immerse themselves in programs that will grow their understanding of industry, the workforce and the commitment required to actively contribute to society.

Indonesia

- In partnership, continuing to deliver the Bali Beach Clean Up program. This program was established in 2007, and since then we have removed more than 30 million kilograms of rubbish from 9.7 kilometres of Bali's most iconic beaches. We also continue to support the Bali Surf Life Saving Association;
- Developed the Coca-Cola Forest Lampung (South Sumatra) - a commercial forest of 2,800 trees planted at our manufacturing site. Proceeds from the commercial forest will provide in excess of \$100,000 to support education initiatives at 7 schools surrounding our plant;
- Developed the Coca-Cola Forest Bandung (West Java) with a capacity to supply 20,000 trees per month to the local communities that share our plants water catchment area and assist the government's forest regeneration programs;
- Continued delivery of the Coke Kicks program in partnership with the Asian Soccer Academy. This program provides a professional soccer training program for grassroots talent across Indonesia, supporting more than 700 local soccer trainers and 12,000 young soccer talents with high quality soccer equipment and professional training; and
- Supporting various water conservation programs to return more than 800 million litres of water, per year, back to nature through the establishment of 1,700 absorption wells, in addition to providing septic tank cleaning services and clean water systems that benefited 2,114 households across Indonesia.

More information on sustainability can be found in CCA's Sustainability Report which is available on CCA's website, www.ccamatil.com.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

1 GROUP (CONTINUED)

F Business and sustainability risk

The Group is exposed to a range of market, financial, operational, and socio-political risks which 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 the Group can control. CCA has a risk management framework in place with internal control systems to mitigate these key business risks.

For further information on CCA's risk management framework, refer to CCA's Corporate Governance Statement within the 2014 Annual Report and at www.ccamatil.com for discussion of CCA's approach under Principle 7 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 3rd edition, being "Recognise and Manage Risk".

The Group's key business risks include, but are not limited to:

Adverse economic conditions and subdued consumer confidence

A risk to the long term health of the business is the inability to realise sufficient price increases to cover rising costs, for example increasing ingredient costs, labour costs and foreign currency impacts. The retail environment (including the restaurant and café trade) in Australia and New Zealand remains challenging as consumer spending is subdued across a number of areas, particularly in relation to food and beverage retailing. A weakening global economy, adverse local unemployment forecasts and expectations are also negatively impacting consumer demand. Similarly, the Indonesian business is facing economic headwinds, primarily the depreciating currency, as well as infrastructure challenges and utility price increases. In PNG, falling commodity prices, reduced mining activity and investment continue to impact government revenue and unemployment levels, and a lack of liquidity in the local currency market remains a challenge. To address the cost implications of these macroeconomic risks, CCA will continue a range of strategic cost-out initiatives over 2016 and 2017 and grow revenues through new products, innovation and extending customer reach and market penetration.

Competitive and market threats

The beverages business is highly competitive in each country in which the Group operates. Increased competitor activity, retailer margin pressure and sparkling beverage category decline continue to place pressure on earnings. The Group works closely with key partners, including TCCC, to innovate and establish pricing strategies to strengthen its competitive position. The Group has comprehensive revenue growth management and strong category plans in key and emerging categories, which are supported by robust marketing plans to assist in mitigating these risks.

Ongoing social responsibility and regulatory risks (including sugar and obesity concerns and container deposit scheme legislation)

With the ongoing anti-sugar and anti-obesity campaigns led by various health groups, consumer preferences are shifting and the risk is that the sparkling beverages market continues to decline in the regions in which the Group operates. The Group will expand its beverage platform as part of the new product development pipeline to address shifting consumer preferences and improve brand equity. The potential expansion of container deposit schemes in Australia (or its states or territories) and a possible excise tax on soft drinks in Indonesia will impact earnings if implemented. The Group is working with key stakeholders to ensure that policy objectives are met with minimal impact to consumers and CCA.

Relationship with TCCC and other brand partners

The Group's beverage business, of which TCCC branded products form the majority, accounts for most of the Group's earnings. The relationship with TCCC is a fundamental component to the ongoing success of CCA. In addition, key to the success of CCA's Alcohol strategy is its relationship with other brand partners. CCA continues to develop a more aligned joint system plan with TCCC, and joint plans are in place with each of the Alcohol brand partners to drive volume.

Occupational Health and Safety (OH&S) risk

The Group values safety and is committed to ensuring that a robust and effective OH&S framework is employed across the Group. While the Group has historically experienced low injury rates, the risk of serious injury through industrial and traffic accidents remains in all of the Group's markets due to the nature of the manufacturing and distribution business. CCA has an OH&S framework that is reviewed on a regular basis by management and the Sustainability Committee, and is audited externally. Additionally, management continue to invest in a number of initiatives to reduce OH&S related risks.

Business continuity risks due to natural disasters, utility disruptions and regulatory changes

The Group operates in environments that are susceptible to natural disasters (such as flood, fire and earthquakes), utility disruption, regulatory changes and cyber threats, which have the potential to cause business disruption. Business continuity frameworks are in place (this includes information technology disaster recovery) and are tested regularly to reduce the impact of any major disruption. In addition, adequate insurance cover is in place across the Group.

Financial risk management

Information concerning the Group's financial risk management can be found in Note 14 to the financial statements within the Financial Report.

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 to competitors information that CCA regards as being commercially sensitive to the business.

2 FINANCIAL SUMMARY, OUTLOOK AND PROSPECTS BY SEGMENT

A Non-Alcohol Beverages – Australia

a) Financial summary

	2015	2014	Variance %
Trading revenue (\$M)	2,763.0	2,785.3	(0.8)
Trading revenue per unit case (\$)	8.48	8.59	(1.3)
Volume (million unit cases)	326.0	324.4	0.5
EBIT (before significant items) (\$M)	463.8	462.9	0.2
EBIT (before significant items) margin on trading revenue (%)	16.8	16.6	0.2 points

The Australian Beverages business delivered a solid EBIT result supported by a slight increase in overall volumes despite facing challenging conditions. This was achieved through a continued strong focus on driving transactions and mix through widening choice and increasing consumer relevance to meet changing preferences, supported by ongoing promotional investment and product innovation.

Reported volumes in the second half were down 1.5% but flat when normalised for sales days. Realised price declined by 0.5% during the second half but represents a significant improvement in trajectory compared with the first half.

Moderate market share gains were delivered across a number of Sparkling Beverages category brands including Coca-Cola, Sprite, Kirks and Fanta, particularly in the grocery channel. This was achieved through up-weighted media, promotion and executional efforts. Importantly, single serve grew by 1.5% across our Sparkling Beverages portfolio. A slight increase in total volume of 0.5% was driven by actively managing category, pack and channel mix, together with investing in pricing tools and improved promotional pricing strategies.

We also benefitted from the launch and/or continuation of a number of marketing campaigns as well as new product innovation. Highlights of the year included campaigns such as the 100 year celebration of the iconic Coca-Cola contour bottle, "Colour Your Summer", "Come Alive" featuring innovative thermochromatic cans and the "Sprite Cut Through the Heat" campaign. The successful launch of Coca-Cola Life was also an important milestone in offering consumers a product with reduced sugar using natural sweeteners while maintaining the great taste of Coca-Cola. Volumes for the Coca-Cola Life range represent between 1-2% of total brand Coca-Cola volumes, in line with expectations.

The water category continued to experience downward price pressure with volume growth primarily driven by low cost private label and value water brands. However, approximately two thirds of total value growth in the water category was driven by the enhanced water segment. This segment now represents approximately 35% of value in the grocery channel, up from 28% in 2014.

In the water category, we introduced a permanent value water, Peats Ridge, in June and repositioned the Mount Franklin brand including new packaging, revised pricing strategies and a new above-the-line promotion campaign – "The Nation's Hydration". Mount Franklin increased its market share in the premium spring water segment within the grocery channel. Furthermore, sales for our coconut water offering, Zico, continued to increase with the product now holding 15% market share and competing to be the number two player in the high value coconut water segment.

In the sports category, we also experienced competitive pricing that resulted in a loss of share for Powerade. In response to this, a new product formulation, "ION4" was launched in October. The new formulation was supported by a campaign with sports personalities and increased promotional pricing activity. This resulted in regaining market share and achieving both volume and value growth during the fourth quarter.

In the dairy category, sales of our Barista Bros flavoured milk products continued to grow as a result of continued distribution momentum, increasing sales velocity and the addition of a new product, "double espresso", to the range. We achieved approximately 6% share of the flavoured milk segment in the fourth quarter in the important national convenience and petroleum channel.

Our performance in the non-grocery channels continued to be impacted by competition and growth from both the grocery trade and national quick service restaurants, and whilst the latter enjoys a lower cost to serve, this is offset by a lower net sales revenue rate in a much more concentrated customer set. A significant sales force optimisation exercise was implemented during the year. This successfully stabilised outlet count, improved the mix towards larger and more valuable outlets, and delivered execution improvements including an increase in share of visible inventory and strong gains in our portfolio ranging.

To complement efforts in resetting the product portfolio and route to market, significant structural and organisational changes were implemented across the business resulting in significant cost reduction in the second half. These initial savings driven by supply chain optimisation, back-office automation and sales technology innovations have supported marketing and targeted price investments and continued strong product innovation.

2 FINANCIAL SUMMARY, OUTLOOK AND PROSPECTS BY SEGMENT (CONTINUED)

A Non-Alcohol Beverages – Australia

b) Outlook and prospects – Stabilise earnings and return to growth

We delivered a result in line with our expectations and there are sufficient indicators of stability to support a cautious optimism about the future, whilst recognising that challenging conditions will continue into 2016.

We are focused on returning to sustainable growth through category leadership and greater efficiency and productivity. Providing a wide range of choice will remain a focus in 2016 as we continue to address changing consumer trends. This will include an ongoing focus on premium packs, reductions in portion sizes, reformulations and product innovation – leading to a range of products naturally lower in sugar – in both Sparkling and Still Beverages categories.

Media investment is increasing to ensure we capture value share of growing categories and strengthen our brand portfolio to increase our appeal to a wider range of consumers.

There are significant opportunities in the water category, with optimised pack/price strategies, continuation of “The Nation’s Hydration” campaign for Mount Franklin and a very strong pipeline of added value innovation in the enhanced water segment now that we’ve improved our alignment in this category with TCCC.

In the sports category, we will continue to strengthen our market position, particularly given a unique ability to leverage TCCC’s global Olympic marketing properties in Powerade’s market activation.

In the energy category, we will build on our strong position and are in advanced discussions with Monster Energy to commence as their distribution partner in Australia and New Zealand.

In the tea category, Fuze Tea was launched recently. The brand has a range of flavours targeting broad appeal with smaller serve sizes and lower kilojoule options that are sweetened from natural sources.

We are ahead of schedule with our cost-out program, on track to meet our commitment of at least \$100 million over three years and continue to challenge ourselves to find ways to operate on a lower cost model across all business functions. Savings have been reinvested into marketing, price and promotions and continued strong product innovation. We will continue to pursue potential cost savings and efficiency gains to improve cost to serve and position CCA as the supplier of choice.

We expect the turnaround of the Australian Beverages business to be gradual, fuelled by strong category and brand programmes in 2016 and a continued focus on revenue growth management, route to market and cost savings. This is assisting us to create a platform to become a more lean and agile organisation for the future, fully capable of anticipating and responding to market opportunities.

2 FINANCIAL SUMMARY, OUTLOOK AND PROSPECTS BY SEGMENT (CONTINUED)

B Non-Alcohol Beverages – New Zealand & Fiji

a) Financial summary

	2015	2014	Variance %
Trading revenue (\$M)	513.0	488.0	5.1
Trading revenue per unit case (\$)	7.97	7.96	0.1
Volume (million unit cases)	64.4	61.3	5.1
EBIT (before significant items) (\$M)	98.8	92.3	7.0
EBIT (before significant items) margin on trading revenue (%)	19.3	18.9	0.4 points

New Zealand & Fiji delivered an earnings increase of 7.0% driven primarily by strong performances across the Sparkling Beverages and water categories, with a targeted focus on driving volume and value growth in line with our strategy. The result also benefitted from a focus on cost and productivity resulting in strong earnings and cash flow. Currency translation provided further benefit to reported Australian dollar earnings with local currency earnings growth of 5.6%.

New Zealand

The New Zealand business continued to enjoy solid trading across the second half, resulting in full year volume growth of 4.6%. This was achieved by bringing innovation to market across the beverage categories and continued focus on targeted channel and market activation, leveraging the favourable summer trading conditions across both ends of the year.

All core Sparkling and Still Beverages categories increased in volume, with the exception of sports which gained market share in a category which declined over the year. Sparkling Beverages volumes grew 3% with strong gains across the traditional route and quick service channels which has been strengthened by a 10-year partnership with Restaurant Brand New Zealand franchises which commenced in January 2016. We also continued to deliver an increase in volume share in the energy and sports categories. Strong volume growth was achieved across our main water brands, Kiwi Blue and Pump, generating market share gains across the second half in a highly competitive category driven by low value private label.

Activities driving these strong results included the highly successful 2014/15 "Colour Your Summer" and 2015/16 "Come Alive" campaigns and the launch of Coca-Cola Life in the first half of 2015. The second half was also buoyed by the momentum generated from the 100 year celebration of the iconic Coca-Cola contour bottle and sponsorship of the Rugby World Cup. These campaigns were further supported by our MyCoke consumer loyalty programme and an up-weighted media investment which helped stimulate demand for Trademark Coca-Cola.

Finally, innovation in the adult/mixer categories, driven by the launch of the new Schweppes Traditionals, and Deep Spring Naturals range have delivered solid growth back into the premium Sparkling Beverages category.

We gained market share in the juice segment in the second half by delivering continued innovation across the Keri Pulpy range and the ongoing success from the MOST organics juice range. The launch of Fuze Tea in grocery and Zico Coconut Water have also performed well, as we look to continue expanding across broader non-alcohol ready-to-drink (NARTD) beverages categories and occasions.

Fiji

Fiji delivered very strong volume and earnings growth assisted by a revitalised economy and disciplined market execution through the increased availability of our core product range across distribution channels. Coca-Cola Zero was also successfully re-launched to the market.

b) Outlook and prospects – Build trust and focus on new opportunities

The focus for New Zealand will be to maintain momentum and leadership by continuing to grow trust and equity in the Sparkling Beverages category. We also see multiple opportunities for accelerated growth across the Still Beverages category, existing and emerging, particularly from the investment we have made in our new juice and sports drinks plant scheduled to open this half.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

2 FINANCIAL SUMMARY, OUTLOOK AND PROSPECTS BY SEGMENT (CONTINUED)

C Non-Alcohol Beverages – Indonesia & PNG

a) Financial summary

	2015	2014	Variance %
Trading revenue (\$M)	1,008.9	927.5	8.8
Trading revenue per unit case (\$)	4.71	4.41	6.8
Volume (million unit cases)	214.4	210.1	2.0
EBIT (before significant items) (\$M)	48.7	44.3	9.9
EBIT (before significant items) margin on trading revenue (%)	4.8	4.8	–

Indonesia & PNG earnings increased 9.9% with both businesses delivering market share gains and volume growth in difficult conditions. Economic growth has slowed in Indonesia to its lowest levels since 2009, impacted by commodity price declines and the depreciating rupiah which also had the effect of increasing our cost of goods sold and reducing our earnings in the second half. Segment earnings for the year benefited from the appreciation of the PNG kina. The successful execution of our transformation plans contributed to earnings growth well ahead of volume growth for the full year and will position us to deliver our strategic ambitions in the medium term.

Indonesia

Consumer purchasing power has been negatively impacted by the slowing economy and as a result the Indonesian NARTD beverages market is experiencing its lowest volume growth levels in over 10 years. In this challenging environment, we delivered 1.3% volume growth while maintaining overall NARTD market volume share (flat versus last year). Volume shares increased in both the Sparkling Beverages and tea categories driven by a higher share of transactions while our share of juice decreased in an increasingly competitive category.

Despite the economic conditions, we continued to strengthen our market position and presence. In line with offering a greater range of affordable packs, the commissioning of a second cup line in August 2015 has allowed for the distribution of Frestea in cups to the whole of Java. Also the single serve convenience Sparkling Beverages packs have increased their reach across Indonesia by 15% since the start of 2014 with the affordable 250ml pack gaining traction in the traditional trade and launching into the modern trade.

Transformation of the route to market model, designed to increase availability, improve execution and broaden the customer base in the traditional trade, has progressed well and now includes expansion across Java. Strong progress has been made in penetrating the wholesale channel through a dedicated sales team combined with channel specific promotional programs. The traditional food service channel, consisting of over 800,000 outlets nationally, has also had a dedicated program designed to penetrate the eating and drinking occasion.

Improvements in the use of technology to drive sales force effectiveness and the route to market transformation have been implemented. In line with this transformation we are also refining the customer value proposition in order to further improve customer service and channel relevance at a lower overall cost to serve. Significant productivity gains were delivered through several transformation initiatives in manufacturing with significant gains in overall efficiency as well as supply source rationalisation. Overall the progress made across the entire scope of operations positions our business well to deliver on our long term strategic ambitions in Indonesia.

The Coca-Cola System, including Coca-Cola Indonesia and Coca-Cola Amatil Indonesia, reiterate their full commitment to the Indonesian market as one of the growth engines that will continue to deliver against our fully aligned long term vision. Although we anticipate an increase in volumes in 2016, the continued deterioration in the Indonesian rupiah to the US dollar will impact profitability and the short term outlook remains challenging.

PNG

The PNG business delivered strong volume and transaction growth as a result of the successful execution of the revised pack-price strategy. On the back of the increased volume as well as effective cost management, we delivered strong earnings growth. Significant productivity and efficiency improvements were made in manufacturing and delivery.

b) Outlook and prospects – Expand our market presence to realise the market's potential

We are working closely with TCCC to build the Sparkling Beverages market and increase our presence in the Still Beverages category through refinement of our products, pricing and investment in marketing. Important changes to our route to market will continue to be implemented by adding more exclusive distributors to extend our reach and segment to better match service levels with customer value.

Product availability will continue to be improved through targeting outlets not currently stocking Coca-Cola products and in existing outlets by increasing the portfolio penetration.

The global "Taste the Feeling" campaign will also be localised for the Indonesian market to boost Coca-Cola brand awareness and will overlap with the launch of the new 390ml size bottle. A significant investment is also being made into Sprite, juice and dairy.

Although we anticipate an increase in volumes in 2016, the continued deterioration in the Indonesian rupiah versus the US dollar will impact profitability and the short term outlook remains challenging. Together with TCCC, we reiterate our full commitment to the Indonesian market as one of the global growth engines that will continue to deliver against our fully aligned long-term vision.

2 FINANCIAL SUMMARY, OUTLOOK AND PROSPECTS BY SEGMENT (CONTINUED)

D Alcohol & Coffee Beverages

a) Financial summary

	2015	2014	Variance %
Trading revenue (\$M)	434.4	355.5	22.2
EBIT (before significant items) (\$M)	34.1	25.9	31.7
EBIT (before significant items) margin on trading revenue (%)	7.8	7.3	0.5 points

Alcohol & Coffee achieved earnings growth greater than 30% with sales benefiting from a rejuvenated relationship with Beam Suntory, strong growth in beer and cider and coffee continuing to gain momentum.

The addition of Suntory brands further strengthened our premium alcohol portfolio which provides CCA with one of the strongest premium whiskey portfolios. Importantly, we were able to deliver volume and value growth as we improved the performance of our existing spirits portfolio. In New Zealand, the fourth quarter also saw the implementation of the new 10-year Beam Suntory Distribution arrangements which has significantly increased CCA's presence across the licenced channel.

In beer and cider, our focus on building our existing portfolio is proving to be successful as we continue to work with our partners to deliver long term success. Both Coors and our joint venture brand Yenda have made enormous progress in their first full year of trading in the under-developed and growth segments of the beer market. The combination of Rekorderlig Cider and our other joint venture brand, Pressman's, have combined well to also deliver strong growth in the cider category. Paradise Beverages in Fiji generated double digit EBIT growth through a combination of innovation and cost of goods sold improvement in a category where we already have greater than 80% of the alcohol market.

Coffee earnings for the year were up over 20% by growing our brands in important channels such as cafés as well as increasing our presence in the grocery channel. Our expansion into Grinders capsules in formats compatible with the two leading machines, Nespresso and Caffitaly, helped contribute to Grinders being the fastest growing roast & ground coffee manufacturer in the grocery channel at the end of 2015.

b) Outlook and prospects – Continue strong momentum

We will build on the strong growth in Alcohol & Coffee and reinforce our category leadership position in spirits. We are working closely with our partners to develop our brands and take advantage of significant opportunities across categories such as craft beers and cider where we can leverage our distribution and footprint. Our new partnership with Beam Suntory across Australia and New Zealand represents a significant growth opportunity in licensed customers and will complement our range of ciders and craft beers as well as create further non-alcohol opportunities.

E Corporate, Food & Services

a) Financial summary

	2015	2014	Variance %
Trading revenue (\$M)¹	374.3	386.5	(3.2)
EBIT (before significant items) (\$M)	15.2	26.1	(41.8)

1 A majority of trading revenue is derived from Food (SPC).

SPC continues to revitalise its brand portfolio to return to profitability. The new innovative healthy fruit snacks, including Provital, from the new snack line have been successful and there is still a strong innovation pipeline. We are continuing to modernise the production facilities to establish a lower cost based through disciplined capital investment.

The reduction in the segment earnings has been driven by the cost of a range of projects to support the Group strategy such as the Beam Suntory agreement and one-off provisions in SPC including the closure of the Mooroopna plant as part of the ongoing transformation.

b) Outlook and prospects – SPC – Continue transformation into a profitable modern food business

We are continuing to revitalise our brand and product portfolio to return to profitability. We have introduced innovative healthy fruit-based snacks to the market and have a strong innovation pipeline. We are modernising the Shepparton production facilities to establish a lower cost base and greater flexibility.

REMUNERATION REPORT

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

This Remuneration Report outlines Coca-Cola Amatil Limited's (referred to as CCA or Company) remuneration strategy, framework and practices that apply to Key Management Personnel (KMP) in accordance with the requirements of the Corporations Act 2001.

The information contained in this Remuneration Report has been audited by Ernst & Young. Refer to the audit opinion on page 84.

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1 INTRODUCTION FROM THE PEOPLE COMMITTEE CHAIRMAN

In 2015 the Compensation Committee (now People Committee) oversaw the effective implementation of the changes to our executive reward strategy which we shared with you last year. The changes built greater alignment with the Group strategy which we announced in 2014 and the outcomes that we deliver for our shareholders through changes to the incentive plans and a greater weighting on at risk remuneration. In this Report we provide you with the detail of how we have implemented these changes.

This Report also discusses our incentive outcomes for the 2015 year. We set very clear performance expectations for the Group at the outset of the year. Our performance objectives for each executive mirrored those commitments and our achievements against those objectives have been reflected in the 2015 Short Term Incentive Plan outcomes described in this Report.

The 2013-2015 Long Term Incentive Plan did not vest. The award failed to meet its minimum performance requirements as our historic three year performance was below the targets that were set back in 2013. This is the third consecutive Long Term Incentive Award that has failed to vest.

In 2016, we will continue to monitor the effectiveness of our reward approach and we will refine and improve over the coming years as needed. No significant future changes are currently proposed.



Anthony G. Froggatt
Chairman, People Committee
Sydney
17 February 2016

2 WHO IS COVERED BY THE REPORT

KMP consist of senior executives (referred to as KMP Senior Executives in this Report) and Non-Executive Directors. For 2015 they are:

Name	Position	Changes during 2015
KMP Senior Executives		
A.M. Watkins	Executive Director and Group Managing Director	
M.J. Roberts	Group Chief Financial Officer	Appointed on 14 July 2015
E.C. Wilson	Group Human Resources Director	
K. Gunduz	Managing Director, Indonesia & PNG	
C.J. Litchfield	Managing Director, New Zealand & Fiji	
B. O'Connell	Managing Director, Australian Beverages	
Non-Executive Directors		
D.M. Gonski, AC	Chairman	
I.R. Atlas	Non-Executive Director	
J. Borghetti	Non-Executive Director	Appointed on 1 December 2015
C.M. Brenner	Non-Executive Director	
A.G. Froggatt	Non-Executive Director	
M. Jansen	Non-Executive Director	
W.M. King, AO	Non-Executive Director	
D.E. Meiklejohn, AM	Non-Executive Director	
K. Thirumalai	Non-Executive Director	
Former KMP Senior Executives		
P.N. Kelly	Managing Director, SPC	Ceased to be KMP and ceased employment on 31 March 2015
N.I. O'Sullivan	Group Chief Financial Officer	Ceased to be KMP on 27 February 2015 and ceased employment on 31 May 2015

3 SUMMARY OF 2015 AND EXPECTATIONS FOR 2016

Implementation of the executive reward strategy review

The outcomes of the review of our executive reward strategy described in the 2014 Remuneration Report were implemented for 2015. These changes were designed to build greater alignment between KMP Senior Executives' remuneration, our Group strategy and the outcomes for our shareholders.

Fixed v. at-risk remuneration	A more significant weighting on at-risk elements of remuneration which more closely aligns executives' interests with those of CCA's shareholders.
Remuneration positioning	Fixed remuneration is now referenced to the 50 th percentile of comparable positions in comparable companies, rather than the 75 th percentile which had been historic practice. We continue to aim to provide a 75 th percentile total remuneration opportunity for outstanding performance against the high expectations we set each year. This shift in our fixed remuneration positioning policy supports an increased focus on at-risk remuneration.
Short Term Incentive Plan	<p>The Short Term Incentive Plan was revised to align performance objectives to the categories of our Vision giving a broad focus on all CCA stakeholders. Further, an adjustment was made to the operation of the Individual Performance Factor to enable greater relative performance differentiation.</p> <p>A phased introduction of an increase in the Short Term Incentive Plan deferred component to 30% of the post-tax incentive for the 2015 incentive, and rising to 40% for the 2016 incentive. This is a simplification and an increase from our former deferral of 15% pre-tax, deducted from the post-tax incentive (i.e. approximately 28% post-tax).</p> <p>The deferral period, which was one year, has been lengthened to half vesting after one year and half vesting after two years.</p>
Long Term Incentive Plan	Revised performance conditions for the 2015 Long Term Incentive Plan grant (being Relative Total Shareholder Return, Absolute Total Shareholder Return and Earnings per Share). These measures and targets were disclosed in the 2015 Notice of Annual General Meeting and approved in relation to the 2015 grant to the Group Managing Director.
Minimum shareholding requirement	<p>A revised minimum shareholding guideline requiring the Group Managing Director to hold an amount equivalent to 100% of fixed remuneration (and other KMP Senior Executives to hold 50% of fixed remuneration) in CCA shares with a five year time frame to attain the holding.</p> <p>Our former guideline required all KMP Senior Executives to hold 40% of annual base salary after five years, 60% after 10 years and 100% after 15 years.</p>

REMUNERATION REPORT (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

3 SUMMARY OF 2015 AND EXPECTATIONS FOR 2016 (CONTINUED)

2015 remuneration outcomes

In 2015, we delivered on the commitments we made to our shareholders and have been building a solid platform for returning to growth. This is reflected in the Short Term Incentive Plan outcomes. However, our historic three year performance continued to track below the expectations that were set in 2013 and we therefore had a third consecutive year of no Long Term Incentive Plan vesting.

2015 executive remuneration review	Fixed and total remuneration was reviewed effective 1 March 2015. The focus was on proportionally increasing the at-risk components in line with the executive reward strategy review outcomes. An adjustment was also made to the structure of remuneration for the Managing Director of Indonesia & PNG (Mr Gunduz) to denominate his remuneration in US Dollars and no longer tax equalise to Australia. Mr Gunduz's net monthly remuneration was revised to be set at the level he originally accepted on appointment to his role in 2014.
Short Term Incentive Plan outcomes	Delivering on our commitments was reflected in the incentive outcomes for 2015. The average payout for the KMP Senior Executives was 104% of target. Refer to Section 6 for further information.
2013-2015 Long Term Incentive Plan outcome	Our three year Total Shareholder Return and Earnings per Share growth failed to achieve the targets we had set and no reward was earned. Refer to Section 6 for further information.
Non-Executive Director remuneration	Reflecting the challenging trading conditions, Director fees remained unchanged in 2015.

Expectations for 2016

Following our significant change in Group strategy in 2014 and the reset of our performance expectations in 2015, we continue to embed and refine our executive reward strategy to ensure it supports the Group strategy. The main focus for 2016 is to continue to refine and improve how we set performance expectations and link these to the Short Term Incentive Plan.

With the appointment of a new Non-Executive Director in December 2015, we have now reached the shareholder approved limit for our aggregate annual Director fees. A resolution will be included in our 2016 Notice of Annual General Meeting seeking approval to increase this limit. A market based adjustment to the level of our Director fees will also be applied for 2016.

4 REMUNERATION GOVERNANCE AT CCA

Roles and responsibilities

The Board

- Has accountability for KMP remuneration;
- Approves Group Managing Director remuneration; and
- Approves Non-Executive Director remuneration (with shareholder approval required for the overall limit).

The People Committee (formerly the Compensation Committee)

- Makes recommendations to the Board on Group Managing Director and Non-Executive Director remuneration;
- Approves executive reward strategy, incentive plans and KMP Senior Executive Remuneration; and
- Provides oversight of management's implementation of approved arrangements.

Management

- Prepares recommendations and information for the Committee's consideration and approval; and
- Implements the approved remuneration arrangements.

How decisions are made

The decisions made by the Board and Committee are based on recommendations made by management and/or external advisors. When considering these recommendations, consideration is applied to the Group strategy, the executive reward strategy, alignment with shareholder interests, external market practice, affordability and ensuring risk is appropriately considered.

The decisions made in relation to KMP Senior Executive remuneration are underpinned by three key reward principles:

- incorporate a significant degree of at-risk pay elements that are dependent on short and long term performance;
- attract, motivate and retain top calibre executives; and
- reward executives based on the achievement of financial and non-financial metrics, and recognise how that performance was delivered consistent with CCA's values.

External advice – where remuneration recommendations were provided

In 2015, the Committee continued to engage PricewaterhouseCoopers (PwC), independent of management, to provide the Committee with remuneration recommendations (as defined under the Corporations Act 2001) with respect to the Group Managing Director's and the Non-Executive Directors' remuneration.

Under the terms of the engagement:

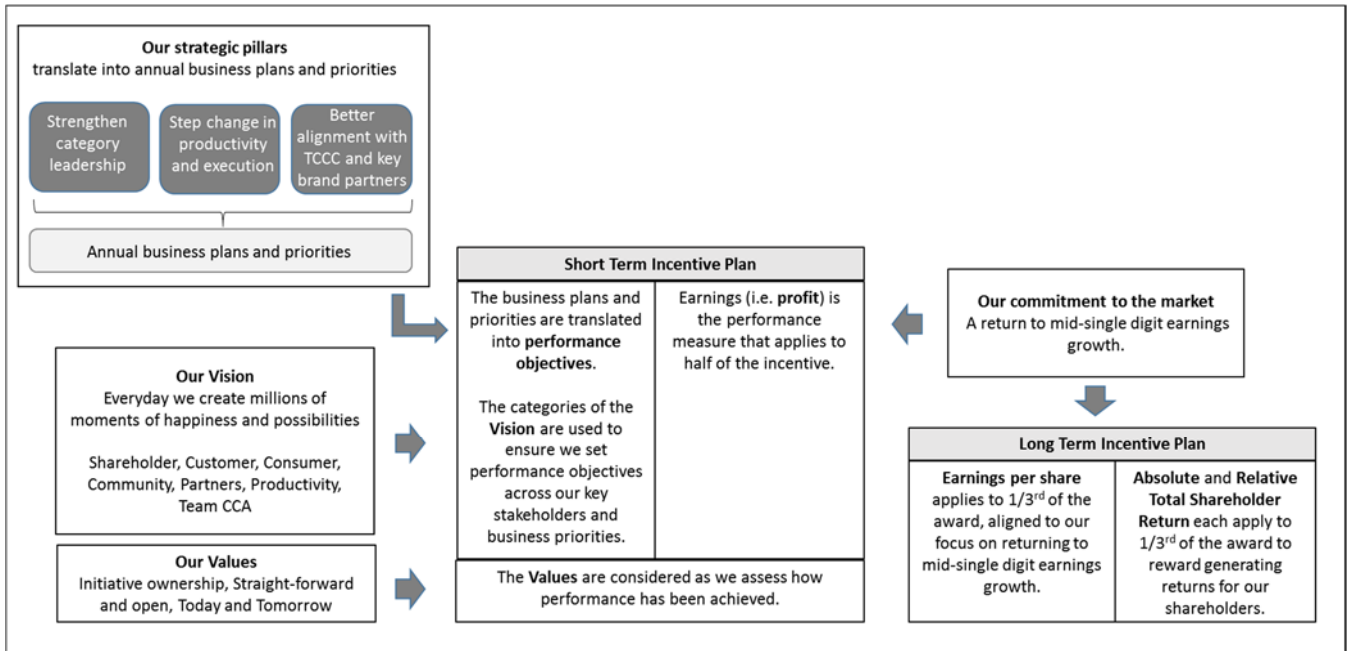
- PwC reported directly to the Committee but was permitted to speak with management throughout the engagement to understand CCA's processes, practices and other business issues and to understand CCA management's perspective; and
- PwC was not permitted to provide any member of management with a copy of its draft or final report that contained remuneration recommendations.

PwC confirmed to the Committee that the remuneration recommendations it provided have been made free from undue influence by the member(s) of KMP to whom the recommendation relates. Based on the procedures it has in place to govern PwC's engagement and the confirmation provided by PwC, the Committee is satisfied that the remuneration recommendations made by PwC are free from any undue influence.

The amount paid or payable for these services was \$29,172 (including GST) for the 2015 year. In addition to providing remuneration recommendations, PwC provided advice on a range of other matters for the 2015 year, including internal audit consulting, accounting, overseas operation tax returns and expatriate support and tax advice. For these services, amounts paid or payable to PwC were \$1,814,515 (including GST) for the 2015 year.

5 KMP SENIOR EXECUTIVE REWARD STRATEGY AND THE LINK TO GROUP STRATEGY

Our KMP Senior Executive reward strategy is designed to support and reinforce our Group strategy, and the CCA Vision and Values. The at-risk components of KMP Senior Executive reward are therefore closely linked to the successful execution of our strategy in both the short and longer term.



6 REMUNERATION DETAILS FOR 2015

The components of KMP Senior Executive remuneration at CCA

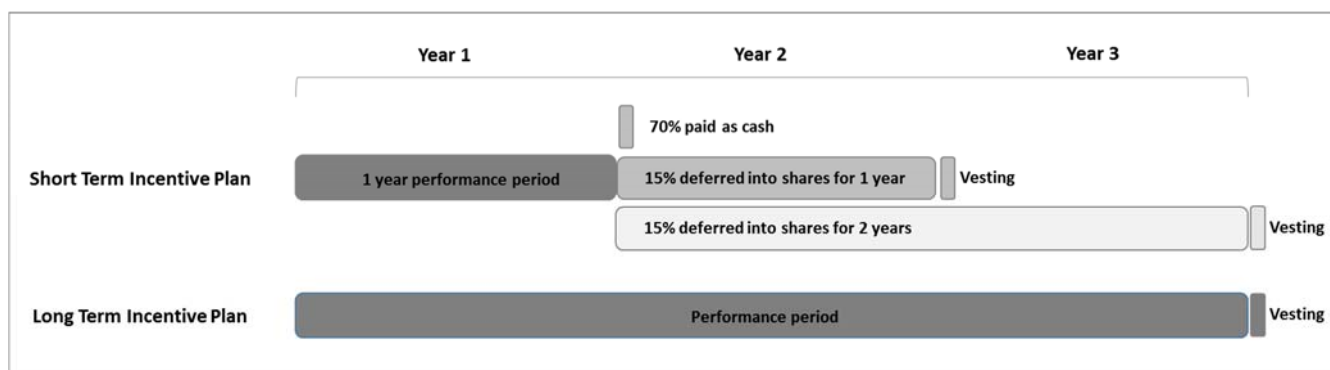
The framework

The framework applying to KMP Senior Executives consists of fixed and at-risk components:

Fixed remuneration and benefits	Provides salary, superannuation and benefits appropriate to the KMP Senior Executive's role with the Group.
Short Term Incentive Plan (with deferral into CCA shares)	The Short Term Incentive Plan is the annual incentive plan for KMP Senior Executives. Awards under the Short Term Incentive Plan are based on both performance and the way in which that performance was delivered (i.e. alignment with CCA's values). The deferred component into CCA shares is intended to ensure continued alignment with shareholder outcomes beyond the performance year of the incentive.
Long Term Incentive Plan	The Long Term Incentive Plan is an equity incentive plan used to align the reward of executives to the returns generated for our shareholders.

To ensure strong alignment to shareholders, a minimum shareholding guideline applies. The Group Managing Director is required to hold an amount equivalent to 100% of fixed remuneration and other KMP Senior Executives are required to hold 50% of fixed remuneration in CCA shares. A five year time frame is permitted to attain this holding.

The diagram below illustrates how the different components of remuneration deliver rewards (subject to performance) over a three year cycle.



How is remuneration set and reviewed

The remuneration for KMP Senior Executives is set on appointment and then reviewed annually. Consideration is applied to the external market, internal relativities and the executive's performance and experience in the role.

In terms of market, fixed remuneration is referenced to the 50th percentile of comparable positions in comparable companies, while we aim to provide a 75th percentile total remuneration opportunity for outstanding performance against the high expectations we set each year.

The comparator group applied for the review of the Group Managing Director's remuneration predominantly focuses on peer roles in the Australian Securities Exchange (ASX) companies ranking from 15 to 65 by market capitalisation. The Committee also considers, as a secondary reference point, the ASX 100 companies with revenues between 50% and 200% of the Group.

For the other KMP Senior Executives, consideration is applied to the size and complexity of each role against relevant market peers.

REMUNERATION REPORT (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

6 REMUNERATION DETAILS FOR 2015 (CONTINUED)

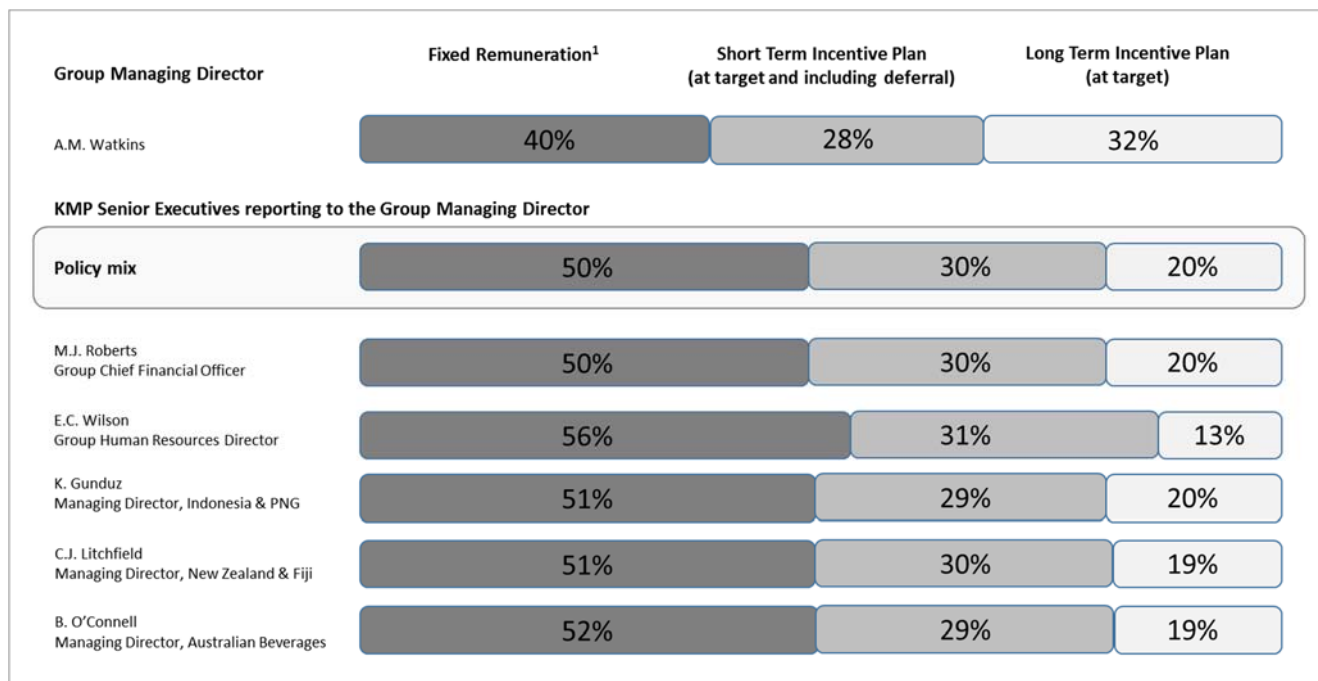
The components of KMP Senior Executive remuneration at CCA (continued)

The relative focus on fixed remuneration and at-risk remuneration

A significant portion of KMP Senior Executive remuneration is at-risk. The chart below illustrates the current relative focus between fixed remuneration, the Short Term Incentive Plan and the Long Term Incentive Plan for each KMP Senior Executive.

The policy for the KMP Senior Executives that report to the Group Managing Director is also illustrated. Through each remuneration review we are progressing each role towards the policy whilst ensuring that total remuneration remains appropriate.

The chart presents target total remuneration (i.e. target Short Term Incentive Plan and target Long Term Incentive Plan).



1 Fixed remuneration for the purpose above only considers salary, superannuation, salary sacrificed benefits (and applicable fringe benefits tax), and the medical insurance cover provided to Mr Litchfield as part of his fixed remuneration. It does not include the other additional benefits described below, or Mr Gunduz's expatriate allowances and benefits, or Mr O'Connell's expatriate allowance provided during the initial two years of his Managing Director, Australian Beverages contract. The value of all the benefits and allowances are included in the tables in Section 6.

Fixed remuneration

The fixed components of remuneration comprise base salary, superannuation, any salary sacrificed benefits and applicable fringe benefits tax.

Other additional benefits

In addition to fixed remuneration, the KMP Senior Executives are provided with other benefits including:

- a company product allowance;
- executive health checks;
- participation in the Employees Share Plan. The Employees Share Plan 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% of base salary to purchase shares. For every share acquired a matching share is acquired by the trustee, which under normal circumstances vest to the employee after a period of two years. There are no performance conditions; and
- life, total and permanent disability and salary continuance insurance premiums are also paid by the Group if the executive chooses to be a member of the CCA Superannuation Plan in Australia.

6 REMUNERATION DETAILS FOR 2015 (CONTINUED)

The components of KMP Senior Executive remuneration at CCA (continued)

Short Term Incentive Plan

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 Short Term Incentive Plan is the annual incentive plan that is used for the KMP Senior Executives. Awards under the plan are based on both performance and the way in which that performance was delivered through demonstrating CCA's values.

What are the performance conditions and why were they chosen? The 2015 plan has two components each comprising 50% of the incentive. Profit is used as the performance condition for half of the incentive as we focus on achieving our earnings targets. The other half of the incentive applies to objectives set with each KMP Senior Executive which reflect their priorities for today and tomorrow as set out in their business plan and strategy.

Profit (50%)

For the Group, profit is measured as profit for the year attributable to shareholders of CCA, and for the businesses it is measured as earnings before interest and tax (EBIT).

A threshold, target and stretch are set for the Group and each business based on the business plan and the degree of difficulty the Committee and management believe is inherent in the Group and each business's targets. Each individual business therefore had a different threshold and stretch.

The Managing Directors of individual businesses are assessed 80% on their businesses profit and 20% on the Group's profit. The exception is Mr O'Connell who is assessed 70% on the Australian Beverages profit, 15% on the Australian Alcohol profit (to encourage collaboration and support to this segment) and a reduced 15% weighting on the Group result (given the impact the Australian Beverages profit has on the Group's profit).

The maximum that can be achieved is 150% against the profit targets.

Individual Performance Factor

The total awards achieved for the business component and individual component are added together and then subject to the application of an Individual Performance Factor of between 0 and 1.5. The determination of the Individual Performance Factor considers the executive's other achievements through the year (that were not reflected in the objectives), their demonstration of the CCA's values and their contribution to the Group Leadership Team. The Individual Performance Factor across the KMP Senior Executive and broader executive population averages to approximately 1.

Individual Business Objectives (50%)

This component is based on the achievement of objectives set at the outset of the year.

The objectives are set across the categories of our Vision to ensure a balanced focus across CCA's key stakeholders and business priorities. The categories are:

- Shareholder;
- Customer;
- Consumer;
- Community;
- Partners;
- Productivity; and
- Team CCA.

Each objective details a specific goal, and the related tasks and measures of success. These can include financial and numeric goals (e.g. volume targets in the Customer category; cost measures in Productivity) and other, less numeric business related objectives. Weightings are assigned to each objective to reflect their relative importance.

For each executive, the selection and weighting of each category and performance measure were based on the objectives of each business and correlate to the strategic plan and targets for that business.

The maximum that can be achieved is 100% against the objectives.

6 REMUNERATION DETAILS FOR 2015 (CONTINUED)

The components of KMP Senior Executive remuneration at CCA (continued)

Short Term Incentive Plan (continued)

How is performance assessed?

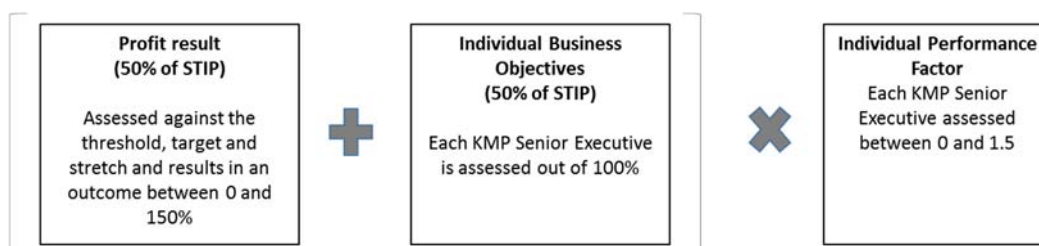
The Committee relies on the audited Group financial results at the completion of the financial year to determine the extent to which the profit targets have been achieved.

The achievement of individual business objectives and Individual Performance Factors 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 achievement and makes a recommendation to the Board for approval.

The Committee believes these methods of assessment provide an appropriate 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 each of the performance conditions, applying the relevant weightings and then multiplying by the Individual Performance Factor.



How much can the executive earn each year?

Each KMP Senior Executive has a target opportunity specified in their contract or most recent remuneration review letter. The 2015 target Short Term Incentive Plan opportunity for the Group Managing Director was 68% of fixed remuneration. For the other KMP Senior Executives, it ranged from 56% of fixed remuneration to 60% of fixed remuneration.

Based on the current design of this plan, the maximum award an individual can earn is 187.5% of target. This would be earned by achieving 150% for the stretch profit result (weighted at 50%), 100% for fully achieving the Individual Business Objectives (weighted at 50%), and then multiplying by an Individual Performance Factor of 1.5. This maximum award would only be achieved with exceptional performance both against the absolute targets and in terms of relative to peer executive roles (as the Individual Performance Factor is considered and calibrated on a relative basis across the full executive population).

How is the award paid?

For 2015, 70% of the post-tax award is paid as cash and 30% is deferred in CCA shares under the Executive Post-tax Share Purchase Plan. Half of the deferred award is subject to a one year holding period and half of the deferred award is subject to a two year holding period. The deferral will increase to 40% for 2016.



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 transfer to the executive at the end of the respective holding periods except where:

- A participant is terminated for cause including but not limited to fraud, dishonesty, serious misconduct, or breaching the CCA Code of Business Conduct.
- A participant breaches post-termination restraint provisions during the period of the deferral.
- A participant enters into an arrangement to limit the share price risk associated with their restricted shares (i.e. hedging).
- It would provide an inappropriate benefit (for example due to a financial misstatement relating to the STIP performance year).

6 REMUNERATION DETAILS FOR 2015 (CONTINUED)

The components of KMP Senior Executive remuneration at CCA (continued)

Long Term Incentive Plan

Set out below is a summary of the terms and conditions of the 2015 grants made under the Long Term Incentive Plan:

What is the purpose of the Plan?	The Long Term Incentive Plan is an equity incentive plan used to align the reward of KMP Senior Executives to the returns generated for our shareholders.
Who participates in the Plan?	The Board annually invites KMP Senior Executives to participate in the plan.
What type of awards are granted?	The Long Term Incentive Plan is a grant of rights to CCA shares that vest after three years subject to the achievement of the performance conditions. There is no exercise price attached to the rights.
What size of awards are granted?	The 2015 target Long Term Incentive Plan opportunity for the Group Managing Director was 80% of fixed remuneration. For the other KMP Senior Executives, it ranged from 24% of fixed remuneration to 40% of fixed remuneration.
How is the number of rights determined?	<p>The number of rights awarded is determined on a face value basis (i.e. by dividing the on-target award opportunity by the market price of CCA shares at grant). This represents the target number of rights that can be earned based on achieving the performance conditions.</p> <p>The maximum number of rights is determined by the respective vesting schedules and for the 2015 grant is 198.7% of target. To achieve the maximum number of rights, each of the performance conditions must be met in full at their stretch levels of performance.</p>
What is the performance period?	Grants made under the Long Term Incentive Plan have a three year performance period. For the 2015 grant, the performance period is from 1 January 2015 to 31 December 2017.
What are the performance conditions and why were they chosen?	<p>The performance conditions, targets and vesting schedules are reviewed each year prior to grants being made, to ensure they are aligned to our strategy and with the interests of our shareholders.</p> <p>Three performance conditions apply to the 2015 grant. The performance conditions are:</p> <ul style="list-style-type: none">• Relative Total Shareholder Return;• Absolute Total Shareholder Return; and• Earnings per Share. <p>One-third of the award will be assessed independently against each measure.</p> <p>The use of both measures of Total Shareholder Return will reward for both relative and absolute shareholder value creation and the Committee believes that the two measures complement each other and provide a balanced assessment of our performance in terms of the returns we generate for our shareholders. The absolute measure has the benefit of providing executives with a clear known level of shareholder return to attain through delivering on the Group strategy and generating share price growth and dividends for shareholders.</p> <p>Earnings per Share is used as the third measure as it provides a clear focus on meeting the earnings expectations that we have communicated to the market, being a return to mid-single digit earnings growth.</p>

6 REMUNERATION DETAILS FOR 2015 (CONTINUED)

The components of KMP Senior Executive remuneration at CCA (continued)

Long Term Incentive Plan (continued)

What is the Relative Total Shareholder Return performance condition and target?

Relative Total Shareholder Return (Relative TSR) represents the change in the value of CCA's share price over the performance period plus reinvested dividends, expressed as a percentage of the opening value of the share.

CCA's Relative TSR is measured over the performance period and assessed against the TSR of the comparator group over the same period. CCA is then given a percentile ranking based on its comparative TSR performance. The comparator group comprises the ASX 100 (less banking 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 in this tranche that vest is determined based on the following table:

Total Shareholder Return percentile v. the comparator group	Percentage of target that vests	Percentage of maximum that vests
Less than 51 st	Nil	Nil
51 st	100%	51%
Between 51 st and 75 th	Pro-rata on a straight line basis	Pro-rata on a straight line basis
75 th and above	196.1%	100%

What is the Absolute Total Shareholder Return performance condition and target?

CCA's Absolute Total Shareholder Return (Absolute TSR) is measured over the performance period and assessed relative to a target of 8% compound annual growth rate (CAGR) for partial vesting and a target for maximum vesting of 12% CAGR.

To set the Absolute TSR target, external advisors provided insight and analyses. The target was then set by principally focussing on two analyses:

- the Return on Equity calculated using our Weighted Average Cost of Capital; and
- the TSR estimated by the business plan earnings and dividend forecasts and applying assumptions around the future Price Earnings ratio.

The vesting range that commences at a CAGR of 8% and reaches maximum at a CAGR of 12% is consistent with these two analyses.

The Board recognises that the analyses are based on a set of pre-determined assumptions and the reality of the Australian share market could be quite different. However, the Board notes that the target of 8% CAGR was an approximately 5.5 percentage point premium to the prevailing risk free rate at the time of grant.

The proportion of rights in this tranche that vest is determined based on the following table:

Total Shareholder Return – CAGR	Percentage of target that vests	Percentage of maximum that vests
Less than 8%	Nil	Nil
8%	100%	50%
Between 8% and 12%	Pro-rata on a straight line basis	Pro-rata on a straight line basis
12% and above	200%	100%

What is the Earnings per Share performance condition and target?

The Earnings per Share (EPS) performance condition is subject to the measurement of the Group's average annual growth in EPS over the three year performance period. EPS is determined by dividing the Group's profit for the year attributable to CCA shareholders (before significant items) by the weighted average number of CCA's ordinary shares on issue during the relevant financial year.

The target of 5% average annual growth per annum is consistent with guidance provided to the market regarding a return to mid-single digit earnings growth. 10% average annual growth per annum has been set as stretch performance required to achieve maximum vesting.

The proportion of rights in this tranche that vest is determined based on the following table:

Annual average growth in EPS	Percentage of target that vests	Percentage of maximum that vests
Less than 5%	Nil	Nil
5%	100%	50%
Between 5% and 10%	Pro-rata on a straight line basis	Pro-rata on a straight line basis
10% and above	200%	100%

6 REMUNERATION DETAILS FOR 2015 (CONTINUED)

The components of KMP Senior Executive remuneration at CCA (continued)

Long Term Incentive Plan (continued)

How are performance conditions assessed?	<p>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. For the EPS performance condition, the Committee relies on the audited financial results.</p> <p>The Committee reviews the findings of the performance assessments and approves the vesting or lapsing of awards in accordance with the vesting tables.</p>
Is retesting permitted?	<p>There is no retesting of performance if performance conditions are not met at the end of the three year performance period.</p>
What happens on ceasing employment?	<p>If a participant ceases employment before the end of the performance period by reason of death, disablement, retirement or redundancy, or for any other reason approved by the Board, subject to the Board's discretion:</p> <ul style="list-style-type: none">• if more than one-third of the performance period has elapsed, the rights will be pro-rated to the date of cessation and tested against the performance conditions at the end of the performance period; or• where less than one-third of the performance period has elapsed, all rights will lapse immediately. <p>Where a participant ceases employment for any other reason, all rights will lapse immediately.</p>
What happens if a change of control occurs?	<p>In the event of a change of control prior to the end of the performance period, the Board has retained discretion to remove the performance condition. If the Board exercises this discretion, any award will be made at the higher of the number:</p> <ul style="list-style-type: none">• of target rights offered; or• that would have been allocated under the actual performance conditions, based on the most recent quarterly testing of the Relative and Absolute TSR and the annual testing of the EPS condition.
Are there dividends or voting rights?	<p>There are no dividend entitlements or voting rights attached to the rights awarded. It is only if the rights vest and shares are acquired, that there is any entitlement to receive dividends and voting rights (and even then only from the time of allocation onwards).</p>
Is there any clawback discretion?	<p>The Board has a broad discretion to prevent participants from becoming entitled to any inappropriate benefit. For example, where the Board considers that there has been an act of fraud, dishonesty or serious misconduct, the Board may determine that a participant's unvested rights will lapse.</p>

6 REMUNERATION DETAILS FOR 2015 (CONTINUED)

Actual remuneration received in 2015

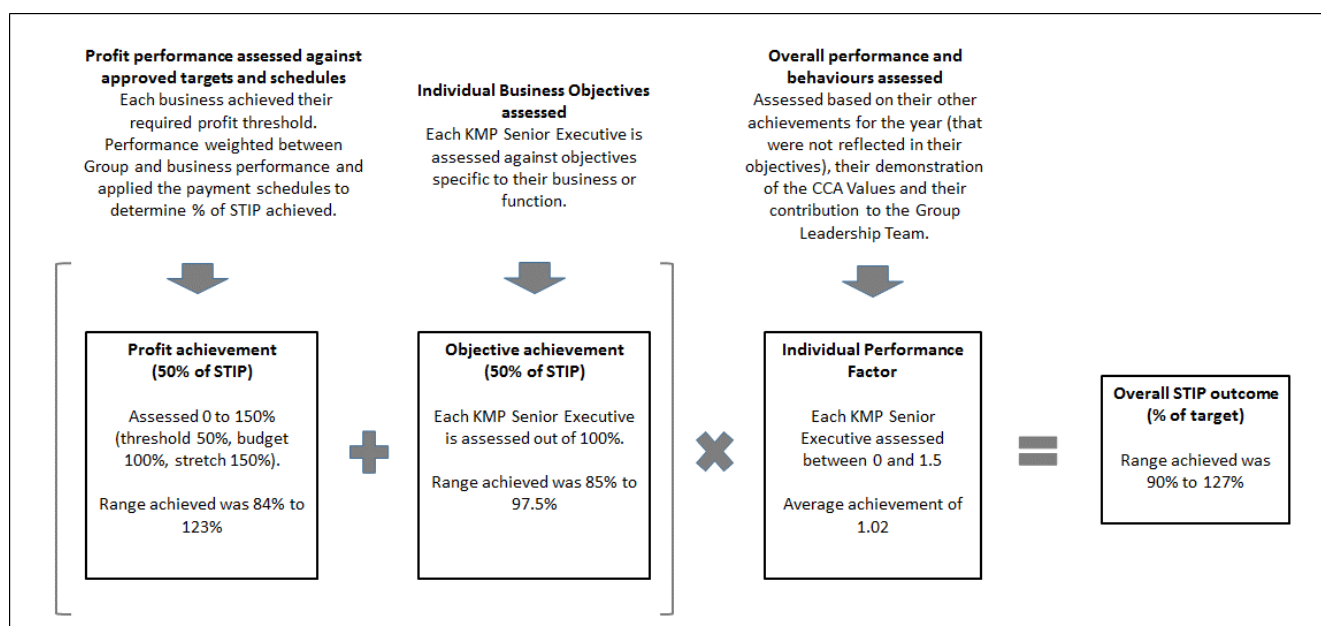
Introduction

Clear performance expectations were set at the outset of the year and the performance objectives for each executive mirrored those commitments. The 2015 Short Term Incentive Plan outcomes described in this section reflect the achievements against those objectives.

Despite the 2015 performance, the 2013-2015 Long Term Incentive Plan did not vest. The award failed to meet its minimum performance requirements as our historic three year performance was below the targets that were set back in 2013. This is the third consecutive Long Term Incentive Award that has failed to vest and is a disappointing outcome for CCA and the participants. That said, it reflects a strong alignment to shareholders who held CCA shares over similar timeframes as these incentive awards.

2015 Short Term Incentive Plan

The diagram below sets out the Group’s performance and the resulting Short Term Incentive Plan (STIP) outcomes, and is followed by a summary of the relevant performance highlights that contributed to these assessments.



The KMP Senior Executives are accountable for the Group Leadership Team shared achievements and have made significant progress in Group wide goals, addressing strategic opportunities for the business. These include:-

- Developing CCA’s Growth Strategy to deliver attractive, sustainable shareholder returns
- Improving alignment with our partners creating long term value opportunities
- Addressing wellbeing challenges by reducing pack sizes, improving transparency and innovating to extend the range of low and no calorie choices
- Establishing the CCA Sustainability Framework with four pillars: Our people, Our environment; Our wellbeing; Our community, and plans being implemented in each of these pillars.

6 REMUNERATION DETAILS FOR 2015 (CONTINUED)

Actual remuneration received in 2015 (continued)

The table below summarises the achievements for the Group and by business:

Group	<ul style="list-style-type: none"> Achieved 4.8% growth in profit for the year attributable to CCA shareholders (before significant items) Appointed high calibre senior leaders and further improved effectiveness of the Group Leadership Team Completed the Indonesian equity investment transaction with TCCC and created the CCA Indonesia Board and advisory committee Strengthened the Group functions of Finance, Human Resources, Public Affairs and Communications and Legal and leveraged the scale of the business through alignment of Group wide functional strategies and plans Designed and launched CCA's Leadership Framework to consistently build capability Implemented the new executive reward strategy which builds stronger alignment between remuneration and shareholder outcomes
Indonesia & PNG	<ul style="list-style-type: none"> Delivered 9.9% EBIT (before significant items) growth and strengthened our market position and presence despite challenging headwinds Strengthened the relationship with TCCC and aligned on our shared priorities Implemented structural reorganisation and drove strong cost management and operational efficiencies which have delivered value in 2015 and created a foundation to capitalise on future growth opportunities Broadened our product offering and provided a greater range of affordable packages Achieved market share gains in Sparkling and Tea categories Regained share in the Modern Trade and reached more customers through implementation of the distributor partnership program Developed and implemented the long term manpower and capability plan Increased focus on safety leadership and improved associated key performance indicators
New Zealand & Fiji	<ul style="list-style-type: none"> Delivered EBIT (before significant items) growth of 7% Signed a partnership agreement with Beam Suntory for NZ and led a seamless integration of the local team Secured significant new business and significantly improved the Net Promoter Score with existing customers Increased the range of 'better for you' choices such as Coca-Cola Life and introduced smaller pack sizes Strengthened our leadership position in the adult beverages category with innovations in the Schweppes range and the launch of the MOST organic juice range Achieved productivity improvements across the business which helped drive the earnings result Further improved the safety culture validated through employee survey results Achieved externally benchmarked top quartile employee engagement scores
Australia	<ul style="list-style-type: none"> Achieved EBIT budget in line with our goal to stabilise the business and delivered strong growth in Alcohol & Coffee Signed a new 10 year agreement with Beam Suntory and integrated the full Suntory range of spirits Increased consumer choice with the innovative launch of Coca-Cola Life and introduction of smaller pack sizes Extended the 'better for you' range including Zico Coconut Water and Fanta Zero to offer more low and no calorie options Reached alignment with TCCC in the water category and relaunched Mount Franklin Improved in-market execution including significant restructuring of our route to market Implemented restructuring and productivity initiatives resulting in a more lean and agile cost structure Achieved global recognition from TCCC for the Australian Behavioural Safety Program

REMUNERATION REPORT (CONTINUED)

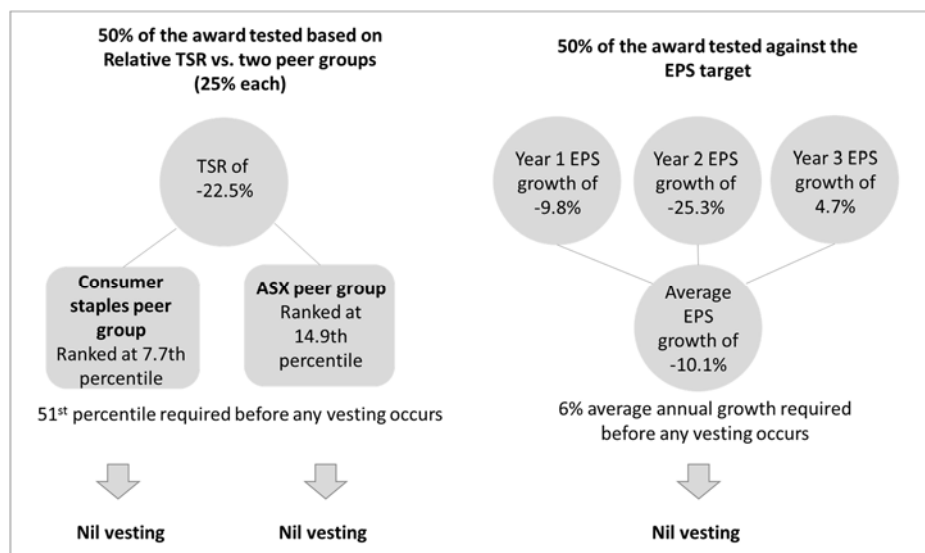
COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

6 REMUNERATION DETAILS FOR 2015 (CONTINUED)

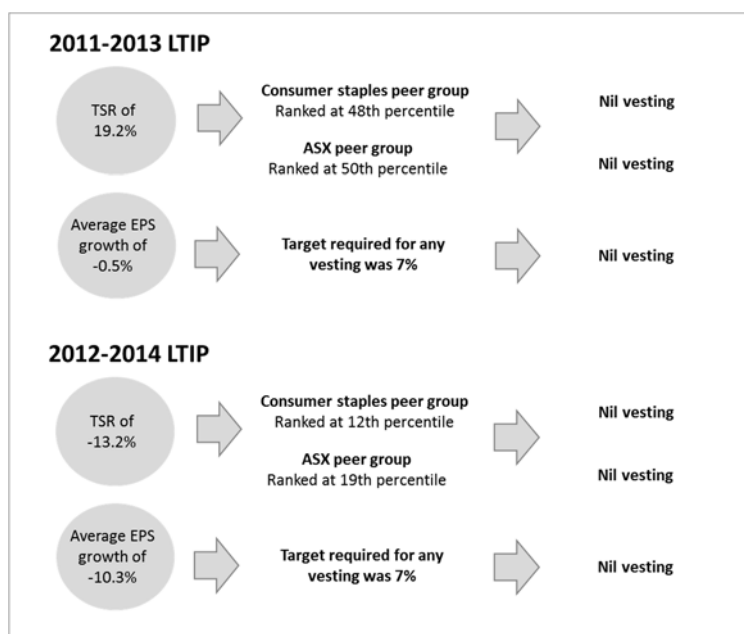
Actual remuneration received in 2015 (continued)

2013-2015 Long Term Incentive Plan grants – tested at the conclusion of the 2015 year

The performance period for the 2013-2015 Long Term Incentive Plan commenced on 1 January 2013 and concluded on 31 December 2015. Performance was assessed at the conclusion of the 2015 year and as a result of performance over the three year period, the performance conditions were not met, and the awards lapsed.



Looking back over the past five years, this is a similar disappointing outcome to the prior long term incentive grants. The diagram below illustrates the five year TSR and EPS performance and the resulting reward outcome.



The table below provides the underlying information regarding the Group's five year performance that is reflected in the above assessments of performance and vesting outcomes:

Financial year end 31 December	2011	2012	2013	2014	2015
Profit for the year attributable to shareholders of CCA (before significant items) (\$M)	532.0	556.3	502.8	375.5	393.4
Profit for the year attributable to shareholders of CCA (\$M)	591.8	457.8	79.9	272.1	393.4
EPS (before significant items) (cents)	70.2	73.1	65.9	49.2	51.5
EPS (cents)	78.1	60.1	10.5	35.6	51.5
Dividend per share (cents)	52.5	59.5	58.5	42.0	43.5
Closing share price (\$)	11.51	13.45	12.03	9.32	9.30

6 REMUNERATION DETAILS FOR 2015 (CONTINUED)

Actual remuneration received in 2015 (continued)

The remuneration received by KMP Senior Executives

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 shown in the statutory table later in Section 6 mainly because the statutory table includes an apportioned accounting value for all unvested Long Term Incentive Plan 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 be helpful for shareholders to assist in better demonstrating the linkages between performance and the remuneration realised by the KMP Senior Executives.

The table below shows:

- Fixed remuneration;
- Short Term Incentive Plan – cash – the non-deferred portion of the incentive payable in March 2016, reflecting performance in 2015;
- Short Term Incentive Plan – deferred amount realised – the value of deferred incentive from prior years that was realised in 2015; and
- Long Term Incentive Plan – the value to participants of the 2013-2015 grant that concluded and was tested at the end of the 2015 year.

	Fixed remuneration				At-risk – performance related				Total ¹
	Salary including leave entitlements \$	Non-monetary benefits \$	Other \$	Super-annuation \$	STIP cash ² \$	Super-annuation ³ \$	Vesting of deferred STIP ⁴ \$	Vesting of LTIP ⁵ \$	
A.M. Watkins	2,263,266	450	7,720	19,046	1,095,150	–	–	–	3,385,632
M.J. Roberts ⁶	425,657	258	–	9,654	186,919	–	–	–	622,488
E.C. Wilson	620,987	36,562	7,947	19,341	288,152	23,947	–	–	996,936
K. Gunduz	719,674	432,970	351,660	19,046	260,138	–	–	–	1,783,488
C.J. Litchfield	341,440	5,254	22,571	29,022	221,388	–	20,876	–	640,551
B. O'Connell	939,462	118,222	100,000	19,523	344,013	–	18,785	–	1,540,005

1 The disclosed total does not include the vesting of matching awards under the Employees Share Plan. Refer to Section 6 "Other additional benefits" on page 24 for further details.

2 The cash component of the 2015 Short Term Incentive Plan (which is payable in March 2016). This figure excludes the deferral component (and the tax withheld on the deferred shares). The shares are deferred half for one year and half for two years. The deferred amounts will be disclosed in the above table in the year of vesting.

3 Superannuation paid on the 2014 Deferred Share Award.

4 Vesting of the deferred component of the Short Term Incentive Plan for prior year incentives. Only Mr O'Connell and Mr Litchfield had deferred awards vesting in 2015 which were from the 2013 deferred Short Term Incentive Plan award. The value represents the post-tax dollar amount deferred into CCA shares at the time of deferral.

5 The 2013-2015 Long Term Incentive Plan award did not vest.

6 Commenced employment on 14 July 2015.

REMUNERATION REPORT (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

6 REMUNERATION DETAILS FOR 2015 (CONTINUED)

Total remuneration reported in 2015 – 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 2015 section above. 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.

Year	Fixed				At-risk – performance related				Termination benefits ⁷	Total remuneration		
	Short term			Post-employment	Short term		Share based payments			\$	%	
	Salary including leave entitlements	Non-monetary benefits ¹	Other ¹	Super-annuation on base ² salary	STIP ³	Super-annuation ⁴	LTIP ⁵	Other ⁶				
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$			
KMP Senior Executives												
A.M. Watkins (appointed on 3 March 2014) Executive Director and Group Managing Director	2015	2,263,266	450	7,720	19,046	1,564,500	–	694,518	–	–	4,549,500	50
	2014	1,810,083	61,731	6,433	15,317	657,500	–	109,913	–	–	2,660,977	29
M.J. Roberts (appointed on 14 July 2015) Group Chief Financial Officer	2015	425,657	258	–	9,654	267,027	–	–	12,241	–	714,837	39
E.C. Wilson (KMP from 12 May 2014) Group Human Resources Director	2015	620,987	36,562	7,947	19,341	411,645	23,947	87,989	86,372	–	1,294,790	47
	2014	384,653	38,299	50,521	11,663	137,845	19,298	9,643	35,815	–	687,737	29
K. Gunduz Managing Director, Indonesia & PNG	2015	719,674	432,970	351,660	19,046	371,626	–	114,301	140,402	–	2,149,679	29
	2014	500,738	198,113	252,585	18,279	372,816	–	26,380	57,596	–	1,426,507	32
C.J. Litchfield (KMP from 1 July 2014) Managing Director, New Zealand & Fiji	2015	341,440	5,254	22,571	29,022	316,269	–	70,241	10,243	–	795,040	50
	2014	167,879	317	24,716	14,270	81,547	–	6,818	5,036	–	300,583	31
B. O'Connell (appointed to current role on 1 June 2014) Managing Director, Australian Beverages	2015	939,462	118,222	100,000	19,523	491,447	–	152,538	140,689	–	1,961,881	40
	2014	665,723	83,670	113,333	27,573	210,715	–	22,093	60,418	–	1,183,525	25
Former KMP Senior Executives												
P.N. Kelly (ceased in role on 31 March 2015) Managing Director, SPC	2015	247,231	108	24,843	–	–	–	–	–	–	272,182	–
	2014	494,400	–	92,108	118,656	360,999	86,639	(28,223)	–	899,471	2,024,050	21
N.I. O'Sullivan (ceased in role on 27 February 2015) Group Chief Financial Officer	2015	437,231	7,512	10,693	3,075	–	–	–	–	–	458,511	–
	2014	1,083,542	26,103	65,324	18,279	418,376	58,573	(95,215)	–	1,022,677	2,597,659	15
T.J. Davis (ceased in role on 3 March 2014) Executive Director and Group Managing Director	2014	497,385	9,686	22,211	99,477	–	–	(607,679)	–	1,698,874	1,719,954	(35)
J. Murphy (ceased in role on 2 June 2014) Managing Director, Australian Beverages	2014	368,985	275	–	14,537	–	–	(167,344)	16,665	414,314	647,432	(23)
W.G. White (ceased in role on 1 March 2014) Managing Director, Australasia	2014	129,274	48,223	16,060	17,138	–	–	(466,840)	86,620	976,485	806,960	(47)
Total KMP Senior Executives	2015	5,994,948	601,336	525,434	118,707	3,422,514	23,947	1,119,587	389,947	–	12,196,420	
	2014	6,102,662	466,417	643,291	355,189	2,239,798	164,510	(1,190,454)	262,150	5,011,821	14,055,384	

Refer to footnotes on the following page.

6 REMUNERATION DETAILS FOR 2015 (CONTINUED)

Total remuneration reported in 2015 (Continued)

- 1 Non-monetary benefits include fringe benefits such as home allowance, product allowance and where applicable expatriate benefits and relocation costs; Other includes cash benefits such as hardship allowance, car parking allowance, expatriate allowance and club membership.
- 2 Superannuation benefits are provided through each KMP Senior Executives' selected defined contribution superannuation plan.
- 3 The Short Term Incentive Plan awards inclusive of the deferred component. The minimum Short Term Incentive Plan value is nil and the maximum value is what was actually paid or payable.
- 4 2015 includes superannuation paid on the 2014 Deferred Share Award for Ms Wilson, and 2014 included superannuation paid on the 2014 Short Term Incentive Plan for Ms Wilson, Mr Kelly and Ms O'Sullivan.
- 5 Represents the estimated fair value of CCA shares offered in the Long Term Incentive Plan 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. For individuals who have or will cease to be KMP Senior Executive, the respective TSR amounts have been reversed due to non-achievement of the service criteria.
- 6 Other includes:
 - Employees Share Plan amounts represent the Company's matching contribution;
 - shares purchased for the Employee Retention Share Plan are amortised over the vesting period. The expense recognised in the current year for the relevant KMP Senior Executive was Nil (2014: Mr Murphy \$16,665 and Mr White \$86,620) as the plan has been discontinued in 2015; and
 - accounting accrual related to the 2014 Deferred Share Award for eligible KMP Senior Executives. The minimum value of shares granted under this award is Nil and the maximum value is dependent on the market value of CCA shares on the date of vesting which is unknown.
- 7 Represents termination benefits when ceased to be a KMP Senior Executive.

REMUNERATION REPORT (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

7 KMP SENIOR EXECUTIVE EMPLOYMENT AGREEMENTS

Each KMP Senior Executive has a formal employment agreement. These agreements are of a continuing nature and have no set term (subject to termination provisions).

A standardised approach to new executive employment agreements has been implemented during 2015. However, the only KMP Senior Executive hired during 2015 was Mr Roberts and therefore his contract is the sole contract reflecting the new approach. 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	-	12
M.J. Roberts	6	-	6
E.C. Wilson	1	Notice plus 1 month per year of service (capped at 12 months)	6
K. Gunduz	3	Notice plus 1 month per year of service (capped at 12 months)	6
C.J. Litchfield	3	Notice plus 1 month per year of service (capped at 12 months)	6
B. O'Connell	6	Notice plus 1 month per year of service (capped at 12 months)	6

Additional contractual terms

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 Long Term Incentive Plan grants does not apply;
- Mr Gunduz's employment in Indonesia also provides for expatriate benefits including medical insurance, housing and utilities, home leave, school fees, and a hardship allowance;
- Based in New Zealand, Mr Litchfield's superannuation is 8.5% of salary aligned to New Zealand practice and Mr Litchfield also receives medical insurance cover as part of his fixed remuneration; and
- Mr O'Connell was provided an expatriate allowance during the first two years of employment in Australia. The final allowance payment was made during 2015.

8 NON-EXECUTIVE DIRECTOR REMUNERATION

The remuneration of Non-Executive Directors comprises Directors' fees (base plus Board Committee fees), superannuation contributions and retirement benefits. No element of remuneration is performance related.

Based on advice received from external remuneration consultants (via the Committee), Director's fees are set and approved by the Board. Setting the fees takes into account the size and complexity of the Group's operations, the Directors' associated workload and their responsibility for the stewardship of the Company. No increase was made to fees in 2015 due to the challenging trading conditions.

Total fees are not to exceed the annual limit of \$2.3 million that was approved by shareholders in May 2011. During 2015, CCA reviewed this limit and proposed an increase for 2016 which will be set out in the 2016 Notice of Annual General Meeting, for shareholder approval. The Notice will explain the rationale and intended application of the increase.

Directors' fees	The annual Directors' fees (excluding superannuation contributions) payable to Non-Executive Directors for the year ended 31 December 2015 were as follows:	Fee
	Position	\$
	Chairman	490,000
	Other Non-Executive Director (base fee)	169,100
	Audit & Risk Committee – Chairman	35,000
	Audit & Risk Committee – member	19,450
	Sustainability Committee – Chairman	26,000
	Sustainability Committee – member	15,650
	People Committee – Chairman	26,000
	People Committee – member	15,650
	No fees are payable in respect of membership of any other Board Committees. The Chairman of the Board does not receive any Committee fees.	
Minimum shareholding guideline	Non-Executive Directors are encouraged to hold CCA shares, by holding 20% of their annual Directors' fees in CCA shares by five years in office, 40% of fees after reaching 10 years in office and 60% of fees upon reaching 15 years in office.	
Superannuation contributions	Contributions required under the Superannuation Guarantee legislation are made by the Company on behalf of Non-Executive Directors.	
Retirement benefits	There is no current scheme for the payment of retirement benefits. On 3 May 2006, shareholders agreed to the accrued benefits under the prior scheme being used to purchase shares in the Company. The shares are held by the trustee of the Non-Executive Directors' Retirement Share Trust for Messrs Gonski and King until they cease to be a Director of CCA. In accordance with the terms of the prior scheme, shares will not be transferred to them until their retirement.	
Other benefits	Non-Executive Directors are provided with the Company products. Additionally, the Company funds the cost for Australian immigration department compliant private health cover for Messrs Jansen and Thirumalai for the sole purpose of meeting the Australian government visa requirements. As such, this cover is not considered to be a benefit provided to these Directors.	

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 financial year:

	Year	Short term		Post-employment	Total
		Base fees	Committee fees	Superannuation	
		\$	\$	\$	\$
Non-Executive Directors					
D.M. Gonski, AC	2015	490,000	–	19,046	509,046
Chairman	2014	490,000	–	18,279	508,279
I.R. Atlas	2015	169,100	35,100	19,046	223,246
	2014	169,100	35,100	18,279	222,479
J. Borghetti					
Appointed on 1 December 2015	2015	14,092	–	1,339	15,431
C.M. Brenner	2015	169,100	43,271	19,046	231,417
	2014	169,100	41,650	18,279	229,029
A.G. Froggatt	2015	169,100	45,450	19,046	233,596
	2014	169,100	45,450	18,279	232,829
M. Jansen	2015	169,100	35,100	19,046	223,246
	2014	169,100	29,421	18,196	216,717
W.M. King, AO	2015	169,100	15,650	17,551	202,301
	2014	169,100	15,650	17,320	202,070
D.E. Meiklejohn, AM	2015	169,100	50,650	19,046	238,796
	2014	169,100	50,650	18,279	238,029
K. Thirumalai	2015	169,100	15,650	17,551	202,301
Appointed on 14 March 2014	2014	132,697	12,281	13,641	158,619
Former Non-Executive Director					
G.J. Kelly					
Retired on 18 February 2014	2014	23,153	2,140	2,340	27,633
Total Non-Executive Directors	2015	1,687,792	240,871	150,717	2,079,380
	2014	1,660,450	232,342	142,892	2,035,684

REMUNERATION REPORT (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

9 ADDITIONAL STATUTORY DISCLOSURES

2015 Short Term Incentive Plan maximum payments

The table below shows the 2015 Short Term Incentive Plan outcomes as a percentage of maximum (inclusive of the deferred amount) award:

KMP Senior Executives	Actual STIP of maximum %	STIP forfeited of maximum %
A.M. Watkins	56	44
M.J. Roberts	56	44
E.C. Wilson	56	44
K. Gunduz	48	52
C.J. Litchfield	68	32
B. O'Connell	49	51

Share rights held by KMP Senior Executives under the Long Term Incentive Plan

KMP Senior Executives	Plan	Grant date	Maximum number of share rights ¹					Closing balance
			Opening balance ²	Granted	Vested	Lapsed	Other	
A.M. Watkins	2014-2016	13 May 2014	209,798	–	–	–	–	209,798
	2015-2017	12 May 2015	–	384,228	–	–	–	384,228
			209,798	384,228	–	–	–	594,026
E.C. Wilson	2013-2015	1 March 2013	16,278	–	–	(16,278)	–	–
	2014-2016	13 May 2014	20,978	–	–	–	–	20,978
	2015-2017	12 May 2015	–	36,225	–	–	–	36,225
			37,256	36,225	–	(16,278)	–	57,203
K. Gunduz	2014-2016	13 May 2014	50,350	–	–	–	–	50,350
	2015-2017	12 May 2015	–	57,786	–	–	–	57,786
			50,350	57,786	–	–	–	108,136
C.J. Litchfield	2013-2015	1 March 2013	6,302	–	–	(6,302)	–	–
	2014-2016	13 May 2014	7,662	–	–	–	–	7,662
	2015-2017	12 May 2015	–	37,960	–	–	–	37,960
			13,964	37,960	–	(6,302)	–	45,622
B. O'Connell	2013-2015	1 March 2013	15,686	–	–	(15,686)	–	–
	2014-2016	13 May 2014	34,599	–	–	–	–	34,599
	2015-2017	12 May 2015	–	74,483	–	–	–	74,483
			50,285	74,483	–	(15,686)	–	109,082

1 Numbers are quoted on the basis of maximum potential vesting.

2 Includes existing balances of share rights on appointment to KMP roles.

Value of share rights granted and lapsed in 2015

KMP Senior Executives	2015-2017 plan		2013-2015 lapsed plan	
	At grant date	Maximum	At date vested	At date lapsed ¹
	\$	\$	\$	\$
A.M. Watkins	1,753,884	2,339,153	–	–
E.C. Wilson	165,355	220,534	–	172,241
K. Gunduz	263,775	351,797	–	–
C.J. Litchfield	173,278	231,099	–	66,680
B. O'Connell	339,993	453,448	–	165,975

1 Lapsed includes forfeited value and is calculated using the maximum value less the vested amount.

All values are calculated in accordance with AASB 2 Share-based Payment. The value assumes a performance achievement at the maximum level, other than the value at grant date.

9 ADDITIONAL STATUTORY DISCLOSURES (CONTINUED)

For equity grants made during 2015 or still unvested as at 31 December 2015, the table below shows details of:

- the proportion of the grant (if any) that vested or was forfeited during the year;
- the future financial years in which vesting may occur; and
- the estimated maximum total value of grants to 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 \$
KMP Senior Executives					
A.M. Watkins	2015	–	–	2017	1,559,435
	2014	–	–	2016	960,547
E.C. Wilson	2015	–	–	2017	147,023
	2014	–	–	2017	95,173
	2013	–	100	2015	–
K. Gunduz	2015	–	–	2017	234,531
	2014	–	–	2017	228,422
C.J. Litchfield	2015	–	–	2017	154,066
	2014	–	–	2017	34,761
	2013	–	100	2015	–
B. O'Connell	2015	–	–	2017	302,299
	2014	–	–	2017	156,968
	2013	–	100	2015	–

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 of grants yet to vest has been estimated based on the fair value per grant at the maximum achievement of the vesting scale less amounts already expensed.

Key terms of share rights held by KMP Senior Executives

The table below summarises the key terms of grants that have vested during the year, and that remain unvested as at 31 December 2015.

	Grant date	Vesting/expiry date	Performance measure	Fair value at grant date per share rights ¹ \$	Performance achieved
A.M. Watkins	13 May 2014	31 Dec 2016	EPS	8.03	To be determined
			TSR – peer group 1	2.42	To be determined
			TSR – peer group 2	3.93	To be determined
	12 May 2015	31 Dec 2017	EPS	9.08	To be determined
		Relative TSR – peer group	5.38	To be determined	
		Absolute TSR	3.79	To be determined	
All other KMP Senior Executives	1 Mar 2013	31 Dec 2015	EPS	12.84	(10.1)% average annual growth
			TSR – peer group 1	7.39	14.9 th percentile
			TSR – peer group 2	8.74	7.7 th percentile
	13 May 2014	1 Mar 2017	EPS	7.96	To be determined
			TSR – peer group 1	2.39	To be determined
			TSR – peer group 2	3.88	To be determined
	12 May 2015	31 Dec 2017	EPS	9.08	To be determined
			Relative TSR – peer group	5.38	To be determined
Absolute TSR			3.79	To be determined	

1 Fair values vary due to differing grant and vesting dates.

As the rewards received under the LTIP are dependent on long term performance, these grants are still to be tested. The percentage of grants that will vest will be determined based upon the Group's long term performance at the end of each performance period.

REMUNERATION REPORT (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

9 ADDITIONAL STATUTORY DISCLOSURES (CONTINUED)

KMP shareholdings

The table below shows the movements in ordinary shares held by KMP Senior Executives and Non-Executive Directors during 2015:

	Opening balance ¹	Purchases/ Vestings ²	Sales/other movements ³	Closing balance
KMP Senior Executives				
A.M. Watkins	45,000	9,706	–	54,706
M.J. Roberts	450	1,135	–	1,585
E.C. Wilson	3,047	6,247	–	9,294
K. Gunduz	1,785	22,606	–	24,391
C.J. Litchfield	24,725	5,188	–	29,913
B. O'Connell	4,197	7,240	–	11,437
Non-Executive Directors				
D.M. Gonski, AC	423,074	11,820	–	434,894
I.R. Atlas	5,000	–	–	5,000
C.M. Brenner	14,732	–	–	14,732
A.G. Froggatt ⁴	19,151	–	–	19,151
M. Jansen	10,173	–	–	10,173
W.M. King, AO	56,354	417	–	56,771
D.E. Meiklejohn, AM	25,497	–	–	25,497
Former KMP Senior Executives				
P.N. Kelly	66,393	6,162	(72,555)	–
N.I. O'Sullivan	74,300	6,512	(80,812)	–

1 Includes existing balances of shares on appointment to KMP roles.

2 Includes the purchase of shares and shares issued under the Dividend Reinvestment Plan and shares vested under various employee ownership plans. Additions to shareholdings were at arm's length.

3 Includes shares sold and reductions due to cessation of individuals in KMP roles.

4 Shares held under an enduring power of attorney.

Loans to KMP and other transactions of KMP and their personally related entities

Neither CCA nor any other Group company has loans with KMP or was party to any other transactions with KMP (including their personally related entities).

Signed in accordance with a resolution of the Directors



David M. Gonski, AC
Chairman
Sydney
17 February 2016



Alison M. Watkins
Group Managing Director
Sydney
17 February 2016

FINANCIAL REPORT

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

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CONSOLIDATED INCOME STATEMENT

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

for the year ended 31 December

	Note	2015 \$M	2014 \$M
Trading revenue	2	5,093.6	4,942.8
Cost of goods sold		(2,953.4)	(2,833.8)
Delivery		(238.4)	(233.6)
Gross profit		1,901.8	1,875.4
Other revenue	2	58.7	60.1
Expenses			
Selling		(709.7)	(695.6)
Warehousing and distribution		(185.4)	(189.8)
Support services and other ¹		(404.8)	(542.9)
		(1,299.9)	(1,428.3)
Share of loss of joint venture entity	11a	–	(0.1)
Earnings before interest and tax		660.6	507.1
Net finance costs			
Finance income	2	34.6	31.2
Finance costs	3	(120.8)	(153.1)
		(86.2)	(121.9)
Profit before income tax	3	574.4	385.2
Income tax expense	10a	(171.0)	(112.4)
Profit for the year		403.4	272.8
Attributable to:			
Shareholders of CCA		393.4	272.1
Non-controlling interests		10.0	0.7
Profit for the year		403.4	272.8
Earnings per Share (EPS) attributable to shareholders of CCA			
Basic and diluted EPS (cents)	5	51.5	35.6

1 2014 includes amounts classified as significant items. Refer Note 3b) for further details.

Notes appearing on pages 47 to 82 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

	2015 \$M	2014 \$M
Profit for the year	403.4	272.8
Other comprehensive income		
Items to be reclassified to the income statement in subsequent periods:		
Foreign exchange differences on translation of foreign operations	(8.0)	56.9
Cash flow hedges	(26.8)	45.3
Income tax effect relating to cash flow hedges	10.1	(14.3)
	(24.7)	87.9
Items not to be reclassified to the income statement in subsequent periods:		
Actuarial valuation reserve	24.5	(24.8)
Income tax effect	(7.3)	6.5
	17.2	(18.3)
Other comprehensive income	(7.5)	69.6
Total comprehensive income for the year	395.9	342.4
Attributable to:		
Shareholders of CCA	383.3	341.6
Non-controlling interests	12.6	0.8
Total comprehensive income for the year	395.9	342.4

Notes appearing on pages 47 to 82 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 CCA				Total \$M	Non- controlling interests \$M	Total equity \$M
		Share capital \$M	Treasury shares \$M	Reserves \$M	Accumulated losses \$M			
At 1 January 2015		2,271.7	(16.3)	(11.3)	(564.4)	1,679.7	7.0	1,686.7
Total comprehensive income for the year		–	–	(10.1)	393.4	383.3	12.6	395.9
Transactions with shareholders:								
Share based remuneration		–	(0.5)	1.6	–	1.1	–	1.1
Dividends paid	4	–	–	–	(320.7)	(320.7)	–	(320.7)
Change in ownership interest in subsidiary	16	–	–	342.7	–	342.7	304.1	646.8
		–	(0.5)	344.3	(320.7)	23.1	304.1	327.2
At 31 December 2015		2,271.7	(16.8)	322.9	(491.7)	2,086.1	323.7	2,409.8
At 1 January 2014		2,271.7	(16.0)	(82.6)	(439.5)	1,733.6	6.2	1,739.8
Total comprehensive income for the year		–	–	69.5	272.1	341.6	0.8	342.4
Transactions with shareholders:								
Share based remuneration		–	(0.3)	1.8	–	1.5	–	1.5
Dividends paid	4	–	–	–	(397.0)	(397.0)	–	(397.0)
		–	(0.3)	1.8	(397.0)	(395.5)	–	(395.5)
At 31 December 2014		2,271.7	(16.3)	(11.3)	(564.4)	1,679.7	7.0	1,686.7

Notes appearing on pages 47 to 82 to be read as part of the financial statements.

CONSOLIDATED BALANCE SHEET

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

as at 31 December

	Note	2015 \$M	2014 \$M
Current assets			
Cash assets	13a	1,237.5	818.2
Trade and other receivables	6a	1,030.8	970.8
Inventories	6b	733.9	686.1
Derivatives	13c	44.2	24.6
Current tax assets	10b	9.9	21.1
Prepayments		71.7	59.3
Total current assets		3,128.0	2,580.1
Non-current assets			
Property, plant and equipment	7	2,019.9	2,031.2
Intangible assets	8	1,265.9	1,277.0
Long term deposits		88.1	–
Investment in joint venture entity	11a	26.3	26.3
Defined benefit superannuation plans	11b	19.1	7.9
Derivatives	13c	96.1	106.4
Other receivables		11.2	10.8
Prepayments		12.8	17.6
Total non-current assets		3,539.4	3,477.2
Total assets		6,667.4	6,057.3
Current liabilities			
Trade and other payables	6c	1,239.6	1,182.4
Interest bearing liabilities	13b	563.4	325.3
Provisions	11c	119.3	121.5
Current tax liabilities	10b	35.5	28.7
Derivatives	13c	43.5	22.9
Total current liabilities		2,001.3	1,680.8
Non-current liabilities			
Interest bearing liabilities	13b	1,972.2	2,338.2
Provisions	11c	14.8	17.4
Deferred tax liabilities	10b	163.0	159.8
Defined benefit superannuation plans	11b	49.0	55.3
Derivatives	13c	57.3	119.1
Total non-current liabilities		2,256.3	2,689.8
Total liabilities		4,257.6	4,370.6
Net assets		2,409.8	1,686.7
Equity			
Share capital	12a	2,271.7	2,271.7
Treasury shares	12b	(16.8)	(16.3)
Reserves	12c	322.9	(11.3)
Accumulated losses		(491.7)	(564.4)
Equity attributable to shareholders of CCA		2,086.1	1,679.7
Non-controlling interests		323.7	7.0
Total equity		2,409.8	1,686.7

Notes appearing on pages 47 to 82 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	2015 \$M	2014 \$M
Inflows/(outflows)			
Operating cash flows			
Receipts from customers		5,965.4	5,822.9
Payments to suppliers and employees		(5,098.8)	(4,924.4)
Interest income received		21.6	30.5
Interest and other finance costs paid		(113.2)	(159.8)
Income taxes paid		(148.2)	(179.0)
Net operating cash flows	13a	626.8	590.2
Investing cash flows			
Payments for:			
investment in long term deposits		(84.9)	–
investment in joint venture entity		–	(2.0)
additions of property, plant and equipment		(246.4)	(262.5)
additions of brand names and trademarks		(0.2)	–
additions of software development assets		(19.6)	(22.8)
acquisition of business		–	(13.4)
Proceeds from:			
disposal of property, plant and equipment		19.7	6.7
government grant relating to additions of property, plant and equipment		10.0	–
Net investing cash flows		(321.4)	(294.0)
Financing cash flows			
Proceeds from issue of ordinary shares in subsidiary (net)		646.8	–
Proceeds from borrowings		167.6	302.8
Borrowings repaid		(371.3)	(831.9)
Dividends paid	4	(320.7)	(397.0)
Net financing cash flows		122.4	(926.1)
Net increase/(decrease) in cash and cash equivalents		427.8	(629.9)
Cash and cash equivalents held at the beginning of the year		803.0	1,424.4
Effects of exchange rate changes on cash and cash equivalents		6.6	8.5
Cash and cash equivalents held at the end of the year	13a	1,237.4	803.0

Notes appearing on pages 47 to 82 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 (referred to as CCA or 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. CCA does not have a parent entity. The nature of the operations and principal activities of CCA and its subsidiaries together (referred to as Group) 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 17 February 2016.

Basis of preparation

This general purpose financial report:

- has been 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 15);
- 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 year;
- presents all values as rounded to the nearest hundred thousand dollars, unless otherwise stated under the option available to CCA under ASIC Class Order No. 98/100;
- adopts all new and amended Australian Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for reporting periods beginning on or after 1 January 2015, all of which did not have a material impact on the financial statements; and
- does not early adopt any Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective, with the exception of AASB 9 Financial Instruments – 2013 which was early adopted on 1 January 2014.

Notes to the financial statements

In preparing the 2015 financial report, CCA has made changes to the presentation and layout of the consolidated income statement, consolidated balance sheet and notes to the financial statements. These changes have been made to enhance the disclosure of information required to understand the financial statements. The notes have been grouped into sections that are based on materiality and relevance to the financial position and performance of the Group and reflect the internal management financial reporting of CCA. Where necessary, additional information has been provided to assist with understanding of the Group's results.

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 8;
- Impairment testing, refer to Note 9; and
- Income tax, refer to Note 10.

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 it 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, profit 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

Overview (Continued)

Foreign currency translation

Both the functional and presentation currency of Coca-Cola Amatil Limited and its Australian subsidiaries is Australian Dollars. 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 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. All 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.

I Results for the Year

1 SEGMENT REPORTING

The Group operates in a number of segments, based on results that are reported to the Group Managing Director. The Australia, New Zealand & Fiji and Indonesia & PNG Non-Alcohol Beverages segments derive their revenues from the manufacture, distribution and marketing of sparkling drinks and other non-alcohol beverages. The Alcohol & Coffee Beverages segment manufactures and distributes premium spirits, beer and coffee products. The Corporate, Food & Services segment includes other non-individually reportable businesses and comprises of the corporate office function for the Group, the processing and marketing of fruit and other food products business (SPC), and the provision of certain support services to the Group and third party customers business.

Segment results are evaluated on an earnings before interest, tax and significant items basis. Segment net assets include operating and investing assets and liabilities (which excludes net debt amounts). Net debt comprises of cash assets, long term deposits, debt related derivative assets and liabilities and interest bearing 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.

Restatement of prior year comparatives

The Group's segment reporting has been changed to reflect the outcomes of the Strategic review conducted in 2014, as follows:

- The Alcohol & Coffee Beverages segment has been created and aligns with the Managing Director of this segment reporting to the Group Managing Director. Alcohol & Coffee Beverages financial information was previously reported within CCA's prior Alcohol, Food & Services and Non-Alcohol Beverages Australia segments respectively;
- Corporate costs are no longer allocated to the trading segments and Corporate is reported, with the Food & Services businesses in the new Corporate, Food & Services segment; and
- Indonesia Services has been consolidated into the Non-Alcohol Beverages Indonesia business within the Non-Alcohol Beverages Indonesia & PNG segment, and was previously reported within Alcohol, Food & Services.

The new definition has also been applied to the year ended 31 December 2014, as if the changes in structure had been effective on 1 January 2014 to facilitate comparability.

Segment information

	Non-Alcohol Beverages						Alcohol & Coffee Beverages		Corporate, Food & Services		Total	
	Australia		New Zealand & Fiji		Indonesia & PNG		2015	2014	2015	2014	2015	2014
	2015	2014	2015	2014	2015	2014	\$M	\$M	\$M	\$M	\$M	\$M
Trading revenue	2,763.0	2,785.3	513.0	488.0	1,008.9	927.5	434.4	355.5	374.3	386.5	5,093.6	4,942.8
Other revenue	5.5	4.7	7.4	6.6	1.5	1.6	10.5	12.7	33.8	34.5	58.7	60.1
Segment revenue	2,768.5	2,790.0	520.4	494.6	1,010.4	929.1	444.9	368.2	408.1	421.0	5,152.3	5,002.9
EBITDA before significant items ¹	540.7	541.9	126.2	119.5	122.6	105.6	38.8	29.9	102.5	121.2	930.8	918.1
Depreciation and amortisation expenses	(76.9)	(79.0)	(27.4)	(27.2)	(73.9)	(61.3)	(4.7)	(4.0)	(87.3)	(95.1)	(270.2)	(266.6)
Segment results	463.8	462.9	98.8	92.3	48.7	44.3	34.1	25.9	15.2	26.1	660.6	651.5
Significant items not included in segment results ²											-	(144.4)
EBIT¹											660.6	507.1
Other segment information												
Segment net assets	1,403.4	1,443.1	502.0	510.9	710.0	644.0	255.3	244.6	685.4	715.4	3,556.1	3,558.0
Net debt											(1,146.3)	(1,871.3)
Net assets											2,409.8	1,686.7
Payments made for additions of certain non-current assets³	54.0	72.7	27.0	16.8	96.4	116.9	6.5	9.9	72.1	69.0	256.0	285.3

Refer to the following page for footnotes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

I Results for the Year (Continued)

1 SEGMENT REPORTING (CONTINUED)

Geographical information

	Trading revenue ⁴		Non-current assets ⁵	
	2015 \$M	2014 \$M	2015 \$M	2014 \$M
Australia	3,487.3	3,474.6	2,016.9	2,074.1
New Zealand & Fiji	597.4	540.7	562.5	558.1
Indonesia & PNG	1,008.9	927.5	732.7	702.3
	5,093.6	4,942.8	3,312.1	3,334.5

1 EBITDA refers to earnings before interest, tax, depreciation and amortisation while EBIT refers to earnings before interest and tax.

2 Refer to Note 3b) for further details.

3 Comprises of payments made for property, plant and equipment and software development assets less proceeds from the government grant.

4 Reflects the customer geographic location of trading revenue earned by the Group.

5 Comprises of investment in joint venture entity, property, plant and equipment and intangible assets.

2 REVENUE

	2015 \$M	2014 \$M
Trading revenue		
Sale of products	5,014.3	4,862.9
Rental of equipment and processing fees	79.3	79.9
	5,093.6	4,942.8
Other revenue		
Rendering of services	19.0	19.1
Miscellaneous rental and sundry income	39.7	41.0
	58.7	60.1
Finance income	34.6	31.2
	5,186.9	5,034.1

The Group earned approximately 36.3% (2014: 35.2%) of its trading revenue from its top three customers, being Metcash Limited, Wesfarmers Limited and Woolworths Limited.

Recognition and measurement

Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable net of discounts, allowances and applicable amounts of value added taxes such as the Australian goods and services tax. The following specific criteria must also be met before revenue is recognised:

Sale of products

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably;

Rental income

Rental income arising from equipment hire is accounted for on a straight line basis over the term of the rental contract.

Rendering of services

Revenue from installation and maintenance of equipment is recognised when the services have been performed and the amount can be measured reliably; and

Finance income

Finance income mainly comprises of interest income on cash in bank, term deposits and implied returns under the defined benefit superannuation plans.

Interest income is recognised as it is earned, using the effective interest method.

I Results for the Year (Continued)

3 EXPENSES

a) Income statement disclosure

	2015 \$M	2014 \$M
Profit before income tax includes the following specific expenses:		
Remuneration and on-costs	858.4	837.0
Defined contribution and defined benefit superannuation plan expenses	65.5	63.5
Share based payments expense	10.7	10.5
Employee related costs	934.6	911.0
Finance costs	120.8	153.1
Depreciation expense	242.4	239.5
Amortisation expense	27.8	27.1
Rentals – operating leases	84.3	77.0

b) Significant items

Transactions which are non-recurring and considered material to the financial statements due to their size and/or nature are treated as significant items. Such transactions are included in support services and other expenses in the income statement.

There are no significant items in 2015. In 2014, significant item expenses mainly related to business restructuring as a result of the implementation of a new strategic business plan associated with the Australia Beverages business.

Details of significant items recognised in 2014 are below:

	2014 \$M
Employee redundancy costs	65.4
Implementation and other restructuring costs	19.6
Impairments of:	
inventories	5.9
property, plant and equipment	37.6
intangible assets	15.9
	144.4
Income tax benefit	(41.0)
	103.4

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 11b, 11c and 17 respectively.

Finance costs

Finance costs mainly comprise of interest costs on interest bearing liabilities and the time value amounts under the defined benefit superannuation plans.

Interest costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of qualifying assets.

Rentals – operating leases

Operating leases are those where the lessor effectively retains substantially all the risks and benefits incidental to ownership of the leased property. Operating lease payments are charged to the income statement on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

I Results for the Year (Continued)

4 DIVIDENDS

	2015 \$M	2014 \$M
a) Summary of dividends paid during the year		
Prior year final dividend		
Paid at 22.0¢ per share franked to 75% (2014: 32.0¢ per share franked to 75%)	168.0	244.3
Current year interim dividend		
Paid at 20.0¢ per share franked to 75% (2014: 20.0¢ per share franked to 75%)	152.7	152.7
	320.7	397.0
b) Dividends declared after balance date and not recognised as liabilities		
Current year final dividend		
Declared at 23.5¢ per share franked to 75% (2014: 22.0¢ per share franked to 75%)	179.4	168.0
c) Franking credits		
Balance at the end of the year	16.9	10.4
Franking credits which will arise from payment of income tax provided for in the financial statements	8.7	12.1
	25.6	22.5

d) Dividend Reinvestment Plan (DRP)

CCA's DRP continues to be available to eligible shareholders. The DRP provides shareholders with the opportunity to receive fully paid ordinary shares, in lieu of cash dividends, which are acquired on market, at the price calculated using the daily volume weighted average market price of CCA 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 22 and 24 February 2016 respectively.

5 EARNINGS PER SHARE

	2015 ¢	2014 ¢
Basic and diluted Earnings per Share (EPS)	51.5	35.6
Basic and diluted EPS (before significant items)	51.5	49.2
	M	M
The following reflects share and earnings information used in the calculation of basic and diluted EPS:		
Weighted average number of ordinary shares on issue	763.6	763.6
	\$M	\$M
Profit for the year attributable to shareholders of CCA	393.4	272.1
Add back: significant items after tax	-	103.4
Profit for the year attributable to shareholders of CCA (before significant items)	393.4	375.5

II Assets and Liabilities – Operating and Investing

How the Group manages its overall financial position

The Group manages its overall financial position by segregating its balance sheet in to two categories: Assets and Liabilities – Operating and Investing; and Capital – Financing. Assets and Liabilities – Operating and Investing is managed at the operations' level of the Group 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	2015 \$M	2014 \$M
Working capital	6	525.1	474.5
Property, plant and equipment	7	2,019.9	2,031.2
Intangible assets	8	1,265.9	1,277.0
Current and deferred tax assets/(liabilities)	10b	(188.6)	(167.4)
Derivative net (liabilities)/assets – non-debt related	13c	(24.2)	15.0
Other assets/(liabilities)	11	(42.0)	(72.3)
		3,556.1	3,558.0
Capital – Financing	Section III	3,556.1	3,558.0

6 WORKING CAPITAL

	Note	2015 \$M	2014 \$M
Trade and other receivables	6a	1,030.8	970.8
Inventories	6b	733.9	686.1
Trade and other payables	6c	(1,239.6)	(1,182.4)
		525.1	474.5

6a TRADE AND OTHER RECEIVABLES

	2015 \$M	2014 \$M
Trade receivables net of allowance for doubtful receivables	924.7	875.0
Other receivables	106.1	95.8
	1,030.8	970.8
Movement in the allowance for doubtful receivables		
At 1 January	(12.3)	(10.8)
Charge	(4.5)	(6.0)
Written off	3.8	4.7
Net foreign currency and other movements	–	(0.2)
	(13.0)	(12.3)
Trade receivables past due but not impaired		
Under 30 days	58.5	81.7
31-90 days	23.3	22.8
Over 91 days	7.1	3.6

Recognition and measurement

Trade and other receivables are recognised at amounts due and subsequently reviewed for collectability on an ongoing basis. Where there is evidence that amounts due may not be fully or partly recoverable, an allowance for doubtful receivables is recognised in the income statement.

Refer to Note 14b) ii) on credit risk of trade and other receivables.

For details of related party receivables included in trade and other receivables, refer to Note 16.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

II Assets and Liabilities – Operating and Investing (Continued)

6b INVENTORIES

	2015 \$M	2014 \$M
Raw materials	252.5	238.1
Finished goods	379.2	359.7
Other (work in progress and spare parts)	102.2	88.3
	733.9	686.1

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

	2015 \$M	2014 \$M
Trade payables	593.0	600.9
Other payables	82.7	79.1
Accrued charges	563.9	502.4
	1,239.6	1,182.4

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 accrual 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 16.

II Assets and Liabilities – Operating and Investing (Continued)

7 PROPERTY, PLANT AND EQUIPMENT

	Freehold and leasehold land \$M	Freehold and leasehold buildings \$M	Plant and equipment \$M	Property, plant and equipment under construction \$M	Total \$M
31 December 2015					
Cost	225.6	520.1	3,297.1	167.8	4,210.6
Accumulated depreciation and impairment	–	(157.4)	(2,033.3)	–	(2,190.7)
	225.6	362.7	1,263.8	167.8	2,019.9
Movement:					
At 1 January 2015	234.7	359.9	1,351.0	85.6	2,031.2
Additions	–	0.9	2.7	238.4	242.0
Disposals	(9.3)	(5.6)	(1.4)	–	(16.3)
Depreciation expense	–	(19.9)	(222.5)	–	(242.4)
Impairment charge	–	–	(4.9)	–	(4.9)
Reclassification	0.1	26.8	136.5	(163.4)	–
Net foreign currency and other movements	0.1	0.6	2.4	7.2	10.3
At 31 December 2015	225.6	362.7	1,263.8	167.8	2,019.9
31 December 2014					
Cost	234.7	501.3	3,313.4	85.6	4,135.0
Accumulated depreciation and impairment	–	(141.4)	(1,962.4)	–	(2,103.8)
	234.7	359.9	1,351.0	85.6	2,031.2
Movement:					
At 1 January 2014	222.2	318.7	1,273.5	247.8	2,062.2
Additions	0.1	–	5.5	209.6	215.2
Disposals	–	(0.8)	(5.1)	(0.1)	(6.0)
Depreciation expense	–	(18.3)	(221.2)	–	(239.5)
Impairment charge ¹	–	–	(41.3)	–	(41.3)
Reclassification	6.7	49.1	303.3	(359.1)	–
Net foreign currency and other movements	5.7	11.2	36.3	(12.6)	40.6
At 31 December 2014	234.7	359.9	1,351.0	85.6	2,031.2
1 January 2014					
Cost	222.2	440.4	3,014.9	247.8	3,925.3
Accumulated depreciation and impairment	–	(121.7)	(1,741.4)	–	(1,863.1)
	222.2	318.7	1,273.5	247.8	2,062.2

1 Mainly relates to significant items, refer to Note 3b) for further details.

Recognition and measurement

Property, plant and equipment assets are stated at cost less accumulated depreciation and impairment. Cost includes the transfer from equity of gains or losses on qualifying cash flow hedges relating to additions 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 freehold 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:

Freehold and leasehold buildings (includes improvement to buildings)	20 to 50 years
Plant and equipment	3 to 15 years

An item of property, plant and equipment is derecognised upon disposal of an asset. Any gain or loss arising on derecognition of an asset (calculated by comparing proceeds with the carrying amount) is included in the income statement in that financial year.

Key estimates

Useful lives of assets are estimated based on historical experience. In addition, the condition of assets is assessed annually and considered against the remaining useful life. Adjustments to useful life are made when deemed necessary.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

II Assets and Liabilities – Operating and Investing (Continued)

8 INTANGIBLE ASSETS

	Indefinite lives			Definite lives		Total \$M
	Brand names and trademarks \$M	Investments in bottlers' agreements \$M	Goodwill \$M	Brand names and trademarks \$M	Software development and other assets \$M	
31 December 2015						
Cost	112.6	939.2	117.7	29.0	285.0	1,483.5
Accumulated amortisation and impairment	(39.8)	–	–	(14.1)	(163.7)	(217.6)
	72.8	939.2	117.7	14.9	121.3	1,265.9
Movement:						
At 1 January 2015	72.1	942.5	116.4	15.1	130.9	1,277.0
Additions	–	–	–	0.2	19.6	19.8
Disposals	–	–	–	–	(0.3)	(0.3)
Amortisation expense	–	–	–	(0.5)	(27.3)	(27.8)
Net foreign currency and other movements	0.7	(3.3)	1.3	0.1	(1.6)	(2.8)
At 31 December 2015	72.8	939.2	117.7	14.9	121.3	1,265.9
31 December 2014						
Cost	111.9	942.5	119.4	29.1	271.1	1,474.0
Accumulated amortisation and impairment	(39.8)	–	(3.0)	(14.0)	(140.2)	(197.0)
	72.1	942.5	116.4	15.1	130.9	1,277.0
Movement:						
At 1 January 2014	71.6	931.8	107.5	19.3	134.6	1,264.8
Additions	–	–	–	–	22.8	22.8
Acquisition of business	–	–	3.4	–	–	3.4
Amortisation expense	–	–	–	(0.5)	(26.6)	(27.1)
Impairment charge ¹	–	–	(3.0)	(4.2)	(8.7)	(15.9)
Net foreign currency and other movements	0.5	10.7	8.5	0.5	8.8	29.0
At 31 December 2014	72.1	942.5	116.4	15.1	130.9	1,277.0
1 January 2014						
Cost	111.4	931.8	432.5	28.3	240.6	1,744.6
Accumulated amortisation and impairment	(39.8)	–	(325.0)	(9.0)	(106.0)	(479.8)
	71.6	931.8	107.5	19.3	134.6	1,264.8

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

Recognition and measurement

Indefinite lives

Indefinite life intangible assets, except for goodwill, acquired through business acquisition transactions are recognised initially at fair value at the date of acquisition which is subsequently deemed to be cost.

Brand names and trademarks

Brand names and trademarks mainly comprise of SPC brand names. In assessing the useful life of SPC brand names, consideration is given to the existing longevity, the indefinite life cycle of the industry in which SPC operates and the expected usage of the brand names in the future. In light of these considerations, no factor could be identified that would result in the brand names having a finite useful life and accordingly, SPC brand names have been assessed as having an indefinite useful life, which requires annual impairment testing.

Investment in bottlers' agreements (IBAs)

The Group has a number of bottling agreements with The Coca-Cola Company (TCCC) which provide CCA with the exclusive rights to manufacture, distribute, market and sell TCCC branded products in each of the six countries in which CCA operates, and are subject to certain performance criteria.

The agreements are for mainly 10 year terms, and reflect a 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 CCA'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 requires 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.

II Assets and Liabilities – Operating and Investing (Continued)

8 INTANGIBLE ASSETS (CONTINUED)

Definite lives

Definite life intangible assets are accounted for at cost. Assets acquired in a business acquisition, are recognised initially at fair value at the date of acquisition which is subsequently 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 10 years

Any gain or loss arising on derecognition of an asset (calculated by comparing the proceeds with the carrying amount) is included in the income statement in that financial year.

Key estimates

Useful lives of assets are estimated based on historical experience and the expected period of future consumption of embodied economic benefits. In addition, the condition of assets is assessed and adjustments to useful lives are made when deemed necessary.

9 IMPAIRMENT TESTING

Recognition and measurement

At each reporting date, the Group assesses 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, the Group makes a formal estimate of the recoverable amount. An impairment loss will be recognised in the income statement for the amount by which the carrying amount 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:

	Brand names and trademarks \$M	IBAs \$M	Goodwill \$M	Total \$M
As at 31 December 2015				
Non-Alcohol Beverages				
Australia	–	691.9	27.9	719.8
New Zealand & Fiji	–	206.0	8.9	214.9
Indonesia & PNG	–	40.4	16.6	57.0
Alcohol & Coffee Beverages	14.2	0.9	50.5	65.6
Corporate, Food & Services	58.6	–	13.8	72.4
	72.8	939.2	117.7	1,129.7
As at 31 December 2014				
Non-Alcohol Beverages				
Australia	–	691.9	27.9	719.8
New Zealand & Fiji	–	209.4	9.1	218.5
Indonesia & PNG	–	40.3	16.4	56.7
Alcohol & Coffee Beverages	13.5	0.9	49.2	63.6
Corporate, Food & Services	58.6	–	13.8	72.4
	72.1	942.5	116.4	1,131.0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

II Assets and Liabilities – Operating and Investing (Continued)

9 IMPAIRMENT TESTING (CONTINUED)

Impairment testing

Annual impairment testing is carried out in two parts, firstly in relation to brand names and trademarks and secondly at the cash generating unit (CGU) level in connection with IBAs and goodwill, by comparison of the CGU's recoverable amount to its carrying amount. The value in use for the purpose of recoverable amount calculations was determined by discounting the forecast future cash flows to be generated from the continuing use of the CGUs and using the terminal growth rates of nil to 2% (2014: nil to 2%) and was based on estimates described below:

Key estimates

Cash flows

Brand names and trademarks with indefinite lives

Value in use was calculated using a "relief from royalty" discounted cash flow methodology covering a 10 year period with an appropriate residual value at the end of that period. The cash flows are based on business plans approved by the Board of Directors. Utilising cash flow projections for more than five years has assisted in minimising the reliance on residual values. Key inputs in determining the cash flows were sales and royalty rates. Sales are based on three year business plans reviewed by management. Beyond those periods, sales are projected based on business plan targets and management expectations whereas royalty rates are based on market rates for comparable brands adjusted for costs associated with maintaining the brand. Where impairments have previously been recognised, any change in the key assumptions in the future could result in the requirement to recognise further impairment (where material).

IBAs and goodwill

CGUs' cash flows were projected covering a 15 year period with an appropriate residual value at the end of that period, for each CGU. The cash flows are based on business plans approved by the Board. Utilising cash flow projections for more than five years has assisted in reducing the reliance on residual values. Key inputs in determining the cash flows were as follows:

Key inputs	How determined
EBIT margins	EBIT margins are based primarily on three year business plans presented to the Board. Beyond those periods, margins have been adjusted to reflect management's views of sustainable long term EBIT margins.
Volumes	Volumes are based on three year business plans presented to the Board. Beyond those periods, volumes are adjusted based on forecast per capita consumption, population growth rates and market share assumptions which are benchmarked against external sources.
Pricing	Pricing is based on three year business plans presented to the Board. Beyond those periods, pricing is determined with reference to long term inflation forecasts.
Capital expenditure	Capital expenditure is based on three year business plans presented to the Board. Beyond those periods, capital expenditure is determined as a percentage of sales revenue consistent with historical expenditure.

Based on current economic conditions and CGU performances, no reasonably possible change in a key assumption used in the determination of the recoverable amounts would result in a material impairment to the Group.

Discount rates

Discount rates used are the weighted average cost of capital for the Group in relation to each brand name and trademark and each CGU, risk adjusted where applicable. The local currency discount rates used are below:

	2015 %	2014 %
Australia	7.2	7.2
New Zealand	7.1	7.1
Fiji	9.4	9.1
Indonesia	12.6	12.6
PNG	11.4	11.4

II Assets and Liabilities – Operating and Investing (Continued)

10 INCOME TAX

a) Income tax expense

	2015 \$M	2014 \$M
Current tax expense	157.8	138.7
Net deferred tax expense/(benefit)	13.0	(25.4)
Adjustments to current tax of prior periods	0.2	(0.9)
	171.0	112.4
Total income tax expense includes:		
Income tax benefit on significant items	–	(41.0)

Reconciliation of CCA's applicable (Australian) tax rate to the effective tax rate:

	2015 %	2014 %
Profit before income tax	574.4	385.2
	%	%
Applicable (Australian) tax rate	30.0	30.0
Adjustments to current tax of prior periods	–	(0.2)
Impairment of intangible assets	–	0.6
Non-allowable expenses	0.8	2.0
Recognition of previously unrecognised tax losses	(0.4)	–
Overseas tax rates differential	(0.9)	(1.1)
Overseas withholding tax ¹	0.3	(2.1)
Effective tax rate	29.8	29.2
Effective tax rate (before significant items)	29.8	29.0

Net deferred tax expense/(benefit) recognised in income tax expense relates to the following:

	2015 \$M	2014 \$M
Allowances for current assets	–	(0.1)
Accrued charges and employee expense obligations	3.0	(19.3)
Other deductible items	3.3	(3.0)
Property, plant and equipment and intangible assets	5.7	4.1
Retained earnings balances of overseas subsidiaries ¹	1.5	(7.7)
Other taxable items	(0.5)	0.6
	13.0	(25.4)

b) Current and deferred tax assets/(liabilities)

	2015 \$M	2014 \$M
Current tax assets	9.9	21.1
Current tax liabilities	(35.5)	(28.7)
Deferred tax liabilities	(163.0)	(159.8)
	(188.6)	(167.4)

Deferred tax liabilities recognised in the balance sheet relate to the following:

	2015 \$M	2014 \$M
Allowances for current assets	(10.4)	(10.4)
Accrued charges and employee expense obligations	(52.3)	(60.8)
Other deductible items (includes derivatives)	(36.4)	(36.2)
Property, plant and equipment and intangible assets	217.0	213.5
Retained earnings balances of overseas subsidiaries ¹	5.3	3.8
Other taxable items (includes derivatives)	39.8	49.9
	163.0	159.8

1 Represents withholding taxes payable on unremitted earnings of overseas subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

II Assets and Liabilities – Operating and Investing (Continued)

10 INCOME TAX (CONTINUED)

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; and
- 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

CCA 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 CCA for the amount of tax payable that would be calculated as if the subsidiary was a tax paying entity.

CCA, 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 CCA via intercompany balances.

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:

	2015 \$M	2014 \$M
Capital losses – no expiry date	709.8	716.3
Tax losses – no expiry date	1.1	3.7
Tax losses – 2024 to 2026 expiry	10.0	10.7
Other items – no expiry date	38.4	38.4
	759.3	769.1
Potential tax benefit	227.8	230.7

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.

II Assets and Liabilities – Operating and Investing (Continued)**11 OTHER ASSETS/(LIABILITIES)**

	Note	2015 \$M	2014 \$M
Investment in joint venture entity	11a	26.3	26.3
Defined benefit superannuation plans (net)	11b	(29.9)	(47.4)
Provisions – current and non-current	11c	(134.1)	(138.9)
Prepayments – current and non-current		84.5	76.9
Other non-current receivables		11.2	10.8
		(42.0)	(72.3)

11a INVESTMENT IN JOINT VENTURE ENTITY

	2015 \$M	2014 \$M
Carrying amount of investment in Australian Beer Company Pty Ltd (ABCo)	26.3	26.3

CCA has a 50% interest in ABCo. The principal activity of ABCo is the manufacture of alcohol beverages. The majority of the carrying amount of the investment in ABCo is represented by property, plant and equipment assets.

Recognition and measurement

The investment in the joint venture entity is accounted for in the financial report using the equity method and is initially recognised at cost. Under the equity method, the share of profits or losses of the joint venture entity are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

II Assets and Liabilities – Operating and Investing (Continued)

11b DEFINED BENEFIT SUPERANNUATION PLANS

The Group sponsors a number of superannuation plans that incorporate defined contribution and defined benefit categories. The defined benefit plans are the CCA Superannuation Plan (CCASP), which is predominantly Australian based, and the CCBI Superannuation Plan (CCBISP), which is Indonesian based (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 in 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 to the Plans are made at levels necessary to ensure that 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	
	2015 \$M	2014 \$M	2015 \$M	2014 \$M	2015 \$M	2014 \$M
a) Balances recognised in the balance sheet						
Present value of defined benefit obligations at the end of the year	97.7	115.2	49.0	55.3	146.7	170.5
Fair value of plan assets at the end of the year	(116.8)	(123.1)	–	–	(116.8)	(123.1)
Net defined benefit (assets)/liabilities	(19.1)	(7.9)	49.0	55.3	29.9	47.4
b) Expense recognised in the income statement						
Service cost	6.1	5.5	4.1	2.2	10.2	7.7
Interest income on defined benefit superannuation assets	(0.3)	(0.9)	–	–	(0.3)	(0.9)
Interest cost on defined benefit superannuation liabilities	–	–	4.5	2.8	4.5	2.8
	5.8	4.6	8.6	5.0	14.4	9.6
c) Amounts recognised in other comprehensive income						
Actuarial (gains)/losses – experience	(1.7)	(3.0)	(3.9)	3.2	(5.6)	0.2
Actuarial (gains)/losses – financial assumptions	(11.5)	12.4	(3.6)	16.2	(15.1)	28.6
Actuarial (gains)/losses arising during the year	(13.2)	9.4	(7.5)	19.4	(20.7)	28.8
Return on plan assets greater than interest income	(3.8)	(4.0)	–	–	(3.8)	(4.0)
Remeasurement recognised in other comprehensive income	(17.0)	5.4	(7.5)	19.4	(24.5)	24.8
d) Movement in defined benefit obligations						
Present value of defined benefit obligations at the beginning of the year	115.2	120.8	55.3	30.5	170.5	151.3
Service cost	6.1	5.5	4.1	2.2	10.2	7.7
Interest cost on defined benefit obligations	3.0	4.8	4.5	2.8	7.5	7.6
Actuarial (gains)/losses arising during the year	(13.2)	9.4	(7.5)	19.4	(20.7)	28.8
Benefits paid from plan assets or by plan employer respectively	(12.9)	(24.8)	(7.9)	(2.6)	(20.8)	(27.4)
Net foreign currency and other movements	(0.5)	(0.5)	0.5	3.0	–	2.5
Present value of defined benefit obligations at end of the year	97.7	115.2	49.0	55.3	146.7	170.5
e) Movement in plan assets						
Fair value of plan assets at the beginning of the year	(123.1)	(138.7)	–	–	(123.1)	(138.7)
Interest income on plan assets	(3.3)	(5.7)	–	–	(3.3)	(5.7)
Return on plan assets greater than interest income	(3.8)	(4.0)	–	–	(3.8)	(4.0)
Benefits paid from plan assets	12.9	24.8	–	–	12.9	24.8
Other movements	0.5	0.5	–	–	0.5	0.5
Fair value of plan assets at the end of the year	(116.8)	(123.1)	–	–	(116.8)	(123.1)

1 CCASP's assets include no amounts relating to any of CCA's own financial instruments, or any property occupied by, or other assets used by, CCA.

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 Assets and Liabilities – Operating and Investing (Continued)

11b DEFINED BENEFIT SUPERANNUATION PLANS (CONTINUED)

	CCASP		CCBISP	
	2015 %	2014 %	2015 %	2014 %
f) Plan assets				
The percentage invested in each asset class at the reporting date (including pension assets) was:				
Equity instruments	35.5	33.0	–	–
Debt instruments	29.3	25.0	–	–
Real estate	5.4	6.0	–	–
Cash and cash equivalents	14.4	21.0	–	–
Other	15.4	15.0	–	–
	100.0	100.0	–	–
g) Principal actuarial assumptions				
Used at reporting date to measure defined benefit obligations of each plan (per annum basis):				
Discount rate ³	4.2	2.8	8.8	8.0
Future salary increases	3.5	3.5	8.0	8.0
Future inflation	2.5	2.5	5.5	5.5
Future pension increases	2.5	2.5	–	–

³ In 2015, for the Australian based plan, high quality corporate bond yields and for the Indonesian based plan, government bond rates have been used.

h) Expected future contributions

The expected contribution to CCASP for 2016 is \$4.2 million (2015: \$4.5 million). CCA contributions are agreed between the Plan trustees and CCA, following advice from the Plan actuary at least every three months (or more frequently if circumstances require this).

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 employees' 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 8.5 and 9.7 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

II Assets and Liabilities – Operating and Investing (Continued)

11c PROVISIONS

	2015 \$M	2014 \$M
Current		
Employee benefits	119.3	119.4
Onerous contracts	–	2.1
	119.3	121.5
Non-current		
Employee benefits	14.8	17.4

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 and 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.

III Capital – Financing

How the Group manages its Capital – Financing

The Group manages its capital to ensure that entities in the Group will have continuing 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.

The Group's capital comprises of equity plus net debt. Net debt is calculated as interest bearing liabilities plus derivatives relating to debt, less cash assets and long term deposits.

The Group's capital structure is monitored using the gearing ratio. This ratio is calculated as net debt divided by equity. In order to maintain or adjust the capital structure, the Group may undertake certain activities such as adjusting the amount of dividends paid to shareholders, return equity to shareholders or issue new 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, other non-current assets, and acquisitions of businesses;
- distributions to shareholders are maintained within stated dividend policy requirements; and
- where excess funds arise with respect to the funds required to enact the Group's business strategies, consideration is given to possible returns of equity to shareholders.

Details of Capital – Financing are as follows:

	Note	2015 \$M	2014 \$M
Equity	12	2,409.8	1,686.7
Net debt	13	1,146.3	1,871.3
		3,556.1	3,558.0
		%	%
Gearing ratio		47.6	110.9

12 EQUITY

	Note	2015 \$M	2014 \$M
Share capital	12a	2,271.7	2,271.7
Treasury shares	12b	(16.8)	(16.3)
Reserves	12c	322.9	(11.3)
Accumulated losses		(491.7)	(564.4)
Non-controlling interests		323.7	7.0
		2,409.8	1,686.7

12a SHARE CAPITAL

As at the end of the financial year, the number of fully paid ordinary shares for 2014 and 2015 was 763,590,249.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of shares held. Every ordinary shareholder present at a meeting of the Company, in person or by proxy, is entitled to one vote, and upon a poll each ordinary share is entitled to one vote. Ordinary shares have no par value.

12b TREASURY SHARES

This account is used to record purchases of CCA ordinary shares to satisfy obligations to provide shares to employees in accordance with the requirements of employee ownership plans. At the end of the financial year, these shares have not vested to Group employees, and therefore are controlled by the Group. Refer to Notes 12c and 17 for further information in regards to the share based remuneration reserve and employee ownership plans respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

III Capital – Financing (Continued)

12c RESERVES

Details of cumulative increase/(decrease) in reserves are as follows:

	2015 \$M	2014 \$M
Foreign currency translation	(42.3)	(36.7)
Share based remuneration	14.7	13.1
General	342.7	–
Actuarial valuation	20.3	4.7
Hedging	(12.5)	7.6
	322.9	(11.3)

Nature and purpose of reserves

Foreign currency translation

This reserve comprises of all differences arising from translation of the financial statements of foreign subsidiaries at various exchange rates, as described in the accounting policy for foreign currency translation located on page 48.

Share based remuneration

This reserve is used to record obligations to provide employees with CCA ordinary shares in accordance with employee ownership plans, inclusive of current and deferred tax effects. Refer to Notes 12b and 17 for further information in regards to treasury shares and employee ownership plans respectively.

General

This reserve relates to The Coca-Cola Company's 29.4% investment in CCA's Indonesian business (PT Coca-Cola Bottling Indonesia), refer to Note 16 for further details.

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 deferred tax effects). Refer to Note 11b for further information in regards to defined benefit superannuation plans.

Hedging

This reserve is mainly used to record the revaluations of financial assets and liabilities to fair value, including deferred tax effects, where these financial assets and liabilities are used as cash flow hedges and qualify for hedge accounting. Refer to Note 13c for further information in regards to cash flow hedge accounting.

Movements in the reserve were as follows:

	2015 \$M	2014 \$M
Opening balance	7.6	(23.4)
Derivative revaluation	11.0	73.4
Cash and long term deposit revaluation ¹	16.5	–
Other movements ²	(54.3)	(28.1)
Deferred tax effect	10.1	(14.3)
Total movements recognised in other comprehensive income	(16.7)	31.0
Non-controlling interest	(3.4)	–
Closing balance	(12.5)	7.6

- 1 Movements in cash held in foreign currencies, in hedge relationships relating to forecast capital expenditure and raw material purchases.
- 2 Includes basis risk adjustment of \$8.4 million (loss) (2014: \$19.3 million (gain)), the impact of recycling hedging reserve into the income statement and the time value of options of \$4.1 million (loss) (2014: \$1.7 million (loss)) that are hedging transaction related exposures.

13 NET DEBT

	Note	2015 \$M	2014 \$M
Cash assets	13a	(1,237.5)	(818.2)
Long term deposits		(88.1)	–
Interest bearing liabilities – current	13b	563.4	325.3
Interest bearing liabilities – non-current	13b	1,972.2	2,338.2
Derivative net (assets)/liabilities – debt related	13c	(63.7)	26.0
		1,146.3	1,871.3

III Capital – Financing (Continued)

13a CASH AND CASH EQUIVALENTS

	2015 \$M	2014 \$M
Cash on hand and at banks	588.1	407.9
Short term deposits	649.4	410.3
Cash assets	1,237.5	818.2
Bank overdrafts	(0.1)	(15.2)
	1,237.4	803.0

Recognition and measurement

Cash assets comprise of 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 banks earns interest at floating rates based on daily bank deposit rates.

Short term deposits are made for varying periods, depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates.

Reconciliation of earnings before interest and tax (EBIT) to net operating cash flows

	2015 \$M	2014 \$M
EBIT	660.6	507.1
Adjustments for:		
Depreciation and amortisation expenses	270.2	266.6
Impairment charges ¹	4.9	57.2
Changes in adjusted working capital ²	(57.3)	(12.2)
Net interest and other finance costs paid	(91.6)	(129.3)
Income taxes paid	(148.2)	(179.0)
Other items (refer below)	(11.8)	79.8
Net operating cash flows	626.8	590.2

Other items comprise of the following amounts:

Share of loss of joint venture entity	–	0.1
Profit from disposal of property, plant and equipment	(2.9)	(0.7)
Movements in:		
prepayments	(7.4)	22.1
provisions	(4.9)	54.0
sundry items	3.4	4.3
	(11.8)	79.8

1 2014 balance comprises mainly of significant items refer to Note 3b) for further details.

2 Working capital is adjusted to exclude the impact of non-cash flow and non-operating items such as foreign exchange translation, acquisitions of businesses and payables relating to additions of property, plant and equipment.

Free cash flow

The Group uses the free cash flow measure to determine the extent of funds available to reinvest in capital expenditure, reduce net debt or to return to shareholders mainly in the form of dividends. Free cash flow is calculated as follows:

	2015 \$M	2014 \$M
Net operating cash flows	626.8	590.2
Payments made for additions of:		
property, plant and equipment	(246.4)	(262.5)
brand names and trademarks	(0.2)	–
software development assets	(19.6)	(22.8)
Proceeds from:		
disposal of property, plant and equipment	19.7	6.7
government grant relating to additions of property, plant and equipment	10.0	–
	390.3	311.6

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

III Capital – Financing (Continued)

13b INTEREST BEARING LIABILITIES

	2015 \$M	2014 \$M
Current		
<i>Unsecured</i>		
Bonds	159.7	202.1
Bonds (swapped into local currency) ¹	378.3	–
Bank loans	25.3	108.0
Bank overdrafts	0.1	15.2
	563.4	325.3
Non-current		
<i>Unsecured</i>		
Bonds	1,471.2	1,581.5
Bonds (swapped into local currency) ¹	316.6	607.0
Bank loans	184.4	149.7
	1,972.2	2,338.2

1 Cross currency swaps are used by the Group to swap foreign currency bonds into local currency. These swaps are recognised within derivative net assets/(liabilities) – debt related; refer to Note 13c.

Recognition and measurement

Interest bearing liabilities are initially recognised at fair value, and subsequently at amortised cost using the effective interest method, net of associated transaction costs.

III Capital – Financing (Continued)

13c DERIVATIVE NET ASSETS/(LIABILITIES)

	2015 \$M	2014 \$M
Balance sheet derivatives comprise of:		
Assets – current	44.2	24.6
Assets – non-current	96.1	106.4
Liabilities – current	(43.5)	(22.9)
Liabilities – non-current	(57.3)	(119.1)
Derivative net assets/(liabilities)	39.5	(11.0)

Derivative net assets/(liabilities) comprises of:

Type of derivative	Note	Derivative carrying amounts			Movements in Recognised underlying hedged items		Derivative movements recognised in	
		Assets \$M	Liabilities \$M	Net \$M	Derivatives \$M	items \$M	income statement \$M	other comprehensive income \$M
2015								
Debt related – foreign exchange and interest rate contracts								
fair value hedges ¹		54.3	(3.3)	51.0	35.3	(39.5)	(4.2)	–
cash flow hedges ²		22.5	(9.8)	12.7	50.2	(50.2)	–	50.2
Total debt related	14a) i)	76.8	(13.1)	63.7	85.5	(89.7)	(4.2)	50.2
Non-debt related – cash flow hedges								
foreign exchange contracts	14a) i)	33.5	(12.0)	21.5	(10.2)	10.2	–	(10.2)
interest rate contracts	14a) ii)	28.8	(23.5)	5.3	(18.5)	18.5	–	(18.5)
commodity contracts	14a) iii)	1.2	(52.2)	(51.0)	(10.5)	10.5	–	(10.5)
Total non-debt related		63.5	(87.7)	(24.2)	(39.2)	39.2	–	(39.2)
Total derivatives		140.3	(100.8)	39.5	46.3	(50.5)	(4.2)	11.0

2014								
Debt related – foreign exchange and interest rate contracts								
fair value hedges ¹		30.9	(19.4)	11.5	24.4	(24.4)	–	–
cash flow hedges ²		–	(37.5)	(37.5)	26.4	(26.4)	–	26.4
Total debt related	14a) i)	30.9	(56.9)	(26.0)	50.8	(50.8)	–	26.4
Non-debt related – cash flow hedges								
foreign exchange contracts	14a) i)	34.9	(3.2)	31.7	10.0	(10.0)	–	10.0
interest rate contracts	14a) ii)	64.0	(40.2)	23.8	50.0	(50.0)	–	50.0
commodity contracts	14a) iii)	1.2	(41.7)	(40.5)	(13.0)	13.0	–	(13.0)
Total non-debt related		100.1	(85.1)	15.0	47.0	(47.0)	–	47.0
Total derivatives		131.0	(142.0)	(11.0)	97.8	(97.8)	–	73.4

1 The underlying hedged item is represented by bonds swapped into local currency. Foreign currency related movements in these bonds are recognised in the income statement, which are designed to be offset by movements in related hedging derivatives, within the income statement. The overall net effect results in no impact on net debt other than hedge ineffectiveness that may arise from credit valuation adjustments and currency basis that does not form a part of the hedge relationship.

2 Refer to footnote 1, with offsetting movements being recognised in other comprehensive income rather than the income statement.

III Capital – Financing (Continued)

13c DERIVATIVE NET ASSETS/(LIABILITIES) (CONTINUED)

Recognition and measurement

Derivative financial instruments are used to manage exposures to certain financial risks and are recognised initially at fair value. On subsequent revaluation, i.e. from trade date, derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

The Group designates its derivatives as hedges for either:

- hedges for the fair values of certain liabilities (fair value hedges); or
- hedges for the cash flows associated with assets and liabilities and highly probable forecast transactions (cash flow hedges).

Derivatives – debt related

Debt related derivatives apply solely to hedging of the foreign currency principal amounts and fair values of interest bearing liabilities. During the financial year, the Group held cross currency swaps to mitigate exposures to changes in the fair value of foreign currency denominated debt from fluctuations in foreign currency and interest rates. The hedged items designated were a portion of the Group's foreign currency denominated borrowings. The changes in fair values of the hedged items resulting from movements in exchange rates and interest rates are offset against the changes in the value of the cross currency swaps. The objective of this hedging is to convert foreign currency borrowings to local currency borrowings. Hence, at inception, no significant portion of the change in fair value of the cross currency swap is expected to be ineffective. Ineffectiveness may arise from credit valuation adjustments and is recognised in the income statement.

Gains or losses from remeasuring the fair value of the hedge instruments are recognised within net finance costs in the income statement and are offset with the gains and losses from the hedged item where those gains or losses relate to the hedged risks. The hedge relationship is designed to be highly effective because the notional amount of the cross currency swaps coincides with that of the underlying debt, and all cash flow and reset dates coincide between the borrowing and the swaps.

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 hedged item and the derivative are highly correlated and, thus supportive of the assertion that there will be a high degree of offset in fair values achieved by the hedge.

Derivatives – non-debt related

Non-debt derivatives relate to all other derivatives other than those that are debt related (being foreign currencies, commodities and interest rates) because they do not impact the calculation of net debt. Cash flow hedges are used to hedge future cash flows or a probable transaction that could affect the income statement relating to the Group's ongoing business activities. The gain or loss on effective portions of the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the income statement. Amounts recognised in equity are transferred to the income statement as and when the asset is consumed. 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 life of the underlying exposure. The derivative financial instruments are in a hedge relationship and are initially recognised in equity. Any gain or loss is reclassified to the income statement when the Group exercises, terminates, or revokes designation of the hedge relationship. Ineffectiveness may arise from credit valuation adjustments and is recognised in the income statement.

During the year the Group closed out certain cash flow hedges which were a part of the derivative portfolio in the previous period, to hedge a forecast transaction. With the de-designation of the hedge, the Group recognised a gain of \$0.8 million (2014: nil) which is carried in the hedging reserve as it relates to a future exposure.

The Group placed certain amounts of foreign currency on deposits that were used to hedge highly probable forecast purchases of capital expenditure and raw material. Any movements in the translation of the USD deposits were recognised within the hedging reserve.

Refer to Note 14 for further information on CCA'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 they were subject to default. As at 31 December 2015, if these netting arrangements were to be applied to the derivative portfolio, derivative assets and liabilities are reduced by \$44.3 million respectively (2014: \$88.4 million). To minimize the impact of credit default, the Group has received \$24.4 million as collateral pledged from external counterparties (2014: \$23.2 million). The Group has posted collateral for \$20.8 million (2014: \$13.5 million). The Group has not witnessed any significant increase to credit risk from prior year against any particular counterparty. As at 31 December 2015, if pledged collaterals were included in the master netting arrangements on the derivative portfolio, net derivative assets would be reduced to \$19.9 million (2014: \$65.2 million).

IV Risk Management

14 FINANCIAL RISK MANAGEMENT

How the Group manages financial risk

The Group's financial risk management activities are carried out centrally by the Group's Treasury function which is governed by a Board approved Treasury Policy. This Policy strictly prohibits any speculative trading. The Group's risk management activities seek to mitigate risks in order to reduce volatility of financial performance, which assists with delivery of the Group's financial targets. This is achieved through a process of identifying, recording and communicating financial exposures and risk in the Group which forms the basis for any decision to implement risk management strategies, utilising derivatives and hedge accounting practices. Refer to Note 13c for further information on derivatives and hedge accounting.

The Group's financial assets and liabilities originate from and are used for the following purposes:

Operating and investing activities

These activities generate financial assets and liabilities including cash, trade and other receivables, and trade and other payables.

Financing activities

Financial assets and liabilities are used to invest funds where surplus amounts arise and to raise finance for the Group's operations. The principal types of financial assets and liabilities used include 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 as, and described further, in the following sections to this note:

- a) details of market risks relating to:
 - i) foreign currencies;
 - ii) interest rates; and
 - iii) commodity prices.
- b) details of other financial risks relating to:
 - i) liquidity;
 - ii) credit; and
 - iii) foreign currency translation.

a) Market risks

Sensitivities – analysis

The below sensitivity analyses illustrate outcomes from the Group's approach to financial risk management in relation to market risks. The analyses show the effect on profit for the year and other comprehensive income at the reporting date 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 a reasonable possible change given the current level of market prices and the volatility observed both on a historical basis and market expectations for future movements.

	Profit for the year		Other comprehensive income	
	2015	2014	2015	2014
	\$M	\$M	\$M	\$M
Interest rates¹				
10% increase in variable rates	0.1	0.2	7.2	9.1
10% decrease in variable rates	(0.1)	(0.2)	(7.4)	(9.2)
Foreign currency rates				
10% increase	1.2	2.0	(25.5)	(19.2)
10% decrease	(0.5)	(0.3)	30.8	22.9
Commodity prices²				
10% increase	—	—	17.0	20.3
10% decrease	—	—	(17.9)	(20.3)

1 10% referring to a multiplication factor over (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 can be seen in the above table, there is no material impact of the sensitivities on profit for the year after income tax, as the Group's approach to hedging results in minimal hedge ineffectiveness. Volatility does arise in other comprehensive income in regards to derivative balances as at the reporting date, mainly due to remeasurement of derivatives to fair value as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

IV Risk Management (Continued)

14 FINANCIAL RISK MANAGEMENT (CONTINUED)

a) Market risks (continued)

The following section provides additional detail as to each of these risks.

Market risk details

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 exchange 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 interest bearing liabilities denominated in foreign currency; and
- translation of the financial statements of CCA's foreign subsidiaries, refer to note 14b) 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 into the future before requiring executive management approval. Foreign currency denominated capital expenditure is generally hedged upon the realisation of firm commitments. The policy prescribes a range of minimum and maximum hedging parameters linked to actual and forecast transactions involving foreign currency exposures which are progressively increased to a range of 25% to 100% in the current year.

The Group's foreign currency transactions (relative to each subsidiaries functional currency) are mainly conducted in the following currencies:

- Australian Dollars (AUD);
- Euros (EUR) – primarily for capital expenditure;
- Japanese Yen (JPY) – primarily for certain interest bearing liabilities;
- New Zealand Dollars (NZD); and
- United States Dollars (USD) – primarily for commodities purchasing, certain interest bearing liabilities and capital expenditure.

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 functional currency), before taking into consideration the effects of hedging, with details of hedging presented in the following table:

Financial assets and liabilities (exposures)	2015				2014			
	USD ¹ \$M	JPY ¹ \$M	Other ¹ \$M	Total \$M	USD ¹ \$M	JPY ¹ \$M	Other ¹ \$M	Total \$M
Cash assets	364.1	–	32.3	396.4	1.3	–	12.3	13.6
Long term deposits	88.1	–	–	88.1	–	–	–	–
Interest bearing liabilities – bonds	447.1	202.8	45.0	694.9	398.7	163.3	45.0	607.0

Hedging derivatives – net assets/(liabilities)	Carrying amount \$M	Nominal amounts ¹ \$M	Hedge ranges as at inception – exchange rates					Maturity profile years
			AUD/USD	AUD/NZD	AUD/JPY	NZD/USD	IDR/USD	
2015								
Cross currency swaps ²	63.7	631.2	0.74-0.77	1.29-1.30	85-87	0.82-0.83	–	> 5
Foreign currency forwards ³	13.2	714.7	0.70-0.91	1.06-1.23	–	0.63-0.82	13,990-14,450	< 2
Currency options ³	8.3	458.0	0.70-0.90	1.10	–	0.63-0.78	–	< 3
Non-debt related	21.5							
2014								
Cross currency swaps ²	(26.0)	633.0	0.74-0.77	1.29-1.30	85-87	0.82-0.83	–	> 5
Foreign currency forwards ³	29.3	469.8	0.81-0.98	1.05-1.26	–	0.72-0.83	11,955-12,815	< 2
Currency options ³	2.4	101.1	0.85-0.90	1.10-1.25	–	0.78-0.80	–	< 2
Non-debt related	31.7							

1 Principle 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.

IV Risk Management (Continued)

14 FINANCIAL RISK MANAGEMENT (CONTINUED)

a) Market risks (continued)

Market risk details (continued)

ii) Interest rate risk

Interest bearing financial assets and liabilities are predominantly cash assets, term deposits, bonds, loans and bank overdrafts, which expose the Group to interest rate risk.

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 active 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 85% of the forecast exposure.

The Group primarily enters into interest rate option, 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, before taking into consideration the effects of hedging, with details of hedging presented in the following table:

Financial assets and liabilities (exposures)	2015				2014			
	Average floating rate % p.a.	At floating rates \$M	At fixed rates \$M	Carrying amount \$M	Average floating rate % p.a.	At floating rates \$M	At fixed rates \$M	Carrying amount \$M
Cash assets	2.7	1,237.5	–	1,237.5	3.0	818.2	–	818.2
Long term deposits	–	–	88.1	88.1	–	–	–	–
Bonds	3.1	315.8	2,010.0	2,325.8	3.4	518.7	1,871.9	2,390.6
Loans and bank overdrafts	4.1	130.0	79.8	209.8	3.7	92.0	180.9	272.9
Hedging derivatives – net assets/(liabilities)	Carrying amount \$M	Nominal amounts ¹ \$M	Hedge ranges ² % p.a.	Maturity profile years	Carrying amount \$M	Nominal amounts ¹ \$M	Hedge ranges ² % p.a.	Maturity profile years
Interest rate options	(1.6)	98.0	2.5-4.5	< 4	(1.7)	190.6	2.1-4.5	< 4
Interest rate swaps	(9.4)	1,353.9	4.0-6.5	> 5	(17.7)	1,638.4	4.0-6.5	> 5
Cross currency swaps	16.3	631.2	2.6-6.7	> 5	43.2	633.0	3.2-6.7	> 5
Non-debt related	5.3				23.8			

1 Principal amounts converted to AUD at balance date foreign exchange rates.

2 As at inception.

iii) Commodity price risk

Commodity price risk is the risk arising from volatility in commodity prices in relation to certain raw materials (mainly sugar and aluminium) used in the business.

The Group's risk management policy for commodity price risk allows hedging of forecast transactions for up to four years into the future before requiring executive management approval. The policy prescribes a range of minimum and maximum hedging parameters 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 enters into futures, swaps and option 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 and raw sugar which are priced on the London Metal Exchange and Intercontinental Exchange respectively. These exposures are designated to be the risk component which are hedged with future 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 are other risk components but do not form part of the hedge relationship but are classified as part of cost of goods sold in the income statement.

At the reporting date, the Group had exposure to commodity price risk on the following usage quantities, before taking into consideration the effects of hedging, with details of hedging presented alongside:

Commodity	Exposure Usage Metric tonnes	Hedging			Maturity profile years	
		Derivatives ¹	Carrying amount \$M	Nominal volume Metric tonnes		Hedge range – commodity prices ²
2015						
Aluminium ingot	31,500	Futures	(20.0)	36,000	1,628.00-2,140.00	< 3
Raw sugar	275,878	Futures	(31.0)	345,457	296.52- 445.33	< 3
Non-debt related (liabilities)			(51.0)			
2014						
Aluminium ingot	31,393	Futures	(7.3)	49,175	1,857.00-2,148.40	< 3
Raw sugar	273,230	Futures	(33.2)	373,043	381.18- 477.96	< 3
Non-debt related (liabilities)			(40.5)			

1 Mainly futures, including some swaps and options.

2 USD per metric tonne at inception date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

IV Risk Management (Continued)

14 FINANCIAL RISK MANAGEMENT (CONTINUED)

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; and
- 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 future undiscounted principal and interest cash flows and therefore do not equate to the carrying amounts.

	Carrying amount \$M	Expected timing of contractual cash outflows				Total \$M
		Less than 1 year \$M	1 to 2 year(s) \$M	2 to 5 years \$M	Over 5 years \$M	
Financial liabilities (exposures)						
As at 31 December 2015						
Trade and other payables	1,239.6	1,239.6	–	–	–	1,239.6
Interest bearing liabilities	2,535.6	676.6	547.2	1,010.3	665.1	2,899.2
Derivative liabilities	100.8	–	–	16.8	73.0	89.8
Total financial liabilities	3,876.0	1,916.2	547.2	1,027.1	738.1	4,228.6
As at 31 December 2014						
Trade and other payables	1,182.4	1,182.4	–	–	–	1,182.4
Interest bearing liabilities	2,663.5	485.7	582.6	1,104.1	893.3	3,065.7
Derivatives liabilities	142.0	42.1	56.8	23.7	108.8	231.4
Total financial liabilities	3,987.9	1,710.2	639.4	1,127.8	1,002.1	4,479.5

The Group had the following financing facilities available as at the reporting date:

	2015 \$M	2014 \$M
Bank loan facilities		
Total arrangements	220.9	283.3
Carrying amount – used as at the end of the year	(183.3)	(231.8)
Unused as at the end of the year	37.6	51.5
Bank overdraft facilities		
Total arrangements	25.6	60.4
Carrying amount – used as at the end of the year	(0.1)	(15.2)
Unused as at the end of the year	25.5	45.2

IV Risk Management (Continued)

14 FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Other financial risks (continued)

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; and
- may require collateral where appropriate.

For credit purposes, there is only a credit risk where the contracting entity is liable to pay the Group in the event of settlement. The Group has a policy that sets limits as to 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 Group's policy requirements. These limits are set to minimise the concentration of risks 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 unit subject to an established policy, 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 for credit risk is the carrying amount of all cash assets, long term deposits, trade and other receivables and derivative asset balances.

iii) Translation risk

The financial statements for each of CCA's foreign operations are prepared in local currency. For the purpose 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 therefore exists on translating the financial statements of CCA'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, in recognition that there are occasions when it is considered appropriate to hedge foreign currency denominated earnings, this form of translation risk may be hedged from time to time.

15 FAIR VALUE

The Group applies historical cost accounting, with the exception of certain 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	Approximate values are the same mainly due to their short term nature.
Interest bearing liabilities – bonds	Differences arise mainly due to mandatory borrowing terms. Carrying and fair values for bonds were \$2,325.8 million and \$2,384.1 million (2014: \$2,390.6 million and \$2,466.0 million) respectively. For these fair values, inputs were based on interest rates and yield curves at commonly quoted intervals and credit spreads (i.e. level 2 inputs) that are observable for a similar liability in the market.
Long term deposits and interest bearing liabilities – other than bonds	Approximate values are the same mainly due to the absence of material break costs on early repayment or cancellation.
Derivatives	Accounted for at fair value using certain valuation techniques described below.

Derivative – valuation techniques

Fair values of derivatives based on quoted prices in active markets are categorised as level 1. If the market for a derivative is not active, the Group establishes fair value by using valuation techniques such as discounted cash flow analysis and 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 valuation technique is shown in the table below:

Derivative	2015			2014		
	Level 1 \$M	Level 2 \$M	Carrying amount \$M	Level 1 \$M	Level 2 \$M	Carrying amount \$M
Assets	–	140.3	140.3	34.8	96.2	131.0
Liabilities	(51.0)	(49.8)	(100.8)	(3.3)	(138.7)	(142.0)
Derivative net assets/(liabilities)	(51.0)	90.5	39.5	31.5	(42.5)	(11.0)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

V Other Information

16 RELATED PARTIES

Parent entity

Coca-Cola Amatil Limited is the parent entity of the Group.

Key Management Personnel (KMP)

Disclosures relating to KMP are set out in Note 19, and in the Directors' Report.

Related entities

The Coca-Cola Company (TCCC) through its subsidiary, Coca-Cola Holdings (Overseas) Limited, holds 29.2% (2014: 29.2%) of CCA's fully paid ordinary shares. Further, TCCC owns 29.4% of the shares in PT Coca-Cola Bottling Indonesia (CCBI), a subsidiary of CCA (refer below for further details).

CCA has a 50% interest in Australian Beer Company Pty Ltd. Refer to Note 11a for further details.

Transactions with entities with significant influence over the Group

	2015 \$M	2014 \$M
TCCC and its subsidiaries		
Investment in PT Coca-Cola Bottling Indonesia	646.8	–
Purchases and other expenses	811.0	796.8
Reimbursements and other revenues	25.9	28.8
Receivables included in trade and other receivables	37.9	26.2
Payables included in trade and other payables	109.2	124.2
Other related parties		
Purchases and other expenses	5.3	16.7
Payables included in trade and other payables	–	1.1

Terms and conditions of transactions with related parties

All transactions with related parties are conducted under normal commercial terms and conditions. Outstanding receivables and payables at year end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables and no provision has been raised for allowance for doubtful receivables relating to amounts owed by related parties.

Transactions with TCCC

Investment in PT Coca-Cola Bottling Indonesia

On 2 April 2015, a subsidiary of TCCC invested US\$500.0 million (\$652.6 million, or \$646.8 million after transaction costs) in new ordinary shares in CCA's Indonesian business (PT Coca-Cola Bottling Indonesia). The investment equates to a 29.4% ownership interest in CCBI, diluting CCA's equity ownership to 70.6%. CCA retained control of, and therefore continues to consolidate CCBI, resulting in TCCC's investment being classified as a non-controlling interest (NCI) within the financial statements of the Group.

Following the change in ownership, the interests of CCA and the NCI in CCBI have been adjusted to reflect the relative changes in their interests in CCBI's equity. The difference between the amount by which the NCI is recognised (\$304.1 million) and the fair value of consideration received, being \$342.7 million (refer to Note 12c), has been recognised directly in equity as a general reserve and attributed to shareholders of CCA.

Purchases and other expenses

This represents purchases of concentrates and beverage base for Coca-Cola trademarked products, and finished goods.

Reimbursements and other revenues

Under a series of arrangements, the Group participates with certain subsidiaries of TCCC under which they jointly contribute to the development of the market in 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 a credit to revenue or as a reduction to expense, as appropriate.

V Other Information (Continued)

17 EMPLOYEE OWNERSHIP PLANS

CCA has the following plans: the Employees Share Plan, the Long Term Incentive Plan and the Executive Post-tax Share Purchase Plan. CCA fully paid ordinary shares issued under these plans rank equally with all other existing fully paid ordinary shares, in respect of voting rights and 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 CCA. The ESP is administered by a trustee which acquires and holds shares for the benefit of the participants. These shares have been purchased on market at the prevailing market price. Shares that have been forfeited under the terms of the ESP are also utilised. For every share acquired with amounts contributed by each participant, a matching share is acquired by the trustee, which under normal circumstances vest with the employee after a period of two years from their date of issue (acquisition or utilisation) and are acquired 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 the end of the financial year, the number of shares in the ESP, both vested and unvested, was 4,519,766 (2014: 5,155,416). The number of shares vested to employees was 2,996,935 (2014: 3,714,692). All shares were purchased on market during the financial year.

Long Term Incentive Plans (LTIP)

Under CCA's LTIP, senior executives (upon approval 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. In prior years, half of the grant was subject to a Relative Total Shareholder Return (TSR) performance condition and the other half was subject to an Earnings per Share (EPS) performance condition. Employees remain subject to service conditions as determined by the Board in its absolute discretion.

Commencing with the LTIP 2015-2017, there are now three performance conditions namely Relative TSR, Absolute TSR and EPS. Details of the performance and service conditions for the LTIP 2015-2017 are provided in the Remuneration Report.

Dividends are payable to participants of the LTIP 2015-2017 only once the rights vest into shares.

The fair value of shares offered in the LTIP 2015-2017 is determined by an independent external valuer using an option pricing model with the following inputs:

Grant date	12 May 2015
Grant date share price	\$10.23
Volatility	20.0%
Dividend yield	4.6%
Risk free rate	2.3%

Set out below are details of share rights granted under LTIPs:

Sub-plan	Grant date	Opening balance No.	Granted No.	Vested No.	Lapsed and forfeited No.	Closing balance No.	Weighted average fair value \$
31 December 2015							
2013-2015	1 March 2013	1,028,931	–	–	(1,028,931)	–	10.45
2014-2016	13 May 2014	1,301,658	–	–	(256,958)	1,044,700	5.55
2014-2016	13 May 2014	209,798	–	–	–	209,798	5.60
2015-2017	12 May 2015	–	1,459,189	–	(106,853)	1,352,336	6.08
		2,540,387	1,459,189	–	(1,392,742)	2,606,834	
31 December 2014							
2012-2014	1 March 2012	1,299,933	–	–	(1,299,933)	–	–
2012-2014	15 May 2012	220,307	–	–	(220,307)	–	–
2013-2015	1 March 2013	1,260,306	–	–	(231,375)	1,028,931	10.45
2014-2016	13 May 2014	–	1,368,641	–	(66,983)	1,301,658	5.55
2014-2016	13 May 2014	–	209,798	–	–	209,798	5.60
Total		2,780,546	1,578,439	–	(1,818,598)	2,540,387	

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 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 the end of the financial year, the number of restricted shares in the Plan was 175,294 (2014: 9,206).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

V Other Information (Continued)

17 EMPLOYEE OWNERSHIP PLANS (CONTINUED)

Recognition and measurement

The value of services provided by employees to the Group in return for 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, and a matching increase in the share based remuneration reserve is 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 being fulfilled (as determined by the Board in its absolute discretion).

18 COMMITMENTS

	2015 \$M	2014 \$M
Capital expenditure commitments		
Estimated aggregate amount of contracts for purchase of property, plant and equipment not provided for, payable:		
within one year	53.9	82.5
later than one year but not later five years	7.2	6.5
	61.1	89.0
Operating lease commitments		
Lease commitments for non-cancellable operating leases with terms of more than one year, payable:		
within one year	81.2	76.7
later one year but not later than five years	189.3	183.2
later than five years	200.3	180.1
	470.8	440.0

The Group has entered into non-cancellable operating leases on certain properties, motor vehicles and other items of plant and equipment. Leases vary in contract period depending on the asset involved. Renewal terms are included in certain contracts, whereby renewal is at the option of the specific entity that holds the lease. On renewal, the terms of the leases are usually renegotiated.

19 KMP DISCLOSURES

	2015 \$M	2014 \$M
KMP remuneration by category		
Short term	12.5	11.5
Post-employment	0.3	0.6
Share based payments ¹	1.5	(1.0)
Termination benefits	–	5.0
	14.3	16.1

1 Includes reversal amounts in relation to actual or estimated non-vesting of LTIP amounts and arising from service criteria not being met.

Further details are contained in the Remuneration Report.

Loans to KMP

Neither CCA nor any other Group company has loans with KMP.

Other transactions of KMP and their personally related entities

Neither CCA nor any other Group company was party to any other transactions with KMP (including their personally related entities).

V Other Information (Continued)

20 AUDITORS' REMUNERATION

	2015 \$M	2014 \$M
Amounts received, or due and receivable, by:		
CCA auditor, Ernst & Young (Australia) for:		
audit or half year review of the financial reports	1.690	1.600
other services:		
assurance related	0.403	0.337
tax compliance	0.023	0.006
other	0.084	0.320
	0.510	0.663
	2.200	2.263
Member firms of Ernst & Young in relation to subsidiaries of CCA for:		
audit or half year review of the financial reports	0.733	0.675
tax compliance services	0.005	0.009
	0.738	0.684
Other firms in relation to subsidiaries of CCA for:		
audit or half year review of the financial reports	0.027	0.019
tax compliance services	0.047	0.042
	0.074	0.061
	3.012	3.008

21 CCA DISCLOSURES

	2015 \$M	2014 \$M
a) Financial position		
Current assets	787.3	871.0
Non-current assets	4,925.0	4,556.2
Total assets	5,712.3	5,427.2
Current liabilities	1,177.0	740.6
Non-current liabilities	1,665.6	2,172.9
Total liabilities	2,842.6	2,913.5
Net assets	2,869.7	2,513.7
Equity		
Share capital	2,271.7	2,271.7
Reserves	(2.5)	11.4
Retained earnings	600.5	230.6
Total equity	2,869.7	2,513.7
b) Financial performance		
Profit for the year	690.7	205.9
Total comprehensive income for the year	675.6	231.3
c) Guarantees		
Subsidiaries bonds, bank loans and other guarantees	403.8	505.7

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

V Other Information (Continued)

22 DEED OF CROSS GUARANTEE

CCA 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 Class Order No. 98/1418, subsidiaries are relieved from the requirement to prepare financial statements.

Consolidated balance sheet for the closed group	2015	2014
	\$M	\$M
Current assets		
Cash assets	649.6	698.8
Trade and other receivables	759.3	752.4
Inventories	491.9	461.2
Derivatives	43.0	23.6
Current tax assets	0.1	1.2
Prepayments	34.0	44.6
Total current assets	1,977.9	1,981.8
Non-current assets		
Property, plant and equipment	1,082.0	1,131.5
Intangible assets	908.7	915.9
Investments in securities	721.0	720.1
Investment in joint venture entity	26.3	26.3
Defined benefit superannuation plans	19.1	7.9
Derivatives	75.7	91.3
Other receivables	10.1	10.1
Prepayments	10.3	14.1
Total non-current assets	2,853.2	2,917.2
Total assets	4,831.1	4,899.0
Current liabilities		
Trade and other payables	938.3	926.1
Interest bearing liabilities	563.0	226.0
Provisions	91.2	98.1
Current tax liabilities	8.7	10.9
Derivatives	39.0	22.3
Total current liabilities	1,640.2	1,283.4
Non-current liabilities		
Interest bearing liabilities	1,627.9	2,036.2
Provisions	13.6	13.8
Deferred tax liabilities	103.1	94.1
Derivatives	44.0	106.9
Total non-current liabilities	1,788.6	2,251.0
Total liabilities	3,428.8	3,534.4
Net assets	1,402.3	1,364.6
Equity		
Share capital	2,271.7	2,271.7
Treasury shares	(16.8)	(16.3)
Reserves	15.0	28.4
Accumulated losses	(867.6)	(919.2)
Total equity	1,402.3	1,364.6
Consolidated income statement for the closed group¹		
Profit before income tax	493.1	353.4
Income tax expense ²	(120.8)	(85.0)
Profit for the year	372.3	268.4
Accumulated losses at the beginning of the year	(919.2)	(790.6)
Dividends paid	(320.7)	(397.0)
Accumulated losses at the end of the year	(867.6)	(919.2)

1 Total comprehensive income for the year was \$357.2 million (2014: \$293.8 million), represented by profit for the year of \$372.3 million (2014: \$268.4 million) adjusted for movements in the hedging reserve of \$27.0 million decrease (2014: \$29.2 million increase) and in the actuarial valuation reserve of \$11.9 million increase (2014: \$3.8 million decrease).

2 Income tax paid in Australia was \$109.7 million (2014: \$137.5 million). The effective tax rate of 24.4% (2014: 24.1%) is lower than the Australian corporate tax rate of 30% mainly due to receipt of non-assessable dividend income of \$99.3 million (2014: \$84.3 million) from non-resident subsidiaries of CCA.

V Other Information (Continued)

23 INVESTMENTS IN SUBSIDIARIES

	Footnote	Country of incorporation	Equity holding [†]	
			2015 %	2014 %
Coca-Cola Amatil Limited	1,2	Australia		
Subsidiaries				
AIST Pty Ltd (deregistered)		Australia	–	100
Amatil Investments (Singapore) Pte Ltd		Singapore	100	100
Coca-Cola Amatil (Fiji) Ltd		Fiji	100	100
Paradise Beverages (Fiji) Ltd		Fiji	89.6	89.6
Samoa Breweries Ltd		Samoa	93.9	93.9
PT Coca-Cola Bottling Indonesia	2	Indonesia	70.6	100
PT Coca-Cola Distribution Indonesia		Indonesia	100	100
Associated Nominees Pty Ltd (deregistered)		Australia	–	100
Associated Products & Distribution Proprietary	1	Australia	100	100
Coca-Cola Amatil (PNG) Ltd		PNG	100	100
CCA PST Pty Limited (deregistered)		Australia	–	100
CCA Superannuation Pty Ltd (deregistered)		Australia	–	100
C-C Bottlers Limited	1	Australia	100	100
Beverage Bottlers (Sales) Ltd (deregistered)		Australia	–	100
CCKBC Holdings Ltd (in liquidation)		Cyprus	100	100
Coca-Cola Amatil (Aust) Pty Ltd	1	Australia	100	100
Apand Pty Ltd		Australia	100	100
Baymar Pty Ltd (deregistered)		Australia	–	100
Beverage Bottlers (NQ) Pty Ltd		Australia	100	100
Beverage Bottlers (Qld) Ltd	1	Australia	100	100
Can Recycling (S.A.) Pty Ltd	1	Australia	100	100
Coca-Cola Amatil (Holdings) Pty Limited		Australia	100	100
Crusta Fruit Juices Proprietary Limited	1	Australia	100	100
Quenchy Crusta Sales Pty Ltd		Australia	100	100
Quirks Australia Pty Ltd	1	Australia	100	100
Coca-Cola Holdings NZ Ltd		New Zealand	100	100
Coca-Cola Amatil (N.Z.) Limited		New Zealand	100	100
Kovok Spirits Limited (ceased trading)		New Zealand	–	100
Vending Management Services Ltd		New Zealand	100	100
Johns River Pty Ltd (deregistered)		Australia	–	100
Matila Nominees Pty Limited	3	Australia	100	100
Neverfail Springwater Limited	1,4	Australia	100	100
Neverfail Cooler Company Pty Limited (deregistered)		Australia	–	100
Purna Pty Ltd		Australia	100	100
Neverfail Bottled Water Co Pty Limited	1,5	Australia	100	100
Neverfail SA Pty Limited		Australia	100	100
Piccadilly Distribution Services Pty Ltd (deregistered)		Australia	–	100
Neverfail Springwater Co Pty Ltd	1	Australia	100	100
Neverfail Springwater (Vic) Pty Limited	1	Australia	100	100
Neverfail WA Pty Limited	1	Australia	100	100
Piccadilly Natural Springs Pty Ltd (deregistered)		Australia	–	100
Real Oz Water Supply Co (Qld) Pty Limited		Australia	100	100
Neverfail Springwater Co (Qld) Pty Limited	1	Australia	100	100
Pacbev Pty Ltd	1	Australia	100	100
CCA Bayswater Pty Ltd	1	Australia	100	100
SPC Ardmona Limited	1	Australia	100	100
Ardmona Foods Limited	1	Australia	100	100
Australian Canned Fruit (I.M.O.) Pty Ltd (deregistered)		Australia	–	100
Digital Signal Processing Systems Pty Ltd (deregistered)		Australia	–	100
Goulburn Valley Cannery Pty Ltd		Australia	100	100
Goulburn Valley Food Canners Proprietary Limited (deregistered)		Australia	–	100
Henry Jones Foods Pty Ltd		Australia	100	100
Hallco No. 39 Pty Ltd		Australia	100	100
SPC Ardmona (Netherlands) BV		Netherlands	100	100
SPC Ardmona (Germany) GmbH (liquidated)		Germany	–	100
SPC Ardmona (Spain), S.L.U.		Spain	100	100
SPC Ardmona Operations Limited	1	Australia	100	100
Austral International Trading Company Pty Ltd	1	Australia	100	100
Cherry Berry Fine Foods Pty Ltd (deregistered)		Australia	–	100
SPC Nature's Finest Ltd		United Kingdom	100	100

Names inset indicate that shares are held by the company immediately above the inset. The above subsidiaries carry on business in their respective countries of incorporation.

[†] The proportion of ownership interest is equal to the proportion of voting power held.

Refer to the following page for footnote details.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

COCA-COLA AMATIL LIMITED AND ITS SUBSIDIARIES

V Other Information (Continued)

23 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

- 1 These companies are parties to a Deed of Cross Guarantee as detailed in Note 22 and are eligible for the benefit of ASIC Class Order No. 98/1418.
- 2 CCA holds 3.4% (2014: 4.8%) of the shares in this company. In 2015, the TCCC investment resulted in the issue of new ordinary shares to TCCC equating to a 29.4% interest in this Company.
- 3 Matila Nominees Pty Limited is the trustee company for the Group's employee ownership plans.
- 4 Neverfail Springwater Limited holds 40.7% of the shares in Neverfail Bottled Water Co Pty Limited.
- 5 Neverfail Bottled Water Co Pty Limited holds 1.5% of the shares in Neverfail Springwater (Vic) Pty Limited.

24 NEW STANDARDS AND INTERPRETATIONS

A number of new standards, amendments to standards and interpretations are effective for the annual periods beginning on or after 1 January 2016 and have not been applied in preparing these financial statements except AASB 9 Financial Instruments – 2013, which was early adopted on 1 January 2014. The Group has reviewed these standards and interpretations and with the exception of those mentioned in the table below (where the impact is yet to be assessed), none of the other standards and interpretations materially impacts the Group.

Reference	Summary	Application date of standard	Application date for the Group
AASB 15 Revenue from Contracts with Customers	Requires revenue to be recognised on satisfaction of the performance obligations specified under contracts.	1 January 2018	1 January 2018
AASB 9 Financial Instruments – 2014 – Impairment	New requirements on recognition of expected credit losses.	1 January 2018	1 January 2018
IFRS 16 Leases. AASB equivalent expected to be released in 2016	Requires operating leases to be recognised on balance sheet.	1 January 2019	1 January 2019

25 EVENTS AFTER THE BALANCE 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 17 February 2016, 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 2015, 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 47 of the 2015 Annual 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 page 81 of the 2015 Annual Report as being parties to a Deed of Cross Guarantee with Matila Nominees Pty Limited 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 2015.

On behalf of the Directors



David M. Gonski, AC
Chairman
Sydney
17 February 2016



Alison M. Watkins
Group Managing Director
Sydney
17 February 2016

Independent Auditor's Report To The Members of Coca-Cola Amatil Limited

Report on the financial report

We have audited the accompanying financial report of Coca-Cola Amatil Limited (the Company), which comprises the consolidated balance sheet as at 31 December 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. On page 47, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the Company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

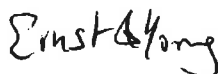
- a. the financial report of Coca-Cola Amatil Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed on page 47 of the 2015 Annual Report.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 18 to 40 in the directors' report for the year ended 31 December 2015. 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.

Opinion

In our opinion, the Remuneration Report of Coca-Cola Amatil Limited for the year ended 31 December 2015, complies with section 300A of the Corporations Act 2001.



Ernst & Young



Michael Wright
Partner
Sydney
17 February 2016