CCH – 2015 Q3 Trading Update
Conference call script – 5 November 2015

CORPORATE PARTICIPANTS

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Good morning. Thank you for joining our call today to discuss Coca-Cola Hellenic Bottling Company's third quarter trading update.

Today, I am joined by our Chief Executive Officer, Dimitris Lois, and our Chief Financial Officer, Michalis Imellos.

Before we get started, let me remind everyone that this conference call contains various forward-looking statements. These should be considered in conjunction with the cautionary statements in our trading update press release, which we published this morning.

As per our usual format for trading updates, Dimitris will make some brief opening remarks before we open the floor to your questions, which Dimitris and Michalis will take together.

Let me now turn the call over to Dimitris.

Dimitris Lois - Coca-Cola HBC AG – CEO

Thank you Basak. Good morning everyone and thank you for joining our call.

Overall, we delivered a strong performance in the most important quarter for the business. As the year has progressed, we've become more confident about the continued momentum in our business, and the good summer weather has ensured that the third quarter saw an acceleration of the good trends we experienced in the first half.

Let me take you through the main drivers.

Firstly, we are seeing a slight consumer recovery in Europe. This recovery is evident in our Established markets, particularly our businesses in Italy and Austria. Similarly in the Developing segment, volumes in Poland, the Czech Republic and Hungary benefited from rising consumer spending as well as the good summer weather.

Also, with the exception of mainly Russia and Belarus, our Emerging markets are firmly on their growth trajectory. Romania, Nigeria, not to mention Ukraine, increased volumes in double digits in the quarter.

Looking at the categories, Sparkling growth was strong at 4%, and Water was the category where volumes exceeded our expectations as a result of increased investment in certain markets coupled with good weather.

Turning now to our own actions to drive growth, I will name only a few of the numerous initiatives we implemented in the year.

Firstly, we've had very strong plans this year for in-store execution in the organised trade channel. The two most crucial trends we were addressing were the occasion of meals at home and our consumers' growing tendency to shop with 'small baskets'. To that end, we sharpened our focus behind entry packs both for immediate and future consumption, and in doing so we've seen packages such as the 1L and the 1.25L PET bottles delivering very well.

Secondly these plans were complemented with relevant and targeted marketing initiatives. We worked closely with The Coca-Cola Company around initiatives such as Meals with Coke and socialising away from home, where the 100th year anniversary of the iconic glass contour bottle played a pivotal role.

Finally, new launches. We've taken successful products such as Coke Zero and Pulpy juice into new markets, and Moya Semya juice in Russia is still growing incrementally through increased distribution.

Collectively these drivers contributed to the strong results we announced this morning whereby Group volume grew by 5.4% in the quarter. Established and Developing segments grew by 7.4% and 10.4%, respectively. The Emerging markets segment volumes increased by 2.4%, which we believe was a great result in view of the pressure we have seen in Russia, which accounts for a third of the segment.

When we spoke to you at the time of the half-year results, we elaborated on the deflationary pressures in Europe. Unfortunately, these have persisted in the third quarter in our Established and Developing market segments, limiting pricing opportunities. The strong Water volumes in these two segments were an additional element that negatively impacted FX-neutral net sales revenue per case. In contrast, the pricing initiatives we implemented in some of the Emerging markets offset this pressure, resulting in stable FX-neutral NSR per case for the Group as a whole.

As you are aware, currencies such as the Russian Rouble and the Ukrainian Hryvnia were particularly weak in the quarter. Hence, the adverse currency impact on net sales revenue accelerated in the quarter, resulting in a 2.7% decline in net sales revenue compared to the prior-year quarter.

In conclusion, we are pleased with the strength of the business and our delivery in the quarter. We will continue to respond to the challenges in the marketplace and capture the growth opportunities despite the fact that the fourth quarter volumes will be impacted by four fewer selling days in the quarter. Overall as a result, we are confident that 2015 will be a year of volume growth across all segments and operating margin expansion.

With that, I will now hand over to the operator, and Michalis and I will take your questions.