CCH – Investor Day
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Agenda

Good afternoon. A very warm welcome from the investor relations team to everyone in the room here today and to those watching the webcast.

We've prepared a packed afternoon for you. We hope that you will find the information valuable and have plenty of opportunity to get to know all the Coca-Cola Hellenic people, who travelled from as far as Russia and Nigeria to be here.

We will start the presentations with an overview from our CEO, Dimitris. This will be followed by presentations from Keith and Zoran, on volume growth and value focus before we take a Coke break.

When we come back, we will hear from Michalis, our CFO, about cost efficiency, followed by a conclusion from Dimitris, covering responsibility, investments and the financial targets we announced this morning. We aim to wrap up the presentations just after four o'clock, giving you a chance to ask questions.

Forward-looking statements

Now, please observe the forward-looking statements disclaimer on the screen, which is also included in your packs, turn off your mobiles and enjoy the afternoon.

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Overview
Dimitris Lois, Chief Executive Officer

Coca-Cola Hellenic

Good afternoon and welcome. Thank you for joining us and for your interest in Coca-Cola HBC. I'm delighted to be joined today by CFO Michalis, who you all know well, and Region Directors Keith and Zoran. We also have with us the General Managers of five of our big countries, Naya, Stefanos, Vitaliy, Ben and Jaak, who will contribute to our question and answer session.

Many of you joined us for our Italy field trip two years ago, to discuss in detail the opportunity in one of our larger markets. Today we will talk to you about the opportunity we see for the whole group, and we will share why we are so excited and confident in the potential for the business.

For the past few years, the operating backdrop has been difficult. We faced these challenges by significantly restructuring the business. While there is still more to do, we are pleased with the progress made and we believe Coca-Cola HBC is a significantly stronger business than five years ago, primed for growth from a leaner, more efficient platform.

We were pleased that in 2015, we delivered the best performance in five years in terms of volume growth and margin progression. We hope you'll leave this afternoon's presentation with a strong sense of the opportunity we see and a belief that our confidence in the future is well-grounded, reflecting a strong competitive position underpinned by superior capabilities.

We will share with you our plans to continue the good efficiency work we've done and also the range of ongoing and new initiatives to drive volume and value.

This should be seen in the context of a more positive external environment and our geographic footprint with its inherent structural growth opportunity.

Entering a new era

Positive macroeconomic and industry trends

After six years of operating against a very challenging macro backdrop, we think conditions are improving gradually and will continue to do so. Of course when you operate in 28 different countries, it's likely that trading conditions will vary from market to market. Taking that into consideration, looking forward, across the board we are encouraged.

As you know there is a strong correlation between the consumption of non-alcoholic ready-to-drink beverages and GDP per capita. The 2008 financial crisis caused a sharp

drop in GDP per capita, which affected many of our markets resulting in a 'new normal' of lower growth or even declines. We are now seeing signs of improvement, as our 2015 results showed. From 2017, we anticipate accelerated growth, resulting in significantly better performance in all categories compared to previous five years. The average forecasted industry volume growth for the period 2016-20 is approximately 1.5%.

I will now outline in more detail our perspectives on the outlook in each of our operating segments.

Macroeconomic and trading environment

Established segment –Returning to growth

The financial crisis impacted the Established markets segment more than any other segment, with many Western European economies falling into recession. Looking ahead, we are increasingly optimistic as a number of indicators are positive. This gives us confidence that sustainable volume growth is achievable.

GDP per capita is moving towards pre-crisis levels and we expect deflationary trends to return to healthy inflation levels. Overall we expect growth in all of our categories, with a greater contribution from energy and water.

It's also important to point out that volumes remain furthest behind their 2008 levels in the Established market segment and as such, it represents a significant recovery opportunity, particularly if you consider the higher profitability of Established market countries.

Macroeconomic and trading environment

Developing segment –Accelerating growth

The Developing market segment suffered less from the financial crisis, although growth was impacted by commercial factors in certain countries. We have managed these well.

The segment is underpinned by favourable GDP per capita trends, stable population and the deflationary environment is slowly shifting to healthy levels of inflation. We see growth rates accelerating as we move through 2018 to 2020.

Macroeconomic and trading environment

Russia –Moving from stabilisation to recovery

Russia and Nigeria are two of our most important markets and comprise the overwhelming majority of our Emerging market segment, so I will spend a few moments on those countries in particular.

Russia recently suffered from a significant economic headwind in the form of economic sanctions and the lower oil price which has caused currency weakness and ultimately impacted the consumer. Volatility is inherent in Russia and a fact of life when doing business there.

GDP per capita is expected to grow and inflation is expected to stabilise, giving us confidence in a recovery from 2017 and growth across all our categories.

Macroeconomic and trading environment

Nigeria –Key growth driver

Nigeria has been and remains a key growth driver for the group. It's also a historically important market for Coca-Cola HBC as a place where we've been operating for over 50 years. It has favourable structural characteristics which will underpin growth there for a long time. This is a function of the young and growing population, improving GDP per capita and increased urbanisation.

While we anticipate a moderation of growth in the NARTD market in the 2016 to 2017 period, we see an acceleration after 2017, with sparkling soft drinks, energy and juice growing at mid to high single-digit levels.

Opportunities in our advantaged geographic footprint

Diverse and balanced portfolio of markets and products

We think that there is a second structural factor underpinning our growth prospects and that is the favourable characteristics of unique geographic spread of our operations. Our footprint is unique amongst bottlers in that we operate across 28 countries in three distinct segments, giving us exposure to very different consumption habits.

We've also built market leadership in nearly all of our countries. More than fifty percent of our volumes are in emerging markets with high growth potential.

While sparkling beverages account for 69% of our portfolio, our still portfolio has grown substantially over the last two decades from 10% to 31% of volumes. This is the highest proportion of still drinks of all the large bottlers. Not only does this give us diversification balance but ultimately, it allows us to capitalise on consumer trends.

Opportunities in our advantaged geographic footprint

Potential for consumer penetration

Looking specifically at consumption per capita across our segments, the outlook is favourable for a number of reasons.

Overall per capita consumption across our footprint is well below the European average and countries like Germany. That's true even in our Established market segment which includes several Western European countries. The emerging market segment has significant growth potential.

The countries in the Established market segment were particularly impacted by the financial crisis and remain well below their 2008 levels, presenting a significant opportunity for profitable growth. We would count Russia, Nigeria, Italy, Romania and Ukraine amongst our countries with the greatest potential for per capita consumption growth.

Opportunities in our advantaged geographic footprint

Growth through share gains

We have worked hard with our consumers and customers to build market leadership. Our average share of 40% is over double the average share of our major competitors. There are certain countries where we are below our average, like Russia, Poland, Ukraine and the Czech Republic, and these offer significant market share potential.

Beyond our largest competitor, a big slice of the market is occupied by B-brands which we've consistently taken share from over the years and which we feel confident in competing against.

Our growth model

So more specifically our growth model and how we are planning to take advantage of both macroeconomic conditions and structural characteristics to drive returns for shareholders.

In our business model TCCC creates the high level demand and builds the brands. We can see the relevant marketing both in terms of quality and quantity supporting this demand creation.

We take branded products to market with the right commercial strategy for us and our customers, while activating the brands in a well-integrated manner. We've developed market leadership, deep customer relationships and increasingly sophisticated and efficient supply chains creating barriers to entry.

Of course there are external factors that influence our business and changes in consumer trends and retail landscape that we need to adapt to. Polarising wealth requires a very well structured balance between premiumisation and affordability. Changing lifestyles drive portfolio and package choices and finally retail landscape changes and urbanisation that create the need for segmentation. We have been adaptable and smart in the face of change, and have developed the capabilities within Coca-Cola HBC to accelerate our growth in this dynamic environment.

We also have very specific ongoing initiatives and new plans to accelerate our growth both in volume and value, leading to consistent top-line growth. Keith and Zoran will talk to our plans which enable us to grow the NARTD category, make further share gains and get more value out of every case we sell.

The inherent operating leverage in the business and our leaner platform means we can use this growth to grow profitability, and 2015 was an example of this in action. Whilst we've done work on business efficiency and optimisation, there is more to do. Michalis will talk to you about this in more detail, helping you understand the operating leverage in our business, which translates top-line growth into margin expansion and ultimately, earnings growth.

The business has an excellent record of cash generation and our recent focus on working capital management and disciplined capex investment has further enhanced our cash performance giving us options for further investment.

Recent top-line performance

Constant-currency revenue evolution

We talked at length about the macroeconomic background and our expectations for industry growth. Let me take a minute to make a few points on our top line performance in that environment in the last five years.

As Established and Developing market segments sank into recession, with disposable income deteriorating year after year, we saw our top-line under considerable pressure despite the growth in the Emerging markets.

We are encouraged by the fact that we are seeing a recovery in Europe, led by the Developing segment, and continued growth in the Emerging markets segment despite the short-term challenges in Russia. While top-line growth is desirable and accretive no matter which country it comes from, the increasing weight of Established markets is particularly favourable to revenue as revenue per case is higher in these countries.

Strategy

Overview

So before I hand over to Keith, Zoran and Michalis let me leave you with our strategy slide.

We are proud of the iconic brands we sell, their heritage, their global recognition and the joy and happiness they bring to millions of consumers in multiple occasions. We are committed to support the communities we serve and create value every day. We have built market leadership which gives us a significant advantage and a position from which to take further share.

We have an engaged and motivated senior team and broader workforce with strong commercial instincts and capabilities. We have specific initiatives to deliver volume and

value growth. In some cases, these are proven in individual markets with the potential for application across the group. In others, new initiatives are driven by consumer insight and trends.

Over the past seven years we have accelerated our efforts to make the organisation more efficient. You have already seen some substantial, tangible results but there is more to do and work is ongoing in this area.

And finally, the last few years our focus was to manage the business against the strong and multiple headwinds always targeting to defend our top line while getting back to the pre- crisis margins. We remain absolutely focused on this objective. As results are delivered, this will be supplemented with the right investments, through revenue-generating assets and selective M&A.

So with that context I'll now hand over to Keith who will talk specifically about our plans for volume growth.

Driving volume growth
Keith Sanders, Region Director

Thank you Dimitris. My name is Keith Sanders and I am the Region Director of Region 2, which comprises countries such as Russia, Poland and Ukraine, among others.

Volume drivers

Dimitris outlined our strategic framework, from our purpose to our enablers, including key initiatives that will ensure sustainable revenue growth. I will be talking about just a few of those key initiatives - specifically those directly linked to driving volume:

1. Expanding and deepening our route to market
2. How we execute in-store with excellence
3. How we identify and create value with our customers
4. The Water opportunity – particularly our ability to drive value within this large and growing category

Expanding and deepening route to market

A core capability and competitive advantage

What is route to market and why is it important? Route to market is essentially the process of finding the market-appropriate sales and distribution model that enables maximisation of revenue generation and customer service levels at the optimal cost.

Route-to-market optimisation offers an unparallelled competitive advantage. It ensures revenue growth through several levers.

First, through the expansion of coverage and availability. Second, through segmentation, which determines the appropriate service and resource allocation to meet the specific needs and potential of each customer. By tailoring our support and service we maximise profitability for both CCH and our customers. Enhanced customer service at optimal cost. Everyone wins!

Expanding and deepening route to market

Route-to-market design with a range of models

Most of you are familiar with our broad geographic footprint. Operating in 28 countries, each with its own requirements and complexities, inevitably leads to a wide range of route-to-market models.

There are two basic models: Direct Sales Distribution models, or DSD, and indirect models. A full DSD model implies that our people are directly engaged in every link of the service chain, from customer development, to order generation, warehousing, delivery, invoicing, collection and merchandising.

Traditionally, most markets were covered primarily through DSD models which ensured maximum control. However, as the retail landscape matured, it became clear that one standard route-to-market approach would not ensure optimal service to all.

To address this opportunity, we expanded the indirect model where appropriate, and outsourced elements of the route-to-market chain - usually through designated wholesalers.

Designing the optimal route to market is a core capability for our Group. It enables us to determine the optimal service approach to each customer based on their size, service needs, and most importantly, their potential.

Expanding and deepening route to market

Segmentation is critical and complex

We follow a disciplined process when mapping each market and assessing the potential of each outlet. Criteria include: current size, traffic, seasonality and management. Each individual outlets potential is determined and then segmented accordingly.

The highest potential outlets are platinum, then gold, silver, bronze, and iron. The segmentation and classification of each outlet, based on their potential, determines the type of service and equipment: CDE's, racks, etc. that they receive. Or, in other words, the optimal service level.

Our resources are then effectively deployed to leverage the volume and revenue potential each outlet has. We provide more direct service, coolers, and other equipment to the outlets with the highest potential. Meanwhile, we maximise efficiency through

indirect service for outlets with lower potential. These are usually bronze and iron outlets.

Iron customers for example, would usually not have a need for, or benefit from, installation of cold drink equipment. In all likelihood, they would not even have the necessary space. Cold drink equipment coverage is of course a high priority for platinum and gold outlets. Our CDE coverage target for platinum and gold outlets is 100%.

We have built strong route-to-market capabilities at Group level, including a dedicated team, toolbox, disciplined process and governance. Three years ago, we initiated the process to formally upgrade our route-to-market capabilities in each of our markets. Through that initiative, we reinforced local resources and capabilities while ensuring a disciplined route-to-market process was embedded.

The optimal route to market in any country must be dynamic. The retail landscape continually changes and therefore route-to-market solutions must be able to continually evolve. We have built capabilities on the ground in each country to ensure we stay ahead of market changes, always providing the optimal level of service for each customer.

Expanding and deepening route to market

Romania case study

Romania is a perfect example where changes in the retail landscape necessitated a re-balancing of our route-to-market model. Through the new route-to-market solution, we upgraded service to existing and new platinum and gold customers, while expanding distribution to an additional ten thousand outlets by better leveraging our wholesaler partners. The changes increased volume in platinum, gold and silver outlets by almost one and a half million unit cases and ensured a higher level of service as measured by our RED index, which grew to 82%.

At the same time, we grew volume from new outlets by six hundred thousand cases by leveraging wholesaler partnerships.

Expanding and deepening route to market

Opportunity identified to reach more outlets more effectively

We have worked very hard to build our route-to-market core capabilities in each country. This will ensure we maintain our competitive advantage by optimising service, resource allocation and efficiency.

As mentioned, these core capabilities are important because the retail landscape is dynamic and our route to market must be too. One very good example of this is a new initiative we kicked off at the end of last year: updating Every Dealer Surveys (or EDS) in each market. Due to the dynamic nature of the retail environment, outlets open and close over time. Others change from traditional Mom & Pop stores to specialty outlets as they

are impacted by the growth of organised trade, i.e. supermarkets, discounters and convenience chains. Every few years, a complete EDS is required to ensure we have captured all relevant changes in the retail universe and incorporated appropriately within our route-to-market solutions.

Inevitably, when a formal EDS is completed after several years, we find many changes to the outlet universe. We also find many outlets that are new, or not serviced optimally. Updating and incorporating these outlets within our route-to-market model presents a tremendous incremental volume and revenue opportunity.

Given the dynamic changes in retail landscape across most of our markets over the past five years, we decided to conduct a formal EDS across key markets and cities. We are rolling out surveys in distinct waves, and will complete all target countries - more than 100 cities - by the end 2016.

As the Every Dealer Surveys are completed, we segment the new outlets and incorporate them within our route-to-market models as appropriate. This will drive immediate incremental volume, improve overall service and increase optimisation.

Expanding and deepening route to market

Italy case study

Italy offers a great example of the opportunities we have realised through an Every Dealer Survey. We conducted a pilot survey in Rome. We then expanded the survey to cover nine additional cities, which in total accounted for 17 percent of the total NARTD business in Italy. We performed a complete assessment of the outlet universe, while capturing incremental growth opportunities, both horizontally through new outlets and vertically through improved service to existing customers.

The EDS results identified 30,000 new outlets we were not servicing and 10,000 existing customers we were not servicing optimally. With the addition of new outlets, better balancing existing outlets, and improving service to platinum, gold and silver outlets we have seen an immediate impact on incremental volume, revenue, and customer service.

Executing in-store with excellence

Improving focus on Occasion Brand Pack Price Channel architecture

Once we have the optimal route to market in place, then, in order to fully capitalise on each customer's potential, we need to execute with excellence.

A key element of execution excellence is ensuring we have the right Occasion Brand Pack Price Channel architecture - OBPPC for short. OBPPC essentially refers to our strategy to have the right brand, in the right package, in the right channel at the right price for the specific occasion.

With the right OBPPC, we take full advantage of each shopper mission by defining the role of each pack for the specific mission. We subsequently price each pack accordingly to maximise volume, revenue, incidence and, ultimately, the penetration of our products into homes.

Let me give you a bit more colour on the pack roles. When a shopper comes into a grocery store, they have a purpose, a specific mission to accomplish. Shoppers with different missions are categorised as different types. We translate the shopper's purpose and type into pack roles.

The Entry or Incidence pack is used to attract new consumers. The Frequency pack's role is to drive existing consumers to buy more frequently. To get existing consumers to buy more litres each time they visit a shop, we use Upsize packages; usually these relate to items on offer. Finally, in order to cover the functional needs of consumers who are not driven solely by price, we use Upscale packages. These are mainly single-serve multipacks.

Depending on the occasion, for example At Home or Away from Home consumption, different packages may be suitable.

Executing in-store with excellence

Pricing of different packs

The values of packs are differentiated based on their roles.

What you can see in the chart is the per litre price index of each package, using the one litre package as the base. Single-serve packages are more valuable on a per litre basis, followed by single-serve multipacks and then the multi-serve packages.

Executing in-store with excellence

Implementing OBPPC in stores with zones for all shopping missions and adjacencies

By ensuring our packs are positioned and priced to play their particular role, we maximise revenue. These different packs are then displayed in the appropriate zones within a store, with each zone suited to target a different type of consumer and occasion. In other words, each pack size fulfils its role in the relevant zone for the relevant occasion, at the appropriate price.

Executing in-store with excellence

Hungary – Global award winner - An OBPPC success story

I would like to share with you an example of how updating our OBPPC strategy helped us achieve significant results. In Hungary, we updated our pack and price architecture for

the At Home occasion in order to address declines in purchase frequency and market share. Positioning each pack with the appropriate proposition at the targeted price point yielded significant results. We achieved an increase in purchase frequency and the number of household we entered. The number of transactions, i.e. the number of items bought, grew by more than 18 percent, faster than volume which grew by 15 percent. These increases also led to a one percentage point increase in our market share.

Executing in-store with excellence

Adding value to our customers' businesses and ours

You hear us refer to execution excellence. It is not a qualitative aspect of our business, but a key driver of incremental volume. We measure execution excellence through a very robust, standardised process called RED, which stands for right execution daily. RED is not just for measurement, it is a tool for continual improvement and growth. It gives us real time execution data which our team leaders and business developers use to continually elevate execution and take advantage of opportunities for growth.

We cover a very significant percentage of our customer base through RED, and this continues to grow. We measure multiple execution elements and the data is immediately uploaded and available for action. In fact, we even have photo recognition measurement in Russia. This process has been recognised by TCCC as best in class globally.

Execution excellence drives volume, which is why RED is so important to CCH.

There is a direct link between volume growth and RED index improvement. Here is an example of the volume uplift we achieved in Ukraine as we increased our RED index. This example is particularly powerful given the macro challenges we are facing in Ukraine. It is clear, execution drives volume. And, even though the Ukraine example is particularly favourable, from our experience, we estimate that there is 25 basis points to one percentage point of volume growth for every one percentage point of improvement in the RED index.

Creating joint-value with customers

Understanding occasions of consumption

To maximise value for CCH and our customers, it is essential that we understand the opportunity represented by different occasions and then prioritise accordingly. We need to determine the best way to capture each occasion and align a 'picture of success'. This picture of success is then reflected through our in-store execution.

Occasions essentially determine how our products are consumed. We have identified several occasions and have indexed them on the basis of the opportunity they present for the category overall and for our business. This was determined by examining factors such as current volume and value size, growth trend, retail price per litre and portfolio applicability.

We prioritise the top four occasions - Meals at Home, Eating Out, Drinking Out, and At Work. These represent the largest and most relevant immediate opportunity for the category and our business.

The total of these occasions represents a 4.2 billion euro opportunity in Central and Southern Europe only, if we just captured one incremental serving per week from each of these occasions.

Creating joint-value with customers

Prioritising occasions

The four occasions here refer to the occasions identified in the previous chart as those occasions we can capture with the biggest potential. Together, they account for half of the total 4.2 billion euros.

We prioritise the At Home occasion as the largest opportunity on a standalone basis. We also consider Eating out and Drinking Out - combined as the socialising occasion - to be the greatest opportunity to enhance value. Finally, while At Work is also a significant opportunity, we address it opportunistically as there is a high capital requirement.

In terms of targeting these occasions on a country-by-country basis, this is really driven by local market requirements and complexities and forms a significant part of each country's commercial plans.

Creating joint-value with customers

Deploying in-store capabilities

Bringing it all together, we translate our aligned picture of success into excellent execution in-store, capturing incremental value for ourselves and our customers.

You can see a few real examples of the 'agreed before' opportunities and how they were realised in-store.

We focus on offering our customers ideas and solutions that grow the whole category, not just the volume of our products. When our customers see us as the "category captain," we can help drive growth for customers and we gain the most from this growth.

Creating joint-value with customers

International retailer results

Let me give you an example of the results of this category work.

For an international retailer, I would like to highlight the incremental revenue delivered through the implementation of our joint category vision. The 100 million euro is more than 10 percent of their estimated growth over the next five years.

To reinforce the point, just look at the revenue growth rate achieved during the test period – 5.9% increase is 2.5 percentage points ahead of the stores in the control group.

It is important to note that joint value creation is not limited to in-store execution or category development. Working with our retail partners we continually look for opportunities to create value in all areas of our business. Including: document processes, logistics, and on-shelf availability.

On-shelf availability (limiting out of stocks) in particular is one of the easiest ways to increase volume and remains a huge revenue pool for almost every industry. Beverages are no exception.

Driving the water category with a focus on value

Water is a big part of NARTD and is growing

Moving now to category growth drivers, I would like to talk briefly about Water. Water accounts for 51 percent of the non-alcoholic ready-to-drink category in our footprint. So, it is sizable. For us, Water represents approximately 20 percent of our volume and about 10 percent of our revenue. Importantly however, it presents excellent prospects for growth in the coming years across all our segments.

In fact it is one of the fastest growing segments in many of our markets and we see this growth accelerating post 2017, reaching a compound average growth rate in the Group's markets of about two percent in the years from 2017 to 2020. Our objectives for the category are to capture and drive incremental value.

Driving the water category with a focus on value

Improving the value we get from Water

So, Water is an important part of our portfolio and a huge volume and revenue opportunity for CCH. We are particularly interested in driving incremental value through the water category. So, how are we doing this? First, we have significantly rationalised our portfolio in the last few years, shifting away from large packs and moving toward smaller, more valuable packages. You can see the improvement in our single-serve mix in the last five years. We continue to reinforce single-serve contribution through our package innovation, functional and flavoured water introductions, and of course continued investment in coolers. The positive revenue per case trends during the past five years reflect our efforts. As we've explained in the past, 2015 was a deviation from this trend, driven by the very warm weather in the third quarter which led to multi-serve packs growth but still, at a higher base than historical averages.

We continue to enhance our existing business by improving brand equity, redesigning a complementary OBPPC strategy and sustainable packaging solutions. This will help us address new segments and offer a balanced portfolio to leverage the respective occasions and needs. It will also help us focus on sustainability as a core element of our product offerings and our way of doing business.

Driving the water category with a focus on value

Water consumption propositions with potential

Water is also a very exciting category. Recent trends reflect how consumers are looking for Water to satisfy a much wider range of needs. The industry is continually evolving and converting consumers from low to higher value water propositions.

At CCH, we will continue to focus on our mainstream water business while building the contribution of certain water segments, particularly premium and flavoured. We will create value across our portfolio through differentiated packaging, focused execution, premiumisation, HoReCa packs and flavoured water.

Commodity and bulk water are to be tactical options only and limited to a few markets. Not a priority.

Summary

Volume drivers

In summary, I would like to leave you with the thought that there are many opportunities to achieve volume growth, and we have deliberately built the capabilities to capture these opportunities.

Capabilities such as route to market and right execution daily are established practices at CCH; we are now working on building on them with, for instance, every dealer surveys, and leveraging technology to accelerate RED opportunities.

OBPPC is also a well-embedded tool – in all of our markets. We are now refining the tool and sharing best practices.

Having said all this, we must remember that rising disposable income is an external factor that can have a meaningful impact on volumes. Dimitris talked about our expectations for growth in the light of macroeconomic factors. We expect the recovery in our markets from 2017 onwards to give us a volume tailwind in addition to the growth we are achieving with our efforts.

With that, I will hand the floor over to Zoran. Zoran…

Focusing on value
Zoran Bogdanovic, Region Director

Thank you Keith. I would like to welcome you all to our Investor Day. My name is Zoran Bogdanovic and I am the Region Director for Region 3 which includes Nigeria, Romania, Greece and Serbia.

Value drivers

The focus of my presentation will be key drivers of value growth. We will discuss occasions and particularly two key occasions - meals and socialising. We will also touch upon the importance of single-serve packages in driving transactions, and what we are doing in that respect in the hotels, restaurants and cafes, or HoReCa channels. I will provide you some more granularity on our focus in the Energy category and finally explain to you the key elements of our pricing strategies.

Capitalising on meals and socialising occasions

Meals with Coke

Occasions form one of the key components of our OBPPC strategy that Keith touched upon. It can be said that O, which stands for occasions, is a starting point in our OBPPC strategy. We will start our occasions discussion with Meals at home, which is the single biggest consumption occasion.

We address this opportunity through Meals with Coke, a joint platform and approach with TCCC. This is a multifaceted approach to create value by increasing household penetration targeting small baskets, by food combo associations in the store and by activation of single-serve packs. We implement such initiatives throughout the year in order to ensure continuous consumer engagement, through activation of relevant campaigns and in-store execution activities. Let me share with you a good example of our work on Coke and Meals.

Capitalising on meals and socialising occasions

Meals with Coke execution in Serbia

This is an overview of the key initiatives we implemented in Serbia in 2015. Our strategy was focused on achieving two key targets. First, we wanted to establish Coca-Cola's role in every day meals and, second, we wanted to help shoppers in their decisions about managing meals. How did we work towards these goals?

Our marketing campaigns focused on establishing that sharing meals with your family is one of key moments that make a home. In order to reinforce this messaging, we repeated

our activations throughout the year. We also complemented these activations with door to door sampling as a way to drive experiential trials.

At the same time, we were focusing on creating food combinations with our products, addressing two different elements. One was affordability. We included affordable meal propositions combined with our products.

The second was facilitating relevant consumer choice, ensuring that we provided them with meal preparation solutions. We connected to consumers through accessible and trusted experts on meal preparation.

Our key focus pack was the 1.25L, as the appropriate vehicle to capture the growth in small baskets.

Capitalising on meals and socialising occasions

Serbia case study

What were the results of our initiatives in 2015?

In Serbia, we improved all our targeted key metrics compared to the previous year. We grew volume in the specific pack by more than seven percent. We increased our respective market share by almost one percentage point. We increased household penetration by more than two percentage points which means there are more households buying our products as a result of this targeted focus. Finally, in terms of the key occasion related metric, which is 'goes well with food' we grew by seven percentage points compared to 2014. Overall, this is excellent performance, driven by focused execution of our initiatives.

Let me highlight though that OBPPC is not a static architecture but rather an evolving process being adapted to the complexities and emerging opportunities of each segment and market.

Capitalising on meals and socialising occasions

Coke and Meals execution in Serbia –The next step

Within this framework, we recognised an additional opportunity in Serbia at the end of 2015. The issue that we were facing was an overdependence on our two litre pack, which meant that we were not capturing the value opportunity that was there. To address this, we redesigned our OBPPC architecture with three clear objectives:

- To increase transactions faster than volume
- To capture the incremental revenue opportunity
- And, of course, reduce our dependence on the two litre pack.

To that end, we evolved our OBPPC with the following steps: firstly, we substituted 1.25L pack with 1.0L pack as our new entry pack, as an even more suitable and affordable pack

to attract new shoppers. Secondly, we introduced the 1.5 litre pack as the key pack of our new architecture, the frequency pack which, as Keith mentioned, is the pack to drive existing shoppers to buy more frequently. Finally, the third component of our architecture was to re-position the two litre pack as the upsize pack, the one to drive existing shoppers to buy larger quantities.

The results of this redesign were excellent, demonstrating this was the right direction to take in order to create additional value. In the first quarter of 2016, compared to the prior year quarter, we were able to grow transactions at a faster pace than revenue, which itself grew faster than volume. This represents the ideal equation for us. Additionally, as a result of our strong focus behind transactions growth, we significantly improved our single-serve mix compared to the same period of last year.

Increasing share of single-serve packs

Relevance of single-serve packs

Now, as Keith demonstrated a little while ago, single-serve packages have a higher net sales revenue per unit case than multi-serve packages. As a result, they can make a significant contribution in our plans and initiatives to increase the value we capture.

Growing our single-serve mix, or the contribution of single-serve packages to our total volume sold, has been an important part of our strategy for several years. We have stepped up our efforts in the last three years. This has been done on two fronts. On one hand, we have proceeded in portfolio rationalisation initiatives, removing SKUs that did not meet our value criteria. At the same time, we have been consistently focused on growing transactions faster than volume in all segments. Both initiatives have been successful as evidenced by the continuous increase in both our total and our sparkling single-serve mix.

Let us now see how we can capture the opportunity in the HoReCa channel, which is dominated by single-serve packages.

Improving performance in hotels, restaurants and cafes

Opportunity in HoReCa

So why does HoReCa offer such an opportunity? First of all, the socialising occasion, which is the combination of the eating out and drinking out occasions, represents 50 percent of the total non-alcoholic ready to drink volume. It is an occasion where consumers get in touch with our brands in these channels through experiential moments of relaxation and having a good time. It is also an occasion that will increase as a share of the mix in Europe by eight percentage points by 2030.

Currently, the socialising occasion is dominated by alcohol, mainly beer, and coffee, with TCCC's share of the occasion at five percent. The net sales revenue per unit case in this channel is double the average for our business, driven by the dominance of single-serve

packages. Finally, through our premium spirits offering, we can capitalise on the mixability element with our NARTD offering.

Combining all these elements makes HoReCa a very desirable value proposition.

Improving performance in hotels, restaurants and cafes

Italy case study

One recent example of our initiatives in this area comes from Italy. Studies revealed a desire for our iconic glass bottle when eating out. Responding to that, we focused our execution behind glass bottle penetration to drive HoReCa channel growth.

We first aimed to establish the glass contour bottle's role within the channel. This was achieved through specifically targeted campaigns with extended coverage and repetition, including product trials. At the same time, we aimed to support the trade by providing communication about serving a perfect product. We also ensured a full portfolio availability at all times, activated in the outlets with relevant point of sale materials.

The overall implementation was holistic, with advertising campaigns complemented by relevant trade activations.

Improving performance in hotels, restaurants and cafes

Italian results for the first nine months

How did we fare in the first nine months of implementing these actions? We were very pleased with our results. We reached 143,000 outlets, engaging 2,000 wholesalers. In the process, we activated 35,000 outlets with "perfect serve" leading to transactions growth of glass bottles by more than 15 percent compared to cans, increasing our revenue by 4 million euros.

The revenue per serving we achieved from glass bottles was 9 percent higher than traditional cans.

Growing in the energy category

Dual brand strategy

The energy category is another part of our focus to capture value. It is a category with a high net sales revenue per unit case, almost three times the average net sales revenue per unit case for the Group. It is also a category that is consistently expanding across our segments with a very good growth profile.

We have several energy brands, such as Ultra in Serbia, which are locally relevant. On a Group wide scale, we focus on a dual brand strategy with Burn and now Monster. These two brands account for more than 80% of our energy volumes and more than 90% of energy revenues. Monster is a brand we sold in several countries for a number of years. Since the TCCC Monster transaction, we have rolled out the brand in Russia, Italy and Romania, with Nigeria to follow. We expect to launch Monster in all our countries by 2017.

We estimate that by 2020 we will have almost doubled our revenue and volume in energy compared to 2015. Obviously the volume contribution of energy drinks at present is still fairly small. Currently, it is less than one percent of Group volumes. Still, it adds nicely to our net sales revenue per unit case. Furthermore, it allows us to target niche but growing segments of each market with a relevant proposition.

Growing in the energy category

Monster in Greece –A success story

Let me share with you a very good example of our execution capabilities put to work to drive growth in the energy category. When we introduced Monster in Greece in 2010, we had a market share of less than one percent, and the main competitor dominating the market had a market share of 75 percent. We integrated the brand within our CCH portfolio and focused our efforts on growing both the category and our market share at the same time.

The achieved results serve as a testament to our execution capabilities and to the relevance and potential of energy brands we offer. The category has grown by 40 percent since 2010, and we were able to overtake our main competitor in 2015, achieving the highest share for Monster in the EMEA region. Looking ahead, we see further opportunities in Greece for low-calorie versions as well as smaller packages targeted to HoReCa channel.

Driving pricing strategies

Four elements of pricing strategy

A successful pricing strategy is one of our most important tools in capturing value. You have heard us say that part of our strategy is to take pricing in countries impacted by adverse currency movements and the corresponding inflation. That represents only one of the pricing options that we consider for each market.

Let me walk you through the four elements of our pricing strategy. The first one is the Consumer. We consider per capita consumption in each market, both of our products and of all beverages, macroeconomic elements such as inflation and its impact on disposable income, and our brand strength and market share.

Moving now to Shopper, the 'mum' who usually does the shopping. We consider package elasticity per channel, pricing evolution compared to inflation, substitute categories and competition, and the average basket size.

We also look at the Channel/Customer element, which refers to channel dynamics such as concentration and competitive price package architecture.

Finally, segmentation is an overarching element, serving as a differentiating enabler in our implementation process.

Driving pricing strategies

Good track record despite challenging macroeconomics

We have demonstrated a good track record of growing our value despite the challenging macroeconomic and trading backdrop in which we operate. Since 2011 we have grown our FX-neutral net sales revenue per case by 1.8% on average, despite lower performance in 2015 due to adverse category mix.

For 2016, we foresee improvement of this metric in line with our performance prior to 2015 – so an average performance of 2.2%. Our results in the first quarter of 2016 increased our confidence in achieving this target for the year.

Summary

Value drivers

We are very excited about the prospects for value growth in the medium term. The initiatives we've talked you through today are part of a holistic approach from the whole organisation as well as TCCC, our partners for growth, to delivering value.

Our approach to occasions or single-serve mix are not necessarily new, but the roll-outs are becoming faster, better and more impactful all the time as we move best practice from market to market. We also believe 'Taste the feeling' will be an excellent campaign, supporting the occasions drive.

We expect Monster to give our energy strategy great momentum, both because of the entry into some of our biggest markets and also because of the power of the dual brand strategy.

Finally pricing. The recovery we see in the external environment, and by that I am referring to disposable income and inflation, should support our pricing initiatives, and 2016 has started well in that regard.

While our volumes are expected to gain real momentum around 2017, our value uplift has already started.

On that positive note, let me invite you all for a Coke break for 20 minutes.

Improving efficiency
Michalis Imellos, Chief Financial Officer

Welcome back and good afternoon from my side as well. In this part of the presentation, I will concentrate on the cost elements of our growth journey and how everything you have seen so far comes together in our margin evolution.

Efficiency drivers

More specifically, we will discuss our efforts to optimise our production and logistics infrastructure and how this work positions us for the future. You may have heard us in the past segmenting the Hellenic territory in three parts, considering the production and logistics infrastructure synergies. In this respect, we have identified three segments: Nigeria on a stand-alone basis, RBA which refers to Russia, Belarus and Armenia and the rest of our territories which we often refer to as borderless Europe.

In addition, I will provide you with some further insight into our efforts to achieve cost efficiencies through shared services expansion and product portfolio optimisation.

Finally, we will look at how these strategies, combined with those presented by Keith and Zoran, shape our journey towards reaching pre-crisis margin levels in the medium term.

Continuing production and logistics optimisation

Work done so far in Europe

Let me start with the work we have done so far in Europe. As you have heard us say in various instances, the work we have done so far has been focused on this geographic territory. We have reduced the number of production plants by 37% since 2008. At the same time, we managed to increase our production lines per plant by 38%, thus maintaining our capacity. This was achieved by replacing many older production lines from closed sites with fewer and faster lines in larger and more efficient mega plants.

At the same time, we undertook significant initiatives in relation to our logistics infrastructure. Since 2008, we reduced the number of our warehouse and distribution centres by 33%, optimising our operations while adapting to our evolving route-to-market architecture.

These initiatives produced significant results, which may not be evident at first glance. Let me give you a bit more colour.

Production overheads per unit case and as % of revenue remained stable up to 2014, despite significant headwind from declining volumes and their adverse impact on revenue. In other words, during this period up to 2014, our optimisation initiatives offset the impact of the operational de-leverage. 2015 saw a positive development in both

volumes and revenue in Europe, on the back of a more efficient infrastructure base, and therefore positive operational leverage. As a result, production overheads both on a per case basis and as % of revenue improved in 2015 compared to 2014.

With regard to logistics, our key metric is Cost to Supply, which is defined as the end-to-end cost of delivering the product to the final customer after it is produced. We have worked over the years primarily on outsourcing initiatives that converted this cost from fixed to variable, better matching it with the seasonality of our business. As you can see in the chart, the results of our initiatives accelerated after 2013, achieving a 13% reduction in cost to supply per unit case compared to 2012, with cost to supply as a percentage of net sales revenue also decreasing by approximately 1.5 percentage points over the same period. These achievements reflect our optimisation initiatives, but also our focus on ensuring our route to market is appropriate and relevant as Keith explained earlier.

Continuing production and logistics optimisation

RBA and Nigeria present opportunity

We come now to Russia, Belarus and Armenia (or RBA as we call it) and Nigeria. As you know we have started focusing our optimisation efforts on our Emerging markets in the last couple of years. The distinct characteristics of these markets, including their extensive geographic footprint, required a different approach.

We have increased our production lines per plant by more than 40%, ensuring that our production capacity can meet future growth expectations. At the same time, production infrastructure has remained fairly stable, driving our production overheads per case to remain fairly stable too.

However, production overheads as a percentage of revenue have increased in the last couple of years, due to the disproportionately adverse currency impact on our revenue base, mainly in Russia.

Our cost to supply has improved over the same period, both on a per case basis and on a percentage of revenue basis. These improvements reflect our outsourcing actions, which converted large parts of fixed costs to variable, as well as the initial benefits of adapting our route to market to the complexities of each country.

Continuing production and logistics optimisation

Looking ahead: complete Europe

Turning now to our plans and expectations for the future. Starting with Europe, we consider our work here about two thirds complete and we are focusing our efforts on finalizing our infrastructure optimisation initiatives. Having built a leaner and more agile organisation, supported by the common SAP platform across our countries, we expect to benefit from the operational leverage to our business going forward, as we did in 2015.

Let me also give you a bit more colour on how we can leverage the SAP functionalities to drive efficiencies. Having all our countries operating under a common platform allowed the establishment of a centralized production planning function. This allows for efficiency maximisation as each production site is now producing not for the needs of one country, but for the needs of the entire European footprint. We expect to improve asset utilisation by about nine percentage points, while at the same time improve our line efficiency by about five percentage points.

To better highlight this significant improvement, let me explain that by improving a production line's efficiency, we increase this line's capacity, which in turn decreases its utilisation, as it enables the production of the same volume of product in less time on the same line. This practically means that we generate spare capacity for volume growth on the same asset base, which is the whole essence of the positive impact from operational leverage.

With growing volumes, we expect that we will see benefits both in terms of production overheads as well as cost to supply as a percentage of net sales revenue. We expect a substantial improvement of about 1.5 percentage points in production overheads as a percentage of net sales revenue, driven by the operational leverage. At the same time, we expect cost to supply to improve by about 1 percentage point. This is a great example of how volume and revenue growth will manifest themselves in gross profit margin and operating expenses as percentage of net sales revenue improvement. I will come back to this concept later in my presentation.

Continuing production and logistics optimisation

Looking ahead: accelerate RBA & Nigeria

Going forward our initiatives will be accelerated in Russia and Nigeria. This is where we have intensified our efforts, helped by the completion of our SAP platform rollout. Throughout the Group, this platform serves as a key to realising cost efficiencies.

Let me start with asset utilisation. RBA is more in line with the asset utilisation levels of Europe. Nigeria on the other hand demonstrates higher asset utilisation, mainly as a result of the lower line efficiency. Within the framework of our optimisation initiatives, we expect both RBA and Nigeria to improve their asset utilisation, while at the same time improving their line efficiency. Following these improvements, we estimate that there will be sufficient capacity to accommodate the anticipated growth.

As you have seen in the previous slides, our production and logistics footprint has remained fairly stable over the years. The improvements in our production efficiency, coupled with the optimisation of our infrastructure, are expected to yield significant benefits in terms of both production and logistics costs. We expect our production overheads as a percentage of net sales revenue to decline in RBA and Nigeria by more than 3 percentage points and our cost to supply as a percentage of net sales revenue to decline by approximately 2.5 percentage points by 2020.

Utilise shared services to gain process efficiency

Business Services Organisation (BSO) achievements

Clearly, our efficiency initiatives are not limited to production infrastructure and logistics optimisation. Rolling out a common SAP platform for all our countries was a major project that was completed in 2014. This platform serves as the key enabler for many of our optimisation initiatives, one of which is the setting up of a shared services organisation.

We set up our main shared services centre, or as we call it Business Services Organisation or BSO, in 2011 in Sofia, Bulgaria. This centre covers all of our countries with the exception of Russia, which has its own Shared Services centre in Nizhniy Novgorod.

The BSO offers services to all of our countries, consolidating back-office processes in two single locations. Such services include mainly end-to-end finance and human resources processes, as well as master data management. This centralisation facilitates process standardisation, efficiency and governance, while enabling the fast implementation of best practice models across the organisation. It is a growing organisation with the number of full-time employees expected to reach eight hundred within the year, contributing annualised operating expense savings of 16 million Euros.

Driving packaging innovation

Portfolio management

As part of our cost optimisation initiatives we are also focusing on our product portfolio. This means harmonising our formulas and packages, rationalising our SKUs and reducing usage of raw materials through actions such as lightweighting.

These initiatives allow us to improve asset utilisation and reduce line changeover time, thereby improving productivity, expanding contingency supply options and reducing out of stocks. This ultimately contributes to overall cost reductions and production line efficiency.

We have significantly reduced the number of our formulas and the amount of our packaging for all key categories, increasing standardisation and consequently improving productivity. Our actions have led to decreased weight of packaging materials, with a 17% drop in PET compared to 2010, and discontinuance of more than 8% of poor performing SKUs.

Operating leverage

Margin drivers

For the last part of my presentation, I will explain operating leverage and the levers that ultimately impact our margin growth. I would first highlight that this chart is not to scale and was built only as an illustration of our expectations for margin progression.

The first lever is volume leverage; we expect that volume will grow in the 2016-17 period, contributing positively to margins, and that volume growth will accelerate post 2017. We have shared with you our industry estimates for our key categories, indicating that post 2017 all our categories will grow faster than the past five years. This acceleration is translated in the increased contribution of volume growth to the margin improvement. The equation we have given you of 1% of volume growth translating to twenty-five basis points of margin expansion remains relevant.

The second lever is revenue per case leverage and this drives the biggest margin gains. Our expectations are for faster growth in 2016 and 2017, followed by a more stable growth profile in the following three years until 2020. We have shared with you our actions behind revenue growth management, which are expected to deliver these results. As with volume, the leverage equation we have provided you of 1% of revenue per case growth yielding seventy basis points of margin expansion also remains relevant.

Turning now to the third lever: net cost efficiency. This is the result of our cost optimisation initiatives, reduced by any respective cost inflation. These results do not include the positive impact of operating leverage, but are the result of pure net cost reduction.

Finally coming to FX and input costs. We have grouped them together, because they are elements outside of our control and inherent headwinds or tailwinds to our business. In other words, they can be considered as a combined accelerator or decelerator to our EBIT margin growth journey, that is, how soon our margin will reach the pre-crisis levels of 11%.

Operating leverage

Levers reflected on the P&L

Before I give the floor back to Dimitris, I would like to clarify how one should expect to see the above dynamics manifesting themselves in our P&L. This will also illustrate why top line growth is so critical in our journey to returning to pre-crisis level margins.

We will focus on two lines only and these are gross profit margin and operating expenses as percentage of revenue, as these two make up the operating profit (EBIT) margin. Once again, this chart is not to scale.

You can see from the chart that gross profit margin will contribute far less to our overall margin expansion than operating expenses as percent of revenue. Let me walk you through the reason for that.

Gross profit margin is positively influenced by top line growth and production cost efficiencies, but adversely impacted by input cost growth and transactional FX impact (which, as you know, is the bulk of our FX hit every year). As a result, gross profit (the numerator) moves disproportionately slowly compared to revenue (the denominator), thus driving a relatively low gross profit margin expansion.

On the other hand, operating expenses as percentage of revenue will contract significantly. This is because cost to supply, shared services and other net cost efficiencies (the numerator) create a favourable cost base for the faster growing total revenue (the denominator). This is exactly the positive impact of operating leverage, driven by the fast expansion of revenue on a relatively stable and efficient cost base. The impact of FX is minimal on operating expenses as percentage of revenue, because Translation FX impacts both the numerator and the denominator proportionately.

These diverse dynamics are the reason why one should expect to see a bigger contribution from operating expenses as percentage of revenue than from gross profit margin, as we head towards pre-crisis levels of operating profit margins.

With that, let me now pass the floor to Dimitris for his concluding remarks.

Conclusion
Dimitris Lois

Thank you Michali.

Investing for the long term

I hope the initiatives that Keith, Zoran and Michalis have outlined give you a good sense of how we are going to capture the opportunities in our business. To capitalise on these opportunities and deliver long-term growth for our shareholders, we also invest in a few very important areas.

Our people and the communities we serve are among our priorities. We also develop and nurture our relationship with The Coca-Cola Company.

In addition, the use of our cash to further support our long-term growth. We believe we have investment opportunities for revenue-generating assets across our business.

Let me give you a little more detail on all of these areas.

Engaging our people

Unparalleled talent and high-performance mindset

We strongly believe that our people are the most important enabler to reach our vision. We are absolutely committed to develop plans to address and enhance engagement. In 2014 we took our engagement measurements to the next level by benchmarking ourselves with a pool of companies covering more than eight hundred thousand employees. We measure sustainable engagement, using Willis Towers Watson methodology.

Our Sustainable Engagement Index score was 87% in 2015, up from 82% in the prior year. 99% of our people participated in our 2015 engagement survey. Our engagement results for 2015 are higher than other companies in the Willis Towers Watson benchmarking pool of High Performing Companies. They are also higher than average results for FTSE 100 companies participating in this pool and other companies in the Coca-Cola System.

It goes without saying that I am very proud of these results.

Developing our people is the first priority for all our line managers across Hellenic. It starts with a high performance mindset and our values and the relevant behaviours, with a strong emphasis on entrepreneurship.

We have identified a list of critical skills and capabilities per layer as well as key results areas. The final building block is all about leadership and specific actions focusing on impact.

To conclude we are very disciplined with following both our personal and team performance management system that connects the business strategic priorities to the vital few KBIs.

Acting responsibly

Promoting health and wellness

We believe that our business can only be as strong as the communities in which we operate.

We provide products and services that generate income for employees, payments to suppliers and tax revenue for governments. One job at Coca-Cola generates, on average, 10 jobs in the wider economy in most of our countries.

Our community programmes focused on four areas: youth development, environmental protection, water stewardship and promoting active, healthy lifestyles. We invested in 2015, 2.5% of our profit before tax.

We are addressing the continuous change of consumers' preferences, providing and shaping choice, listening, while proactively and transparently engaging with the industry, policy makers and experts to contribute to the well- being of our communities.

We have a balanced portfolio of sparkling and still beverages, with still beverages accounting for 31% of our volume - higher than any other major bottler. Within our sparkling drinks, the proportion of low and no-calorie sparkling drinks are gaining share. We are also working on smaller pack sizes and innovation with The Coca-Cola Company.

We promote packaging, with color-coded nutritional labelling rolled out voluntarily for Coke in markets, where this is relevant.

We encourage active lifestyles. In 2015, 1.4 million people participated in our sports programmes, and our goal is to involve 6.7 million people by 2020.

Acting responsibly

Minimising our environmental impact

Sustainability is integrated into all aspects of our business and we are reducing our environmental footprint by reducing consistently our water, energy and carbon emissions, with specific targets embedded in the business plans of each of our 20 business units.

We are proud of our achievements in this area, being the European & Global Industry leader in DJSI, and 13 of our plants being awarded the highest recognition in Water Stewardship. We aim at raising the bar higher!

We talked a lot about cost leadership today and maintaining this involves carefully managing all inputs to our business. In 2015, we introduced Accounting for sustainability methodology through which we evaluate the capital expenditure to reduce water, energy and carbon footprint.

We also invested a total of 10 million Euros in water and energy saving initiatives last year, and we estimate that these investments will be recouped through lower energy and water costs by 2018.

Having made a lot of progress in the reduction of energy, water and gas emissions, we set new, more ambitious targets. We aim to achieve the new target levels by 2020.

Working with The Coca-Cola Company

Symbiotic relationship

The final pillar that I would like to address is the relationship we have with The Coca-Cola Company.

This is a Symbiotic Relationship. It is a Greek Word and elaborating a bit, it means living together – working together – winning together and winning together starts with aligned goals.

We are very happy to see the focus on revenue which is a fact announced in late 2014 and currently an integral part of the way we plan together.

Investing together, better and more marketing. We are very happy to see the new era in marketing, with the One Brand strategy and the best ever campaign.

Additionally, we very much value the focus from TCCC on the accelerated refranchising.

Finally, talking about relationships we were very honoured to host in one of our countries for the 2nd consecutive year the Global System meeting and very privileged to be given the opportunity to present as best practice our Nigerian story as well as our revenue growth management framework.

Priorities for investments

Investing in the business

Let us now look at the capital investments we are making to strengthen and grow our business.

We have a very good track record of cash flow generation. Since 2010, we have reduced our year-end working capital balance by nearly €370 million. Our efforts focused on changing the culture and implementing discipline in all parts of the business.

Since we reached the negative working capital year-end balance in 2013, reductions have continued, but at a diminishing rate. For 2015 our working capital year-end balance reached negative 108 million euros, earlier than anticipated.

We have a medium-term target for capital expenditure which ranges from 5.5% to 6.5% of net sales revenue. The majority of this is invested in revenue-generating assets such as state-of-the-art filling lines and cold drink equipment. Given our integrated capital expenditure decisions, and our disciplined approach to capital expenditure, we continue to believe our medium-term target range is appropriate for nurturing our future growth.

Since 2010, we have generated, on average, 400 million euros of free cash flow annually, giving us a strong balance sheet we can leverage.

Priorities for investments

Use of cash

We have been very vocal that we are looking for bolt-on acquisitions in still drinks in our existing territory. These are likely to be local brands with strong brand equity. While very desirable, such companies tend to be owned by individuals or families, making the timing of such acquisitions opportunistic.

In December 2015, we made one such acquisition. We acquired Neptunas, a water brand with 20% share in Lithuania. Neptunas has an excellent reputation in the local market and a very high brand love score. We plan to grow and expand distribution in all channels in Lithuania and are exploring expansion into the other Baltic countries.

We are often asked how we think about adding other markets to our territory, so I feel it would be amiss not to say anything about this. As you will appreciate, we have been focused on our business in recent years and have prioritised growth and margin expansion over M&A.

Having said that, there are some seismic changes in the beverage space that we need to take into consideration. Ultimately we are here to serve the best interest of our

shareholders, so while top-line growth and returning margins to pre-crisis levels remain our top priorities, as our markets recover, we will start taking a more active approach to M&A. In that respect, we are keen to maintain a strong balance sheet.

We do have a progressive dividend policy with a pay-out ratio of 35-45%. We believe that this continues to be appropriate in the medium term.

If, however, we feel the need to optimise our balance sheet, we would do this with a special dividend mechanism.

Energised by the prospects of our business

Medium-term targets

So to conclude; I hope we have been able to leave you with a clear view of our confidence in the prospects for the business and our capabilities and focus on delivery. As we have outlined in detail, we have specific plans to drive volume and value per case and a lean platform which will enable us to capitalise on this opportunity in an improving external environment.

As a management team we wanted to crystallise the extent of this opportunity in a measurable way, giving you a clear sense of our ambition for growth in the medium term. Collectively these targets are the scorecard against which we will measure our progress. They are both stretching and realistic, and we are all committed to deliver.

Thank you for your time, interest and support in Coca-Cola HBC. We look forward to continuing the dialogue with you and to updating you on our progress as we enter into this new era of growth.

And now the whole team would be delighted to take any questions you may have and hope, after that, to share another Coke break with you, or something stronger if you prefer!

Q&A transcript will be available on the Company's website on 7 June.