

## STRONG RESULTS WITH VOLUME GROWTH AND MARGIN EXPANSION

Coca-Cola HBC AG, a leading bottler of The Coca-Cola Company, reports its financial results for the six-month period ended 3 July 2015.

### Half-year highlights

- Underlying volume growth gained momentum in the second quarter, resulting in a 3.8% increase in reported half-year volume; excluding the 2.5% contribution from the four extra selling days in Q1, volumes grew by 1.3%
  - Volume in the Established markets was broadly unchanged from the prior-year period
  - Developing segment turnaround continued, with all markets contributing to the 6.2% volume growth
  - Very good performance in Nigeria, Romania and Ukraine more than offset weakness in Russia, lifting Emerging market volume by 5.4%
- FX-neutral revenue per case was stable, with pricing actions in Emerging markets offsetting our affordability measures and deflation in certain Established and Developing markets
- Net sales revenue declined by 1.0% as a 4.6% adverse impact from currencies more than offset volume gains
- Comparable EBIT was €219.0 million – up 31.2%, leading to a 170 basis point improvement in EBIT margin as favourable input costs, increased volume, benefits from our revenue growth management initiatives and cost efficiencies were partly offset by significant adverse movements in currencies; reported EBIT was €199.1 million
- Free cash flow was €219.2 million – up €124.4 million, driven by further improvements in working capital as well as operational profitability
- Comparable earnings per share was €0.389 – a 43.5% increase on the prior-year period; reported basic earnings per share was €0.344

	Half-year		Change
	2015	2014	
Volume (m unit cases)	1,006.6	970.2	3.8%
Net sales revenue (€ m)	3,150.9	3,183.1	-1.0%
Net sales revenue per unit case (€)	3.13	3.28	-4.6%
FX-neutral net sales revenue per unit case (€)	3.13	3.13	-
Operating profit (EBIT) (€ m)	199.1	164.1	21.3%
Comparable EBIT (€ m)	219.0	166.9	31.2%
EBIT margin (%)	6.3	5.2	120bps
Comparable EBIT margin (%)	7.0	5.2	170bps
Net profit* (€ m)	125.2	95.1	31.7%
Comparable net profit* (€ m)	141.7	98.8	43.4%
Basic earnings per share (EPS) (€)	0.344	0.261	31.8%
Comparable EPS (€)	0.389	0.271	43.5%

*\*Net Profit and Comparable Net Profit refer to net profit and comparable net profit respectively after tax attributable to owners of the parent.*

### Dimitris Lois, Chief Executive Officer of Coca-Cola HBC AG, commented:

*"We are pleased to have achieved strong results, with good volume growth and a significant improvement in margins. Our strategic initiatives are delivering, both through our commercial strategy designed to drive growth and ongoing efficiency improvements.*

*"Difficult conditions remain in many of our markets, particularly in Russia, although we have proven to be adaptable and resilient in such markets. Conditions are more favourable in Eastern Europe and Nigeria, where we are confident of further growth. We have become more optimistic as the year has progressed and remain confident that 2015 will be a year of volume growth and progress on margins."*

**SPECIAL NOTE REGARDING THE INFORMATION SET OUT HEREIN**

Unless otherwise indicated, the condensed consolidated interim financial statements and the financial and operating data or other information included herein relate to Coca-Cola HBC AG and its subsidiaries ("Coca-Cola HBC" or the "Company" or "we" or the "Group").

**FORWARD-LOOKING STATEMENTS**

This document contains forward-looking statements that involve risks and uncertainties. These statements may generally, but not always, be identified by the use of words such as "believe", "outlook", "guidance", "intend", "expect", "anticipate", "plan", "target" and similar expressions to identify forward-looking statements. All statements other than statements of historical facts, including, among others, statements regarding our future financial position and results, our outlook for 2015 and future years, business strategy and the effects of the global economic slowdown, the impact of the sovereign debt crisis, currency volatility, our recent acquisitions, and restructuring initiatives on our business and financial condition, our future dealings with The Coca-Cola Company, budgets, projected levels of consumption and production, projected raw material and other costs, estimates of capital expenditure, free cash flow, effective tax rates and plans and objectives of management for future operations, are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they reflect our current expectations and assumptions as to future events and circumstances that may not prove accurate. Our actual results and events could differ materially from those anticipated in the forward-looking statements for many reasons, including the risks described in the 2014 Integrated Annual Report for Coca-Cola HBC AG and its subsidiaries.

Although we believe that, as of the date of this document, the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. Moreover, neither we, nor our directors, employees, advisors nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. After the date of the condensed consolidated interim financial statements included in this document, unless we are required by law or the rules of the UK Financial Conduct Authority to update these forward-looking statements, we will not necessarily update any of these forward-looking statements to conform them either to actual results or to changes in our expectations.

**Reconciliation of Reported to Comparable Financial Indicators** *(numbers in € million except per share data)*

Group Financial Results	Half-year 2015					
	COGS <sup>1</sup>	Gross Profit <sup>2</sup>	EBIT <sup>3</sup>	Adjusted EBITDA <sup>4</sup>	Net Profit <sup>5</sup>	EPS <sup>6</sup> (€)
Reported	(1,999.0)	1,151.9	199.1	369.5	125.2	0.344
Restructuring costs <sup>7,8</sup>	-	-	22.4	15.3	18.7	0.051
Commodity hedging <sup>9</sup>	(2.5)	(2.5)	(2.5)	(2.5)	(2.2)	(0.006)
Comparable	(2,001.5)	1,149.4	219.0	382.3	141.7	0.389
Group Financial Results	Half-year 2014					
	COGS <sup>1</sup>	Gross Profit <sup>2</sup>	EBIT <sup>3</sup>	Adjusted EBITDA <sup>4</sup>	Net Profit <sup>5</sup>	EPS <sup>6</sup> (€)
Reported	(2,033.4)	1,149.7	164.1	347.7	95.1	0.261
Restructuring costs <sup>8</sup>	-	-	11.9	11.7	10.2	0.028
Commodity hedging <sup>9</sup>	(9.1)	(9.1)	(9.1)	(9.1)	(6.5)	(0.018)
Comparable	(2,042.5)	1,140.6	166.9	350.3	98.8	0.271

<sup>1</sup> Reported COGS refers to cost of goods sold.

<sup>2</sup> Reported Gross Profit refers to gross profit.

<sup>3</sup> Reported EBIT refers to operating profit.

<sup>4</sup> Adjusted EBITDA refers to operating profit before deductions for depreciation and impairment of property, plant and equipment (included both in cost of goods sold and in operating expenses), amortisation and impairment of intangible assets, employee share options and other non-cash items, if any (refer to 'Supplementary information' section).

<sup>5</sup> Reported Net Profit refers to profit after tax attributable to owners of the parent.

<sup>6</sup> Reported EPS refers to basic earnings per share.

<sup>7</sup> Net profit includes €1.1 million from restructuring within joint ventures.

<sup>8</sup> Restructuring costs comprise costs arising from significant changes in the way we conduct business, such as significant supply chain infrastructure changes and centralisation of processes. These are included within the income statement line "restructuring costs". However, they are excluded from the comparable results in order for the user to obtain a proper understanding of the Group's financial performance.

<sup>9</sup> The Group has entered into certain commodity derivative transactions in order to mitigate its exposure to commodity price risk. Although these transactions are economic hedging activities that aim to manage our exposure to sugar and aluminium price volatility, they do not qualify for hedge accounting. In addition the Group recognised certain derivatives embedded within commodity purchase contracts that have been accounted for as stand-alone derivatives and which do not qualify for hedge accounting. The fair value gains and losses on the derivatives and embedded derivatives are immediately recognised in the income statement in the cost of goods sold line item. The Group's comparable results exclude the unrealised gains or losses resulting from the mark-to-market valuation of this hedging activity. These gains or losses will be reflected in the comparable results in the period when the underlying transactions will occur, to match the profit or loss impact of the underlying transactions.

## Group Operational Review

Our business made very good progress in the period and achieved results that underpin our expectations for the year. In a challenging macroeconomic environment, the progress is largely the result of the actions we have taken to return our business to growth.

The combination of affordability measures in certain countries, targeted marketing initiatives and our focus on execution ensured improving underlying volume growth in the first half of the year, which in turn, supported net sales revenue despite the adverse impact of currencies. With the anticipated favourable input costs, which benefited mainly the Established and Developing market segments, and further improvements in our operating cost base, we achieved a 170 basis point expansion in comparable EBIT margin in the period.

### Volume performance

Volume increased in the first half by 3.8%, cycling a 3.4% decline in the prior-year period. Positive performance benefited from four additional selling days in Q1, which added 2.5% to volume across the business, and improved performances from Sparkling beverages and Juice.

Established market volume decline moderated to 0.2%, demonstrating that we are on track to grow volume in this segment, which had declined by 4.2% in the prior-year period. Declines in Sparkling beverages volume, particularly in Switzerland and Austria, were offset by good overall volume performance in Ireland, as well as robust growth in Water across most countries in this segment. Developing market volume grew by 6.2%, following a 6.6% decline in the first half of last year when our strategy to rationalise unprofitable volume impacted the segment. All markets and categories with the exception of RTD Tea contributed to the growth, with notable performances in Poland, Hungary and the Czech Republic. Emerging markets posted 5.4% growth, cycling a 1.7% decline. With the exception of Russia and Belarus, all markets delivered very good growth. Notably, Nigeria, Romania and Ukraine achieved growth rates in low teens.

### Category performance

Affordability measures in certain markets, our marketing initiatives such as Share a Coke in Nigeria and the turnaround in the organised trade in the Developing segment helped improve Sparkling volumes by 2.9%, even though trading in Russia, Switzerland and Austria was difficult. Within the category, Trademark Coca-Cola increased by 4.4%, Coke Zero by 16.5% and Fanta by 5.2%.

Juice continued its positive momentum, delivering growth of 18.5%. Russia was the main contributor to this growth as a result of the drive behind our recently broadened juice portfolio in the country. Our newest brand Moya Semya has now been in the portfolio for a full year. Excluding Moya Semya, growth in the juice category overall for the Group was 9.8%. Water grew by 3.6% in the period, demonstrating good performance in most of our countries, particularly Ukraine, Nigeria and Romania. Energy maintained its growth, with volumes up 8.7% driven by Ireland, Hungary and Poland. RTD tea was the only declining category.

Our Premium Spirits business grew volume by 2.6% and generated revenues of €74.4 million – down 2.4% as a result of the currency impact in the period.

Single-serve packs increased by 4.9%, while multi-serves increased by 3.0%, leading to a 0.4 percentage point improvement in package mix. All segments improved their mix in equal measure. Sparkling mix improved by 1.2 percentage points while Water mix deteriorated slightly in the first half.

**Group Operational Review (continued)****Key financials**

FX-neutral net sales revenue per unit case was stable in the period. Although the revenue growth management initiatives we put in place in a number of Emerging markets delivered, our affordability measures and deflationary pressures in a number of markets in the first half led to an interruption in the steady improvement we have achieved in recent years in FX-neutral net sales revenue per case.

We delivered €3.2 billion of net sales revenue in the first half, down 1.0% compared to the prior-year period. The 4.6% headwind from adverse movements in currencies was only partly offset by the improved volume and the revenue growth initiatives, including pricing, taken during the period.

Input costs developed as anticipated in the period, with FX-neutral input cost per unit case declining by high single digits. The lower cost of EU sugar and PET resin benefited the Established and Developing segments in particular.

Our restructuring efforts in recent years and tight cost management have better positioned the business to benefit from operating leverage, leading to a 110 basis point reduction in operating expenses as a percentage of net sales revenue.

Comparable EBIT was €219.0 million, translating to a 170 basis point expansion in EBIT margin to 7.0%. Favourable input costs, increased volume, the benefits from our revenue growth management initiatives and cost efficiencies more than offset the adverse impact of currency movements. EBIT and margin increases were evident in all three segments. On a reported basis, we delivered €199.1 million of EBIT in the first half - a €35.0 million improvement on the prior-year period.

We incurred €22.4 million in pre-tax restructuring charges in the first half, the majority of which was due to planned actions in the Established and Emerging segments. We continue to execute on our restructuring plans ultimately creating a more agile and efficient organisation.

In the half year, we recorded free cash inflow of €219.2 million - a €124.4 million improvement compared to the same period in the prior year. Key drivers of the improvement were working capital reduction and improved operational profitability. Both the balance sheet working capital position and the working capital days improved in the first half.

Comparable net profit of €141.7 million and comparable earnings per share of 0.389 Euros were 43.5% higher than in the prior-year period. Reported net profit and reported basic earnings per share were €125.2 million and €0.344, respectively in the period.

**Share buy-back**

We have engaged Credit Suisse Securities (Europe) Limited to manage the repurchase on our behalf of up to 3,000,000 ordinary shares (representing 0.8% of share capital) of the Company in accordance with the proposal adopted for a share repurchase programme at the Company's Annual General Meeting on 23 June 2015. The purpose of the programme is to neutralise the dilution resulting from past and future issuances of shares under Coca-Cola HBC's equity compensation plans. The shares purchased will be cancelled. This authority, which has not yet been utilised as at the date of this half-yearly report, expires on the conclusion of the 2016 Annual General Meeting or 30 June 2016, whichever is earlier.

**Operational Review by Reporting Segment**
**Established markets**

	Half-year		Change
	2015	2014	
Volume (m unit cases)	<b>305.3</b>	305.9	-0.2%
Net sales revenue (€ m)	<b>1,237.0</b>	1,228.0	0.7%
Net sales revenue per unit case (€)	<b>4.05</b>	4.01	1.0%
FX-neutral net sales revenue per unit case (€)	<b>4.05</b>	4.15	-2.4%
Operating profit (EBIT) (€ m)	<b>73.2</b>	58.9	24.3%
Comparable EBIT (€ m)	<b>84.1</b>	64.3	30.8%
EBIT margin (%)	<b>5.9</b>	4.8	110bps
Comparable EBIT margin (%)	<b>6.8</b>	5.2	160bps

- Unit case volume decline in our Established markets segment was 0.2% in the first half. This follows a 4.2% decline in the prior-year period. Volume grew in Ireland and Greece, supported by good performance in Water, although this was outweighed by declines in Switzerland and Austria.
- Net sales revenue grew by 0.7% in the first half. The volume shortfall and negative category and price mix were more than offset by the benefits of favourable package mix, as well as the positive currency impact, mainly from the strong Swiss Franc. FX-neutral net sales revenue per case declined by 2.4% in the half-year period.
- Volume stabilised in Italy in the half year, supported by four additional selling days, cycling a high single-digit decline in the prior-year period. The underlying trading environment remains challenging with unemployment still at very high levels of c. 13% and disposable income remaining under pressure. Amidst these conditions, our focus on our OBPPC (Occasion-based Brand Price Pack Channel) strategy led to a broadly stable performance in Sparkling, with Coke Zero, Sprite and Energy registering positive performances. Single-serve contribution increased in the period, driven by our single-serve focus on Sparkling in the immediate consumption channel.
- Volume in Greece maintained positive momentum and increased marginally in the first half, cycling a similar rate of increase in the prior-year period. Performance in the still drinks category was the key growth driver, with both Water and Juice growing by 5%. Coke Zero grew by 9%, while Energy continues to build its base, growing by double digits. We are pleased with the performance of the business so far, amidst challenging trading conditions. However looking ahead, we remain cautious as the macroeconomic environment is uncertain.
- Volume in Switzerland declined by low single digits in the first half, cycling a similar rate of decline in the prior-year period. Water grew by mid single digits in the period, helped by increased distribution, although this was not enough to offset the Sparkling volume decline.
- Volume increased by low single digits in Ireland, cycling a low single-digit increase in the prior-year period. Volume grew in all key categories, with the exception of Juice. The sparkling beverages category was the key growth driver, with Coke Zero growing by 11% and Fanta by 9%. Water also delivered well with mid-teens growth. Package mix improved in the first half driven by good performance of single-serve packs in Sparkling.
- Comparable operating profit in the Established markets segment improved by 30.8% to €84.1 million in the first half. Favourable input costs, benefits from restructuring and lower operating expenses, further supported by favourable currency movements (mainly the strong Swiss Franc) more than offset the negative impact from volume and our affordability measures. On a reported basis, operating profit improved by 24.3% to €73.2 million.

**Operational Review by Reporting Segment (continued)**
**Developing markets**

	Half-year		Change
	2015	2014	
Volume (m unit cases)	<b>180.8</b>	170.3	6.2%
Net sales revenue (€ m)	<b>528.6</b>	504.7	4.7%
Net sales revenue per unit case (€)	<b>2.92</b>	2.96	-1.4%
FX-neutral net sales revenue per unit case (€)	<b>2.92</b>	2.98	-2.0%
Operating profit (EBIT) (€ m)	<b>43.9</b>	22.8	92.5%
Comparable EBIT (€ m)	<b>45.1</b>	23.4	92.7%
EBIT margin (%)	<b>8.3</b>	4.5	380bps
Comparable EBIT margin (%)	<b>8.5</b>	4.6	390bps

- Unit case volume in our Developing market segment grew by 6.2% in the first half, with good performances in all of our countries. The sparkling beverages category was the main growth driver, supported by Water in Poland and Hungary.
- Net sales revenue grew by 4.7% in the period. Benefits of improved volume and category mix as well as the positive currency impact more than offset unfavourable channel and price mix. On an FX-neutral basis, net sales revenue per unit case declined by 2.0% in the first half.
- In Poland, volume increased by high single digits in the period. This follows a high single-digit decline in the prior-year period when we rationalised unprofitable volume by removing certain SKU's. Volume in the period increased across most categories, with Sparkling beverages growing by high single digits, driven by good results in the organised trade. Still beverages posted a low single-digit increase driven by Water performance. Package mix deteriorated by 0.7 percentage points in the period, driven by the strong performance of Sparkling multi-serve packages in the discounters channel.
- Volume in Hungary increased by high single digits in the first half, cycling a low single-digit increase. Sparkling beverages increased by low teens, with positive performance across all categories and continued strong double-digit growth in Coca-Cola Zero. Volume in Energy maintained the positive trend and grew by double digits, cycling very strong growth in the prior-year period and reflecting the solid performance of our new product and flavour launches. Juice volumes increased by low single digits, helped by the growth of Cappy including Pulpny. Our focus on increasing single-serve contribution delivered results, with package mix improving by 1.9 percentage points in the first half, mainly driven by increased volume of single-serve packages in the sparkling beverages category.
- In the Czech Republic volume grew by high single digits in the first half, with good performance across most key categories. This performance follows a year shaped by our strategic decision to focus on value-accretive volume, and provides evidence of a return to healthy growth. Sparkling was the main contributor increasing by 10% with strong performance of Trademark Coca-Cola and Fanta in the organised trade, while Water returned to growth.
- Developing markets posted a €21.7 million increase in comparable operating profit to €45.1 million in the first half. Favourable input costs and improved volume more than offset the impact of adverse channel mix as well as increased marketing and promotional activity. Comparable operating margin for the segment recorded a significant improvement - up 390 basis points. Reported operating profit improved by €21.1 million to €43.9 million.

**Operational Review by Reporting Segment (continued)**
**Emerging markets**

	Half-year		Change
	2015	2014	
Volume (m unit cases)	<b>520.5</b>	494.0	5.4%
Net sales revenue (€ m)	<b>1,385.3</b>	1,450.4	-4.5%
Net sales revenue per unit case (€)	<b>2.66</b>	2.94	-9.5%
FX-neutral net sales revenue per unit case (€)	<b>2.66</b>	2.55	4.3%
Operating profit (EBIT) (€ m)	<b>82.0</b>	82.4	-
Comparable EBIT (€ m)	<b>89.8</b>	79.2	13.4%
EBIT margin (%)	<b>5.9</b>	5.7	20bps
Comparable EBIT margin (%)	<b>6.5</b>	5.5	100bps

- Unit case volume in our Emerging markets segment grew by 5.4% over the half year, following a 1.7% decline in the prior-year period. Strong performances in Nigeria, Romania and Ukraine across all categories and an exceptional performance in Juice more than offset the weakness in Russia's Sparkling performance amidst challenging macroeconomic conditions.
- Net sales revenue declined by 4.5% in the half year. Benefits of improved volume, positive pricing and category mix in the period only partly compensated for the substantial negative impact from currency movements. FX-neutral net sales revenue per case grew by 4.3% in the period, in line with our strategy to implement pricing initiatives in territories facing currency headwinds.
- Volume in Russia declined by low single digits in the first half, following a low single-digit growth in the prior-year period. Amid difficult market conditions Trademark Coca-Cola products declined by merely 0.7% in the first half supported by our strategic actions including the launch of Coke Zero in May and increased promotional activity in the organised trade. An excellent performance in Juice, in part supported by the inclusion of Moya Semya in our portfolio, was not enough to offset significant declines in the flavoured brands of our Sparkling portfolio.
- Volume in Nigeria continues to demonstrate robust growth momentum, delivering mid-teens volume growth, helped in part by easier comparatives in the prior-year period due to the temporary supply and promotion disruptions related to the roll-out of SAP in 2014. With a successful 'Share a Coke' campaign, additional PET bottle production capacity and improved product availability, the business delivered a very good performance across all categories. Nigeria remains a key growth driver for the Group.
- Volume in Romania increased by high single digits in the half year, with good performances across our portfolio. This follows a high single-digit decline in the prior-year period. Sparkling performance was supported by the launch of our new 1.25 L Sparkling pack for the organised trade. Water has returned to good growth following a prolonged period of SKU rationalisation and competitive pressure. Cappy Pulpy continues to drive good results in Juice. Package mix continued to improve driven by good growth in the Sparkling and Water single-serve packages.
- Ukraine delivered an excellent result with mid-teens growth in the half year, following a 10% decline in the prior-year period. The overall environment remains fragile, severely impacting consumer demand, and in some cases, product distribution. Against this backdrop, we have continued executing our strategy of intensifying our promotional activities in the organised trade channel, while adjusting our route-to-market. This has led to double-digit growth in all key categories.
- Our Emerging markets segment posted a €10.6 million improvement in comparable operating profit to €89.8 million, leading to a 100 basis point improvement in the segment's comparable operating margin to 6.5%. Higher currency-driven pricing and revenue growth management initiatives, improved volume and favorable input costs were partly offset by the significant currency headwinds and higher operating and overhead costs. On a reported basis, operating profit remained broadly stable at €82.0 million.



## Business Outlook

Our business has made good progress in the first half of the year. We are particularly encouraged by the underlying sequential improvement we have achieved in volumes. In the remainder of the year, we will be working to deliver volume growth in all three segments, and we expect the Developing and Emerging market segments to grow faster than the Established markets segment.

FX-neutral net sales revenue per unit case was stable in the first half as progress in the Emerging markets segment was offset by deflationary pressures in Established and Developing markets. Looking ahead we envisage further progress in Emerging markets where we will continue to take pricing actions in markets impacted by foreign currency depreciation and maintain our OBPPC initiatives to achieve better mix. In addition, we are focused on making improvements in Established and Developing market segments, although this will be contingent on deflationary pressures in these markets. Overall, we reiterate our expectation for an improvement in FX-neutral net sales revenue per case in the full year, while recognising that the increase may be modest.

Currencies in a number of our markets remain volatile, impacting our business negatively. Taking into account our hedged positions and current spot rates, we expect an adverse impact on EBIT from foreign currency to amount to €155 million for the full year.

As we anticipated the input cost environment is benign, mainly due to lower EU sugar and PET resin costs. We continue to expect a high single-digit percentage decrease in full-year currency-neutral input cost per case year on year.

Operating expense management will continue to be a key element of our plans for the year. Our actions are expected to result in an absolute reduction in operating expenses and a reduction in operating expenses as a percentage of net sales revenue, supporting EBIT margin growth.

We remain on track to deliver volume growth this year and are pleased that conditions in some of our markets are beginning to show signs of improvement although challenges remain. We are confident that our proven strategy, leading market positions and broad geographic exposure position us well in the medium to long term.

## Technical guidance

Our initiatives to further improve operational efficiencies remain unchanged. For 2015, we have identified restructuring initiatives of approximately €45 million. We expect these initiatives to yield €30 million in annualised benefits from 2016 onwards, while the initiatives already taken in 2014 and those that we will take in 2015 are expected to yield €44 million of total benefits in 2015.

Considering the dynamics of the evolving mix of profitability in our country portfolio, we continue to expect our comparable effective tax rate to range between 24% and 26%.

Our target for free cash flow remains €1.1-1.2 billion for the three-year period between 1 January 2013 and 31 December 2015.

Annual capital expenditure over the medium term is still expected to range between 5.5% and 6.5% of net sales revenue.

**Group Financial Review**
**Selected income statement and other items**

	Half-year		
	2015 € million	2014 € million	% Change
Volume (m unit cases)	1,006.6	970.2	3.8%
Net sales revenue	3,150.9	3,183.1	-1.0%
Net sales revenue per unit case (€)	3.13	3.28	-4.6%
FX-neutral net sales revenue per unit case (€) <sup>1</sup>	3.13	3.13	-
Cost of goods sold	(1,999.0)	(2,033.4)	-1.7%
Comparable cost of goods sold <sup>2</sup>	(2,001.5)	(2,042.5)	-2.0%
Gross profit	1,151.9	1,149.7	0.2%
Comparable gross profit <sup>2</sup>	1,149.4	1,140.6	0.8%
Operating expenses	(930.4)	(973.7)	-4.4%
Operating profit (EBIT)	199.1	164.1	21.3%
Comparable operating profit (EBIT) <sup>2</sup>	219.0	166.9	31.2%
Adjusted EBITDA <sup>3</sup>	369.5	347.7	6.3%
Comparable adjusted EBITDA <sup>2</sup>	382.3	350.3	9.1%
Total net finance costs	(37.2)	(38.9)	-4.4%
Tax	(39.2)	(34.1)	15.0%
Profit after tax attributable to owners of the parent	125.2	95.1	31.7%
Comparable profit after tax attributable to owners of the parent <sup>2</sup>	141.7	98.8	43.4%
Basic earnings per share (€)	0.344	0.261	31.8%
Comparable basic earnings per share (€) <sup>2</sup>	0.389	0.271	43.5%
Net cash from operating activities <sup>3</sup>	336.4	234.9	43.2%
Capital expenditure <sup>3</sup>	(117.2)	(140.1)	-16.3%
Free cash flow <sup>3</sup>	219.2	94.8	>100%

<sup>1</sup> FX-neutral net sales revenue per unit case refers to net sales revenue translated using 2015 exchange rates divided by volume (unit cases).

<sup>2</sup> Refer to the 'Reconciliation of Reported to Comparable Financial Indicators' section.

<sup>3</sup> Refer to 'Supplementary Information' section.

**Net sales revenue**

Net sales revenue decreased by 1.0% during the first half of 2015, compared to the respective prior-year period, as strong volume performance supported partly by the contribution from the four extra selling days in Q1 2015 and the positive result from our revenue growth initiatives were more than offset by adverse currency headwinds. On an FX-neutral basis, net sales revenue per unit case was stable during the first half of 2015 compared to the respective prior-year period.

**Cost of goods sold**

Cost of goods sold decreased by 1.7% and comparable cost of goods sold decreased by 2.0% in the first half of 2015, compared to the respective prior-year period, as the input cost environment and in particular, EU sugar and PET resin prices, continued to be favourable.

**Gross profit**

Gross profit remained stable during the first half of 2015 increasing slightly from €1,149.7 million in the first half of 2014 to €1,151.9 million in the first half of 2015. Comparable gross profit margin increased from 35.8% in the first half of 2014 to 36.5% in the first half of 2015 mainly reflecting the benefits of favourable input costs.

**Operating expenses**

Operating expenses decreased by 4.4% during the first half of 2015 compared to the respective prior-year period, mainly reflecting the benefits of our restructuring initiatives and tight cost management, as well as positive currency impact.

**Group Financial Review (continued)*****Operating profit***

Comparable operating profit increased by 31.2% in the first half of 2015 compared to the respective prior-year period, reflecting the increased sales volume, the benefits from our revenue growth initiatives, favourable input costs and cost efficiencies, which were only partially offset by the significant adverse foreign currency impact. In line with comparable operating profit, operating profit increased by 21.3% in the first half of 2015, compared to the prior-year period, as it was further impacted mainly by the increased restructuring costs.

***Total net finance costs***

Total net finance costs decreased by €1.7 million during the first half of 2015, compared to the prior-year period mainly due to the cessation of hyperinflation accounting in Belarus.

***Tax***

On a comparable basis, the effective tax rate was approximately 24% for the first half of 2015 compared to 25% for the respective prior-year period. On a reported basis Coca-Cola HBC's effective tax rate was approximately 24% for the first half of 2015 compared to 26% for the prior-year period. The Group's effective tax rate varies depending on the mix of taxable profits by territory, the non-deductibility of certain expenses, non-taxable income and other one-off tax items across its territories.

***Profit after tax attributable to owners of the parent***

Comparable profit after tax attributed to owners of the parent increased by 43.4% while operating profit after tax attributed to owners of the parent increased by 31.7%, for the first half of 2015 compared to the respective prior-year period, mainly driven by the higher operating profitability.

***Net cash from operating activities***

Net cash from operating activities increased by 43.2% in the first half of 2015 compared to the respective prior-year period, mainly reflecting the increased operating profitability, the improvement in working capital and the reduced capital expenditure that is mainly the result of positive phasing, compared to the respective prior-year period.

For the half year of 2015, free cash flow increased by more than 100% compared to the respective prior-year period, reflecting mainly the increased cash from operating activities and decreased capital expenditure.

***Capital expenditure***

Capital expenditure, net of receipts from the disposal of assets and including principal repayments of finance lease obligations, decreased by 16.3% in the first half of 2015 compared with the respective prior-year period. In the first half of 2015, capital expenditure amounted to €117.2 million of which 61% was related to investment in production equipment and facilities and 17% to the acquisition of marketing equipment. In the first half of 2014, capital expenditure amounted to €140.1 million of which 54% was related to investment in production equipment and facilities and 22% to the acquisition of marketing equipment.

**Supplementary Information**

The financial measures Adjusted EBITDA, Capital Expenditure and Free Cash Flow consist of the following reported amounts in the condensed consolidated interim financial statements:

	Half-year	
	2015 € million	2014 € million
Profit after tax	125.5	95.1
Tax charged to the income statement	39.2	34.1
Total finance costs, net	37.2	38.9
Share of results of equity method investments	(2.8)	(4.0)
<b>Operating profit (EBIT)</b>	<b>199.1</b>	<b>164.1</b>
Depreciation and impairment of property, plant and equipment	165.6	176.7
Amortisation of intangible assets	0.2	0.2
Employee share options	5.1	6.7
Other non-cash items	(0.5)	-
<b>Adjusted EBITDA</b>	<b>369.5</b>	<b>347.7</b>
Losses / (gains) on disposal of non-current assets	1.8	(2.6)
Increase in working capital	(11.9)	(88.6)
Tax paid	(23.0)	(21.6)
<b>Net cash from operating activities</b>	<b>336.4</b>	<b>234.9</b>
Payments for purchases of property, plant and equipment	(113.3)	(137.3)
Principal repayments of finance lease obligations	(5.0)	(6.6)
Proceeds from sale of property, plant and equipment	1.1	3.8
<b>Capital expenditure</b>	<b>(117.2)</b>	<b>(140.1)</b>
Net cash from operating activities	336.4	234.9
Capital expenditure	(117.2)	(140.1)
<b>Free cash flow</b>	<b>219.2</b>	<b>94.8</b>

The volume, net sales revenue and net sales revenues per unit case on a reported and FX-neutral base, are provided for NARTD and premium spirits, as set out below:

	Half-year		% Change
	2015	2014	
<b>NARTD</b>			
Volume (m unit cases) <sup>(1)</sup>	1,005.6	969.2	3.8%
Net sales revenue (€ m)	3,076.5	3,106.9	-1.0%
Net sales revenue per Unit Case (€)	3.06	3.21	-4.7%
FX-neutral net sales revenue per unit case (€)	3.06	3.07	-0.3%

	Half-year		% Change
	2015	2014	
<b>Premium Spirits</b>			
Volume (m unit cases) <sup>(1)</sup>	1.001	0.976	2.6%
Net sales revenues (€ m)	74.4	76.2	-2.4%
Net sales revenue per unit case (€)	74.33	78.07	-4.8%
FX-neutral net sales revenue per unit case (€)	74.33	66.58	11.6%

	Half-year		% Change
	2015	2014	
<b>Total</b>			
Volume (m unit cases) <sup>(1)</sup>	1,006.6	970.2	3.8%
Net sales revenue (€ m)	3,150.9	3,183.1	-1.0%
Net sales revenue per unit case (€)	3.13	3.28	-4.6%
FX-neutral net sales revenue per unit case (€)	3.13	3.13	-

<sup>(1)</sup> For NARTD volume, one unit case corresponds to approximately 5.678 litres or 24 servings, being a typically used measure of volume. For premium spirits volume, one unit case also corresponds to 5.678 litres.

**Coca-Cola HBC Group**

Coca-Cola HBC is a leading bottler of The Coca-Cola Company with a sales volume of more than 2 billion unit cases. It has a broad geographic footprint with operations in 28 countries serving a population of approximately 590 million people. Coca-Cola HBC offers a diverse range of non-alcoholic ready to drink beverages in the sparkling, juice, water, sport, energy, tea and coffee categories. Coca-Cola HBC is committed to promoting sustainable development in order to create value for its business and for society. This includes providing products that meet the beverage needs of consumers, fostering an open and inclusive work environment, conducting its business in ways that protect and preserve the environment and contribute to the socio-economic development of the local communities.

Coca-Cola HBC has a premium listing on the London Stock Exchange (LSE: CCH) and its shares are listed on the Athens Exchange (ATHEX: EEE). Coca-Cola HBC is included in the Dow Jones Sustainability and FTSE4Good Indexes. For more information, please visit <http://www.coca-colahellenic.com>.

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**Financial information in this announcement is presented on the basis of  
International Financial Reporting Standards ('IFRS').**

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**Conference call**

Coca-Cola HBC will host a conference call for financial analysts and investors to discuss the 2015 half-year financial results on 13 August 2015 at 10:00 am, Swiss time (9:00 am London, 11:00 am Athens, and 4:00 am New York time). Interested parties can access the live, audio webcast of the call through Coca-Cola HBC's website ([www.coca-colahellenic.com/investorrelations/webcasts](http://www.coca-colahellenic.com/investorrelations/webcasts)).

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## Principal risks and uncertainties

The principal risks and uncertainties to which the Company will be exposed in the second half of 2015 are substantially the same as those outlined in the 2014 Integrated Annual Report for the year ending 31 December 2014, pages 52 to 53.

We have adopted a strategic Enterprise Wide Risk Management approach that provides a common, integrated framework to manage risks and leverage opportunities across the Group. Through a continuous process of identifying, assessing, managing and escalating risks and opportunities, we seek to minimize our exposure to unforeseen events and identified risks, and create a stable environment for delivering on our strategic objectives.

### Defining our principal risks

Our strategic priorities provide the context for guiding us in the management of the risks faced by our business. The most important risk categories are macroeconomic and operational. Macroeconomic risks relate to the external environment and the markets in which we operate. We have less control over these risks than we do over operational risks, such as product quality.

The overview of our most important risks does not include all the risks that may ultimately affect our Company. Some risks not yet known to us, or currently believed to be immaterial, could ultimately have an impact on our business or financial performance. We remain constantly alert to changes to our economic and regulatory operating environments, to ensure that new risks are identified and assessed in a timely way.

### Our principal risks

Principal risks	Specific risk that we face	Mitigation	Link to strategy
Beverage Category Acceptability	<b>Consumer Health</b> Consumer tastes and behaviours are constantly evolving at an increasingly rapid rate. Ensuring effective responses, including addressing any significant misperceptions of the health impact of soft drinks, is important to our business.	We maintain a focus on innovation in the products we offer, including expanding our range of reduced and zero-calorie beverages and reducing the calorie content of many products in our portfolio. We promote active lifestyles and clearer labelling on packaging, supported by broader community engagement programmes focused on health and wellness. In these ways we actively counteract misperceptions.	Consumer Relevance
Political and Security Instability	<b>Declining Consumer Demand</b> Challenging market conditions continue to impact consumer confidence and disposable income. Our long-term sustainable growth depends on managing challenging and volatile macroeconomic conditions, such as the political and security instability experienced in Russia, Ukraine, and Nigeria.	Our OBPPC approach seeks opportunities by identifying and aligning the right brands, at the right price, in the right package and through the right channel. This enables us to expand our product offering in the marketplace and to win or maintain market share. Robust security management, crisis response and business continuity strategies support our ability to remain resilient in areas with heightened security risk.	Customer Preference



Principal risks	Specific risk that we face	Mitigation	Link to strategy
Employee engagement & Retention	<p><b>People and Talent</b></p> <p>It is essential that we develop and maintain management capability across our markets. Our growth depends on our ability to attract and retain sufficient numbers of qualified and experienced employees.</p>	<p>Our focus on developing our leadership talent ensures the right people are in the right positions across the business. Our ongoing focus on employee engagement supports our values and promotes operational excellence. By focusing on managing our business in ways that are responsible and creating shared value with communities in which we work, we also seek to ensure that we are an attractive employer.</p>	Community Trust
Product Quality & Food Safety	<p><b>Quality</b></p> <p>Quality issues, or contamination of our products, could result in reputational damage and a reduction in volume and net sales revenue.</p>	<p>We have stringent processes in place to minimise the occurrence of quality issues. However, when issues arise, we have robust processes and systems in place that enable us to deal with them quickly and efficiently, thus ensuring that our customers and consumers retain confidence in our products.</p>	Consumer Relevant
Commercial & Competition	<p><b>Channel Mix</b></p> <p>The increasing concentration of retailers and independent wholesalers, on whom we depend to distribute our products, could lower our profitability. The immediate consumption channel remains under pressure as consumers increasingly switch to at-home consumption.</p>	<p>We continued to increase our presence in the discounter channel during 2014 and are working closely with our customers to identify opportunities for joint value creation. Our Right Execution Daily (RED) strategy continues to support our commitment to operational excellence, which enables us to respond to changing customer needs and channels.</p>	Customer Preference
Tax & Treasury	<p><b>Foreign Exchange</b></p> <p>Our foreign exchange exposure arises from changes in exchange rates between the Euro, the US dollar, and other currencies used in the markets we serve. During 2014, this exposure was particularly notable against currencies in Russia, Ukraine, and Nigeria.</p>	<p>To reduce currency risk and limit volatility, our treasury policy requires the hedging of 25% to 80% of rolling 12-month forecasted transactional exposures. Hedging beyond a 12-month period may occur if forecast transactions are highly probable. Where available, we use derivative financial instruments to reduce our net exposure to currency fluctuations. These contracts normally mature within one year.</p>	Cost Leadership

Principal risks	Specific risk that we face	Mitigation	Link to strategy
Tax & Treasury	<b>Taxation</b> Regulations around consumer health and the risk of taxation on our products, could impact demand and affect our profitability. In 2014, a number of governments continued to contemplate taxes targeting our products and packaging waste recovery. This is a trend we expect to continue.	We continue to proactively work with regulators to ensure that the facts are understood and our products are not singled out unfairly.	Cost Leadership
Stakeholder Relationships	<b>Strategic Stakeholder Relationships</b> The Group relies on our strategic relationships and agreements with The Coca-Cola Company, Monster Energy and our premium spirits partners. Any termination of agreements, or renewal at terms less favourable than currently experienced, could adversely impact our business.	Our management across the business focuses on effective day-to-day interaction with our strategic partners to ensure that we work together as effective partners for growth. We engage in joint projects and business planning, focus on strategic issues, and participate in 'Top to Top' senior management forums.	Community Trust

### Related party transactions

Related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of CCHBC during the period, as well as any changes in the related party transactions as described in the 2014 Integrated Annual Report that could have a material effect on the financial position or performance of CCHBC in the first six months of current financial year, are described in section "Condensed consolidated interim financial statements for the six months ended 3 July 2015", note 17 "Related party transactions".

### Going concern statement

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, and having reassessed the principal risks, they continue to adopt the going concern basis of accounting in preparing these condensed consolidated interim financial statements.



**Responsibility statement**

The Directors of the Company, whose names are set out below, confirm that to the best of their knowledge:

(a) the condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting as issued by the IASB and give a true and fair view of the assets, liabilities, financial position and profit or loss of the undertakings included in the consolidation as a whole for the period ended 3 July 2015 as required by the Disclosure and Transparency Rules of the UK Financial Conduct Authority ("DTR") 4.2.4; and

(b) the interim management report includes a fair review of the information required by:

- DTR 4.2.7R of the DTRs, being an indication of important events that have occurred during the first six months of the current financial year and their impact on the condensed consolidated interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- DTR 4.2.8 R of the DTRs, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period, and any changes in the related party transactions described in the 2014 Integrated Annual Report for Coca-Cola HBC AG and its subsidiaries for the year ended 31 December 2014, that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

<b>Name</b>	<b>Title</b>
George A. David	Chairman and Non-Executive Director
Dimitris Lois	Executive Director
Anastassis G. David	Vice-Chairman
Anastasios I. Leventis	Non-Executive Director
Christo Leventis	Non-Executive Director
José Octavio Reyes	Non-Executive Director
Irial Finan	Non-Executive Director
Sir Michael Llewellyn-Smith	Senior Independent Non-Executive Director
Nigel Macdonald	Independent Non-Executive Director
Antonio D'Amato	Independent Non-Executive Director
John P. Sechi	Independent Non-Executive Director
Alexandra Papalexopoulou	Independent Non-Executive Director
Olusola (Sola) David-Borha	Independent Non-Executive Director

Signed on behalf of the Board  
Dimitris Lois  
Chief Executive Officer

12 August 2015



## **Independent review report to Coca-Cola HBC AG**

### **Report on the condensed consolidated interim financial statements**

#### **Our conclusion**

We have reviewed the condensed consolidated interim financial statements, defined below, in the 'half-yearly financial report' of Coca-Cola HBC AG for the six months ended 3 July 2015. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

This conclusion is to be read in the context of what we say in the remainder of this report.

#### **What we have reviewed**

The condensed consolidated interim financial statements, which are prepared by Coca-Cola HBC AG, comprise:

- the condensed consolidated interim balance sheet as at 3 July 2015;
- the condensed consolidated interim income statement for the six month period then ended;
- the condensed consolidated interim statement of comprehensive income for the six month period then ended;
- the condensed consolidated interim statement of changes in equity for the six month period then ended;
- the condensed consolidated interim cash flow statement for the six month period then ended; and
- the explanatory notes to the condensed consolidated interim financial statements.

As disclosed in note 1, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the group is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

The condensed consolidated interim financial statements included in the half-yearly financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

#### **What a review of condensed consolidated financial statements involves**

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial statements.

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## **Responsibilities for the condensed consolidated interim financial statements and the review**

### **Our responsibilities and those of the directors**

The half-yearly financial report, including the condensed consolidated interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express to the company a conclusion on the condensed consolidated interim financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure and Transparency Rules of the Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Marios Psaltis  
the Certified Auditor, Reg. No. 38081  
for and on behalf of PricewaterhouseCoopers S.A.  
Certified Auditors, Reg. No. 113  
13 August 2015  
Athens, Greece

#### Notes:

- (a) The maintenance and integrity of the Coca-Cola HBC AG website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom and Switzerland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Condensed consolidated interim financial statements for the six months ended 3 July 2015

## Condensed consolidated interim balance sheet (unaudited)

	Note	As at 3 July 2015 € million	As at 31 December 2014 € million
<b>Assets</b>			
Intangible assets	4	1,952.8	1,884.8
Property, plant and equipment	4	2,656.2	2,624.1
Other non-current assets		208.4	308.0
<b>Total non-current assets</b>		<b>4,817.4</b>	<b>4,816.9</b>
Inventories		538.3	414.2
Trade and other receivables		1,119.1	1,011.6
Cash and cash equivalents	5	830.0	636.3
<b>Total current assets</b>		<b>2,487.4</b>	<b>2,062.1</b>
<b>Total assets</b>		<b>7,304.8</b>	<b>6,879.0</b>
<b>Liabilities</b>			
Short-term borrowings	5	506.6	548.6
Other current liabilities		2,061.4	1,647.3
<b>Total current liabilities</b>		<b>2,568.0</b>	<b>2,195.9</b>
Long-term borrowings	5	1,524.8	1,556.3
Other non-current liabilities		308.3	335.7
<b>Total non-current liabilities</b>		<b>1,833.1</b>	<b>1,892.0</b>
<b>Total liabilities</b>		<b>4,401.1</b>	<b>4,087.9</b>
<b>Equity</b>			
Owners of the parent		2,899.4	2,787.0
Non-controlling interests		4.3	4.1
<b>Total equity</b>		<b>2,903.7</b>	<b>2,791.1</b>
<b>Total equity and liabilities</b>		<b>7,304.8</b>	<b>6,879.0</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements

## Condensed consolidated interim income statement (unaudited)

	Note	Six months ended 3 July 2015 € million	Six months ended 27 June 2014 € million
Net sales revenue	3	3,150.9	3,183.1
Cost of goods sold		(1,999.0)	(2,033.4)
<b>Gross profit</b>		<b>1,151.9</b>	<b>1,149.7</b>
Operating expenses		(930.4)	(973.7)
Restructuring costs	7	(22.4)	(11.9)
<b>Operating profit</b>	3	<b>199.1</b>	<b>164.1</b>
Total finance costs, net	8	(37.2)	(38.9)
Share of results of equity method investments		2.8	4.0
<b>Profit before tax</b>		<b>164.7</b>	<b>129.2</b>
Tax	9	(39.2)	(34.1)
<b>Profit after tax</b>		<b>125.5</b>	<b>95.1</b>
<b>Attributable to:</b>			
Owners of the parent		125.2	95.1
Non-controlling interests		0.3	-
		<b>125.5</b>	<b>95.1</b>
<b>Basic and diluted earnings per share (€)</b>	10	<b>0.34</b>	<b>0.26</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements

**Condensed consolidated interim statement of comprehensive income (unaudited)**

	Six months ended 3 July 2015 € million	Six months ended 27 June 2014 € million
<b>Profit after tax for the period</b>	<b>125.5</b>	<b>95.1</b>
<b>Other comprehensive income:</b>		
<b>Items that may be subsequently reclassified to income statement:</b>		
Valuation (loss) / gain on available-for-sale assets	(0.1)	0.1
Cash flow hedges:		
Net losses during the period	(3.0)	(6.7)
Net losses reclassified to profit and loss for the period	3.2	3.8
Transfers to inventory for the period	(12.3)	(2.2)
Foreign currency translation	112.5	(46.3)
Share of other comprehensive income of equity method investments	0.9	0.1
Income tax relating to items that may be subsequently reclassified to income statement	7.1	1.2
	<b>108.3</b>	<b>(50.0)</b>
<b>Items that will not be subsequently reclassified to income statement:</b>		
Actuarial gains / (losses)	5.1	(22.0)
Income tax relating to components of other comprehensive income	(0.4)	4.3
	<b>4.7</b>	<b>(17.7)</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>113.0</b>	<b>(67.7)</b>
<b>Total comprehensive income for the period</b>	<b>238.5</b>	<b>27.4</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	238.2	27.4
Non-controlling interests	0.3	-
	<b>238.5</b>	<b>27.4</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements

## Condensed consolidated interim statement of changes in equity (unaudited)

	Attributable to owners of the parent							Total € million	Non- controlling interests € million	Total equity € million
	Share capital € million	Share Premium € million	Reorganization reserve € million	Treasury shares € million	Exchange equalisation reserve € million	Other reserves € million	Retained earnings € million			
<b>Balance as at 1 January 2014</b>	<b>1,997.4</b>	<b>5,287.1</b>	<b>(6,472.1)</b>	<b>(70.7)</b>	<b>(293.3)</b>	<b>388.7</b>	<b>2,125.1</b>	<b>2,962.2</b>	<b>5.1</b>	<b>2,967.3</b>
Shares issued to employees exercising stock options	0.3	0.3	-	-	-	-	-	0.6	-	0.6
Share-based compensation:										
Options	-	-	-	-	-	6.7	-	6.7	-	6.7
Movement in treasury shares	-	-	-	-	-	(1.9)	-	(1.9)	-	(1.9)
Hyperinflation impact	-	-	-	-	-	-	2.1	2.1	-	2.1
Appropriation of reserves	-	-	-	-	-	(134.3)	134.3	-	-	-
Dividends (note 13)	-	(130.2)	-	-	-	-	1.2	(129.0)	-	(129.0)
	<b>1,997.7</b>	<b>5,157.2</b>	<b>(6,472.1)</b>	<b>(70.7)</b>	<b>(293.3)</b>	<b>259.2</b>	<b>2,262.7</b>	<b>2,840.7</b>	<b>5.1</b>	<b>2,845.8</b>
Profit for the period net of tax	-	-	-	-	-	-	95.1	95.1	-	95.1
Other comprehensive income for the period, net of tax	-	-	-	-	(46.2)	(3.8)	(17.7)	(67.7)	-	(67.7)
Total comprehensive income for the period, net of tax <sup>(1)</sup>	-	-	-	-	(46.2)	(3.8)	77.4	27.4	-	27.4
<b>Balance as at 27 June 2014</b>	<b>1,997.7</b>	<b>5,157.2</b>	<b>(6,472.1)</b>	<b>(70.7)</b>	<b>(339.5)</b>	<b>255.4</b>	<b>2,340.1</b>	<b>2,868.1</b>	<b>5.1</b>	<b>2,873.2</b>
Shares issued to employees exercising stock options	0.4	0.4	-	-	-	-	-	0.8	-	0.8
Share-based compensation:										
Options	-	-	-	-	-	5.4	-	5.4	-	5.4
Movement in treasury shares	-	-	-	-	-	(0.4)	-	(0.4)	-	(0.4)
Hyperinflation impact	-	-	-	-	-	-	1.1	1.1	-	1.1
Share of other changes in equity of equity method investments	-	-	-	-	-	-	(0.5)	(0.5)	-	(0.5)
Appropriation of reserves	-	-	-	-	-	(3.7)	3.7	-	-	-
Dividends	-	-	-	-	-	-	-	-	(0.4)	(0.4)
	<b>1,998.1</b>	<b>5,157.6</b>	<b>(6,472.1)</b>	<b>(70.7)</b>	<b>(339.5)</b>	<b>256.7</b>	<b>2,344.4</b>	<b>2,874.5</b>	<b>4.7</b>	<b>2,879.2</b>
Profit for the period net of tax	-	-	-	-	-	-	199.7	199.7	(0.6)	199.1
Other comprehensive income for the period, net of tax	-	-	-	-	(275.8)	3.0	(14.4)	(287.2)	-	(287.2)
Total comprehensive income for the period, net of tax	-	-	-	-	(275.8)	3.0	185.3	(87.5)	(0.6)	(88.1)
<b>Balance as at 31 December 2014</b>	<b>1,998.1</b>	<b>5,157.6</b>	<b>(6,472.1)</b>	<b>(70.7)</b>	<b>(615.3)</b>	<b>259.7</b>	<b>2,529.7</b>	<b>2,787.0</b>	<b>4.1</b>	<b>2,791.1</b>

<sup>(1)</sup> The amount included in the exchange equalisation reserve of €46.2 million loss for the first half of 2014 represents the exchange loss attributed to the owners of the parent of €46.3 million plus the share of equity method investments of €0.1 million gain.

The amount included in other reserves of €3.8 million loss for the first half 2014 consists of gains on valuation of available-for-sale financial assets of €0.1 million, cash flow hedges losses of €5.1 million (of which €6.7 million represents revaluation loss for the period, €3.8 million represents revaluation loss reclassified to profit and loss for the period and €2.2 million represents revaluation gain reclassified to inventory for the period) and the deferred income tax credit of €1.2 million.

The amount of €77.4 million gain comprises a gain for the period of €95.1 million plus actuarial loss of €22.0 million less deferred income tax credit of €4.3 million.

The accompanying notes form an integral part of these condensed consolidated interim financial statements



## Condensed consolidated interim statement of changes in equity (unaudited)

	Attributable to owners of the parent							Retained earnings € million	Total € million	Non-controlling interests € million	Total equity € million
	Share Capital € million	Share Premium € million	Reorganization reserve € million	Treasury shares € million	Exchange equalisation reserve € million	Other reserves € million	Group				
<b>Balance as at 1 January 2015</b>	<b>1,998.1</b>	<b>5,157.6</b>	<b>(6,472.1)</b>	<b>(70.7)</b>	<b>(615.3)</b>	<b>259.7</b>	<b>2,529.7</b>	<b>2,787.0</b>	<b>4.1</b>	<b>2,791.1</b>	
Shares issued to employees exercising stock options	0.1	0.2	-	-	-	-	-	0.3	-	0.3	
Share-based compensation:											
Options	-	-	-	-	-	5.1	-	5.1	-	5.1	
Appropriation/transfer of reserves	-	-	-	-	-	0.7	(0.7)	-	-	-	
Dividends (note 13)	-	(132.4)	-	-	-	-	1.2	(131.2)	(0.1)	(131.3)	
	<b>1,998.2</b>	<b>5,025.4</b>	<b>(6,472.1)</b>	<b>(70.7)</b>	<b>(615.3)</b>	<b>265.5</b>	<b>2,530.2</b>	<b>2,661.2</b>	<b>4.0</b>	<b>2,665.2</b>	
Profit for the period net of tax	-	-	-	-	-	-	125.2	125.2	0.3	125.5	
Other comprehensive income for the period, net of tax <sup>(2)</sup>	-	-	-	-	113.3	(5.0)	4.7	113.0	-	113.0	
Total comprehensive income for the period net of tax	-	-	-	-	113.3	(5.0)	129.9	238.2	0.3	238.5	
<b>Balance as at 3 July 2015</b>	<b>1,998.2</b>	<b>5,025.4</b>	<b>(6,472.1)</b>	<b>(70.7)</b>	<b>(502.0)</b>	<b>260.5</b>	<b>2,660.1</b>	<b>2,899.4</b>	<b>4.3</b>	<b>2,903.7</b>	

<sup>(2)</sup> The amount included in the exchange equalisation reserve of €113.3 million gain for the first half of 2015 represents the exchange gain attributed to the owners of the parent of €113.3 million.

The amount included in other reserves of €5.0 million loss for the first half of 2015 consists of loss on valuation of available-for-sale financial assets of €0.1 million, cash flow hedges losses of €12.1 million (of which €3.0 million represents revaluation loss for the period, €3.2 million represents revaluation loss reclassified to profit and loss for the period and €12.3 million represents revaluation gain reclassified to inventory for the period), €0.1 million gain relating to share of other comprehensive income of equity method investments and the deferred income tax credit of €7.1 million.

The amount of €129.9 million gain comprises a gain for the period of €125.2 million plus actuarial gains of €5.1 million less deferred income tax charge of €0.4 million.

The amount of €0.3 million gain included in non-controlling interests for the first half of 2015 represents the share of non-controlling interests in retained earnings.

The accompanying notes form an integral part of these condensed consolidated interim financial statements

**Condensed consolidated interim cash flow statement (unaudited)**

	Note	Six months ended 3 July 2015 € million	Six months ended 27 June 2014 € million
<b>Operating activities</b>			
Profit after tax for the period		125.5	95.1
Total finance costs, net	8	37.2	38.9
Share of results of equity method investments		(2.8)	(4.0)
Tax charged to the income statement		39.2	34.1
Depreciation and impairment of property, plant and equipment	4	165.6	176.7
Employee share options		5.1	6.7
Amortisation of intangible assets	4	0.2	0.2
Other non- cash items		(0.5)	-
		<b>369.5</b>	<b>347.7</b>
Loss /(gain) on disposal of non-current assets		1.8	(2.6)
Increase in inventories		(108.1)	(135.8)
Increase in trade and other receivables		(150.3)	(194.6)
Increase in trade and other payables		246.5	241.8
Tax paid		(23.0)	(21.6)
<b>Net cash from operating activities</b>		<b>336.4</b>	<b>234.9</b>
<b>Investing activities</b>			
Payments for purchases of property, plant and equipment		(113.3)	(137.3)
Payments for purchase of intangible assets	17	-	(14.1)
Proceeds from sales of property, plant and equipment		1.1	3.8
Net receipts from investments		113.3	1.2
Interest received		5.0	4.5
<b>Net cash from / (used in) investing activities</b>		<b>6.1</b>	<b>(141.9)</b>
<b>Financing activities</b>			
Proceeds from shares issued to employees exercising stock options		0.3	0.6
Payments for shares held by non-controlling interests	12	(0.9)	-
Proceeds from borrowings		272.4	647.0
Repayments of borrowings		(381.8)	(858.8)
Principal repayments of finance lease obligations		(5.0)	(6.6)
Interest paid		(30.3)	(54.8)
<b>Net cash used in financing activities</b>		<b>(145.3)</b>	<b>(272.6)</b>
<b>Increase / (decrease) in cash and cash equivalents</b>		<b>197.2</b>	<b>(179.6)</b>
<b>Movement in cash and cash equivalents</b>			
Cash and cash equivalents at 1 January		636.3	737.5
Increase / (decrease) in cash and cash equivalents		197.2	(179.6)
Effect of changes in exchange rates		(3.5)	(1.3)
Hyperinflation impact on cash		-	0.5
<b>Cash and cash equivalents at the end of the period</b>		<b>830.0</b>	<b>557.1</b>

The accompanying notes form an integral part of these condensed consolidated interim financial statements

**Selected explanatory notes to the condensed consolidated interim financial statements (unaudited)****1. Accounting policies**

The accounting policies used in the preparation of the condensed consolidated interim financial statements of Coca-Cola HBC AG ('Coca-Cola HBC', the 'Company' or the 'Group') are consistent with those used in the 2014 annual financial statements.

Amendments to IFRSs effective for the financial year ending 31 December 2015 are not expected to have a material impact on the consolidated financial statements but may affect disclosures.

**Basis of preparation**

Operating results for the first half of 2015 are not indicative of the results that may be expected for the year ending 31 December 2015 because of business seasonality. Business seasonality results from higher unit sales of the Group's products in the warmer months of the year. The Group's methods of accounting for fixed costs such as depreciation and interest expense are not significantly affected by business seasonality.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

These condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to Interim Financial Reporting ("IAS 34"). These condensed consolidated interim financial statements should be read in conjunction with the 2014 annual financial statements, which include a full description of the Group's accounting policies and have been prepared in accordance with IFRS as issued by the IASB.

Comparative figures have been reclassified and adjusted where necessary to conform with changes in presentation in the current year. More specifically in Note 17 Related party transactions, an amount of €17.0 million for the first half of 2014, referring to purchases of finished goods from The Coca-Cola Company (TCCC) and its subsidiaries from joint ventures with The Coca-Cola Company, was reclassified to purchases of finished goods from Joint Ventures. As a result, transactions with joint ventures undertaken with The Coca-Cola Company are reported under Joint Ventures.

**Selected explanatory notes to the condensed consolidated interim financial statements (unaudited)**
**2. Exchange rates**

The Group's reporting currency is the euro (€). Coca-Cola HBC translates the income statements of subsidiary operations to the euro at average exchange rates and the balance sheet at the closing exchange rate for the period.

The principal exchange rates used for transaction and translation purposes in respect of one euro were:

	Average for the six months period ended		Closing as at	
	3 July 2015	27 June 2014	3 July 2015	31 December 2014
US dollar	<b>1.11</b>	1.37	<b>1.11</b>	1.22
UK sterling	<b>0.73</b>	0.82	<b>0.71</b>	0.78
Polish zloty	<b>4.12</b>	4.17	<b>4.19</b>	4.31
Nigerian naira	<b>213.85</b>	213.57	<b>218.71</b>	204.99
Hungarian forint	<b>305.94</b>	307.53	<b>313.95</b>	315.45
Swiss franc	<b>1.05</b>	1.22	<b>1.05</b>	1.20
Russian Rouble	<b>64.10</b>	47.74	<b>61.72</b>	68.34
Romanian leu	<b>4.44</b>	4.47	<b>4.48</b>	4.47
Serbian dinar	<b>120.90</b>	115.69	<b>120.34</b>	120.41
Czech koruna	<b>27.50</b>	27.45	<b>27.27</b>	27.69
Ukrainian hryvnia	<b>24.42</b>	14.25	<b>23.32</b>	19.23

**3. Segmental analysis**

The Group has one business, being the production, sale and distribution of ready -to- drink primarily non-alcoholic, beverages. The Group operates in 28 countries and its financial results are reported in the following three reportable segments:

<b>Established markets:</b>	Austria, Cyprus, Greece, Italy, Northern Ireland, the Republic of Ireland and Switzerland,
<b>Developing markets:</b>	Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia,
<b>Emerging markets:</b>	Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, FYROM, Moldova, Montenegro, Nigeria, Romania, the Russian Federation, Serbia (including the Republic of Kosovo) and Ukraine.

**Selected explanatory notes to the condensed consolidated interim financial statements (unaudited)**

Information on the Group's segments is as follows:

	Six months ended	
	3 July 2015	27 June 2014
<i>Volume in unit cases<sup>(2)</sup> (million)</i>		
Established countries	305.3	305.9
Developing countries	180.8	170.3
Emerging countries	520.5	494.0
<b>Total volume</b>	<b>1,006.6</b>	<b>970.2</b>
<i>Net sales revenue (€ million)</i>		
Established countries	1,237.0	1,228.0
Developing countries	528.6	504.7
Emerging countries	1,385.3	1,450.4
<b>Total net sales revenue</b>	<b>3,150.9</b>	<b>3,183.1</b>
<i>Operating profit (€ million)</i>		
Established countries	73.2	58.9
Developing countries	43.9	22.8
Emerging countries	82.0	82.4
<b>Total operating profit</b>	<b>199.1</b>	<b>164.1</b>
<i>Reconciling items (€ million)</i>		
Finance costs, net	(37.2)	(38.9)
Tax	(39.2)	(34.1)
Share of results of equity method investments	2.8	4.0
Non-controlling interests	(0.3)	-
<b>Profit after tax attributable to owners of the parent</b>	<b>125.2</b>	<b>95.1</b>

**Additional information by product type:**

	Six months ended	
	3 July 2015	27 June 2014
<i>Volume in unit cases<sup>(1)</sup> (million)</i>		
NARTD <sup>(2)</sup>	1,005.6	969.2
Premium spirits	1.0	1.0
<b>Total volume</b>	<b>1,006.6</b>	<b>970.2</b>
<i>Net sales revenue (€ million)</i>		
NARTD <sup>(2)</sup>	3,076.5	3,106.9
Premium spirits	74.4	76.2
<b>Total net sales revenue</b>	<b>3,150.9</b>	<b>3,183.1</b>

<sup>(1)</sup> For NARTD volume, one unit case corresponds to approximately 5.678 litres or 24 servings, being a typically used measure of volume. For premium spirits volume, one unit case corresponds also to 5.678 litres. Volume data is derived from unaudited operational data.

<sup>(2)</sup> Non alcoholic, ready-to-drink beverages.

**Selected explanatory notes to the condensed consolidated interim financial statements (unaudited)**
**4. Tangible and intangible assets**

	Property, plant and equipment € million	Intangible assets € million
Opening net book value as at 1 January 2015	2,624.1	1,884.8
Additions	166.3	-
Reclassified from assets held for sale	0.9	-
Disposals	(7.6)	-
Depreciation, impairment and amortisation	(165.6)	(0.2)
Foreign exchange differences	38.1	68.2
<b>Closing net book value as at 3 July 2015</b>	<b>2,656.2</b>	<b>1,952.8</b>

**5. Net debt**

	As at 3 July 2015 € million	31 December 2014 € million
Long-term borrowings	1,524.8	1,556.3
Short-term borrowings	506.6	548.6
Cash and cash equivalents	(830.0)	(636.3)
<b>Net debt</b>	<b>1,201.4</b>	<b>1,468.6</b>

The outstanding bond of \$400 million issued in 2003 (€357.1 million) and maturing in September 2015 will be repaid using the cash generation and the existing cash and cash equivalents of the Group.

**6. Financial risk management and financial instruments**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and commodity price risk), credit risk, liquidity risk and capital risk. There have been no changes in the risk management policies since the year end.

The Group's financial instruments recorded at fair value are included in Level 2 within the fair value hierarchy. The financial instruments include derivatives for which there have been no changes in valuation techniques and inputs used to determine their fair value since 31 December 2014 (as described in the 2014 Integrated Annual Report available on the Coca-Cola HBC's web site: [www.coca-colahellenic.com](http://www.coca-colahellenic.com)). As at 3 July 2015, the total derivatives included in Level 2 were financial assets of €20.1 million and financial liabilities of €45.3 million.

During the first half of 2015 the Group recognized embedded derivatives whose risks and economic characteristics were not considered to be closely related to the commodity contract in which they were embedded. The valuation techniques used to determine their fair value maximized the use of observable market data. The fair value of the embedded derivatives as at 3 July 2015 amounted to a financial asset of €6.4 million and are classified within Level 2.

There were no transfers between Level 1, 2 and 3 during 2015. The fair value of bonds and notes payable as at 3 July 2015, including the current portion, is €1,829.6 million, compared to their book value of €1,757.6 million, including the current portion.

**Selected explanatory notes to the condensed consolidated interim financial statements (unaudited)**
**7. Restructuring costs**

Restructuring costs amounted to €22.4 million before tax in the first half of 2015. The Group recorded €10.2 million, €0.8 million and €11.4 million of restructuring charges in its established, developing and emerging countries respectively. For the first half of 2014, restructuring costs amounted to €11.9 million. The Group recorded €5.8 million, €1.1 million and €5.0 million of restructuring charges in its established, developing and emerging countries respectively. The restructuring costs mainly concern redundancy costs and impairment of property, plant and equipment.

**8. Total finance costs, net**

	Six months ended	
	3 July 2015 € million	27 June 2014 € million
Interest income	(5.0)	(4.7)
Finance costs	36.8	34.4
Net foreign exchange losses	5.4	6.7
Loss on net monetary position	-	2.5
<b>Total finance costs, net</b>	<b>37.2</b>	<b>38.9</b>

**Hyperinflation**

Belarus was considered to be a hyperinflationary economy from the fourth quarter of 2011 and up until 31 December 2014. During this period hyperinflation accounting was applied in accordance with IAS 29. However, since 1 January 2015 hyperinflation accounting has been discontinued, as Belarus ceased to meet the criteria of a hyperinflationary economy as defined by IAS 29. All amounts expressed in the measuring unit at 31 December 2014 were treated as the basis for the carrying amounts as at January 1 2015.

**9. Tax**

The Group's effective tax rate for 2015 may differ from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities, as a consequence of a number of factors, the most significant of which are the application of statutory tax rates of the countries in which the Group operates, the non-deductibility of certain expenses, the non-taxable income and one off tax items.

**10. Earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to the owners of the parent by the weighted average number of shares outstanding during the period (first half of 2015: 364,383,002, first half of 2014: 364,287,740). Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive ordinary shares arising from exercising employee stock options.

**Selected explanatory notes to the condensed consolidated interim financial statements (unaudited)****11. Share capital**

In 2014, the share capital of Coca-Cola HBC increased by the issue of 129,022 new ordinary shares following the exercise of stock options pursuant to the Coca-Cola HBC AG's employees' stock option plan. Total proceeds from the issuance of the shares under the stock option plan amounted to €1.4 million.

In 2015, the share capital of Coca-Cola HBC increased by the issue of 19,000 new ordinary shares following the exercise of stock options pursuant to the Coca-Cola HBC AG's employees' stock option plan. Total proceeds from the issuance of the shares under the stock option plan amounted to €0.3 million.

Following the above changes, and including 3,445,060 ordinary shares held as treasury shares, out of which 14,925 shares represent the initial ordinary shares of Coca-Cola HBC, on 3 July 2015 the share capital of the Group amounted to €1,998.2 million and comprised 367,838,247 shares with a nominal value of CHF 6.70 each.

**12. Non-controlling interests**

On 8 June 2011, the Board of Directors of the Coca-Cola HBC's subsidiary Nigerian Bottling Company plc ("NBC") resolved to propose a scheme of arrangement between NBC and its minority shareholders, involving the cancellation of part of the share capital of NBC. The transaction was approved by the Board of Directors and General Assembly of NBC on 8 June 2011 and 22 July 2011 respectively and resulted in the acquisition of the remaining 33.6% of the voting shares of NBC bringing the Group's interest in the subsidiary to 100%. The transaction was completed in September 2011 and NBC was de-listed from the Nigerian Stock Exchange. The consideration for the acquisition of non-controlling interests was €100.2 million, including transaction costs of €1.8 million, out of which €73.5 million was paid as of 3 July 2015 (as of 31 December 2014: €72.6 million). The difference between the consideration and the carrying value of the interest acquired (€60.1 million) has been recognised in retained earnings while the accumulated components recognised in other comprehensive income have been reallocated within the equity of the Group.

**13. Dividends**

The shareholders of Coca-Cola HBC AG approved the dividend distribution of 0.360 euro cents per share at the Annual General Meeting held on 23 June 2015. The total dividend amounted to €132.4 million and was paid on 28 July 2015. Of this an amount of €1.2 million relates to shares held by the Group. Dividends declared by the Group to non-controlling interests in the emerging markets amounted to €0.1 million.

On 25 June 2014 the shareholders of Coca-Cola HBC AG at the Annual General Meeting approved the dividend distribution of 0.354 euro cents per share. The total dividend amounted to €130.2 million and was paid on 29 July 2014. Of this an amount of €1.2 million related to shares held by the Group.

**14. Contingencies**

There have been no significant adverse changes in contingencies since 31 December 2014 (as described in our 2014 Integrated Annual Report available on the Coca-Cola Hellenic's web site: [www.coca-colahellenic.com](http://www.coca-colahellenic.com)). On 7 July 2015, the Supreme Administrative Court of Greece rejected our appeal against the decision of the Court of Appeals that upheld the decision but reduced the fine imposed by the Greek Competition Authority. The Supreme Administrative Court also rejected the counter-appeals by the Competition Authority and one of our competitors. Following this development, the case is closed.



**Selected explanatory notes to the condensed consolidated interim financial statements (unaudited)****15. Commitments**

As of 3 July 2015 the Group has capital commitments of €97.9 million (31 December 2014: €81.0 million), which mainly relate to plant and machinery equipment.

**16. Number of employees**

The average number of full-time equivalent employees in the first half of 2015 was 33,670 (36,857 for the first half of 2014).

**17. Related party transactions****a) The Coca-Cola Company**

As at 3 July 2015, The Coca-Cola Company and its subsidiaries (collectively, "TCCC") indirectly owned 23.1% (2014: 23.1%) of the issued share capital of Coca-Cola HBC.

Total purchases of concentrate, finished products and other materials from TCCC and its subsidiaries during the first half of 2015 amounted to €712.1 million (€729.7 million in the respective prior-year period). Total net contributions received from TCCC for marketing and promotional incentives during the same period amounted to €33.2 million (€30.6 million in the respective prior-year period).

During the first half of 2015, the Group sold €9.1 million of finished goods and raw materials to TCCC (€11.9 million in the respective prior-year period), while other income from TCCC was €3.8 million (€8.6 million in the respective prior-year period). Other expenses from TCCC amounted to €0.1 million for the first half of 2015 (€0.1 million in the respective prior-year period).

As at 3 July 2015, the Group had a total amount of €99.5 million due from TCCC (€88.2 million as at 31 December 2014), and had a total amount of €308.1 million due to TCCC including loans payable of €8.1 million (€222.3 million including loans payable of €7.3 million as at 31 December 2014).

An amount of €14.1 million was paid to TCCC in the second quarter of 2014 in relation to the acquisition of certain intangible assets.

**b) Frigoglass S.A. ('Frigoglass') and Kar-Tess Holding**

Frigoglass, a company listed on the Athens Exchange, is a manufacturer of coolers, cooler parts, glass bottles, crowns and plastics. Truad Verwaltungs AG, currently indirectly owns 44.4% of Frigoglass and also indirectly controls Kar Tess Holding, which holds approximately 23.2% (2014: 23.2%) of Coca Cola HBC's total issued capital. Frigoglass has a controlling interest in Frigoglass Industries Limited, a company in which Coca-Cola HBC has a 23.9% effective interest, through its investment in NBC.

During the first half of 2015, the Group made purchases of €49.9 million (€41.9 million in the respective prior-year period) of coolers, raw materials and containers from Frigoglass and its subsidiaries and incurred maintenance and other expenses of €6.3 million (€6.5 million in the respective prior-year period). The Group recorded other income of €0.2 million from Frigoglass during the first half of 2015 (the Group did not record any other income from Frigoglass for the respective prior-year period). As at 3 July 2015, Coca-Cola HBC owed €33.2 million (€12.1 million as at 31 December 2014) to, and was owed €0.3 million (€0.4 million as at 31 December 2014) by Frigoglass.

**c) Beverage Partners Worldwide ("BPW")**

BPW is a 50/50 joint venture between TCCC and Nestlé. The Group purchased inventory from BPW of €51.3 million during the first half of 2015 (€51.2 million in the respective prior-year period). As at 3 July 2015, the Group owed €19.9 million (€3.6 million as at 31 December 2014) to, and was owed €0.4 million (€0.9 million as at 31 December 2014) by BPW.

**Selected explanatory notes to the condensed consolidated interim financial statements (unaudited)****17. Related party transactions (continued)****d) Other related parties**

During the first half of 2015, the Group purchased €10.4 million of raw materials and finished goods (€9.7 million in the respective prior-year period) from other related parties and recorded sales of finished goods of €0.2 million (nil in the respective prior-year period) to other related parties. In addition, the Group received reimbursement for direct marketing expenses of €0.4 million for the first half of 2015 (nil for the respective prior-year period) from other related parties. Furthermore the Group acquired €0.8 million in tangible fixed assets from other related parties during the first half of 2015 (€1.0 million for the respective prior-year period). During the first half of 2015 the Group incurred other expenses of €14.7 million (€17.8 million in the respective prior-year period) and recorded income of €0.2 million (€0.3 million in the respective prior-year period). As at 3 July 2015, the Group owed €6.6 million (€8.9 million as at 31 December 2014) to, and was owed €3.7 million including loans receivable of €0.2 million (€2.3 million as at 31 December 2014 with loans receivable of €0.2 million) by other related parties.

**e) Joint Ventures**

During the first half of 2015, the Group purchased €25.5 million of finished goods (€27.8 million in the respective prior-year period) from joint ventures while the Group recorded sales of finished goods to joint ventures of €0.6 million for the first half of 2015 (€0.3 million for the respective prior-year period). In addition, the Group received reimbursement for direct marketing expenses €0.1 million for the first half of 2015 (nil in the respective prior-year period). Furthermore, during the first half of 2015, the Group incurred expenses of €0.3 million (€0.4 million for the respective prior-year period) and recorded other income of €0.5 million from joint ventures for the first half of 2015 (€0.5 million in the respective prior-year period). As at 3 July 2015, the Group owed €47.5 million including loans payable of €31.6 (€163.7 million as at 31 December 2014 including loans payable of €150.2) to, and was owed €16.6 million including loans receivable of €5.1 (€17.4 million as at 31 December 2014 including loans receivable of €5.1m) by joint ventures. In March 2015 the Group received dividend of €113.8 million from Brewinvest S.A., parent company of Brewinvest S.A. Group of companies.

There were no transactions between Coca-Cola HBC and the directors and senior management except for remuneration for both the six months ended 3 July 2015 and the prior-year period.

There were no other significant transactions with related parties for the first half of 2015.

**18. Recent developments in Ukraine, the Russian Federation and Greece**

We disclosed in our 2014 Integrated Annual Report that the ongoing situation in Ukraine and the Russian Federation has adversely impacted the economies of these countries, and among other things, resulted in increased volatility in currency markets, causing the Russian rouble and the Ukrainian hryvnia to depreciate significantly against some major currencies. Although there have been no significant developments following the publication of our Integrated Annual Report, we continually monitor and assess the situation in order to ensure that timely actions and initiatives are undertaken to minimize potential adverse impact on the Company's performance.

In addition, we disclosed in our 2014 Integrated Annual Report that the macroeconomic and financial environment in Greece remained fragile. The recent developments relating to the instability of the Greek banking sector, the resulting imposition of capital controls restricting the movement of funds out of Greece, and the expected GDP decline for 2015, are anticipated to further impact consumer's disposable income which may adversely affect the Group's operations in Greece for the second half of 2015. Our 2015 first half year revenues for Greece amounted to 6% of consolidated net sales revenues and 3% of the consolidated non-current assets. We are continuously monitoring developments in Greece. Cash and cash equivalents of €4.5 million were subject to capital controls as at 3 July 2015.

**Selected explanatory notes to the condensed consolidated interim financial statements (unaudited)****19. Subsequent events**

Based on new tax legislation published on 16 July 2015, the income tax rate of legal entities in Greece increased from 26% to 29% effective from 1 January 2015. The effect of the tax rate change will be to increase the net deferred tax asset resulting in an income tax credit of an estimated €2.4 million, which will be recognised in the second half of 2015.