Coca-Cola HBC AG

2012/2013 Report on Financial Statements and other information required under Swiss law

(this report together with the UK 2013 Annual Financial Report forms
the Annual Business Report of Coca-Cola HBC AG required under Swiss law)

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Information about this report

This document constitutes the 2012/2013 Report on Financial Statements and other information required under Swiss law of Coca-Cola HBC AG ("CCHBC" or the "Company"). This report complements the 2013 UK Annual Financial Report with respect to certain additional Swiss information, and it forms, together with the separate UK 2013 Annual Financial Report, the Annual Business Report of CCHBC required under Swiss law for its financial year starting on 19 September 2012 and ending on 31 December 2013, containing the Company's

- annual management report (on the entire UK 2013 Annual Financial Report, supplemented by the additional information on capital increases on p. 102 to 105 of this report),
- consolidated financial statements (on p. 6 to 86 of this report), and
- stand-alone financial statements (on p.89 to 99 of this report).

It also contains the reports of the statutory auditor (on p. 87 to 88 and on p. 100-101).

Unless the context requires otherwise, terms defined in the UK 2013 Annual Financial Report shall have the same meaning in this report.

The consolidated financial statements printed in this report are substantially similar to those printed in the UK 2013 Annual Financial Report on p. F-4 to F-102), except that they include the following additional disclosures:

- **Note 5: Property, plant and equipment**
  " Property, plant and equipment was insured for fire, among other risks, for a replacement value of €5,494.4m as at 31 December 2013 (2012: €5,254.5m)."
- **Note 11 Inventories:**
  "The total of materials and goods purchased during 2013 was €3,550.6m (2012: €3,638.8m)."
- **Note 17 Provisions:**
  "Amounts due to pension funds:
  The amounts due to pension funds as at 31 December 2013 were €19.1m (2012: €18.0m)."

Chairman's statement

Dear Shareholder

Although 2013 remained a challenging year in most of our markets, we remained focused on our four strategic priorities: community trust, customer preference, consumer relevance and cost leadership.

As a result, our initiatives in the marketplace delivered encouraging results and allowed us to gain or maintain volume share in sparkling beverages and value share in the non-alcoholic ready-to-drink beverages categories in the majority of our markets. This outcome, especially against the backdrop of economic difficulties and volatility in our territories reaffirmed my confidence that we will continue to capture growth opportunities as they emerge.

In 2013, we continued to drive efficiency and cost reduction by leveraging the scale and geographic footprint of our business. We are centralising business services in low-cost environments and investing in cross-border manufacturing and logistics. Furthermore, we are exploiting the flexibility of our business strategy to respond to market trends so as to offer value to both customers and consumers. Our winning at the point of sale strategy has made us a leader in the sparkling beverages category in all of our 28 markets.

Our admission to premium listing on the London Stock Exchange in 2013 represented a major milestone. Later in the year, we were also included in the FTSE 100 and FTSE All-Share indices. We expect this to benefit our shareholders through enhanced trading liquidity and to allow our company access to a wider pool of institutional investors.

We believe strong governance is critical to the long-term creation of shareholder value. In preparation for our premium listing on the London Stock Exchange, and in light of the UK Corporate Governance Code, we reviewed and refreshed our corporate governance practices. We also increased the number of independent non-executive directors and introduced annual elections to the Board by our shareholders. With the retirement of Kent Atkinson, we appointed two new independent non-executive directors in 2013: Stefan F. Heidenreich and Susan Kilsby. I would like to extend my sincerest thanks to Kent for his contributions over many years and welcome Stefan and Susan to the Board.

In challenging times, sustainability programmes are more important than ever in maintaining trust in our business. Now in their second decade, our environmental projects focus on three key areas: water stewardship, energy and emissions, and packaging, waste and recycling. To help promote sustainability and corporate responsibility, we support local networks of the United Nations Global Compact and other business initiatives. In 2013, our Romanian plant in Ploiesti received the first European Water Stewardship Standard Gold Medal.

Obesity remains a critical challenge in the markets we serve. To safeguard our future growth, we are renewing our efforts to help address this issue, encouraging active lifestyles, offering low and no-calorie beverages and promoting understanding of the calorie content and ingredients of our beverages.

Our listings in sustainability indices are an important measure of trust in our business. Our score on the Dow Jones Sustainability Indices (Europe and World) showed further improvement in 2013, the sixth consecutive year we have maintained our listing. Among beverage companies, CCHBC was ranked first in Europe and second in the world for sustainability.

We are cautiously optimistic about the year ahead, despite continuing volatility across our territories. By continuing to deliver on our strategic commitments, we will drive operational performance and create value for our shareowners and our communities. To that end, the Board has recommended a dividend of €0.354 per share for approval by shareholders.

Finally, I would like to thank all our employees for their contribution throughout the year. I look forward to seeing you at our Annual General Meeting.

George A. David
Chairman of the Board

CEO statement

Chief Executive's Review

Dear Shareholder

We achieved a significant milestone in 2013 as we reorganised the Group under a new Swiss holding company with a premium listing on the London Stock Exchange (LSE) and were included in the FTSE 100 and FTSE All-Shares indices. This provides enhanced visibility with the global institutional investor community and helps optimise our borrowing costs and capital structure.

During the year, we made good progress in improving our operating performance despite persistent challenging trading conditions in a number of our markets. We are implementing our 'Play to Win' strategy to achieve sustainable growth and to capture significant opportunities available across our well-balanced portfolio of countries.

A critical part of our strategy is to build a solid foundation for future growth by acting responsibly and over the years we have gained public recognition for our accomplishments. Our inclusion in the Dow Jones Sustainability Indices and the FTSE4Good index reflects our commitment to earn the trust of the communities in which we operate and to make our social and environmental responsibilities an integral part of our daily operations.

2013 in review

In 2013, adverse economic conditions and volatility in the majority of our markets led to downward pressure on our sales volume. Despite these challenges, we managed to improve our operating profit through more efficient management of operating expenses. In particular, we were able to leverage the scale and footprint of our operations by centralising business services in low cost environments and investing in opportunities for cross-border manufacturing and logistics. As a result of these initiatives, our operating margin increased after several years of decline. We also made good progress towards improving our working capital position, delivering negative working capital for the first time ever and improving our free cash flow.

Winning in the marketplace

During the year, we continued to deliver on our long-term commitment to meet our consumers' beverage needs with our portfolio of premium brands, carefully selecting the appropriate package and channel for each brand and leveraging our OBPPC (occasion-based brand, package, price and channel) strategy. Our consumer initiatives, such as our 'Connect—Share a Coke' campaign also contributed to increased sales of single-serve packages.

Sparkling beverages remain our priority category, spearheaded by trademark Coca-Cola, and in 2013 we achieved all-time high volume shares in 15 of our markets. We also grew or maintained our overall NARTD value share in the majority of our markets.

Looking ahead, I am optimistic that the new offerings that we introduced during the year, including Cappy Pulpy, will yield positive results in 2014 and beyond.

Cost Optimisation

We have set three core targets: to improve and optimise our infrastructure; to leverage our scale and to exploit our SAP Wave 2 platform across the business. During 2013 we achieved success in each of these objectives.

We continued to build our Business Services Organisation in Bulgaria with a view to streamlining and centralising many of our finance and HR processes and improving customer service and internal controls. We also continued to consolidate our procurement processes in order to leverage our scale to secure competitive input pricing.

Since 2008, we have reduced the number of manufacturing plants in Established and Developing Markets by 32%, and the distribution centres and warehouses in our total footprint, by 16% and by 9% respectively. We have also invested in new, state of the art facilities, with an emphasis on cross border consolidation. In 2013, for example, we opened an innovative new juice drink production facility in Romania to service our operations in Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania and Slovakia.

With the recent implementation in Nigeria, almost 100% of the Group is now sharing SAP Wave 2, representing one of our greatest initiatives to improve operating efficiencies.

CEO statement

Our people

We continue to focus on the skills and capabilities of our more than 38,000 employees. In 2013, a core focus was maintaining and strengthening our talent pipeline ensuring that we have the right people in the right positions. As a result of our efforts, 90% of new general managers and more than 80% of function heads were promoted from within the Group. We also hired more than 200 management trainees, 50% more than in 2012. Our accomplishments were recognised through our employee surveys, which showed a 6% improvement in both engagement and values scores, despite significant austerity measures in many of our countries. The engagement levels of our top 300 leaders exceeded benchmarks against other fast moving consumer goods companies.

A positive impact

Acting responsibly and maintaining trust in our business is a cornerstone for our sustainable development and future growth. In 2013, we supported Youth Development initiatives in many countries particularly those most impacted by the economic downturn. In Bulgaria, in conjunction with Sofia Technical University and the English Language Faculty of Engineering, company employees voluntarily gave lectures to students to enhance their business skills. Similarly we have Graduate Trainee Schemes in many operations, offering young and talented individuals the opportunity to build a career within our organisation. In 2013, we more than doubled participation with 400 graduates taking part. Both of these programmes will be run again during 2014.

We continue to build on our strong partnership with the Red Cross/Red Crescent societies particularly in disaster relief preparedness, community care, health training and fund raising. During 2013, we provided help and supply of almost 200,000 litres of beverages to rescue workers, volunteers and flood victims, as well as emergency funding in Austria, Czech Republic, Slovakia and Hungary.

Active lifestyle programmes to get young people and their families to move more and be physically active are becoming increasingly important, and in 2013 more than 2.1 million people participated in these programmes across Coca- Cola HBC territories.

Other initiatives included supporting International Danube Day, the world’s largest river festival and working with The Coca-Cola Company’s 5by20 programme to empower women in Nigeria, with 32,000 outlets now managed by women entrepreneurs.

Our CO2 emissions initiatives focused on improving energy efficiency and switching to cleaner energy sources, reducing our energy consumption, working with suppliers to reduce indirect emissions, developing and promoting low- carbon technologies and rolling-out Hydrofluorocarbon-free (HFC- free) coolers.

Looking Forward

Looking ahead, economic conditions in most of our markets will remain weak in 2014 and we expect macroeconomic and currency exchange headwinds. We have built strong foundations to capture opportunities for future growth. In our emerging markets, average per capita consumption of sparkling beverages is less than one third of the per capita consumption in the UK and less than a quarter of the per capita consumption in Germany. We believe that over time, convergence to these higher consumption levels represents an attractive growth opportunity for Coca-Cola HBC.

We also have important growth opportunities in working closely with our current customers to create joint value. Across many of our markets local and private brands still account for a significant share of the NARTD beverage category. We believe that our portfolio of brands combined with our proven ability to win at the point of sale, positions us well to capture growth for the long term.

Last but not least, we will continue to drive operating efficiencies to enhance our competitiveness. For 2014, our objective is to further improve the efficiency of our production infrastructure, continue to optimise our logistics and route-to-market, make strategic revenue-generating investments and maintain tight cost control.

Dimitris Lois
Chief Executive Officer

2013 Consolidated Financial Statements

Consolidated Balance Sheet

	Note	As at 31 December 2013 € million	2012 € million
Assets			
Intangible assets	4	**1,921.3**	1,944.6
Property, plant and equipment	5	**2,901.9**	3,041.4
Equity method investments	6	**170.8**	168.5
Available-for-sale financial assets	7	**2.5**	1.7
Derivative assets	8	**22.2**	35.8
Deferred tax assets	9	**43.2**	40.1
Other non-current assets	10	**61.3**	47.2
Total non-current assets		**5,123.2**	**5,279.3**
Inventories	11	**429.0**	458.0
Trade receivables	12	**730.4**	801.3
Other receivables and assets	13	**231.5**	235.5
Derivative assets	8	**5.7**	13.6
Current tax assets		**17.5**	23.3
Cash and cash equivalents	14	**737.5**	439.1
Total current assets		**2,151.6**	**1,970.8**
Total assets		**7,274.8**	**7,250.1**
Liabilities			
Short-term borrowings	15	**446.2**	555.0
Derivative liabilities	8	**12.6**	78.5
Trade payables	16	**480.8**	435.8
Other payables	16	**1,078.8**	1,119.8
Current tax liabilities		**47.7**	33.2
Total current liabilities		**2,066.1**	**2,222.3**
Long-term borrowings	15	**1,853.6**	1,604.7
Derivative liabilities	8	**84.0**	75.6
Deferred tax liabilities	9	**179.4**	177.4
Non-current provisions	17	**111.2**	149.0
Other non-current liabilities		**13.2**	14.6
Total non-current liabilities		**2,241.4**	**2,021.3**
Total liabilities		**4,307.5**	**4,243.6**
Equity			
Share capital	18	**1,997.4**	370.2
Share premium	18	**5,287.1**	569.3
Group reorganisation reserve	18	**(6,472.1)**	—
Treasury shares	19	**(70.7)**	(54.3)
Exchange equalisation reserve	19	**(293.3)**	(168.1)
Other reserves	19	**388.7**	376.6
Retained earnings		**2,125.1**	1,895.0
Equity attributable to owners of the parent		**2,962.2**	**2,988.7**
Non-controlling interests	27	**5.1**	17.8
Total equity		**2,967.3**	**3,006.5**
Total equity and liabilities		**7,274.8**	**7,250.1**

2013 Consolidated Financial Statements

Consolidated Income Statement

		Year ended 31 December		
	Note	**2013 € million**	**2012 € million**	**2011 € million**
Net sales revenue	3	**6,874.0**	7,044.7	6,824.3
Cost of goods sold		**(4,438.5)**	(4,522.2)	(4,254.7)
Gross profit		**2,435.5**	**2,522.5**	**2,569.6**
Operating expenses	20	**(2,006.3)**	(2,078.1)	(2,048.2)
Restructuring costs	20	**(55.5)**	(106.7)	(71.1)
Operating profit	3	**373.7**	**337.7**	**450.3**
Finance income		**10.0**	10.4	8.7
Finance costs		**(98.8)**	(98.0)	(96.1)
Loss on net monetary position	21	**(2.7)**	(3.1)	(7.8)
Total finance costs, net	21	**(91.5)**	(90.7)	(95.2)
Share of results of equity method investments	6	**11.9**	11.6	9.4
Profit before tax		**294.1**	**258.6**	**364.5**
Tax	3,22	**(72.9)**	(65.2)	(98.8)
Profit after tax		**221.2**	**193.4**	**265.7**
Attributable to:				
Owners of the parent		**221.2**	190.4	264.4
Non-controlling interests		**—**	3.0	1.3
		221.2	**193.4**	**265.7**
Basic and diluted earnings per share (€)	23	**0.61**	0.52	0.73

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

Consolidated Statement of Comprehensive Income

	Year ended 31 December					
	2013 € million		2012 € million		2011 € million	
Profit after tax		221.2		193.4		265.7
Other comprehensive income:						
Items that may be subsequently reclassified to income statement:						
Available-for-sale financial assets:						
Valuation gains / (losses) during the year	0.7	0.7	0.2	0.2	(0.4)	(0.4)
Cash flow hedges:						
Amounts of (losses) / gains during the year	(3.2)		(22.9)		5.3	
Amounts of losses reclassified to profit and loss for the year	10.8		9.5		3.1	
Amounts of gains reclassified to inventory for the year	(2.5)	5.1	—	(13.4)	—	8.4
Foreign currency translation		(124.3)		32.4		(54.4)
Share of other comprehensive income of equity method investments		(0.9)		(0.8)		(0.6)
Income tax relating to items that may be subsequently reclassified to income statement (refer to Note 24)		(0.2)		2.9		(2.6)
		(119.6)		**21.3**		**(49.6)**
Items that will not be subsequently reclassified to income statement:						
Actuarial gains / (losses)		11.4		(15.2)		(27.7)
Income tax relating to items that will not be subsequently reclassified to income statement (refer to Note 24)		(1.4)		2.6		5.7
		10.0		**(12.6)**		**(22.0)**
Other comprehensive income for the year, net of tax (refer to Note 24)		**(109.6)**		**8.7**		**(71.6)**
Total comprehensive income for the year		**111.6**		**202.1**		**194.1**
Total comprehensive income attributable to:						
Owners of the parent		111.6		199.1		187.8
Non-controlling interests		—		3.0		6.3
		111.6		**202.1**		**194.1**

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

Consolidated Statement of Changes in Equity

	Attributable to owners of the parent								
	Share capital € million	Share premium € million	Treasury shares € million	Exchange equalisation reserve € million	Other reserves € million	Retained earnings € million	Total € million	Non-controlling interests € million	Total equity € million
Balance as at 1 January 2011	183.1	1,119.2	(57.2)	(131.0)	366.4	1,465.0	**2,945.5**	85.6	**3,031.1**
Shares issued to employees exercising stock options	0.2	4.5	—	—	—	—	**4.7**	—	**4.7**
Share-based compensation:									
Options	—	—	—	—	8.1	—	**8.1**	—	**8.1**
Movement in treasury shares	—	—	—	—	(0.4)	—	**(0.4)**	—	**(0.4)**
Capitalisation of share premium reserve	549.7	(549.7)	—	—	—	—	**—**	—	**—**
Expenses related to share capital increase (net of tax of €1.2m)	—	(4.8)	—	—	—	—	**(4.8)**	—	**(4.8)**
Return of capital to shareholders	(183.2)	—	1.7	—	—	—	**(181.5)**	—	**(181.5)**
Share capital increase in subsidiary in Serbia	—	—	—	—	—	(0.8)	**(0.8)**	1.2	**0.4**
Purchase of shares held by non-controlling interests	—	—	—	(8.7)	—	(37.7)	**(46.4)**	(71.5)	**(117.9)**
Appropriation of reserves	—	—	—	—	0.5	(0.5)	**—**	—	**—**
Hyperinflation impact	—	—	—	—	—	(7.8)	**(7.8)**	—	**(7.8)**
Dividends	—	—	—	—	—	—	**—**	(5.8)	**(5.8)**
	549.8	**569.2**	**(55.5)**	**(139.7)**	**374.6**	**1,418.2**	**2,716.6**	**9.5**	**2,726.1**
Profit for the year net of tax	—	—	—	—	—	264.4	**264.4**	1.3	**265.7**
Other comprehensive income for the year, net of tax	—	—	—	(60.0)	5.4	(22.0)	**(76.6)**	5.0	**(71.6)**
Total comprehensive income for the year, net of tax[(1)]	—	—	—	(60.0)	5.4	242.4	**187.8**	6.3	**194.1**
Balance as at 31 December 2011	**549.8**	**569.2**	**(55.5)**	**(199.7)**	**380.0**	**1,660.6**	**2,904.4**	**15.8**	**2,920.2**

(1) The amount included in the exchange equalisation reserve of €60.0m loss for 2011 represents the exchange losses attributable to the owners of the parent of €59.4m plus the share of equity method investments of €0.6m loss.

The amount included in other reserves of €5.4m gain for 2011 consists of losses on valuation of available-for-sale financial assets of €0.4m representing revaluation losses for the year, cash flow hedges gain of €8.4m (of which €5.3m represents revaluation gains for the year and €3.1m represents revaluation losses reclassified to profit and loss for the year) and the deferred income tax loss of € 2.6m.

The amount of €242.4m profit comprises of profit for the year of €264.4m less actuarial losses of €27.7m plus deferred income tax credit of €5.7m.

The amount of €6.3m gain included in non-controlling interests for 2011 represents the share of non-controlling interests in the exchange equalisation reserve of €5.0m gain and in the retained earnings of €1.3m income.

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

Consolidated Statement of Changes in Equity

	Attributable to owners of the parent								
	Share capital € million	Share premium € million	Treasury shares € million	Exchange equalisation reserve € million	Other reserves € million	Retained earnings € million	Total € million	Non-controlling interests € million	Total equity € million
Balance as at 31 December 2011	549.8	569.2	(55.5)	(199.7)	380.0	1,660.6	**2,904.4**	15.8	**2,920.2**
Shares issued to employees exercising stock options	—	0.1	—	—	—	—	**0.1**	—	**0.1**
Share-based compensation:									
Options	—	—	—	—	6.3	—	**6.3**	—	**6.3**
Movement in treasury shares	—	—	—	—	0.1	—	**0.1**	—	**0.1**
Return of capital to shareholders	(124.6)	—	1.2	—	—	—	**(123.4)**	—	**(123.4)**
Reduction of share capital to extinguish accumulated losses of the parent company	(55.0)	—	—	—	—	55.0	**—**	—	**—**
Share of other changes in equity of equity method investments	—	—	—	—	—	(2.1)	**(2.1)**	—	**(2.1)**
Appropriation of reserves	—	—	—	—	0.5	(0.5)	**—**	—	**—**
Hyperinflation impact	—	—	—	—	—	4.2	**4.2**	—	**4.2**
Dividends	—	—	—	—	—	—	**—**	(1.0)	**(1.0)**
	370.2	**569.3**	**(54.3)**	**(199.7)**	**386.9**	**1,717.2**	**2,789.6**	**14.8**	**2,804.4**
Profit for the year net of tax	—	—	—	—	—	190.4	**190.4**	3.0	**193.4**
Other comprehensive income for the year, net of tax	—	—	—	31.6	(10.3)	(12.6)	**8.7**	—	**8.7**
Total comprehensive income for the year, net of tax(2)	—	—	—	31.6	(10.3)	177.8	**199.1**	3.0	**202.1**
Balance as at 31 December 2012	**370.2**	**569.3**	**(54.3)**	**(168.1)**	**376.6**	**1,895.0**	**2,988.7**	**17.8**	**3,006.5**

(2) The amount included in the exchange equalisation reserve of €31.6m gain for 2012 represents the exchange gains attributable to the owners of the parent of €32.4m plus the share of equity method investments of €0.8m loss.

The amount included in other reserves of €10.3m loss for 2012 consists of gains on valuation of available-for-sale financial assets of €0.2m, representing revaluation gains for the year, cash flow hedges loss of €13.4m (of which €22.9m represents revaluation losses for the year and €9.5m represents revaluation losses reclassified to profit and loss for the year) and the deferred income tax gain thereof amounting to €2.9m.

The amount of €177.8m profit comprises of profit for the year of €190.4m less actuarial losses of €15.2m plus deferred income tax credit of €2.6m.

The amount of €3.0m gain included in non-controlling interests for 2012 represents the share of non-controlling interests in the retained earnings.

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

Consolidated Statement of Changes in Equity

	Attributable to owners of the parent									
	Share capital[(4)] € million	Share premium[(4)] € million	Group reorganisation reserve[(4)] € million	Treasury shares € million	Exchange equalisation reserve € million	Other reserves € million	Retained earnings € million	Total € million	Non-controlling interests € million	Total equity € million
Balance as at 31 December 2012........	370.2	569.3	—	(54.3)	(168.1)	376.6	1,895.0	**2,988.7**	17.8	**3,006.5**
Shares issued to employees exercising stock options	6.5	9.9	—	—	—	—	—	**16.4**	—	**16.4**
Share-based compensation:										
Options	—	—	—	—	—	6.3	—	**6.3**	—	**6.3**
Movement in treasury shares	—	—	—	—	—	(0.1)	—	**(0.1)**	—	**(0.1)**
Purchase of shares held by non-controlling interest .	—	—	—	—	—	—	(5.1)	**(5.1)**	(8.2)	**(13.3)**
Change of parent company to CCHBC	1,620.7	4,832.6	(6,472.1)	(16.4)	—	1.5	—	**(33.7)**	—	**(33.7)**
Appropriation of reserves ..	—	—	—	—	—	(1.2)	1.2	**—**	—	**—**
Hyperinflation impact........	—	—	—	—	—	—	1.8	**1.8**	—	**1.8**
Dividends...........................	—	(124.7)	—	—	—	—	1.0	**(123.7)**	(4.5)	**(128.2)**
	1,997.4	**5,287.1**	**(6,472.1)**	**(70.7)**	**(168.1)**	**383.1**	**1,893.9**	**2,850.6**	**5.1**	**2,855.7**
Profit for the year net of tax..................................	—	—	—	—	—	—	221.2	**221.2**	—	**221.2**
Other comprehensive income for the year, net of tax	—	—	—	—	(125.2)	5.6	10.0	**(109.6)**	—	**(109.6)**
Total comprehensive income for the year, net of tax[(3)]	—	—	—	—	(125.2)	5.6	231.2	**111.6**	—	**111.6**
Balance as at 31 December 2013........	**1,997.4**	**5,287.1**	**(6,472.1)**	**(70.7)**	**(293.3)**	**388.7**	**2,125.1**	**2,962.2**	**5.1**	**2,967.3**

(3) The amount included in the exchange equalisation reserve of €125.2m loss for 2013 represents the exchange loss attributable to the owners of the parent of €124.3m plus the share of equity method investments of €0.9m loss.

The amount included in other reserves of €5.6m gain for 2013 consists of gains on valuation of available-for-sale financial assets of €0.7m, cash flow hedges gain of €5.1m (of which € 3.2m represents revaluation losses for the year, €10.8m represents revaluation losses reclassified to profit and loss for the year, €2.5m represents revaluation gains reclassified to inventory for the year) and the deferred income tax loss thereof amounting to €0.2m.

The amount of €231.2m profit comprises of profit for the year of €221.2m plus actuarial gains of €11.4m less a deferred income tax charge of €1.4m.

(4) As these consolidated financial statements are a continuation of the consolidated financial statements of Coca-Cola Hellenic Bottling Company S.A., for the period 1 January 2012 to 25 April 2013 these components of equity reflect the capital structure of Coca-Cola Hellenic Bottling Company S.A. and following the reorganisation these components of equity reflect the capital structure of CCHBC.

For further details, please refer to: Note 18 Share capital and share premium; Note 19 Reserves; Note 25 Shares held for equity compensation plan; Note 26; Stock option compensation plans; and Note 28; Dividends.

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

2013 Consolidated Financial Statements

Consolidated Cash Flow Statement

	Note	Year ended 31 December 2013 € million	2012 € million	2011 € million
Operating activities				
Profit after tax		**221.2**	193.4	265.7
Total finance costs, net	21	**91.5**	90.7	95.2
Share of results of equity method investments	6	**(11.9)**	(11.6)	(9.4)
Tax charged to the income statement	3,22	**72.9**	65.2	98.8
Depreciation of property, plant and equipment	5	**355.8**	375.3	368.3
Impairment of property, plant and equipment	5	**19.3**	33.0	21.0
Employee stock options	26	**6.3**	6.3	8.1
Amortisation of intangible assets	3,4	**1.0**	3.0	3.2
Other items		**—**	2.3	1.3
		756.1	**757.6**	**852.2**
(Gains) / Losses on disposals of non-current assets		**(13.6)**	6.9	3.2
Decrease / (increase) in inventories		**6.4**	(10.4)	15.3
Decrease / (increase) in trade and other receivables		**95.2**	67.2	(0.8)
(Decrease) / increase in trade and other payables		**(3.1)**	27.3	46.8
Tax paid		**(56.1)**	(95.0)	(88.4)
Net cash from operating activities		**784.9**	**753.6**	**828.3**
Investing activities				
Payments for purchases of property, plant and equipment		**(380.2)**	(395.5)	(363.9)
Proceeds from sales of property, plant and equipment		**24.5**	5.0	10.9
Net receipts from/(payments for) investments		**15.2**	(21.1)	(38.1)
Interest received		**9.7**	7.9	8.7
Net receipts from disposal of subsidiary	27	**—**	—	13.1
Net payments for acquisition of joint arrangement	27	**—**	—	(2.5)
Net cash used in investing activities		**(330.8)**	**(403.7)**	**(371.8)**
Financing activities				
Return of capital to shareholders	18,19	**—**	(123.4)	(181.5)
Payments of expenses related to the share capital increase	18	**—**	—	(6.0)
Payments for buy-out of non-controlling interest of Coca-Cola Hellenic Bottling Company SA	18	**(1.0)**	—	—
Payment for purchase of own shares	19	**(1.6)**	—	—
Purchase of shares held by non-controlling interests	27	**(18.1)**	(13.9)	(74.2)
Proceeds from shares issued to employees exercising stock options	18	**16.4**	0.1	4.7
Dividends paid to owners of the parent	28	**(123.7)**	—	—
Dividends paid to non-controlling interests		**(4.5)**	(1.0)	(5.8)
Proceeds from external borrowings		**1,596.7**	1,088.2	1,493.7
Repayments of external borrowings		**(1,488.6)**	(1,186.2)	(1,383.7)
Principal repayments of finance lease obligations		**(16.5)**	(21.8)	(48.1)
Interest paid		**(113.7)**	(100.5)	(108.9)
Net cash used in financing activities		**(154.6)**	**(358.5)**	**(309.8)**
Net increase / (decrease) in cash and cash equivalents		**299.5**	**(8.6)**	**146.7**
Movement in cash and cash equivalents				
Cash and cash equivalents at 1 January		**439.1**	447.4	306.7
Net increase / (decrease) in cash and cash equivalents		**299.5**	(8.6)	146.7
Effect of changes in exchange rates		**(4.1)**	0.9	1.6
Effect of consolidation of CCHBC		**1.8**	—	—
Hyperinflation impact on cash		**1.2**	(0.6)	(7.6)
Cash and cash equivalents at 31 December	14	**737.5**	**439.1**	**447.4**

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

Notes to the Consolidated Financial Statements

1. Basis of preparation and accounting policies

Description of business

Coca-Cola HBC AG (the 'Company' or 'CCHBC') and its subsidiaries (the 'Group' or 'CCHBC Group') are principally engaged in the production, sales and distribution of non-alcoholic ready to drink beverages, under franchise from The Coca-Cola Company ('TCCC'). The Company distributes its products in 27 countries in Europe and Nigeria. Information on the Company's operations by segment is included in Note 3.

On 11 October 2012, CCHBC, a Swiss stock corporation (Aktiengesellschaft / Société Anonyme) incorporated by Kar-Tess Holding (a related party of the Group see Note 33), announced a voluntary share exchange offer to acquire all outstanding ordinary registered shares and all American depositary shares of Coca-Cola Hellenic Bottling Company S.A. As a result of the successful completion of this offer, on 25 April 2013, CCHBC acquired 96.85% of the issued Coca-Cola Hellenic Bottling Company S.A. shares, including shares represented by American depositary shares, and became the new parent company of the Group. On 17 June 2013, CCHBC completed its statutory buy-out of the remaining shares of Coca-Cola Hellenic Bottling Company S.A. that it did not acquire upon completion of its voluntary share exchange offer. Consequently, CCHBC acquired 100% of Coca-Cola Hellenic Bottling Company S.A. which was eventually delisted from the Athens Exchange, from the London Stock Exchange where it had a secondary listing and from the New York Stock Exchange where American depositary shares were listed.

These transactions were treated as a reorganisation of an existing entity that has not changed the substance of the reporting entity. The consolidated financial statements of CCHBC are presented using the values from the consolidated financial statements of Coca-Cola Hellenic Bottling Company S.A. On the date that CCHBC became the new parent of the Group, being 25 April 2013, the statutory amounts of share capital, share premium and treasury shares of the Company have been recognised through an adjustment in the Statement of Changes in Equity under the heading 'Change of parent company to CCHBC'. The resulting difference has been recognised as a component of equity under the heading "Group reorganisation reserve".

The shares of CCHBC started trading in the premium segment of the London Stock Exchange (Ticker symbol: CCH), on the Athens Exchange (Ticker symbol: EEE) and regular way trading in CCHBC ADSs commenced on the New York Stock Exchange (Ticker symbol: CCH) on 29 April 2013.

These consolidated financial statements were approved for issue by the Board of Directors on 21 March 2014 and are expected to be verified at the Annual General Meeting to be held on 25 June 2014.

Basis of preparation

The consolidated financial statements included in this document are prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

The consolidated financial statements are prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and derivative financial instruments and the financial statements of certain subsidiaries operating in a hyperinflationary economy which are restated and expressed in terms of the measuring unit currency at the balance sheet date and translated to Euro at the exchange rate of the balance sheet date.

Basis of consolidation

Subsidiary undertakings are those companies over which the Group, directly or indirectly, has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. Subsidiary undertakings are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which effective control is transferred out of the Group.

The acquisition method of accounting is used to account for business combinations. The consideration transferred is the fair value of any asset transferred, shares issued and liabilities assumed. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their fair values at the acquisition date. The excess of the consideration transferred and the fair value of non controlling interest over the net assets acquired and liabilities assumed is recorded as goodwill. All acquisition related costs are expensed as incurred.

For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions—that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

Intercompany transactions and balances between Group companies are eliminated. Accounting policies of subsidiaries are modified where necessary to ensure consistency with policies adopted by the Group.

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when such control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Critical accounting judgments and estimates

In conformity with generally accepted accounting principles, the preparation of the consolidated financial statements for CCHBC requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities in the consolidated financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions that may be undertaken in the future, actual results may ultimately differ from estimates.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination cannot be assessed with certainty in the ordinary course of business. The Group recognises a provision for potential liabilities that may arise as a result of tax audit issues based on assessment of the probabilities as to whether additional taxes will be due. Where the final tax outcome on these matters is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such determination is made. The Group anticipates that were the final tax outcome, on the judgment areas, to differ from management's estimates by up to 10%, the Group's consolidated tax expense would increase (or decrease) by approximately €4 million.

Impairment of goodwill and indefinite-lived intangible assets

Determining whether goodwill or indefinite-lived intangible assets are impaired requires an estimation of the value-in-use of the cash-generating units to which they have been allocated in order to determine the recoverable amount of the cash generating units. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. These assumptions and a discussion on how they are established are described in Note 4.

Employee Benefits—Defined Benefit Pension Plans

The Group provides defined benefit pension plans as an employee benefit in certain territories. Determining the value of these plans requires several actuarial assumptions and estimates about discount rates, , future salary increases and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Details of assumptions used, including a sensitivity analysis are given in Note 17.

Joint Arrangements

The Group participates in several joint arrangements. Judgment is required in order to determine their classification as a joint venture where the Group has rights to the net assets of the arrangement or a joint operation where the Group has rights to the assets and obligations for the liabilities of the arrangement. In making this judgment, consideration is given to the legal form of the arrangement, the contractual terms and conditions as well as other facts and circumstances (including the economic rationale of the arrangement and the impact of the legal framework). The Group's joint arrangements are further discussed in Note 6.

Revenue recognition

Revenues are recognised when all of the following conditions are met: when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when the significant risks and rewards of ownership of the products have passed to the buyer, usually on delivery of the goods.

Revenue is measured at the fair value of the consideration received or receivable and is stated net of sales discounts, value added taxes and sales taxes as applicable, listing fees and marketing and promotional incentives provided to customers. Listing fees are incentives provided to customers for carrying the Company's products in their stores. Listing fees that are subject to contract-based term arrangements are capitalised and amortised over the term of the contract as a reduction to revenue. All other listing fees as well as marketing and promotional incentives are a reduction of revenue as incurred. The amount of listing fees capitalised at 31 December 2013 was €28.3m (31 December 2012 and 2011: €25.3m and € 23.2m respectively). Of this balance, €22.2m (31 December 2012 and 2011: €16.7m and €13.5m) was classified as current prepayments and the remainder as non-current prepayments. Listing fees recognised as a reduction to revenue for the year ended 31 December 2013 amounted to € 479.8m (years ended 31 December 2012 and 2011: €419.2m and € 311.3 respectively). Marketing and promotional incentives provided to customers during the year ended 31 December 2013 amounted to €192.9m (years ended 31 December 2012 and 2011: €185.5m and €131.4m respectively).

CCHBC receives contributions from TCCC in order to promote sales of brands of The Coca-Cola Company. Contributions for price support, marketing and promotional campaigns in respect of specific customers are recognised as an offset to promotional incentives provided to those customers to which the contributions contractually relate. These contributions are accrued and matched to the expenditure to which they relate. In the year ended 31 December 2013, such contributions totaled €69.9m (years ended 31 December 2012 and 2011 €51.2m and €49.0m respectively).

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 ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares bought back or issued during the year multiplied by a time-weighting factor. Diluted earnings per share incorporates stock options for which the average share price for the year is in excess of the exercise price of the stock option and there is a dilutive effect.

Intangible assets

Intangible assets consist mainly of goodwill, trademarks and franchise agreements. Goodwill is the excess of the consideration transferred over the fair value of the share of net assets acquired. Goodwill and other indefinite-lived intangible assets are not amortised but rather tested for impairment annually and whenever there is an indication of impairment. Goodwill and other indefinite-lived intangible assets are carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the business combination in which the goodwill arose. Other indefinite-lived intangible assets are also allocated to the Group's cash-generating units expected to benefit from those intangibles. The cash-generating units to which goodwill and other indefinite-lived intangible assets have been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount (i.e. the higher of the value in use and fair value less costs to sell) of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro-rata to the other assets of the unit on the basis of the carrying amount of each asset in the unit. Impairment losses recognised against goodwill are not reversed in subsequent periods.

Intangible assets with finite lives consist mainly of trademarks and water rights and are amortised over their useful economic lives.

The useful life of trademarks is determined after considering potential limitations that could impact the life of the trademark, such as technological and market limitations and the intent of management. The majority of the Group's trademarks have been assigned an indefinite useful life as they have an established sales history in the applicable region, it is the intention of the Group to receive a benefit from them indefinitely and there is no indication that this will not be the case.

The useful life of franchise agreements is usually based on the term of the respective franchise agreements. TCCC does not grant perpetual franchise rights outside the United States. However, the Group believes its franchise agreements, consistent with past experience, will continue to be renewed at each expiration date and have therefore been assigned indefinite useful lives.

The useful lives, both finite and indefinite, assigned to intangible assets are evaluated on an annual basis.

Goodwill and fair value adjustments arising on the acquisition of subsidiaries are treated as the assets and liabilities of those subsidiaries. These balances are denominated in the functional currency of the subsidiary and are translated to euro on a basis consistent with the other assets and liabilities of the subsidiary.

Property, plant and equipment

All property, plant and equipment is initially recorded at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Subsequent expenditure is added to the carrying value of the asset when it is probable that future economic benefits, in excess of the original assessed standard of performance of the existing asset, will flow to the operation. All other subsequent expenditure is expensed in the period in which it is incurred. Assets under construction are recorded as part of property, plant and equipment and depreciation on these assets commences when the assets are available for use.

Depreciation is calculated on a straight-line basis to allocate the depreciable amount over the estimated useful life of the assets as follows:

Freehold buildings	40 years
Leasehold buildings and improvements	Over the lease term, up to 40 years
Production equipment	4 to 20 years
Vehicles	5 to 8 years
Computer hardware and software	3 to 10 years
Marketing equipment	3 to 10 years
Fixtures and fittings	8 years
Returnable containers	3 to 12 years

Freehold land is not depreciated as it is considered to have an indefinite life.

Deposits received for returnable containers by customers are accounted for as deposit liabilities.

Residual values and useful lives of assets are reviewed and adjusted if appropriate at each balance sheet date.

Impairment of non-financial assets

Goodwill and other indefinite-lived assets are not amortised but rather tested for impairment annually and whenever there is an indication of impairment. Property, plant and equipment and other non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's fair value less cost to sell and its value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest level of separately identifiable cash flows.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to be prepared for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their use for qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed as part of finance costs in the period in which they are incurred.

Investments in associates

Investments in associated undertakings are accounted for by the equity method of accounting. Associated undertakings are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% to 50% of the voting rights.

The equity method of accounting involves recognising the Group's share of the associates' post acquisition profit or loss for the period in the income statement and its share of the post-acquisition movement in other comprehensive income is recognised in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's interest in each associate is carried in the balance sheet at an amount that reflects its share of the net assets of the associate and includes goodwill on acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless the Group has incurred obligations or made payments on behalf of the associate.

Investment in joint arrangements

Joint arrangements are arrangements in which the Group has contractually agreed sharing of control, which exists only when decisions about the relevant activities require unanimous consent. Joint arrangements are classified as joint operations or joint ventures depending upon the rights and obligations arising from the joint arrangement and are accounted for as follows:

The Group classifies a joint arrangement as a joint operation when the Group has the rights to the assets, and obligations for the liabilities, of the arrangement and accounts for each of its assets, liabilities, revenues and expenses, including its share of those held or incurred jointly, in relation to the joint operation.

The Group classifies a joint arrangement as a joint venture when the Group has rights to the net assets of the arrangement. The Group accounts for its interests in joint ventures using the equity method of accounting as described in "Investment for associates" above.

If facts and circumstances change, the Group reassesses whether it still has joint control and whether the type of joint arrangement in which it is involved has changed.

Financial assets

The Group classifies its investments in debt and equity securities into the following categories: financial assets at fair value through profit or loss ('FVTPL'), held-to-maturity and available-for-sale. The classification depends on the purpose for which the investment was acquired. FVTPL and available-for-sale financial assets are carried at fair value. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as FVTPL investments and included in current assets. Investments with a fixed maturity that management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for those with maturities within twelve months from the balance sheet date, which are classified as current assets. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale and are classified as non-current assets, unless they are expected to be realised within twelve months of the balance sheet date.

Regular purchases and sales of investments are recognised on the trade date which is the day the Group commits to purchase or sell. The investments are recognised initially at fair value plus transactions costs, except in the case of FVTPL. For investments traded in active markets, fair value is determined by reference to stock exchange quoted bid prices. For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying net assets.

Gains and losses on investments classified as FVTPL are recognised in the income statement in the period in which they arise. Unrealised gains and losses on available-for-sale financial assets are recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets that are recognised in the income statement, until the financial assets are derecognised at which time the cumulative gains or losses previously recognised in equity are reclassified to the income statement.

Held-to-maturity investments are carried at amortised cost using the effective interest rate method. Gains and losses on held-to-maturity investments are recognised in the income statement, when the investments are derecognised or impaired.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be principally recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. In order for a sale to be considered highly probable, management must be committed to the sale, an active programme to locate a buyer and complete the plan has been initiated, and the sale is expected to be completed within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of the individual assets' previous carrying amount and their fair value less costs to sell.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost for raw materials and consumables is determined either on a first-in, first-out or weighted average basis, depending on the type of inventory. Cost for work in progress and finished goods is comprised of the cost of direct materials and labour plus attributable overhead costs. Cost includes all costs incurred to bring the product in its present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to complete and sell the inventory.

Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost. A provision for doubtful debts is established when there is objective evidence that the Group will not be able to collect all amounts due, according to the original terms of the trade receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable could be uncollectible. The amount of the provision is the difference between the receivable's carrying amount and the present value of its estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the receivable is reduced by the amount of the provision, which is recognised as part of operating expenses. If a trade receivable ultimately becomes uncollectible, it is written off initially against any provision made in respect of that receivable with any excess recognised as part of operating expenses. Subsequent recoveries of amounts previously written off or provisions no longer required are credited against operating expenses.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Foreign currency and translation

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in euro, which is the presentation currency for the consolidated financial statements.

The assets and liabilities of foreign subsidiaries are translated into euro at the exchange rate ruling at the balance sheet date. The results of foreign subsidiaries are translated into euro using the average monthly exchange rate (being a reasonable approximation of the rates prevailing on the transaction dates), except for foreign subsidiaries operating in a hyperinflationary environment whose results are translated at the closing rate. The exchange differences arising on translation are recognised in other comprehensive income. On disposal of a foreign entity, accumulated exchange differences are recognised as a component of the gain or loss on disposal.

1. Basis of preparation and accounting policies

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are remeasured at the rate of exchange ruling at the balance sheet date. All gains and losses arising on remeasurement are included in income statement, except for exchange differences arising on assets and liabilities classified as cash flow hedges which are deferred in equity until the occurrence of the hedged transaction, at which time they are recognised in the income statement.

Entities operating in hyperinflationary economies prepare financial statements that are recorded in accordance with IAS 29 *Financial Reporting in Hyperinflationary Economies.* The gain or loss on net monetary position is recorded in finance costs. The application of hyperinflation accounting includes:

- Adjustment of the historical cost of non-monetary assets and liabilities and the various items of equity from their date of acquisition or inclusion in the balance sheet to the end of the year for the changes in purchasing power of the currency caused by inflation.

- The various components in the income statement and statement of cash flows have been adjusted for the inflation index since their generation.

- The subsidiary's financial statements are translated at the closing exchange rate.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and highly liquid investments with an original maturity of three months or less. Bank overdrafts are classified as short-term borrowings in the balance sheet and for the purpose of the cash flow statement.

Borrowings

All loans and borrowings are initially recognised at the fair value net of transaction costs incurred.

After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortised cost. Amortised cost is calculated using the effective interest rate method whereby any discount, premium or transaction costs associated with a loan or borrowing is amortised to the income statement over the borrowing period.

Derivative financial instruments

The Group uses derivative financial instruments, including interest rate, currency and commodity derivatives, to manage interest, currency and commodity price risk associated with the Group's underlying business activities. The Group does not use its derivative financial instruments for any trading activities.

All derivative financial instruments are initially recognised on the balance sheet at fair value and are subsequently remeasured at their fair value. Changes in the fair value of derivative financial instruments are recognised at each reporting date either in the income statement or in equity, depending on whether the derivative financial instrument qualifies for hedge accounting, and if so, whether it qualifies as a fair value hedge or a cash flow hedge. All derivative financial instruments that are not part of an effective hedging relationship (undesignated hedges) are classified as assets or liabilities at FVTPL.

At the inception of a hedge transaction the Group documents the relationship between the hedging instrument and the hedged item, as well as its risk management objective and strategy for undertaking the hedge transaction. This process includes linking the derivative financial instrument designated as a hedging instrument to the specific asset, liability, firm commitment or forecast transaction. Both at the hedge inception and on an ongoing basis, the Group assesses and documents whether the derivative financial instrument used in the hedging transaction is highly effective in offsetting changes in fair value or cash flow of the hedged item.

Changes in the fair values of derivative financial instruments that are designated and qualify as fair value hedges and are effective, are recorded in the income statement, together with the changes in the fair values of the hedged items that relate to the hedged risks. Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income and the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are recycled to the income statement as the related asset acquired or liability assumed affects the income statement. Changes in the fair values of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the income statement.

Leases

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Other leases are classified as operating leases.

Rentals paid under operating leases are charged to the income statement on a straight-line basis over the lease term.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated between liability and finance charges to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included in long-term borrowings. The interest element of the finance cost is charged to the income statement over the lease period, so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under finance lease is depreciated over the shorter of the useful life of the asset and the lease term. The useful life for leased assets corresponds with the Group policy for the depreciable life of property, plant and equipment.

Provisions

Provisions are recognised: when the Group has a present obligation (legal or constructive) as a result of a past event; when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and when a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset only when such reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Offsetting financial instruments

The Group offsets financial assets and financial liabilities to the net amount reported in the balance sheet when it currently has a legally enforceable right to offset the recognised amounts and it intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Employee benefits

The Group operates a number of defined benefit and defined contribution pension plans in its territories.

The defined benefit plans are made up of both funded and unfunded pension plans and employee leaving indemnities. The assets of funded plans are generally held in separate trustee-administered funds and are financed by payments from employees and/or the relevant Group companies.

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets.

For defined benefit pension plans, pension costs are assessed using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified to the income statement in subsequent periods. The defined benefit obligations are measured at the present value of the estimated future cash outflows using interest rates of corporate or government bonds, depending on whether or not there is a deep market for corporate bonds in the relevant country, which have terms to maturity approximating the terms of the related liability. Past service cost is recognised immediately in the income statement. A number of the Group’s operations have other long service benefits in the form of jubilee plans. These plans are measured at the present value of the estimated future cash outflows with immediate recognition of actuarial gains and losses.

The Group's contributions to the defined contribution pension plans are charged to the income statement in the period to which the contributions relate.

Share-based payments

CCHBC issues equity-settled share-based payments to its senior managers.

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value reflects the parameters of the compensation plan, the risk-free interest rate, the expected volatility, the dividend yield and the early exercise experience of the Group's plans. Expected volatility is determined by calculating the historical volatility of CCHBC's share price over previous years. The fair value determined at the grant date of the equity- settled share-based payments is expensed on a straight-line basis over the vesting period.

In addition, the Group operates an employee stock purchase plan, an equity compensation in which eligible employees can participate. The Group makes contributions to the plan for participating employees and recognises expenses over the vesting period of the contributed shares. Any unvested shares held by the plan are owned by the Group and are recorded at cost on the balance sheet, within equity, until they vest.

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: a) when the Group can no longer withdraw the offer of those benefits and b) when the Group recognises costs for a restructuring that is within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

Taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, the deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Tax rates enacted or substantively enacted at the balance sheet date are those that are expected to apply when the deferred tax asset is realised or deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled by the Group, and it is probable that the temporary difference will not reverse in the foreseeable future.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or in equity. In this case the tax is recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Franchise incentive arrangements

TCCC, at its sole discretion, provides the Group with various incentives, including contributions toward the purchase of cold drink equipment. Payments are made on placement of coolers and are based on franchise incentive arrangements. The terms and conditions of these arrangements require reimbursement if certain conditions stipulated in the agreements are not met, including minimum volume through-put requirements. Support payments received from TCCC for the placement of cold drink equipment are deducted from the cost of the related asset.

Share capital

CCHBC has only one class of shares, ordinary shares. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded to the share premium reserve.

Incremental external costs directly attributable to the issue of new shares or to the process of returning capital to shareholders are recorded in equity as a deduction, net of tax, in the share premium reserve.

Dividends

Dividends are recorded in the Group's consolidated financial statements in the period in which they are approved by the Group's shareholders.

Comparative Figures

Comparative figures have been reclassified and adjusted where necessary to conform with changes in presentation in the current year and account for the change in the accounting policies discussed below.

An amount of €7.8m has been reclassified from 2012 comparatives, within current liabilities, from line item "other payables" to "derivative liabilities".

Accounting pronouncements adopted in 2013

In the current period, the Group has adopted the following new and revised standards and interpretations which were issued by the IASB and the International Financial Reporting Interpretations Committee ('IFRIC') of the IASB, that are relevant to its operations and effective for accounting periods beginning on 1 January 2013. None of these standards and interpretations had a significant effect on the consolidated financial statements of the Company but did impact disclosures. The revised and new standards and interpretations are as follows:

IFRS 13 *Fair Value Measurement* which defines fair value and establishes a single framework for measuring fair value where that is required by other standards and introduces consistent requirements for disclosures on fair value measurements. The standard applies to both financial and non- financial assets and liabilities which are measured at fair value.

Amendment to IFRS 7 *Financial Instruments: Disclosures—Offsetting Financial Assets and Financial Liabilities*. The new disclosures require disclosure of gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards, and the related net credit exposure.

The following amendments resulting from the annual improvements to IFRS (2009-2011 cycle):

> Amendment to IAS 1 *Presentation of Financial Statements*—Clarifies the requirements for comparative information and clarifies the difference between voluntary additional comparative information and the minimum required comparative information.
>
> Amendment to IAS 16 *Property, Plant and Equipment*—Classification of servicing equipment: The amendment clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.
>
> Amendment to IAS 32 *Financial Instruments: Presentation*—Tax effect of distributions to holders of equity instruments: The amendment clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 *Income Taxes*.
>
> Amendment to IAS 34 *Interim Financial Reporting*: Interim financial reporting and segment information for total assets and liabilities. The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment.

Accounting pronouncements not yet adopted

At the date of approval of these consolidated financial statements, the following standards and interpretations relevant to Company's operations were issued but not yet effective and not early adopted:

IFRS 9, *Financial Instruments* as issued, reflect the first and third phases of the IASB's work on the replacement of IAS 39 *Financial Instruments: Recognition and Measurement* that relate to the classification and measurement of financial instruments and hedge accounting. The effective date of the standard has been left open pending finalization of all the phases of IFRS 9. The Group is currently evaluating the impact this standard will have on its consolidated financial statements.

In December 2011, the IASB issued an amendment to IAS 32 *Financial Instruments: Presentation* which is effective for annual reporting periods beginning on or after 1 January 2014. This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The Group is currently evaluating the impact the amendments will have on its consolidated financial statements.

In May 2013, the IASB issued IFRIC Interpretation 21 *Levies* which is effective for annual reporting periods beginning on or after 1 January 2014. IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The Group is currently evaluating the impact the interpretation will have on its consolidated financial statements.

In May 2013, the IASB issued amendments to IAS 36: *Recoverable Amount Disclosures for Non Financial Assets;* The amendments removes certain disclosures of the recoverable amount of cash generating units which had been included in IAS 36 by the issue of IFRS 13 and requires additional disclosure where non financial assets have been impaired. These amendments are effective for annual periods beginning on or after 1 January 2014. The Group is currently evaluating the impact the amendment will have on its consolidated financial statements.

In June 2013, the IASB issued amendments to IAS 39: *Novation of Derivatives and Continuation of Hedge Accounting*; the amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014. The Group is currently evaluating the impact the amendments will have on its consolidated financial statements.

In November 2013, the IASB issued an amendment to IAS 19 *Defined Benefit Plans: Employee Contribution*s. The amendment clarifies the treatment of contributions from employees or third parties to the pension plan. The amendment is effective for annual period beginning on or after 1 July 2014. The Group is currently evaluating the impact the amendment will have on its consolidated financial statements.

In December 2013, the IASB issued its annual improvements to IFRS (2011- 2013 cycle). The effective dates of the amendments are generally for annual periods beginning on or after 1 July 2014. The Group is currently evaluating the impact the amendments will have on its consolidated financial statements. The amendments are as follows:

> Amendment to IFRS 3 *Business Combinations* which clarifies that joint arrangement are outside the scope of IFRS 3, however, this scope exemption only applies to the accounting in the financial statements of the joint arrangement itself.
>
> Amendments to IFRS 13 *Fair Value Measurement* which clarify that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and liabilities on a net basis, applies to all contracts (including non financial contracts).

In December 2013, the IASB issued its annual improvements to IFRS (2010- 2012 cycle). The effective dates of the amendments are generally for annual periods beginning on or after 1 July 2014. The Group is currently evaluating the impact the amendments will have on its consolidated financial statements. The amendments are as follows:

Amendments to IFRS 2 *Share-based payment*. The amendments clarify the definition of "vesting condition" and separately define "performance condition" and "service condition".

Amendments to IFRS 3 *Business Combinations*. The amendments clarify that the obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32 *Financial Instruments: Presentation.*

Amendments to IFRS 8 *Operating segments*. The amendments require the disclosure of judgements made by management in aggregating operating segments as well as requiring a reconciliation of segment assets to the entity's assets when segment assets are reported.

Amendments to IFRS 13 *Fair Value Measurement* to clarify that short term receivables and payables may be recorded at invoice amounts when the impact of discounting is not material.

Amendments to IAS 24 *Related party disclosures* the amendment clarifies that entity that provides key management personnel services is a related party subject to the related party disclosures.

2. Exchange rates

The Group's reporting currency is the euro (€). CCHBC translates the income statements of subsidiary operations to the euro at average exchange rates and the balance sheets at the closing exchange rates at 31 December, except for subsidiaries operating in hyperinflationary environment as explained in Note 1. The principal exchange rates used for transaction and translation purposes in respect of one euro are:

	Average 2013	Average 2012	Average 2011	Closing 2013	Closing 2012
US dollar	**1.33**	1.29	1.40	**1.38**	1.33
UK sterling	**0.85**	0.81	0.87	**0.84**	0.82
Polish zloty	**4.19**	4.18	4.12	**4.15**	4.09
Nigerian naira	**207.33**	200.65	212.90	**214.41**	206.72
Hungarian forint	**296.44**	288.38	279.76	**296.36**	291.50
Swiss franc	**1.23**	1.21	1.23	**1.23**	1.21
Russian rouble	**42.26**	39.84	41.04	**44.98**	40.42
Romanian leu	**4.41**	4.46	4.23	**4.46**	4.43
Ukrainian hryvnia	**10.62**	10.28	11.11	**10.94**	10.57
Czech crown	**26.05**	25.15	24.65	**27.48**	25.08
Serbian dinar	**113.08**	113.08	101.99	**114.62**	113.46

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:

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

The Group's operations in each of these segments share similar levels of political and economic stability and development, regulatory environments, growth opportunities, customers and distribution infrastructures. The accounting policies of the Group's reportable segments are the same as those described in Note 1. The Group's chief opearating decision maker is its Operating Committee, which evaluates performance and allocates resources based on volume, net sales revenue and operating profit.

Notes to the Consolidated Financial Statements

There are no material amounts of sales or transfers between the Group's segments. In addition there are no customers who represent more than 5% of the total balance of trade receivables for the Group.

Year ended 31 December	Note	2013 € million	2012 € million	2011 € million
Volume in unit cases[(1)]				
Established		**650.6**	679.4	713.5
Developing		**381.0**	393.5	399.7
Emerging		**1,028.9**	1,011.8	974.2
Total volume in unit cases		**2,060.5**	**2,084.7**	**2,087.4**
Net sales revenue				
Established		**2,539.6**	2,701.8	2,834.8
Developing		**1,105.6**	1,148.1	1,161.5
Emerging		**3,228.8**	3,194.8	2,828.0
Total net sales revenue		**6,874.0**	**7,044.7**	**6,824.3**
Operating profit				
Established		**88.6**	92.5	201.4
Developing		**36.6**	(8.7)	58.4
Emerging		**248.5**	253.9	190.5
Total operating profit		**373.7**	**337.7**	**450.3**
Interest expense and finance charges				
Established		**(73.4)**	(76.3)	(94.3)
Developing		**(3.1)**	(2.5)	(2.2)
Emerging		**(36.7)**	(32.1)	(34.8)
Corporate		**(149.5)**	(131.3)	(146.7)
Inter segment interest expense		**161.7**	141.4	173.5
Total interest expense and finance charges	21	**(101.0)**	**(100.8)**	**(104.5)**
Finance income				
Established		**17.2**	16.9	38.9
Developing		**0.8**	1.2	1.4
Emerging		**44.4**	25.5	22.9
Corporate		**109.3**	108.2	119.0
Inter segment finance income		**(161.7)**	(141.4)	(173.5)
Total finance income	21	**10.0**	**10.4**	**8.7**
Income tax expense				
Established		**(16.0)**	(29.5)	(49.1)
Developing		**(9.5)**	(3.3)	(12.6)
Emerging		**(40.3)**	(26.9)	(29.0)
Corporate		**(7.1)**	(5.5)	(8.1)
Total income tax expense	22	**(72.9)**	**(65.2)**	**(98.8)**

Corporate line refers to holding, finance and other non-operating subsidiaries of the Group.

(1) One unit case corresponds to approximately 5.678 litres or 24 servings, being a typically used measure of volume. Volume data is derived from unaudited operational data.

Year ended 31 December	Note	2013 € million	2012 € million	2011 € million
Reconciling items				
Net foreign exchange translation losses	21	**(0.5)**	(0.3)	0.6
Share of results of equity method investments	6	**11.9**	11.6	9.4
Profit after tax		**221.2**	**193.4**	**265.7**
Expenditure on non-current assets(2)				
Established		**67.9**	123.5	117.1
Developing		**44.4**	46.4	46.5
Emerging		**267.9**	225.6	200.3
Total expenditure on non-current assets		**380.2**	**395.5**	**363.9**

Net sales revenue from external customers and the balance of long-lived assets attributed to Switzerland (the Group's country of domicile), Russia and Italy (whose revenues from external customers or long-lived assets are significant compared to the combined Group revenues from external customers or long-lived assets) and the total of all other countries, as well as the entire Group, were as follows for the years ended 31 December:

Year ended 31 December	2013 € million	2012 € million	2011 € million
Net sales revenue from external customers			
Switzerland	**412.0**	426.1	434.8
Russia	**1,498.2**	1,461.4	1,201.4
Italy	**999.0**	1,099.0	1,133.1
All countries, other than Switzerland, Russia and Italy	**3,964.8**	4,058.2	4,055.0
Total net sales revenue from external customers	**6,874.0**	**7,044.7**	**6,824.3**

	2013 € million	2012 € million	2011 € million
Non-current assets(3)			
Switzerland	**502.0**	516.6	520.6
Russia	**799.4**	840.0	817.6
Italy	**1,048.3**	1,059.8	1,072.3
All countries, other than Switzerland, Russia and Italy	**2,533.6**	2,615.2	2,568.8
Total non-current assets	**4,883.3**	**5,031.6**	**4,979.3**

(2) Total additions of property, plant and equipment for the year ended 31 December 2013 were €384.6m (2012: €468.4m, 2011: €396.1m).

(3) Excluding financial instruments, equity method investments and deferred tax assets.

4. Intangible assets

	Goodwill € million	Franchise agreements € million	Trademarks € million	Other intangible assets € million	Total € million
Cost					
As at 1 January 2013	1,891.8	156.6	80.1	24.1	**2,152.6**
Additions	—	—	—	2.5	**2.5**
Foreign currency translation	(17.5)	(0.7)	(6.6)	—	**(24.8)**
As at 31 December 2013	**1,874.3**	**155.9**	**73.5**	**26.6**	**2,130.3**
Amortisation					
As at 1 January 2013	182.4	—	8.9	16.7	**208.0**
Charge for the year	—	—	—	1.0	**1.0**
As at 31 December 2013	**182.4**	**—**	**8.9**	**17.7**	**209.0**
Net book value as at 1 January 2013	1,709.4	156.6	71.2	7.4	**1,944.6**
Net book value as at 31 December 2013	**1,691.9**	**155.9**	**64.6**	**8.9**	**1,921.3**
Cost					
As at 1 January 2012	1,880.7	156.8	78.8	24.1	**2,140.4**
Foreign currency translation	11.1	(0.2)	1.3	—	**12.2**
As at 31 December 2012	**1,891.8**	**156.6**	**80.1**	**24.1**	**2,152.6**
Amortisation					
As at 1 January 2012	182.4	—	7.8	14.8	**205.0**
Charge for the year	—	—	1.1	1.9	**3.0**
As at 31 December 2012	**182.4**	**—**	**8.9**	**16.7**	**208.0**
Net book value as at 1 January 2012	1,698.3	156.8	71.0	9.3	**1,935.4**
Net book value as at 31 December 2012	**1,709.4**	**156.6**	**71.2**	**7.4**	**1,944.6**

Goodwill is allocated to each of the Group’s cash-generating units expected to benefit from the business combination in which the goodwill arose. Other indefinite-lived intangible assets are also allocated to the Group’s cash-generating units expected to benefit from those intangibles.

The following table sets forth the carrying value of intangible assets subject to and not subject to amortisation:

	2013 € million	2012 € million
Intangible assets not subject to amortisation		
Goodwill	**1,691.9**	1,709.4
Franchise agreements	**155.9**	156.6
Trademarks	**64.5**	71.0
	1,912.3	**1,937.0**
Intangible assets subject to amortisation		
Trademarks	**0.1**	0.2
Water rights	**8.9**	6.7
Other intangible assets	**—**	0.7
	9.0	**7.6**
Total intangible assets	**1,921.3**	**1,944.6**

The following table sets forth the carrying value of goodwill and other indefinite lived intangible assets for those cash-generating units that are considered significant in comparison with the Group’s total carrying value of goodwill and other indefinite-lived intangible assets, as at 31 December 2013.

	Goodwill € million	Franchise agreements € million	Total € million
Italy	625.2	126.9	**752.1**
Switzerland	376.0	—	**376.0**
The Republic of Ireland and Northern Ireland	288.9	—	**288.9**
Total	**1,290.1**	**126.9**	**1,417.0**

Notes to the Consolidated Financial Statements

The Group conducts a test for impairment of goodwill and indefinite-lived intangible assets in accordance with IAS 36 *Impairment of Assets* annually and whenever there is an indication of impairment. No impairment was indicated from the impairment tests of 2013, 2012 and 2011.

The recoverable amount of each operation was determined through a value- in-use calculation. That calculation uses cash flow projections based on financial budgets approved by the Board of Directors covering a one-year period and cash projections for four additional years. Cash flow projections for years two to five were projected by management based on operation and market specific high-level assumptions including growth rates, discount rates and forecasted selling prices and direct costs.

Management determined gross margins based on past performance, expectations for the development of the market and expectations about raw material costs. The growth rates used in perpetuity reflect the forecasts in line with management beliefs. These forecasts exceeded, in some cases, those expected for the industry in general, due to the strength of our brand portfolio. Management estimates discount rates using rates that reflect current market assessments of the time value of money and risks specific to the countries of operation.

For those countries that are considered significant in comparison with the Group's total carrying value of goodwill and other indefinite-lived intangible assets, as at 31 December 2013, cash flows beyond the five-year period (the period in perpetuity) have been extrapolated using the following estimated growth and discount rates:

	Growth rate in perpetuity (%)		**Discount rate (%)**	
	2013	**2012**	**2013**	**2012**
Italy	**2.5**	2.5	7.7	8.5
Switzerland	**1.0**	1.0	6.0	6.4
The Republic of Ireland and Northern Ireland	**2.0**	2.0	7.2	8.2

In Italy, the recoverable amount calculated based on value in use exceeded carrying value by €491.2m. Any one of a reduction in the average gross profit margin of 3.6%, a fall in the revenue growth rate in perpetuity of 3.0%, or a rise in the weighted average discount rate of 2.1% would remove the remaining headroom. In the Republic of Ireland and Northern Ireland, the headroom was €142.6m. Any one of a reduction in the average gross profit margin of 3.1%, a fall in the revenue growth rate in perpetuity of 2.0% or a rise in the weighted average discount rate of 1.7% would remove the remaining headroom.

In addition, in the joint operation Multon ZAO Group of companies that holds € 70.1m of goodwill , the recoverable amount calculated based on value in use exceeded carrying value by €104.0m. Any one of a reduction in the average gross profit margin of 2.3%, a fall in the revenue growth rate in perpetuity of 2.3%, or a rise in the weighted average discount rate of 1.8% would remove the remaining headroom.

5. Property, plant and equipment

	Land and buildings € million	Plant and equipment € million	Returnable containers € million	Assets under construction € million	Total € million
Cost					
As at 1 January 2013	1,516.0	3,953.9	384.3	134.8	**5,989.0**
Additions	10.8	143.5	38.6	191.7	**384.6**
Effect from consolidation of CCHBC	—	—	—	0.2	**0.2**
Disposals	(46.6)	(166.4)	(47.7)	—	**(260.7)**
Reclassified from assets held for sale (refer to Note 13)	4.7	—	—	—	**4.7**
Reclassifications	67.4	152.8	—	(220.2)	**—**
Foreign currency translation	(54.9)	(139.7)	(9.1)	(2.7)	**(206.4)**
Effect of hyperinflation	0.3	1.9	—	—	**2.2**
As at 31 December 2013	**1,497.7**	**3,946.0**	**366.1**	**103.8**	**5,913.6**
Depreciation and impairment					
As at 1 January 2013	359.9	2,423.6	164.1	—	**2,947.6**
Charge for the year	41.0	289.2	25.6	—	**355.8**
Impairment	7.5	9.4	2.4	—	**19.3**
Disposals	(16.3)	(156.3)	(42.3)	—	**(214.9)**
Foreign currency translation	(12.3)	(82.4)	(3.3)	—	**(98.0)**
Effect of hyperinflation	0.1	1.8	—	—	**1.9**
As at 31 December 2013	**379.9**	**2,485.3**	**146.5**	**—**	**3,011.7**
Net book value as at 1 January 2013	1,156.1	1,530.3	220.2	134.8	**3,041.4**
Net book value as at 31 December 2013	**1,117.8**	**1,460.7**	**219.6**	**103.8**	**2,901.9**
Cost					
As at 1 January 2012	1,459.6	3,691.5	359.0	156.6	**5,666.7**
Additions	7.5	160.6	45.2	255.1	**468.4**
Disposals	(6.7)	(151.8)	(18.9)	—	**(177.4)**
Classified to assets held for sale (refer to Note 13)	(9.4)	—	—	—	**(9.4)**
Reclassifications	51.7	225.0	0.2	(276.9)	**—**
Foreign currency translation	12.8	24.8	(1.2)	0.2	**36.6**
Effect of hyperinflation	0.5	3.8	—	(0.2)	**4.1**
As at 31 December 2012	**1,516.0**	**3,953.9**	**384.3**	**134.8**	**5,989.0**
Depreciation					
As at 1 January 2012	305.3	2,211.7	151.6	—	**2,668.6**
Charge for the year	38.6	308.8	27.9	—	**375.3**
Impairment	17.6	13.4	2.0	—	**33.0**
Disposals	(4.4)	(127.0)	(17.1)	—	**(148.5)**
Foreign currency translation	2.7	13.7	(0.3)	—	**16.1**
Effect of hyperinflation	0.1	3.0	—	—	**3.1**
As at 31 December 2012	**359.9**	**2,423.6**	**164.1**	**—**	**2,947.6**
Net book value as at 1 January 2012	1,154.3	1,479.8	207.4	156.6	**2,998.1**
Net book value as at 31 December 2012	**1,156.1**	**1,530.3**	**220.2**	**134.8**	**3,041.4**

Assets under construction at 31 December 2013 include advances for equipment purchases of €19.8m (2012: €20.8m). Impairment of Property, Plant and Equipment amounted to €19.3m (2012: €33.0m). The Group recorded impairment loss of €18.3m and €1.5m in the established and emerging markets segments respectively (2012: €11.5m and €1.4m respectively), while the partial reversal of impairment for developing countries resulted in recognising €0.5m gains in this segment (2012: €20.1m loss). Impairment recorded mainly relates to restructuring initiatives. Refer also to Note 20 (b).

Property, plant and equipment was insured for fire, among other risks, for a replacement value of €5,494.4m as at 31 December 2013 (2012: €5,254.5m).

Depreciation charge for the year included in operating expenses amounted to €170.0m (2012: €183.0m). Depreciation charge for the year included in cost of goods sold amounted to €185.8m (2012: €192.3m).

Included in property, plant and equipment are assets held under finance leases, where the Group is the lessee, as follows:

	2013 € million	2012 € million
As at 1 January	157.7	161.0
Additions	22.8	42.0
Disposals	(6.6)	(36.8)
Depreciation charge	(17.3)	(15.6)
Foreign currency translation	(0.6)	7.1
As at 31 December	**156.0**	**157.7**

Assets held under finance leases have been pledged as security in relation to the liabilities under the finance leases. The net book value of land and buildings held under finance leases as at 31 December 2013 was €42.3m (2012: €48.9m). The net book value of plant and equipment held under finance leases as at 31 December 2013 was €113.7m (2012: € 108.8m).

6. Equity method investments and joint operations

(a) Investments in associates

Summarised financial information of our investments in associates is as follows:

	2013 € million	2012 € million	2011 € million
Share of profit	1.4	2.0	1.7
Share of other comprehensive income	(0.6)	(0.1)	(0.6)
Share of total comprehensive income	**0.8**	**1.9**	**1.1**

Included in investment in associates is the Group’s investment in Frigoglass Industries Limited. Nigerian Bottling Company plc holds an interest in Frigoglass of 23.9% (2012: 23.9% respectively). The Group has a 100% (2012:100%) interest in Nigeria Bottling Company plc, therefore the Group has an effective interest in Frigoglass of 23.9% (2012: 23.9%). There are restrictive controls in the movement of funds out of Nigeria.

Changes in the carrying amounts of investments in associates are as follows:

	2013 € million	2012 € million
As at 1 January	16.6	16.5
Capital increase	0.7	—
Share of results of equity method investments	1.4	2.0
Return of capital from associates	—	(1.8)
Foreign currency translation	(0.6)	(0.1)
As at 31 December	**18.1**	**16.6**

(b) Investments in joint ventures

The Group has a material joint venture with Heineken that is conducted through a number of legal entities, being the Brewinvest S.A. Group of companies and the BrewTech B.V. Group of companies. As such the joint venture is structured through separate vehicles and provides the Group with rights to their net assets. The Brewinvest S.A. Group of companies is engaged in the bottling and distribution of beer in Bulgaria. Brewinvest S.A. is incorporated in Greece and the Group owns 50% (2012: 50%) of its share capital. The BrewTech B.V. Group of companies is engaged in the bottling and distribution of soft drinks and beer in FYROM. Up until April 2012 BrewTech B.V. Group formed part of the Brewinvest S.A. Group. BrewTech B.V. is incorporated in the Netherlands and the Group owns 50% of its share capital.

Notes to the Consolidated Financial Statements

Summarised financial information of our material joint venture is as follows (the information below reflects the amount presented in the IFRS financial statements of the joint venture, and not our share in those amounts):

	2013 € million	2012 € million
Summarised balance sheet:		
Cash and cash equivalents	9.8	11.4
Other current assets (excluding cash)	28.8	15.4
Total current assets	38.6	26.8
Other current liabilities (including trade payables)	(28.0)	(27.2)
Total current liabilities	(28.0)	(27.2)
Non-current assets	195.1	215.2
Non-current other liabilities	(0.3)	(0.2)
Total non-current liabilities	(0.3)	(0.2)
Net assets	**205.4**	**214.6**
Summarised statement of comprehensive income:		
Revenue	125.5	126.4
Depreciation and amortisation	(12.3)	(11.6)
Interest income	1.0	1.8
Interest expense	—	(1.0)
Profit before tax	24.8	24.4
Income tax expense	(2.9)	(3.0)
Profit after tax	21.9	21.4
Total comprehensive income	**21.9**	**21.4**
Reconciliation of net assets to carrying amount		
Closing net assets	205.4	214.6
Interest in JV at 50%	102.7	107.3
Goodwill	16.9	16.9
Non-controlling interest	(2.1)	(2.0)
Carrying value	**117.5**	**122.2**

Summarised financial information of our investment in other joint ventures is as follows:

	2013 € million	2012 € million
Carrying amount	**35.2**	**29.7**
Share of loss	(0.3)	(1.0)
Share of other comprehensive income	(0.3)	(0.7)
Share of total comprehensive income	**(0.6)**	**(1.7)**

Changes in the carrying amounts of investments in joint ventures are as follows:

	2013 € million	2012 € million
As at 1 January	**151.9**	**125.2**
Capital injections	6.1	—
Purchases of additional share	—	20.8
Share of results of equity method investments	10.5	9.6
Return of capital from joint ventures	(13.2)	—
Dividends	(2.3)	(3.0)
Foreign currency translation	(0.3)	(0.7)
As at 31 December	**152.7**	**151.9**

Purchase of additional share relates to purchase of non-controlling interest in A.D. Pivara Skopje, the beer and beverages subsidiary of BrewTech B.V. in FYROM.

At 31 December 2013, the Group’s share of the capital commitments of its joint ventures amounted to €0.8m (2012: €0.6m).

At 31 December 2013, the Group's share of the long-term commitments of its joint ventures to purchase raw materials and receive services, amounted to €1.3m (2012: €0.7m).

(c) Investments in joint operations

The Group has a 50% interest in the Multon Z.A.O. Group of companies (Multon). Multon is engaged in the production and distribution of juices in Russia and is classified as a joint operation as the arrangement gives the Group right to the assets and obligations for the liabilities relating to the joint arrangement.

Other joint operations of the Group comprise mainly a 50% interest in each of several water businesses including Romerquelle, Fonti Del Vulture, Dorna, Multivita, Valser and Vlasinka which are engaged in the production and distribution of water in Austria, Italy, Romania, Poland, Switzerland and Serbia respectively.

7. Available-for-sale financial assets

Movements in available-for-sale financial assets are as follows:

	2013 € million	2012 € million
As at 1 January	**1.7**	1.2
Purchases	**0.2**	0.4
Disposals	**(0.1)**	(0.1)
Unrealised gains on available-for-sale financial assets	**0.7**	0.2
As at 31 December	**2.5**	**1.7**

Available-for-sale financial assets relate to listed equities of €1.7m (2012: €1.0m) and other unlisted equities of €0.8m (2012: €0.7m). The fair values of available-for-sale financial assets are based on quoted market prices, where available, or discounted cash flow projections where quoted market prices are unavailable.

8. Financial Instruments

Categories of financial instruments as at 31 December were as follows:

2013

Assets	Loans and receivables € million	Assets at FVTPL € million	Derivatives used for hedging € million	Held-to-maturity € million	Available-for-sale € million	Total € million
Investments	—	—	—	1.3	2.5	**3.8**
Derivative financial instruments	—	2.7	25.2	—	—	**27.9**
Trade and other receivables excluding prepayments	931.5	—	—	—	—	**931.5**
Cash and cash equivalents	737.5	—	—	—	—	**737.5**
Total	**1,669.0**	**2.7**	**25.2**	**1.3**	**2.5**	**1,700.7**

Liabilities	Liabilities held at amortised cost € million	Liabilities at FVTPL € million	Derivatives used for hedging € million	Total € million
Trade and other payables excluding provisions	1,486.5	—	—	**1,486.5**
Borrowings	2,299.8	—	—	**2,299.8**
Derivative financial instruments	—	12.9	83.7	**96.6**
Total	**3,786.3**	**12.9**	**83.7**	**3,882.9**

2012

Assets	Loans and receivables € million	Assets at FVTPL € million	Derivatives used for hedging € million	Held-to-maturity € million	Available-for-sale € million	Total € million
Investments	—	—	—	1.6	1.7	**3.3**
Derivative financial instruments	—	1.0	48.4	—	—	**49.4**
Trade and other receivables excluding prepayments	964.5	—	—	—	—	**964.5**
Cash and cash equivalents	439.1	—	—	—	—	**439.1**
Total	**1,403.6**	**1.0**	**48.4**	**1.6**	**1.7**	**1,456.3**

Liabilities	Liabilities held at amortised cost € million	Liabilities at FVTPL € million	Derivatives used for hedging € million	Total € million
Trade and other payables excluding provisions	1,468.3	—	—	**1,468.3**
Borrowings	2,159.7	—	—	**2,159.7**
Derivative financial instruments	—	74.4	79.7	**154.1**
Total	**3,628.0**	**74.4**	**79.7**	**3,782.1**

The derivative financial instruments are included in the Group's balance sheet as follows:

At 31 December 2013	**Assets € million**	**Liabilities € million**
Current		
Foreign currency forward contracts	3.9	(4.3)
Foreign currency option contracts	1.8	(0.1)
Commodity swap contracts	—	(8.2)
Total current	**5.7**	**(12.6)**
Non-current		
Interest rate swap contracts	22.1	—
Commodity swap contracts	0.1	(5.3)
Cross-currency swap contracts	—	(78.7)
Total non-current	**22.2**	**(84.0)**
At 31 December 2012		
Current		
Foreign currency forward contracts	1.4	(4.9)
Foreign currency option contracts	0.9	—
Cross-currency swap contracts	—	(67.8)
Commodity swap contracts	—	(5.8)
Interest rate swap contracts	11.3	—
Total current	**13.6**	**(78.5)**
Non-current		
Interest rate swap contracts	35.8	—
Cross-currency swap contracts	—	(75.6)
Total non-current	**35.8**	**(75.6)**

As at 31 December 2013, other receivables of €8.8m (2012: €23.5m) served as collateral for net open position of interest rate and cross-currency swap derivative financial instruments. The collateral resets monthly and earns interest based on Euro Overnight Index Average (EONIA) rate.

Net fair values of derivative financial instruments

(a) Cash flow hedges

The fair values of derivative financial instruments as at 31 December designated as cash flow hedges were:

	2013 € million	**2012 € million**
Contracts with positive fair values		
Foreign currency forward contracts	1.6	0.6
Foreign currency option contracts	1.0	0.7
Interest rate swap contracts	22.1	35.8
	24.7	**37.1**
Contracts with negative fair values		
Foreign currency forward contracts	(2.1)	(3.6)
Commodity swap contracts	(2.6)	—
Foreign currency option contracts	(0.1)	—
Cross-currency swap contracts	(78.7)	(75.6)
	(83.5)	**(79.2)**

Cash flows from the Group's cash flow hedges at 31 December 2013 are expected to occur and, accordingly, affect profit or loss in 2014, except for the combined interest rate/cross-currency swap hedging contracts used for the US$400m bond and the commodity swap contracts, for which cash flows are expected to occur and affect profit or loss up to 2015 and 2016 respectively.

(b) Fair value hedges

The fair values of derivative financial instruments as at 31 December designated as fair value hedges were:

	2013 € million	2012 € million
Contracts with positive fair values		
Foreign currency forward contracts	0.4	—
Foreign currency option contracts	0.1	—
Interest rate swap contracts	—	11.3
	0.5	**11.3**
Contracts with negative fair values		
Foreign currency forward contracts	**(0.2)**	**(0.5)**

(c) Undesignated hedges

The fair values of derivative financial instruments as at 31 December for which hedge accounting has not been applied, were:

	2013 € million	2012 € million
Contracts with positive fair values		
Foreign currency forward contracts	1.9	0.8
Foreign currency option contracts	0.7	0.2
Commodity swap contracts	0.1	—
	2.7	**1.0**
Contracts with negative fair values		
Foreign currency forward contracts	(2.0)	(0.8)
Cross-currency swap contracts	—	(67.8)
Commodity swap contracts	(10.9)	(5.8)
	(12.9)	**(74.4)**

Foreign currency forward contracts and foreign currency option contracts

The Company uses a combination of foreign currency forward and option contracts to hedge foreign exchange transaction exposures. The notional principal amounts of the outstanding foreign currency forward contracts at 31 December 2013 totalled €236.4m (2012: €339.7m). The notional principal amounts of the outstanding foreign currency option contracts at 31 December 2013 totalled €111.8m (2012: €108.2m).

Commodity swap contracts

The Group purchases sugar and aluminium on an ongoing basis to meet its operational needs. The increased volatility in commodity prices led to the decision to enter into commodity swap contracts since August 2011.

These contracts, which economically hedge sugar and aluminium can purchases, are expected to reduce volatility of cash flows (in respect of sugar and aluminium purchases attributable to the fluctuation of the sugar and aluminium price) for a period up to 36 months in accordance with the Group's risk management policy (see Note 29).

The notional principal amounts of the outstanding commodity swap contracts at 31 December 2013 totalled €126.7m (2012: €56.4m).

Interest rate swap contracts

The Group used interest rate swap contracts to hedge its exposure to changes in the fair value of its debt (refer to Notes 15 and 29), as well as to hedge the foreign exchange cash flow exposure on the $400m fixed rate debt. The notional principal amounts of the outstanding interest rate swap contracts totalled $400.0m (2012: $900.0m). The interest rate swap contracts with notional value of $500.0m, which were related to the $500.0m US dollar fixed rate debt, matured in September 2013.

The interest rate swap contracts outstanding at 31 December 2013 can be summarised as follows:

Currency	Amount million	Start date	Maturity date	Receive fixed rate	Pay floating rate
US dollar.............................	400.0	17 September 2003	17 September 2015	5.500%	Libor + margin
	400.0				

Repricing dates for all US dollar denominated interest rate swap contracts are the 17th of March and the 17th of September until maturity.

Cross-currency swap contracts

The Group entered into cross-currency swap contracts to cover the currency risk related to its US dollar denominated debt (refer to Notes 15 and 29). At 31 December 2013 the fair value of the cross-currency swap contracts represented an outstanding liability of €78.7m (2012: €143.4m). The €3.1m loss (2012: €12.6m loss, 2011: €5.3m gain) on the $400m cross-currency swap contracts during 2013 was offset by the €13m gain (2012: €12.5m gain, 2011: €21.1m loss) recorded on the translation of the 400 US dollar denominated debt to euro.

The notional principal amounts of the outstanding cross-currency swap contracts at 31 December 2013 totalled €357.1m (2012: €803.9m). The cross-currency swap contracts outstanding at 31 December 2013 are summarised as follows:

US$ million	€ million	Start date	Maturity date	Receive floating rate	Pay rate
250.0	223.2	17 September 2003	17 September 2015	Libor + margin	2.718%
100.0	89.3	17 September 2003	17 September 2015	Libor + margin	2.750%
50.0	44.6	17 September 2003	17 September 2015	Libor + margin	2.675%
400.0	**357.1**				

Repricing dates for all US dollar denominated cross currency swap contracts are the 17th of March and the 17th of September annually until maturity.

The amount reclassified from other comprehensive income to profit and loss for the period amounted to a €10.8m loss (2012: €9.5m loss, 2011: €3.1m loss) of which €8.8m was recorded in interest expense (2012: €8.3m loss, 2011: €5.5m loss), €2m in cost of goods sold (2012: €1.2m loss, 2011: €nil) and €nil in operating expenses (2012: €nil, 2011: €2.4 gain) .

The net result on derivatives at fair value through profit and loss (for which hedge accounting was not applied) amounted to a €13.1m loss (2012: €6.8m loss, 2011:€0.1m gain) of which a €12.1m loss was recorded in cost of goods sold (2012: € €4.4m loss, 2011: € 1.4m loss) and a €1m loss in operating expenses (2012: €2.4m loss, 2011: €1.5m gain).

The decrease in the fair value of the interest rate swap of €11.3m (2012: €14.4m, 2011: €9.7m) has been recognised in interest expense and was offset with a similar gain on borrowings. The ineffectiveness recognised in 2013 was immaterial (2012: €0.7m, 2011: €1.1m).

The ineffectiveness recognised in interest expense for the interest rate and cross-currency swap contracts used for cashflow hedging in 2013 was €6.1m (2012: €7.2m, 2011: €5.5m).

9. Deferred Tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, when the deferred taxes are levied by the same fiscal authority on either the taxable entity or different taxable entities, and there is an intention to settle the balances on a net basis. The following amounts, after off-setting balances within the same tax jurisdiction where applicable, are shown in the consolidated balance sheet:

	2013 € million	2012 € million
Deferred tax assets	**43.2**	40.1
Deferred tax liabilities	**(179.4)**	(177.4)
Total deferred tax	**(136.2)**	**(137.3)**

The gross amounts of deferred tax assets and liabilities are as follows:

	2013 € million	2012 € million
Deferred tax assets		
To be recovered after more than 12 months	**60.6**	66.7
To be recovered within 12 months	**82.3**	99.4
	142.9	**166.1**
Deferred tax liabilities		
To be recovered after more than 12 months	**(272.9)**	(296.0)
To be recovered within 12 months	**(6.2)**	(7.4)
	(279.1)	**(303.4)**
Deferred tax liabilities (net)	**(136.2)**	**(137.3)**

The movements in deferred tax assets and liabilities during the year, after off-setting balances within the same tax jurisdiction where applicable, are as follows:

	2013 € million	2012 € million	2011 € million
As at 1 January	**(137.3)**	(137.0)	(130.4)
Taken to the income statement (refer to Note 22)	**(5.7)**	(4.8)	(13.5)
Taken to other comprehensive income	**(1.6)**	5.5	3.1
Taken to equity (refer to Note 19)	**1.5**	—	1.2
Arising on prior year acquisitions	**—**	—	0.1
Arising on disposal of subsidiary	**—**	—	0.7
Foreign currency translation	**6.9**	(1.0)	1.8
As at 31 December	**(136.2)**	**(137.3)**	**(137.0)**

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction where applicable, are as follows:

Deferred tax liabilities	Tax in excess of book depreciation € million	Capital investment incentives € million	Derivative instruments € million	Other deferred tax liabilities € million	Total € million
As at 1 January 2012	(286.4)	(2.2)	(2.0)	(5.3)	(295.9)
Taken to the income statement	(8.2)	—	(1.0)	—	(9.2)
Taken to other comprehensive income	—	—	1.0	(0.2)	0.8
Transfers between assets/liabilities	4.3	—	—	(1.0)	3.3
Foreign currency translation	(2.4)	—	—	—	(2.4)
As at 31 December 2012	**(292.7)**	**(2.2)**	**(2.0)**	**(6.5)**	**(303.4)**
Taken to the income statement	11.2	0.6	0.4	(0.4)	11.8
Taken to other comprehensive income	—	—	(0.5)	(0.2)	(0.7)
Taken to equity (refer to Note 19)	—	1.5	—	—	1.5
Transfers between assets/liabilities	(0.4)	—	—	(0.1)	(0.5)
Foreign currency translation	11.7	—	—	0.5	12.2
As at 31 December 2013	**(270.2)**	**(0.1)**	**(2.1)**	**(6.7)**	**(279.1)**

Deferred tax assets	Book in excess of tax depreciation € million	Provisions € million	Tax losses carry-forward € million	Leasing € million	Pensions and benefit plans € million	Other deferred tax assets € million	Total € million
As at 1 January 2012	0.8	49.2	38.1	14.0	20.6	36.2	158.9
Taken to the income statement	5.0	4.5	(7.1)	4.2	(2.0)	(0.2)	4.4
Taken to other comprehensive income	—	—	—	—	3.0	1.7	4.7
Transfers between assets/liabilities	(2.9)	(1.8)	—	—	(0.1)	1.5	(3.3)
Foreign currency translation	—	0.6	0.7	0.1	0.3	(0.3)	1.4
As at 31 December 2012	**2.9**	**52.5**	**31.7**	**18.3**	**21.8**	**38.9**	**166.1**
Taken to the income statement	2.4	(13.3)	(5.5)	(2.5)	1.0	0.4	(17.5)
Taken to other comprehensive income	—	—	—	—	(1.0)	0.1	(0.9)
Arising on current year acquisition	—	—	—	—	—	—	—
Transfers between assets/liabilities	0.4	9.5	—	—	—	(9.4)	0.5
Foreign currency translation	—	(2.6)	(1.2)	(0.2)	(0.5)	(0.8)	(5.3)
As at 31 December 2013	**5.7**	**46.1**	**25.0**	**15.6**	**21.3**	**29.2**	**142.9**

Deferred tax assets are recognised for tax losses carry-forward to the extent that realisation of the related tax benefit through the reduction of future taxes is probable. The Group has unrecognised deferred tax assets attributable to tax losses that are available to carry forward against future taxable income of €8.8m (2012: €0.5m). €5.3m of this unrecognised deferred tax asset is attributable to tax losses that expire between 2014 and 2018 and €3.5m is attributable to tax losses that expire between 2019 and more.

The aggregate amount of temporary differences associated with investment in subsidiaries and interests in joint arrangements, for which deferred tax liabilities have not been recognised amount to €1,801.5m (2012: € 1,856.3m). It is not practicable to compute the total amount of the potential income tax consequences that would result from the payment of dividends to shareholders.

10. Other non-current assets

Other non-current assets consisted of the following at 31 December:

	2013 € million	2012 € million
Non-current prepayments	**24.4**	30.8
Non-current receivables from sale of property, plant and equipment	**17.0**	—
Loans to and receivables from related parties (refer to Note 33)	**7.2**	13.7
Non-current income tax receivable	**6.7**	—
Non-current receivables from customers	**4.3**	—
Loans to non-related parties	**0.4**	1.1
Held-to-maturity investments	**1.3**	1.6
Total other non-current assets	**61.3**	**47.2**

Non-current receivables from customers relate to re-negotiated trade receivables, which are expected to be settled within the new contractual due date.

11. Inventories

Inventories consisted of the following at 31 December:

	2013 € million	2012 € million
Finished goods	**176.8**	186.0
Raw materials and work in progress	**161.0**	175.6
Consumables	**91.2**	96.4
Total inventories	**429.0**	**458.0**

The amount of inventories recognised as an expense during 2013 was € 3,385.6m (2012: €3,709.4m). During 2013 provision of obsolete inventories recognised as an expense amounted to €9.5m (2012: € 9.2m), whereas provision reversed in the period amounted to €0.4m (2012: €0.1m).

The total of materials and goods purchased during 2013 was €3,550.6m (2012: €3,638.8m)

12. Trade receivables

Trade receivables consisted of the following at 31 December:

	2013 € million	2012 € million
Trade receivables	**809.4**	878.2
Less: Provision for doubtful debts	**(79.0)**	(76.9)
Total trade receivables	**730.4**	**801.3**

The credit period given to customers ranges from 7 days to 90 days depending on the country and customer type. In most territories, interest is not charged for late payment.

The Group provides for all receivables that are considered non-collectible on a specific basis after considering the circumstances of each case. Before accepting any new credit customers, the Group investigates the potential customer's credit quality (usually through external agents) and defines credit limits for each customer. Customers are reviewed on an ongoing basis and credit limits adjusted accordingly. There are no customers who represent more than 5% of the total balance of trade receivables for the Group. The Group's exposure to credit risk is managed by established policies and procedures regarding financial risk management as described in Note 29.

The trade receivables are as follows:

	2013 € million	2012 € million
Due within due date	**622.3**	655.5
Less: Provision for doubtful debts within due date	**(0.2)**	(1.3)
Past due	**187.1**	222.7
Less: Provision for doubtful debts past due	**(78.8)**	(75.6)
Total trade receivables	**730.4**	**801.3**

As at 31 December 2013, the Group held collateral, in the form of mortgages, bank guarantees, bills of exchange and credit insurance, as security against trade receivables with a carrying amount of €21.2m (2012: €20.9m).

As at 31 December 2013, trade receivables of €108.3m (2012: € 147.1m) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2013 € million	2012 € million
Up to 3 months	**101.4**	128.2
3 to 6 months	**5.3**	5.4
6 to 9 months	**1.4**	2.7
More than 9 months	**0.2**	10.8
	108.3	**147.1**

As at 31 December 2013, trade receivables of €78.8m (2012: € 75.6m) were past due and impaired or provided for. The ageing analysis of these receivables is as follows:

	2013 € million	2012 € million
Up to 3 months	**(1.4)**	(2.0)
3 to 6 months	**(7.3)**	(6.9)
6 to 9 months	**(2.1)**	(3.7)
More than 9 months	**(68.0)**	(63.0)
	(78.8)	**(75.6)**

12. Trade receivables

The movement in the provision for doubtful debts during the year is as follows:

	2013 € million	2012 € million
As at 1 January	**(76.9)**	(74.3)
Amounts written off during the year	**8.0**	18.0
Amounts recovered during the year	**3.5**	1.5
Increase in allowance recognised in profit or loss	**(14.2)**	(22.1)
Foreign currency translation	**0.6**	—
As at 31 December	**(79.0)**	**(76.9)**

The recording and release of provision for impaired receivables are classified within operating expenses.

13. Other receivables and assets

Other receivables and assets consisted of the following at 31 December:

	2013 € million	2012 € million
Prepayments	**66.0**	72.3
Receivables from related parties (refer to Note 33)	**81.7**	57.0
Collateral for interest rate swap contracts (refer to Note 8)	**8.8**	23.5
VAT and other taxes receivable	**16.2**	21.0
Loans and advances to employees	**5.8**	13.6
Assets classified as held for sale	**4.0**	10.4
Receivables from sale of property, plant and equipment	**17.7**	8.0
Other receivables	**31.3**	29.7
Total other receivables and assets	**231.5**	**235.5**

The related party receivables, net of the provision for doubtful debts, are as follows:

	2013 € million	2012 € million
Due within due date	**77.7**	48.7
Past due	**4.0**	8.3
Less: Provision for doubtful debts	**—**	—
Total related party receivables	**81.7**	**57.0**

As at 31 December 2013, related party receivables of €4.0m (2012: €8.3m) were past due but not impaired. The ageing analysis of these related party receivables is as follows:

	2013 € million	2012 € million
Up to 3 months	**2.2**	4.8
3 to 6 months	**0.6**	1.4
6 to 9 months	**0.4**	0.5
More than 9 months	**0.8**	1.6
Total	**4.0**	**8.3**

During 2012, non-current assets with a net book value of €9.4m were reclassified from property, plant and equipment to assets held for sale. The amount of €9.4m concerns building in our established markets segment of €4.7m and building in our developing markets segment of €4.7m respectively. In addition, right to use of land of €1.0m, in our developing markets segment was classified to assets held for sale during 2012.

During 2013, non-current assets with a net book value of €4.7m were reclassified to property, plant and equipment, and the depreciation charge for the year was adjusted for the depreciation that would have been recognised had the assets not been classified as held for sale, because the criteria for continued classification as held for sale were no longer met. The €4.0m assets held for sale comprise land and buildings in our developing markets segment that have been written down to their fair value less cost to sell. This is a non recurring fair value measurement and within level 3 of the fair value hierarchy. The fair value of held-for-sale assets is determined through the use of sales comparison approach.

14. Cash and cash equivalents

Cash and cash equivalents as at 31 December comprise the following:

	2013 € million	2012 € million
Cash at bank, in transit and in hand	**82.7**	**79.7**
Short-term deposits	**654.8**	**359.4**
Total cash and cash equivalents	**737.5**	**439.1**

Cash and cash equivalents are held in the following currencies:

	2013 € million	2012 € million
Euro	**674.6**	377.3
Nigerian naira	**34.0**	39.2
Belorusian rouble	**7.2**	4.9
Russian rouble	**4.4**	4.2
Serbian dinar	**2.9**	—
Latvian Lati	**2.6**	—
Croatian kuna	**2.2**	3.2
Ukrainian hryvnia	**2.0**	0.5
US dollar	**1.9**	1.3
Romanian leu	**1.3**	2.4
UK Sterling	**1.0**	1.1
Bosnia and Herzegovina convertible mark	**0.9**	1.4
Bulgaria lev	**0.6**	0.7
Lithuanian Litai	**0.4**	—
Moldovan leu	**0.4**	0.7
Swiss franc	**0.3**	1.4
Polish zloty	**0.2**	0.3
Other	**0.6**	0.5
Total cash and cash equivalents	**737.5**	**439.1**

€25.0m equivalent in Nigerian naira relates to the outstanding balance of the bank account held for the repayment of the former minority shareholders' of the Company's subsidiary Nigerian Bottling Company plc (refer to Note 27).

The amount of dividends payable to the Company by its operating subsidiaries is subject to, among other restrictions, general limitations imposed by the corporate laws and exchange control restrictions of the respective jurisdictions where those subsidiaries are organised and operate. Also, there are fund transfer restrictions in certain countries in which we operate, in particular Nigeria, Belarus and Cyprus. These restrictions do not have a material impact on the Group's liquidity, as the amounts of cash and cash equivalents held in such countries are generally retained for capital expenditure and working capital purposes. Intra group dividends paid by certain of our subsidiaries are also subject to withholding taxes.

15. Borrowings

The Group held the following borrowings as at 31 December:

	2013 € million	2012 € million
Bank overdrafts	**6.2**	16.6
Current portion of long-term bonds, bills and unsecured notes	**317.2**	391.3
Commercial paper	**100.0**	129.5
Loan payable to related parties (refer to Note 33)	**7.5**	—
	430.9	537.4
Obligations under finance leases falling due within one year	**15.3**	17.6
Total borrowings falling due within one year	**446.2**	**555.0**
Borrowings falling due within one to two years Bonds, bills and unsecured notes	**303.7**	505.3
Borrowings falling due within two to five years Bonds, bills and unsecured notes	**599.3**	923.8
Loan payable to related parties (refer to Note 33)	**53.8**	62.5
Borrowings falling due in more than five years Bonds, bills and unsecured notes	**792.6**	—
	1,749.4	1,491.6
Obligations under finance leases falling due in more than one year	**104.2**	113.1
Total borrowings falling due after one year	**1,853.6**	**1,604.7**
Total borrowings	**2,299.8**	**2,159.7**

Commercial paper programme and committed credit facilities

In March 2002, the Group established a €1.0bn global commercial paper programme (the ‘old CP programme’) to further diversify its short-term funding sources. In October 2013, a new €1.0bn euro-commercial paper programme (the ‘new CP programme’ and, together with the old CP programme, the ‘CP programmes’) was established in place of the old CP programme. The euro-commercial paper notes may be issued either as non-interest bearing notes sold at a discount or as interest bearing notes at a fixed or floating rate. All commercial paper issued under the CP programmes must be repaid within 7 to 364 days. The new CP programme has been granted the STEP label and is fully, unconditionally and irrevocably guaranteed by CCHBC, Coca-Cola HBC Holdings B.V. and 3E (Cyprus) Limited. The outstanding amount under the CP programmes was €100.0m as at 31 December 2013 (2012: €129.5m).

In May 2011, the Group replaced its then-existing €500.0m syndicated revolving credit facility with a new €500.0m syndicated loan facility, provided by various financial institutions, expiring on 11 May 2016. As a result, an amount of €1.9m, which was the unamortised portion of the fees for the replaced facility, was charged to the income statement in the finance costs line. This facility can be used for general corporate purposes and carries a floating interest rate over EURIBOR and LIBOR. The facility was amended in June 2013 and CCHBC acceded to it as a guarantor. The facility allows the Company to draw down, on three to five days’ notice, amounts in tranches and repay them in periods ranging from one to six months, or any other period agreed between the financial institutions and CCHBC. No amounts have been drawn under the syndicated loan facility since inception. The syndicated loan facility is fully, unconditionally and irrevocably guaranteed by CCHBC, Coca-Cola HBC Holdings B.V., Coca-Cola HBC Finance plc and 3E (Cyprus) Limited and is not subject to any financial covenants.

In connection with the voluntary share exchange offer, CCHBC had available a €500.0m bond bridge facility (all undrawn), a €500.0m revolving credit facility (which was cancelled in October 2012) for the purpose of replacing, if required, the €500.0m syndicated revolving credit facility referred to above and a statutory buy-out facility for up to € 550.0m. On 18 June 2013, the €500.0m bond bridge facility was cancelled and the statutory buy-out facility limit was reduced to € 55.0m. The amount drawn under the statutory buy-out facility of € 45.5m was repaid on 26 July 2013 and the facility was cancelled.

Euro medium-term note programmes

In 2001, the Group established a €2.0bn euro medium-term note programme (the ‘Old EMTN programme’), which was increased to €3.0bn in April 2012. In June 2013, a new €3.0bn euro medium-term note programme (the ‘New EMTN programme’ and, together with the Old EMTN programme, the ‘EMTN programmes’) was established in place of the Old EMTN programme. Notes are issued under the New EMTN programme through CCHBC’s 100% owned subsidiary Coca-Cola HBC Finance B.V. and are fully, unconditionally and irrevocably guaranteed by CCHBC, Coca-Cola HBC Holdings B.V. and 3E (Cyprus) Limited.

In December 2008, Coca-Cola HBC Finance B.V. issued a € 500.0m five-year euro-denominated fixed rate notes carrying a 7.875% per annum coupon. Proceeds from this issue were partly used to fund the acquisition of Socib S.p.A.

and partly for the refinancing of the 350.0m notes that matured in March 2009. In June 2013 Coca-Cola HBC Finance B.V. purchased an aggregate amount of €183.0m notes which is almost 37% of the total issued €500.0m euro-denominated notes. As a result, an amount of €6.9m was charged to the income statement, in the finance costs line. The remaining €317.0m notes were fully repaid in January 2014.

In March 2011, Coca-Cola HBC Finance B.V. completed the successful offering of €300.0m 4.25% fixed rate euro-denominated notes under the Old EMTN programme to be consolidated and form a single series with the existing €300.0m 4.25% fixed rate notes due 16 November 2016 issued in November 2009. The issue of these notes brought the total outstanding amount of the series to €600.0m. The proceeds of the issue were used to repay the existing €301.1m notes due on 15 July 2011 at maturity in July 2011.

In June 2013, Coca-Cola HBC Finance B.V. completed the issue of €800.0m 2.375% 7-year fixed rate euro-denominated notes under the New EMTN programme. The net proceeds of the new issue, were used to repay the $500 million notes due September 2013 and partially repay €183.0 million of the 7.875% 5-year fixed rate notes due January 2014.

As at 31 December 2013, a total of €1.7bn in notes issued under the EMTN programmes were outstanding. A further amount of €2.2bn is available for issuance under the new EMTN programme.

Notes issued in the US market

On 17 September 2003, the CCHBC Group successfully completed, through its 100% owned finance subsidiary Coca-Cola HBC Finance B.V., a $900.0m global offering of privately placed notes with registration rights. The first tranche consisted of an aggregate principal amount of $500.0m due 2013 and the second tranche consisted of an aggregate principal amount of $400.0m (€290.1m at 31 December 2013 exchange rates) due in September 2015. The net proceeds of the offering were used to refinance certain outstanding debt, the leveraged re-capitalisation of the Group and the acquisition of Römerquelle GmbH. In December 2003, an exchange offer was made by Coca-Cola Hellenic Bottling Company S.A. in order to effect the exchange of the privately placed notes for similar notes registered with the SEC. Acceptances under the offer, which was finalised in February 2004, were $898.1m. Both tranches of notes were de-registered in connection with CCHBC's voluntary share exchange offer by filing a Form 15F with the SEC in August 2013 and the 2013 US Notes were fully repaid upon maturity.

The 2015 US Notes are fully, unconditionally and irrevocably guaranteed by CCHBC, Coca-Cola HBC Holdings B.V. and 3E (Cyprus) Limited and are not subject to any financial covenants.

Summary of bonds and notes outstanding as at 31 December 2013

	Start date	Maturity date	Fixed coupon
€317.2m notes	17 December 2008	15 January 2014	7.875%
$400m notes	17 September 2003	17 September 2015	5.500%
€300m notes	16 November 2009	16 November 2016	4.250%
€300m notes	2 March 2011	16 November 2016	4.250%
€800m notes	18 June 2013	18 June 2020	2.375%

The fair value of notes payable, including the current portion, is € 2,070.7m (2012: €1,898.3m) compared to their book value, including the current portion, of €2,012.8m (2012: €1,820.4m).The fair values are within Level 1 of the fair value hierarchy.

The present value of finance lease liabilities at 31 December was as follows:

	2013 € million	2012 € million
Less than one year	**15.3**	17.6
Later than one year but less than two years	**9.1**	13.4
Later than two years but less than three years	**7.5**	7.7
Later than three years but less than four years	**7.7**	6.0
Later than four years but less than five years	**8.2**	6.4
Later than five years	**71.7**	79.6
Present value of finance lease liabilities	**119.5**	**130.7**

The minimum lease payments of finance lease liabilities at 31 December were as follows:

	2013 € million	2012 € million
Less than one year	**20.0**	22.7
Later than one year but less than two years	**13.3**	18.7
Later than two years but less than three years	**11.3**	12.4
Later than three years but less than four years	**11.3**	10.6
Later than four years but less than five years	**11.3**	11.2
Later than five years	**85.7**	93.1
	152.9	**168.7**
Future finance charges on finance leases	**(33.4)**	**(38.0)**
Present value of finance lease liabilities	**119.5**	**130.7**

Finance leases are mainly for land and buildings as well as plant and equipment. The finance leases do not contain contingent rent payments or escalation clauses.

The borrowings at 31 December were held in the following currencies:

	Current 2013 € million	Non-current 2013 € million	Current 2012 € million	Non-current 2012 € million
Euro	**437.0**	**1,496.1**	143.2	1,225.1
US Dollar	**0.7**	**306.2**	391.5	324.7
Nigerian naira	**2.2**	**22.0**	11.0	19.3
Polish zloty	**5.0**	**14.8**	5.8	19.3
UK Sterling	**1.2**	**14.4**	1.2	15.8
Ukrainian hryvnia	**—**	**—**	0.9	0.5
Serbian Dinar	**—**	**—**	0.9	—
Other	**0.1**	**0.1**	0.5	—
Borrowings	**446.2**	**1,853.6**	**555.0**	**1,604.7**

The carrying amounts of the borrowings held at fixed and floating interest rate as at 31 December 2013, as well as the weighted average interest rates and maturities of fixed rate borrowings were as follows:

	Fixed interest rate € million	Floating interest rate € million	Total € million	Fixed rate liabilities weighted average interest rate	Weighted average maturity for which rate is fixed (years)
Euro	1,878.9	54.2	1,933.1	3.8%	3.8
US Dollar	306.9	—	306.9	5.5%	1.7
Nigerian naira	—	24.2	24.2	—	—
UK Sterling	—	15.6	15.6	—	—
Polish zloty	—	19.8	19.8	—	—
Other	0.2	—	0.2	—	—
Financial liabilities	**2,186.0**	**113.8**	**2,299.8**	**4.0%**	**3.5**

Financial liabilities represent fixed and floating rate borrowings held by the Group. The Group's policy is to hedge exposures to changes in the fair value of debt and interest rates by using a combination of cross-currency swap contracts, fixed to floating rate interest rate swap contracts and interest rate option contracts. In order to hedge the foreign exchange cash flow exposure on the $400m US dollar fixed rate debt, a combination of floating to fixed rate cross-currency swap contracts and fixed to floating rate interest rate swap contracts was used and restructured it to a € 357m fixed-rate liability. (refer to Note 8).

Floating rate debt bears interest based on the following benchmark rates:

Euro	6 month EURIBOR (European inter-bank offer rate)
Nigerian naira	3 month NIBOR (Nigerian inter-bank offer rate)

16. Trade and other payables

Trade and other payables consisted of the following at 31 December:

	2013 € million	2012 € million
Trade payables	**480.8**	435.8
Accrued liabilities	**511.8**	581.2
Payables to related parties (refer to Note 33)	**236.2**	188.5
Deposit liabilities	**111.9**	111.1
Current portion of provisions (refer to Note 17)	**79.8**	94.0
Other tax and social security liabilities	**86.9**	80.0
Salaries and employee related payable	**42.9**	51.3
Deferred income	**0.9**	0.9
Other payables	**8.4**	12.8
Total trade and other payables	**1,559.6**	**1,555.6**

17. Provisions

Provisions consisted of the following at 31 December:

	2013 € million	2012 € million
Current		
Employee benefits	**55.0**	50.4
Restructuring and other	**24.8**	43.6
Total current provisions	**79.8**	**94.0**
Non-current		
Employee benefits	**109.9**	142.1
Restructuring and other	**1.3**	6.9
Total non-current provisions	**111.2**	**149.0**
Total provisions	**191.0**	**243.0**

The movements in restructuring and other provisions comprise:

	2013 € million	2012 € million	2011 € million
As at 1 January	**50.5**	36.7	31.0
Arising during the year	**43.8**	72.3	50.3
Utilised during the year	**(59.3)**	(57.3)	(44.0)
Unused amount reversed	**(8.1)**	(1.5)	(0.2)
Foreign currency translation	**(0.8)**	0.3	(0.4)
As at 31 December	**26.1**	**50.5**	**36.7**

Restructuring and other provisions comprise outstanding balances relating to restructuring of €23.4m (2012: €41.3m, 2011: €23.9m) of which €23.0m is expected to be completed in 2014 and €0.4m in 2015 (see note 20(b)), a provision for employees litigations in Italy of €1.0m (2012: €1.5m, 2011: €1.7m), a provision for onerous contract in Russia of nil (2012: €5.7m, 2011: €5.7m) and a provision for long-term supply contract in Italy of nil (2012: nil, 2011: €3.2m). In addition, 2013 included other items of €1.7m (2012: €2.0m, 2011: €2.2m).

Employee benefits

Employee benefits consisted of the following at 31 December:

	2013 € million	2012 € million
Defined benefit plans		
Employee leaving indemnities	**86.2**	94.0
Pension plans	**20.7**	42.4
Long service benefits—jubilee plans	**7.8**	8.2
Total defined benefits plans	**114.7**	**144.6**
Other employee benefits		
Annual leave	**10.9**	9.1
Other employee benefits	**39.3**	38.8
Total other employee benefits	**50.2**	**47.9**
Total employee benefits obligations	**164.9**	**192.5**

Employees of CCHBC's subsidiaries in Austria, Bulgaria, Croatia, Greece, Italy, Montenegro, Nigeria, Poland, Romania, Serbia and Slovenia are entitled to employee leaving indemnities, generally based on each employee's length of service, employment category and remuneration. These are unfunded plans where the company meets the payment obligation as it falls due.

CCHBC's subsidiaries in Austria, Greece, Northern Ireland, the Republic of Ireland and Switzerland sponsor defined benefit pension plans. Of the three plans in the Republic of Ireland, two have plan assets, as do the two plans in Northern Ireland, one plan in Greece and one plan in Switzerland. The Austrian plans do not have plan assets and the company meets the payment obligation as it falls due. The defined benefit plans in Austria, Greece, Republic of Ireland and Northern Ireland are closed to new members.

CCHBC provides long service benefits in the form of jubilee plans to its employees in Austria, Croatia, Nigeria, Poland, Slovenia and Switzerland.

Defined benefit obligation by segment is as follows:

	2013 € million	2012 € million
Established	**76.5**	110.9
Emerging	**36.0**	31.3
Developing	**2.2**	2.4
Defined Benefit obligation:	**114.7**	144.6

The average duration of the defined benefit plans is 17 years and the total employer contributions expected to be paid in 2014 are €18.1m.

Pension plan assets are invested in different asset classes in order to maintain a balance between risk and return. Investments are well diversified to limit the financial effect of the failure of any individual investment. Through its defined benefit plans the Group is exposed to a number of risks as outlined below:

Asset volatility: The liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, this will create a deficit. The Northern Ireland, the Republic of Ireland and Swiss plans hold a significant proportion of growth assets (equities) which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term. The allocation to growth assets is monitored regularly to ensure it remains appropriate and in line with the group's long term strategy to manage the plans.

Changes in bond yields: A decrease in corporate bond yields will increase the plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The Northern Ireland, the Republic of Ireland and Swiss plans' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). The majority of the assets are either unaffected by or indirectly correlated with inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy: The majority of the pension plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the liabilities.

	Impact on defined benefit obligation		
	Change in assumptions	**Increase in assumption**	**Decrease in assumption**
Discount rate	0.50%	decrease−7.63%	increase 8.70%
Rate of compensation increase	0.50%	increase 2.25%	decrease−2.08%
Rate of pension increase	0.50%	increase 3.74%	decrease−1.84%

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant.

Reconciliation of defined benefit obligation:

	2013 € million	**2012 € million**
Present value of defined benefit obligation at 1 January	**415.1**	390.5
Current service cost	**10.6**	13.4
Interest cost	**13.8**	15.8
Plan participants' contributions	**4.3**	4.7
Past service cost	**(1.9)**	(2.1)
Curtailment/settlement	**4.4**	8.0
Benefits paid	**(29.2)**	(42.5)
Gains from change in demographic assumptions	**(0.3)**	(4.0)
(Gains)/loss from change in financial assumptions	**(6.5)**	37.1
Experience adjustments	**4.3**	(5.7)
Actual taxes paid	**—**	(0.1)
Foreign currency translation	**(4.6)**	—
Present value of defined benefit obligation at 31 December	**410.0**	**415.1**

Reconciliation of plan assets:

	2013 € million	**2012 € million**
Fair value of plan assets at 1 January	**270.5**	246.2
Interest income on plan assets	**7.7**	8.2
Return on plan assets excluding interest income	**15.7**	12.4
Actual employer's contributions	**13.8**	9.7
Actual participant's contributions	**4.3**	4.7
Actual benefits paid	**(7.5)**	(12.8)
Admin expenses	**(0.2)**	—
Foreign currency translation	**(3.0)**	2.1
Fair value of plan assets at 31 December	**301.3**	**270.5**

The present value and funded status of defined benefit obligations were as follows at 31 December:

	2013 € million	**2012 € million**
Present value of funded obligations	**313.7**	310.1
Fair value of plan assets	**(301.3)**	(270.5)
Plan assets ceiling	**6.0**	—
	18.4	39.6
Present value of unfunded obligations	**96.3**	105.0
Defined benefit obligations	**114.7**	**144.6**
Total defined benefit obligations	**114.7**	**144.6**

One of the Swiss plans has a funded status surplus of €6m (2012: €nil) that is not recognised as an asset on the basis that the Group has no unconditional right to future economic benefits either via a refund or a reduction in future contributions.

The movement in the defined benefit obligation recognised on the balance sheet was as follows:

	2013 € million	2012 € million
Defined benefit obligation as at 1 January	**144.6**	144.3
Expense recognised in the income statement	**18.6**	26.6
Remeasurements recognised in OCI	**(11.4)**	15.2
Employer contributions	**(13.8)**	(9.7)
Benefits paid	**(21.7)**	(29.7)
Foreign currency translation	**(1.6)**	(2.1)
Defined benefit obligation as at 31 December	**114.7**	**144.6**

The assumptions (weighted average for the Group) used in computing the defined benefit obligation comprised the following for the years ended 31 December:

	2013 %	2012 %
Discount rate	**3.8**	3.5
Rate of compensation increase	**3.0**	2.8
Pension increases	**1.0**	0.9

The expense recognised in the income statement comprised the following for the years ended 31 December:

	2013 € million	2012 € million	2011 € million
Service cost	**13.1**	19.3	16.4
Net interest cost on defined benefit liability / (asset)	**6.1**	7.5	6.5
Actuarial gain	**(0.8)**	(0.2)	(0.5)
Administrative expenses	**0.2**	—	—
Total	**18.6**	**26.6**	**22.4**

Defined benefit plan expenditure is included in staff costs and presented in cost of goods sold and operating expenses.

Plan assets are invested as follows:

	2013 %	2012 %
Asset category		
Equity securities—EU	5	15
Equity securities—NON-EU	33	25
Government Bonds—NON-EU	7	18
Government Bonds—EU	7	12
Corporate Bonds—EU	2	2
Corporate Bonds—NON-EU	27	13
Real estate	8	10
Cash	6	2
Other	5	3
Total	**100**	**100**

The assets of funded plans are generally held in separately administered trusts, either as specific assets or as a proportion of a general fund, or are insurance contracts. Plan assets held in trust are governed by local regulations and practice in each country. Plan assets relate predominately to quoted financial instruments.

Equity securities were not invested in ordinary shares of the Company as at 31 December 2013 or 31 December 2012.

Defined contribution plans

The expense recognised in the income statement in 2013 for the defined contribution plan is €20.9m (2012: €20.9m, 2011: €20.5m). This is included in staff costs and recorded in cost of goods sold and operating expenses.

Amounts due to pension funds

The amounts due to pension funds as at 31 December 2013 were €19.1m (2012: €18.0m).

18. Share capital, share premium and group reorganisation reserve

	Number of shares (authorised and issued)	Share capital € million	Share premium € million	Group reorganisation reserve € million	Total € million
As at 1 January 2011	366,136,440	183.1	1,119.2	—	**1,302.3**
Shares issued to employees exercising stock options	405,568	0.2	4.5	—	**4.7**
Capitalisation of share premium reserve	—	549.7	(549.7)	—	**—**
Expenses related to share capital increase (net of tax of €1.2m)	—	—	(4.8)	—	**(4.8)**
Return of capital to shareholders	—	(183.2)	—	—	**(183.2)**
Balance as at 31 December 2011	**366,542,008**	**549.8**	**569.2**	**—**	**1,119.0**
Shares issued to employees exercising stock options	11,499	—	0.1	—	**0.1**
Reduction of share capital to extinguish accumulated losses of the parent company	—	(55.0)	—	—	**(55.0)**
Return of capital to shareholders	—	(124.6)	—	—	**(124.6)**
Balance as at 31 December 2012	**366,553,507**	**370.2**	**569.3**	**—**	**939.5**
Shares issued to employees exercising stock options	1,199,080	6.5	9.9	—	**16.4**
Change of parent company to CCHBC	14,925	1,620.7	4,832.6	(6,472.1)	**(18.8)**
Shares of Coca-Cola Hellenic Bottling Company S.A. and its subsidiaries, acquired for cash consideration	(77,287)	—	—	—	**—**
Dividends	—	—	(124.7)	—	**(124.7)**
Balance as at 31 December 2013	**367,690,225**	**1,997.4**	**5,287.1**	**(6,472.1)**	**812.4**

On 6 May 2011, Coca-Cola Hellenic Bottling Company S.A.'s Annual General Meeting of shareholders resolved on the reorganisation of its share capital. Coca-Cola Hellenic Bottling Company S.A.'s share capital increased by an amount equal to €549.7 million. This increase was effected by capitalising the share premium reserve and increasing the nominal value of each share from €0.50 to €2.00. The share capital was subsequently decreased by an amount equal to €183.2 million by decreasing the nominal value of each share from €2.00 to €1.50, and distributing such €0.50 per share difference to shareholders in cash.

During 2011, Coca-Cola Hellenic Bottling Company S.A.'s Board of Directors resolved to increase the share capital of the Company by issuing 354,512, 21,994, 28,749 and 313 new ordinary shares as announced on 16 March, 24 June, 1 September and 13 December 2011 respectively, following the exercise of stock options by option holders pursuant to the Company's stock option plan. Total proceeds from the issues of the shares were €4.7m.

On 25 June 2012, Coca-Cola Hellenic Bottling Company S.A.'s Annual General Meeting of shareholders resolved to decrease the share capital of Coca-Cola Hellenic Bottling Company S.A. by the amount of €124.6 million by decreasing the nominal value of Coca-Cola Hellenic Bottling Company S.A.'s share by €0.34 per share, from €1.50 to €1.16 per share, and the return of the amount of the decrease to Coca- Cola Hellenic Bottling Company S.A.'s shareholders in cash, i.e. a return of €0.34 per share. Furthermore, on the same date, it was resolved to decrease the share capital of the Company by the amount of €55.0 million by decreasing the nominal value of the Company's share by €0.15 per share, from €1.16 to €1.01 per share, in order to extinguish accumulated losses of the parent company Coca-Cola Hellenic Bottling Company S.A. in an equal amount.

During 2012, Coca-Cola Hellenic Bottling Company S.A.'s Board of Directors resolved to increase the share capital of the Company by issuing 5,334 and 6,165 new ordinary shares as announced on 21 March and 27 September 2012 respectively, following the exercise of stock options by option holders pursuant to the Company's stock option plan. Total proceeds from the issues of the shares were €0.1m.

On 25 April 2013, CCHBC acquired 96.85% (355,009,014 shares) of the issued share capital of Coca-Cola Hellenic Bottling Company S.A., including shares represented by American depositary shares, following the successful completion of its voluntary share exchange offer to acquire the outstanding ordinary shares of Coca-Cola Hellenic Bottling Company S.A. in exchange for ordinary shares of CCHBC on a one-for-one basis and became the new parent company of the Group.

On 17 June 2013, CCHBC completed its statutory buy-out of the remaining shares of Coca-Cola Hellenic Bottling Company S.A. that it did not acquire upon completion of its voluntary share exchange offer. Consequently, Coca-Cola Hellenic Bottling Company S.A. became a 100% owned subsidiary of CCHBC. Out of the remaining 3.15% interest acquired in Coca-Cola Hellenic Bottling Company S.A., representing 11,544,493 shares, 11,467,206 shares were exchanged for an equal number of CCHBC shares and 77,287 shares were acquired for a cash consideration of €1.0 million.

These transactions were treated as a reorganisation of an existing entity that has not changed the substance of the reporting entity. The consolidated financial statements of the Group are presented using the values from the consolidated financial statements of Coca-Cola Hellenic Bottling Company S.A. On the date that CCHBC became the new parent of the Group, being 25 April 2013, the statutory amounts of share capital, share premium and treasury shares of CCHBC have been recognised through an adjustment in the Statement of Changes in Equity under heading "Change of parent company to CCHBC". The resulting difference, together with the transaction costs incurred by CCHBC relating primarily to the redomiciliation of the Group and its admission to listing in the premium segment of the London Stock Exchange, has been recognised as a component of equity under the heading "Group reorganisation reserve".

On 19 June 2013, CCHBC's extraordinary general meeting of the shareholders approved the distribution of a €0.34 dividend per share. The effect to CCHBC's share premium amounted to €124.7 million (refer also to Note 28).

In 2013, the share capital of the Group increased by the issue of 1,199,080 new ordinary shares following the exercise of stock options pursuant to the Group's employee stock option plan. Total proceeds from the issuance of the shares under the stock option plan amounted to €16.4 million.

After the above changes, and including 14,925 ordinary shares held as treasury shares, representing the initial ordinary shares of CCHBC, the share capital on 31 December 2013 amounts to €1,997.4 million and is comprised of 367,690,225 shares with a nominal value of CHF 6.70 each. Each share provides the right to one vote at general meetings of CCHBC (subject to certain requirements and exemptions pursuant to CCHBC's article of association) and entitles the holder to dividends declared by CCHBC.

19. Reserves

The reserves of the Group at 31 December were as follows:

	2013 € million	2012 € million	2011 € million
Treasury shares	**(70.7)**	**(54.3)**	**(55.5)**
Exchange equalisation reserve	**(293.3)**	**(168.1)**	**(199.7)**
Other reserves			
Shares held for equity compensation plan	**(1.2)**	(1.1)	(1.2)
Hedging reserve (net of deferred tax of €nil; 2012: €3.0m gain; 2011: €2.7m expense)	**(10.0)**	(15.1)	(4.7)
Tax-free reserve	**241.8**	251.6	251.6
Statutory reserves	**77.0**	76.7	76.2
Stock option reserve	**58.2**	51.9	45.6
Available-for-sale financial assets valuation reserve (net of deferred tax of €0.2m expense; 2012: €0.1m expense; 2011: €0.1m gain)	**1.1**	0.6	0.5
Other	**21.8**	12.0	12.0
Total other reserves	**388.7**	**376.6**	**380.0**
Total reserves	**24.7**	**154.2**	**124.8**

Treasury shares

On 30 April 2009, the Board of Directors of Coca-Cola Hellenic Bottling Company S.A. resolved to buy-back a maximum of 5% of its paid-in share capital during the period that is 24 months from the date of the Extraordinary General Meeting of 27 April 2009 which approved the share buy-back programme pursuant to Article 16 of Greek Codified Law 2190/1920 i.e. until 26 April 2011. Based on the Company's capitalisation at that time, the maximum amount that may be bought back pursuant to the programme was 18,270,104 shares. Purchases under the programme were subject to a minimum purchase price of €1.00 per share and a maximum purchase price of €20.00 per share. This programme therefore expired on 26 April 2011.

Applicable law does not require any actual use of such approved share buy-back programme. As at 31 December 2013, 3,430,135 shares had been held by the Group pursuant to the share buy-back programme of a total value of €69.1m and an additional 14,925 shares had been held in treasury representing the initial ordinary shares of CCHBC acquired from Kar-Tess Holding at a total value of €1.6m, (2012: 3,430,135 shares held of a total value of €54.3m, 2011: 3,430,135 shares held of a total value of €55.5m), bringing the shares in circulation to 364,245,165 as at 31 December 2013.

Exchange equalisation reserve

The exchange equalisation reserve comprises all foreign exchange differences arising from the translation of the financial statements of entities with functional currencies other than the euro.

Other reserves

Shares held for equity compensation plan

This reserve reflects shares held for the Group's employee stock purchase plan, which is an equity compensation plan in which eligible employees may participate. Until April 2013, the plan operated under the Coca-Cola Hellenic Bottling Company S.A. stock purchase plan, which was replaced by the CCHBC's employee stock purchase plan, which operates on substantially similar terms. The movement for share-based payment transactions in 2013 was a debit of €0.1m (2012: €0.1m credit, 2011: €0.4m debit).

Hedging reserve

The hedging reserve reflects changes in the fair values of derivatives accounted for as cash flow hedges, net of the deferred tax related to such balances. The movement for 2013 relates to the movement in cash flow hedges of €5.1m credit, net of tax expense of €nil (2012: €10.4m debit, net of tax gain of €3.0m, 2011: €5.6m credit, net of tax expense of €2.7m).

Tax-free reserve

The tax-free reserve includes investment amounts exempt from tax according to incentive legislation, other tax-free income or income taxed at source. The distribution of amounts from the tax-free reserve triggers taxation. On 23 July 2013, the Greek Government enacted the new Income Tax Code (Law 4172/2013). According to article 72 (as amended with article 26 of Law 4223/2013), the accumulated tax-free reserve formed according to the provisions of Law 2238/1994 if distributed as at 31 December 2013 may be taxed at the reduced rate of 15%. This tax extinguishes the tax liability on such reserves. The Group made use of the above provision and the movement recorded in the tax-free reserve of €9.8m reflects distribution of equal amount from the tax-free reserve (including the corresponding tax charge of €1.5m).

Statutory reserves

Statutory reserves are particular to the various countries in which the Group operates. The amount of statutory reserves of the parent entity, CCHBC, is €nil. The amount of statutory reserves of 3E Cyprus Limited Greek branch, with restrictions on distribution is €55.7m (2012: €55.7m, 2011: €55.7m). The movement in the statutory reserves for 2013 was a €0.3m credit (2012: €0.5m credit, 2011: € 0.5m credit) and relates to the establishment of additional reserves.

Other reserves

Other reserves are particular to the various countries in which the Group operates. The movement in other reserves for 2013 of €9.8m credit (2012: €nil, 2011: €0.1m credit) relates to the reclassification of tax free reserves of €8.3m net of tax and the €1.5m acquired during the voluntary share exchange offer of CCHBC.

Stock option reserve

The stock option reserve represents the cumulative charge to the income statement for employee stock option awards. The movement for the stock option reserve for 2013 was a €6.3m credit (2012: €6.3m credit, 2011: €8.1m credit).

Available-for-sale financial assets valuation reserve

The available-for-sale financial assets valuation reserve reflects changes in the fair values of available-for-sale financial assets. Amounts in this reserve are reclassified to profit or loss upon sale or impairment of the related investments. The movement for available-for- sale financial assets valuation reserve for 2013 was a €0.5m credit net of tax expense of

€0.2m (2012: €0.1m credit net of tax expense of €0.1m, 2011: €0.3m debit net of tax gain of €0.1m) and relates to revaluation impact of listed and unlisted equities held.

20. Total operating costs

Total operating costs for the years ended 31 December comprised:

	2013 € million	2012 € million	2011 € million
Operating expenses	**2,006.3**	2,078.1	2,048.2
Restructuring costs	**55.5**	106.7	71.1
Total operating costs	**2,061.8**	**2,184.8**	**2,119.3**

a) Operating expenses

	2013 € million	2012 € million	2011 € million
Selling expenses	**941.6**	995.6	998.5
Delivery expenses	**615.2**	649.6	632.1
Administrative expenses	**442.2**	423.6	406.3
Stock option expense (refer to Note 26)	**6.3**	6.3	8.1
Amortisation of intangible assets (refer to Note 4)	**1.0**	3.0	3.2
Operating expenses	**2,006.3**	**2,078.1**	**2,048.2**

In 2013, operating expenses included net gains on disposal of property, plant and equipment of €13.6m (2012: €6.9m losses, 2011: €3.2m losses).

(b) Restructuring costs

As part of the effort to optimise its cost base and sustain competitiveness in the market place, the Company undertook restructuring initiatives in 2013 which amounted to €55.5m (2012: €106.7m, 2011: €71.1m) before tax. During 2013, the Company recorded €52.9m (2012: €65.8m, 2011: € 47.6m), €0.7m (2012: €34.8m, 2011: € 17.6m) and €1.9m (2012: €6.1m, 2011: € 5.9m) of restructuring charges in its established, developing and emerging markets, respectively. The restructuring concerns mainly employees' costs (see note 17) and impairment of property, plant and equipment (see note 5).

(c) Staff costs

Staff costs included in the income statement in operating expenses and in the cost of goods sold lines are analysed as follows:

	2013 € million	2012 € million	2011 € million
Wages and salaries	**795.9**	819.2	821.6
Social security costs	**174.3**	181.3	175.2
Pension and other employee benefits	**122.4**	131.3	129.7
Termination benefits	**35.7**	67.5	48.6
Total staff costs	**1,128.3**	**1,199.3**	**1,175.1**

Staff costs included in operating expenses amounted to €874.7m in 2013 (2012: €945.0m, 2011: €928.0m).

Staff costs included in cost of goods sold amounted to €253.6m in 2013 (2012: €254.3m, 2011: €247.1m).

The average number of full-time equivalent employees in 2013 was 38,089 (2012: 39,736, 2011: 41,291).

(d) Fees and other services of the statutory auditor

Audit and other fees charged in the income statement concerning the statutory auditor of the consolidated financial statements, PricewaterhouseCoopers S.A. and affiliates, were as follows, for the years ended 31 December:

	2013 € million	2012 € million	2011 € million
Audit fees	**5.4**	9.1	6.1
Audit related fees	**0.4**	0.5	0.4
Other fees	**0.1**	0.1	0.1
Total audit and all other fees	**5.9**	**9.7**	**6.6**

21. Finance costs

Net finance costs for the years ended 31 December comprised:

	2013 € million	2012 € million	2011 € million
Interest income	**10.0**	10.4	8.7
Interest expense	**(87.0)**	(89.2)	(87.2)
Other finance cost	**(2.3)**	(1.6)	(3.9)
Net foreign exchange remeasurement gains/(losses)	**(0.5)**	(0.3)	0.6
Finance charges paid with respect to finance leases	**(9.0)**	(6.9)	(5.6)
Finance costs	**(98.8)**	**(98.0)**	**(96.1)**
Loss on net monetary position	**(2.7)**	(3.1)	(7.8)
Total finance costs	**(101.5)**	**(101.1)**	**(103.9)**
Total finance costs, net	**(91.5)**	**(90.7)**	**(95.2)**

Other finance cost includes commitment fees on loan facilities, not drawn down, other similar fees and when applicable premium on debt buy back.

Belarus has been considered to be a hyperinflationary economy since the fourth quarter of 2011. The three year cumulative inflation exceeded 100% and therefore Belarus is consolidated in terms of the measuring unit at the balance sheet date and translated at the closing exchange rate. The restatement was based on conversion factors derived from the Belarusian Consumer Price Index (CPI) as compiled by the National Statistical Committee of the Republic of Belarus. The conversion factor used for December 2013 was 1.136 which resulted in a net monetary loss for 2013 of €2.7m. The conversion factor used for December 2012 was 1.223 which resulted in a net monetary loss for 2012 of €3.1m. The conversion factor used for December 2011 was 2.080 which resulted in a net monetary loss for 2011 of €7.8m.

Capitalised borrowing costs in 2013 amounted to €0.9m (2012: € 1.4m, 2011: €1.6m). The interest rate used to capitalise borrowing costs of the Group for 2013 was 3.88% (2012: 3.86%, 2011: 3.83%).

22. Tax

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2013 € million	2012 € million	2011 € million
Profit before tax per the income statement	**294.1**	258.6	364.5
Tax calculated at domestic tax rates applicable to profits in the respective countries	**72.1**	60.0	78.2
Additional local taxes in foreign jurisdictions	**9.3**	11.6	13.6
Tax holidays in foreign jurisdictions	**(1.8)**	(1.7)	(2.4)
Expenses non-deductible for tax purposes	**27.3**	33.3	51.0
Income not subject to tax	**(34.1)**	(33.6)	(30.3)
Changes in tax laws and rates	**(8.2)**	(1.5)	0.4
Current year tax losses not recognised	**9.8**	2.1	0.2
Utilisation of previously unrecognised post-acquisition tax losses	**(0.3)**	(0.1)	(0.1)
Recognition of previously unrecognised post-acquisition tax losses	**(0.1)**	(0.7)	(7.9)
Other	**(1.1)**	(4.2)	(3.9)
Income tax charge per the income statement	**72.9**	**65.2**	**98.8**

Non-deductible expenses for tax purposes include marketing and advertising expenses, service fees, bad debt provisions, entertainment expenses, certain employee benefits and stock options expenses and other items that, partially or in full, are not deductible for tax purposes in certain of our jurisdictions.

The income tax charge for the years ended 31 December is as follows:

	2013 € million	2012 € million	2011 € million
Current tax charge	**67.2**	60.4	85.3
Deferred tax charge (refer to Note 9)	**5.7**	4.8	13.5
Total income tax charge	**72.9**	**65.2**	**98.8**

23. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the owners of the parent entity is based on the following data:

	2013	2012	2011
Net profit attributable to the owners of the parent (€ million)	**221.2**	190.4	264.4
Weighted average number of ordinary shares for the purposes of basic earnings per share (million)	**363.6**	363.9	363.0
Effect of dilutive stock options (million)	**1.6**	0.6	0.8
Weighted average number of ordinary shares for the purposes of diluted earnings per share (million)	**365.2**	364.5	363.8
Basic and diluted earnings per share (€)	**0.61**	**0.52**	**0.73**

Given the effect of rounding, basic and diluted earnings per share are equal. Outstanding stock options that have an anti-dilutive effect and therefore excluded from diluted earnings per share in 2013 were 3.0m (2012: 6m, 2011: 4.4m).

24. Components of other comprehensive income

The components of other comprehensive income for the years ended 31 December comprise:

	2013			2012			2011		
	Before-tax amount € million	Tax (expense)/ benefit € million	Net-of-tax amount € million	Before-tax amount € million	Tax (expense)/ benefit € million	Net-of-tax amount € million	Before-tax amount € million	Tax (expense)/ benefit € million	Net-of-tax amount € million
Available-for-sale financial assets	**0.7**	**(0.2)**	**0.5**	0.2	(0.1)	**0.1**	(0.4)	0.1	**(0.3)**
Cash flow hedges	**5.1**	**—**	**5.1**	(13.4)	3.0	**(10.4)**	8.4	(2.7)	**5.7**
Foreign currency translation	**(124.3)**	**—**	**(124.3)**	32.4	—	**32.4**	(54.4)	—	**(54.4)**
Actuarial gains / (losses)	**11.4**	**(1.4)**	**10.0**	(15.2)	2.6	**(12.6)**	(27.7)	5.7	**(22.0)**
Share of other comprehensive income of equity method investments	**(0.9)**	**—**	**(0.9)**	(0.8)	—	**(0.8)**	(0.6)	—	**(0.6)**
Other comprehensive income	**(108.0)**	**(1.6)**	**(109.6)**	**3.2**	**5.5**	**8.7**	**(74.7)**	**3.1**	**(71.6)**

25. Shares held for equity compensation plan

The Group operates an employee stock purchase plan, which is an equity compensation plan, in which eligible employees may participate. Until April 2013 the plan operated under the Coca-Cola Hellenic Bottling Company S.A. stock purchase plan, which was replaced by the CCHBC's employee stock purchase plan, which operates under substantially similar terms.

Under the terms of this plan, employees have the opportunity to invest 1% to 15% of their salary in ordinary CCHBC shares by contributing to the plan monthly. CCHBC will match up to a maximum of 3% of the employee's salary by way of contribution. Employer contributions are used to purchase matching shares on a monthly basis on the open market, which since 29 April 2013 is the London Stock Exchange (previously the Athens Exchange). Shares are held by a plan administrator (previously the plan was administered by a trust). Matching shares vest one year after the purchase. Forfeited shares are held in a reserve account of the plan and may be used to meet plan expenses or any other purposes relevant to the plan. Dividends received in respect of shares under the plan are used to purchase additional shares and are immediately vested to the employees.

In order to adapt CCHBC's employee stock purchase plan to the Greek legal framework in the case of employees resident in Greece, CCHBC matches the contribution of the employees resident in Greece with an annual employer contribution of up to 5% of the employee's salary, which is made in December, and matching shares purchased in December vest immediately.

During 2013, 255,128 shares were purchased by CCHBC (2012: 188,545) as matching shares to employee investments. The charge to the income statement totalled €4.8m (2012: €4.1m). The cost of unvested matching shares held by the trust at the end of December 2013, before they vest to employees, was €4.7m (2012: €3.5m). The total number of shares held under the plan as at 31 December 2013 was 2,574,224 (2012: 2,536,061). The total contributions made by employees to the plan during 2013 were €3.1m (2012: €3.9m).

No provision is made for any increase or decrease in value of these shares, as they will vest to employees, and the risks and rewards of fluctuations of the share price are borne by those employees.

The unvested shares held under the equity compensation plan are included in other Reserves (refer to Note 19) and deducted from equity.

26. Stock option compensation plans

The Group operates an employee stock option plan as an equity compensation plan, under which senior managers are granted awards of stock options, based on performance, potentiality and level of responsibility. Options are granted at an exercise price equal to the closing price of the Company's shares trading on the London Stock Exchange on the day of the grant. Options vest in one-third increments each year for three years and can be exercised for up to ten years from the date of award. When the options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (at the nominal value) and share premium.

The following table summarises information regarding outstanding stock options exercisable at 31 December 2013 :

	Exercise price (EUR)	Exercise price (GBP)	Vesting status as at 31-Dec 2013	Vesting dates for further increments			End of option period	Number of stock options outstanding
2004 December Grant	10.08	8.59	fully vested	—	—	—	02.12.2014	37,926
2005 December Grant	13.19	11.24	fully vested	—	—	—	01.12.2015	428,918
2006 March Grant	14.23	12.13	fully vested	—	—	—	20.03.2016	50,001
2006 December Grant	16.37	13.95	fully vested	—	—	—	12.12.2016	886,300
2007 December Grant	26.41	22.51	fully vested	—	—	—	12.12.2017	1,218,200
2008 June Grant	22.20	18.92	fully vested	—	—	—	19.06.2018	30,000
2008 December Grant	9.02	7.69	fully vested	—	—	—	10.12.2018	1,030,601
2009 December Grant	15.70	13.38	fully vested	—	—	—	09.12.2019	1,418,000
2010 December Grant	19.31	16.46	fully vested	—	—	—	08.12.2020	1,742,768
2011 March Grant	18.53	15.79	two thirds	16.03.2014	—	—	15.03.2021	18,334
2011 December Grant	11.98	10.21	two thirds	16.12.2014	—	—	15.12.2021	1,409,836
2013 June Grant	—	15.00	—	21.06.2014	21.06.2015	21.06.2016	20.06.2023	1,587,000
2013 December Grant	—	16.99	—	10.12.2014	10.12.2015	10.12.2016	09.12.2023	1,723,000
Total								**11,580,884**

A summary of stock option activity in 2013 under all plans is as follows:

	Number of stock options 2013	Weighted average exercise price 2013 (EUR)	Weighted average exercise price 2013 (GBP)
Outstanding at January 1	**9,701,053**	**16.19**	**13.24**
Granted	**3,341,000**	**18.99**	**16.03**
Exercised	**(1,199,080)**	**13.80**	**11.76**
Expired	**(56,250)**	**26.41**	**22.51**
Forfeited	**(205,839)**	**14.85**	**12.66**
Outstanding at December 31	**11,580,884**	**17.22**	**14.63**
Exercisable at December 31	**7,787,535**	**16.78**	**14.30**

	Number of stock options 2012	Weighted average exercise price before the capital return 2012 (EUR)	Weighted average exercise price after the capital return 2012 (EUR)
Outstanding at January 1	9,767,302	16.55	n/a
Granted	—	n/a	n/a
Exercised	(11,499)	9.36	9.02
Expired	—	n/a	n/a
Forfeited	(54,750)	21.81	21.47
Outstanding at December 31	9,701,053	n/a	16.19
Exercisable at December 31	7,914,981	n/a	16.50

26. Stock option compensation plans

The related weighted average share price during the period of exercise was £17.52 (2012 : €14.80).

As a result of the voluntary share exchange offer (refer to Note 1), outstanding stock options previously granted to senior managers over Coca- Cola Hellenic Bottling Company S.A shares were cancelled and replaced with new options over CCHBC shares on a one-for-one basis following completion of the voluntary share exchange offer. The terms of these new options are substantially the same as previous options so that, amongst other things, the vesting and exercise periods generally remained the same. The exercise prices of the new options were converted in GBP using the exchange rate EUR/GBP at the date of conversion.

The incremental fair value granted as a result of the replacement options, which was measured using a Monte Carlo simulation model, was €1.0 million which is charged to the income statement. The total charge to the income statement for employee stock option awards for 2013 amounted to €6.3m (2012: €6.3m, 2011: €8.1m).

As a result of the capital return (refer to Note 18 to our consolidated financial statements) of €0.34, a corresponding €0.34 reduction was made to the exercise price of each unexercised stock option under each plan. The modification to the exercise price ensured the intrinsic value of each stock option was retained and did not result in incremental fair value for any of the unexercised stock options. Incremental fair value is calculated using the binomial stock option valuation model and represents the difference between the fair value of an option immediately after the modification and the original fair value of the respective option, measured immediately before the modification.

Equity settled share based payments are measured at fair value at the date of grant using a Monte Carlo simulation stock option valuation model. For the year of 2013 inputs into the model are as follows. For the year of 2012 there have been no grants:

	2013
Weighted average share price	**£16.00**
Weighted average fair value of options granted	**£5.70**
Risk free interest rates	**2.50%**
Expected volatility	**38.40%**
Dividend yield	**2.10%**
Expected life	**8 years**

The weighted average remaining contractual life of share options outstanding under the stock option compensation plans at 31 December 2013 was 6.7 years (2012: 6.5 years).

27. Business combinations and acquisition of non-controlling interests

During 2013, the Group increased its controlling interest in the following entity and paid the following amounts in respect of non-controlling interest acquired in 2011 :

	Location	**Amount of consideration € million**
Payment for acquisition of non-controlling interests in Nigerian Bottling Company plc in 2011	Nigeria	4.8
Acquisition of non-controlling interests:		
CCHBC Bulgaria AD	Bulgaria	13.3
Cash outflow included in cash flow		**18.1**

During 2012, the Group paid the following amounts in respect of non- controlling interest acquired in 2011:

	Location	**Amount of consideration € million**
Payment for acquisition in 2011 of non-controlling interests in Nigerian Bottling Company plc	Nigeria	13.9
Cash outflow included in cash flow		**13.9**

During 2011, the Group acquired businesses, controlling interests or increased its controlling interest in the following entities:

	Location	Net tangible assets applicable € million	Goodwill arising € million	Acquisition of trademarks € million	Amount of consideration € million
Acquired business:					
MS Foods UAB	Belarus	(0.4)	2.7	0.2	2.5
Acquisition of non-controlling interests:					
Nigerian Bottling Company plc	Nigeria	—	—	—	100.2
Coca-Cola HBC-Srbija d.o.o.	Serbia	—	—	—	17.7
Total acquisitions as at 31 December 2011		**(0.4)**	**2.7**	**0.2**	**120.4**

	€ million
Total consideration	**120.4**
Less: payment deferred	(43.7)
Cash outflow included in cash flow	**76.7**

Acquisition of MS Foods UAB

On 20 April 2011, the Group, along with TCCC, acquired through Multon ZAO, the Russian juice joint arrangement, all outstanding shares of MS Foods UAB, a company that owns 100% of the equity of Vlanpak FE (Vlanpak), a fruit juice and nectar producer in Belarus. Our share of the acquisition consideration was €3.9m including an assumption of debt of €1.4m. Acquisition related costs recognised as an expense in income statement, under operating expenses, amounted to €0.3m.

Details of the acquisition are as follows:

	Acquiree's carrying amount before combination € million	Fair Value Adjustments € million	Fair values € million
Property, plant and equipment	0.6	0.3	**0.9**
Deferred tax assets	—	0.1	**0.1**
Inventories	0.1	—	**0.1**
Short-term borrowings	(0.9)	(0.5)	**(1.4)**
Accounts payable	(0.1)	—	**(0.1)**
Fair value of net tangible assets acquired	**(0.3)**	**(0.1)**	**(0.4)**
Trademarks	—	0.2	**0.2**
Goodwill	—	2.7	**2.7**
Fair value of net assets acquired	**(0.3)**	**2.8**	**2.5**
Consideration paid to former shareholders			2.5
Total consideration			2.5

The contribution of MS Foods UAB to the results of the Group for the year ended 31 December 2011 was revenue of €1.3m and a profit of €1.2m. The revenue and profit that MS Food UAB would have contributed to the Group for the year ended 31 December 2011 if the acquisition date for the business combination had been as of the beginning of the annual reporting period would have been €1.4m and €1.2m respectively. The acquisition resulted in the Group recording €2.7m of goodwill and €0.2m of trademarks in its emerging markets segment.

The goodwill arising on the acquisition of MS Foods UAB is attributed to synergies that the Group expects to realise by combining operations with those already existing in Belarus. None of the goodwill recognised is expected to be deductible for income tax purposes.

Acquisitions of non controlling interests

On 8 June 2011, the Board of Directors of the Company'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 by Coca-Cola Hellenic Bottling Company S.A. bringing the Group's interest in NBC 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 €100.2m, including transaction costs of €1.8m, out of which €75.2m was paid as of 31 December 2013 (2012: €70.4m). The remaining amount of €25.0m has yet to be paid in respect of shares acquired as the sellers have yet to claim the cash consideration. This amount is currently held in a separate bank account in Nigeria awaiting claim (see Note 14). The difference between the consideration and the carrying value of the interest acquired (€60.1m) has been recognised in retained earnings while the accumulated components recognised in other comprehensive income have been reallocated within the equity of the Group.

On 14 January 2013, the Group acquired 14.0% of CCHBC Bulgaria AD, bringing the Group's interest in the subsidiary to 99.39%. The consideration paid for the acquisition of non-controlling interests acquired was €13.3m and the carrying value of the additional interest acquired was €8.2m. The difference between the consideration and the carrying value of the interest acquired has been recognised in retained earnings.

Disposal of Eurmatik S.r.l

In February 2011, the Group sold all of its interests in Eurmatik S.r.l., the vending operator in Italy. The consideration was €13.5m and the cash and cash equivalents disposed were €0.4m. The disposal resulted in the Group derecognising €12.0m of intangible assets and €12.7m of net assets. The disposal of Eurmatik S.r.l resulted in a gain of €0.8m in the Group's established markets segment.

28. Dividends

The Board of Directors of Coca-Cola HBC AG has proposed a €35.4 cents dividend per share in respect of 2013. If approved by the shareholders of CCHBC, this dividend will be paid in 2014.

On 19 June 2013, the Extraordinary General Meeting of shareholders of CCHBC approved the distribution of a €0.34 dividend per share proposed by the Board of Directors. The total dividend amounted to €124.7m and was paid on 23 July 2013.

The group has not declared or paid a dividend in 2012 in respect of 2011.

29. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk, commodity price risk), credit risk, liquidity risk and capital risk. The Group's overall risk management programme focuses on the volatility of financial markets and seeks to minimise potential adverse effects on the Group's cash flows. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Group Treasury in a controlled manner, consistent with the Board of Directors' approved policies. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's subsidiaries. The Board of Directors has approved the Treasury Policy and Chart of Authority, which together provide the control framework for all treasury and treasury related transactions.

Market Risk

Foreign currency risk

The Group is exposed to the effect of foreign currency risk on future commercial transactions, recognised monetary assets and liabilities that are denominated in currencies other than the local entity's functional currency, as well as net investments in foreign operations. Foreign currency forward and option contracts are used to hedge a portion of the Group's foreign currency risk. The majority of the foreign currency forward contracts and foreign currency option contracts have maturities of less than one year after the balance sheet date. The foreign currency risk arising from the investment in foreign operations is not hedged.

29. Financial risk management

Management has set up a policy that requires Group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised monetary assets and liabilities, entities in the Group use foreign currency forward and option contracts transacted with Group Treasury. The Group Treasury's risk management policy is to hedge, on average coverage ratio basis, between 25% and 80% of anticipated cash flows and 100% of balance sheet exposures in each major foreign currency without significant currency control for the next twelve months by using a layer strategy. Each subsidiary designates contracts with Group Treasury as fair value hedges or cash flow hedges, as appropriate. External foreign exchange contracts are designated at Group level as hedges of foreign exchange risk on specific monetary assets, monetary liabilities or future transactions on a gross basis.

The following tables present details of the Group's sensitivity to reasonably possible increases and decreases in the euro and US dollar against the relevant foreign currencies. In determining reasonable possible changes, the historical volatility over a twelve-month period of the respective foreign currencies in relation to the euro and the US dollar, has been considered. The sensitivity analysis determines the potential gains and losses in the income statement or equity arising from the Group's foreign exchange positions as a result of the corresponding percentage increases and decreases in the Group's main foreign currencies, relative to the euro and the US dollar. The sensitivity analysis includes outstanding foreign currency denominated monetary items, external loans as well as loans between operations within the Group where the denomination of the loan is in a currency other than the functional currency of the local entity. The sensitivity analysis for exchange risk for 2013, 2012 and 2011 was as follows:

2013 exchange risk sensitivity analysis

		Euro strengthens against local currency		**Euro weakens against local currency**	
	% of historical volatility over a 12-moth period	**Loss/(Gain) in income statement € million**	**(Gain)/loss in equity € million**	**(Gain)/loss in income statement € million**	**(Gain)/loss in equity € million**
Armenian dram	9.35%	0.5	—	(0.6)	—
Belarusian rouble	7.41%	(0.7)	—	0.8	—
Bulgarian lev	1.44%	(0.7)	—	0.7	—
Croatian kuna	1.35%	—	(0.1)	—	0.1
Czech koruna	6.54%	(0.9)	(0.9)	1.1	0.8
Hungarian forint	7.97%	0.1	(0.3)	—	0.3
Moldovan leu	11.70%	0.2	0.8	(0.3)	(1.1)
Nigerian naira	8.85%	0.4	—	(0.5)	—
Polish zloty	6.43%	(0.5)	(2.7)	0.5	2.6
Romanian leu	4.95%	0.2	(1.7)	0.2	1.0
Russian rouble	7.28%	(10.5)	(2.9)	13.0	0.4
Serbian dinar	3.64%	(0.1)	—	0.2	—
Swiss franc	4.41%	(0.4)	(3.0)	0.5	3.0
UK sterling	6.77%	(0.3)	4.1	0.5	(4.7)
Ukrainian hryvnia	7.78%	1.8	—	(2.1)	—
US dollar	7.33%	14.1	2.5	(16.3)	(2.7)
		3.2	**(4.2)**	**(2.3)**	**(0.3)**

	% of historical volatility over a 12-moth period	US dollar strengthens against local currency (Gain)/loss in income statement € million	US dollar strengthens against local currency (Gain)/loss in equity € million	US dollar weakens against local currency Loss/(Gain) in income statement € million	US dollar weakens against local currency Loss/(Gain) in equity € million
Euro	7.33%	(14.1)	0.8	16.3	(0.9)
Romanian leu	8.83%	(1.1)	—	1.4	—
Russian rouble	7.58%	1.4	(5.6)	0.2	2.3
Serbian dinar	8.08%	(0.1)	—	0.1	—
Ukrainian hryvnia	2.73%	0.2	—	(0.3)	—
		(13.7)	**(4.8)**	**17.7**	**1.4**

2012 exchange risk sensitivity analysis

	% of historical volatility over a 12-moth period	Euro strengthens against local currency Loss/(Gain) in income statement € million	Euro strengthens against local currency (Gain)/loss in equity € million	Euro weakens against local currency (Gain)/loss in income statement € million	Euro weakens against local currency (Gain)/loss in equity € million
Armenian dram	10.04%	0.7	—	(0.8)	—
Belarusian rouble	9.58%	(0.9)	—	1.0	—
Bulgarian lev	1.97%	(0.7)	—	0.8	—
Croatian kuna	1.99%	(0.1)	(0.1)	0.1	0.1
Czech koruna	6.52%	(2.0)	(1.3)	2.5	1.2
Hungarian forint	10.55%	(0.7)	(1.3)	0.7	1.3
Moldovan leu	10.37%	0.5	0.8	(0.6)	(0.9)
Nigerian naira	9.89%	1.7	—	(2.1)	—
Polish zloty	8.67%	(0.4)	(3.8)	0.3	3.4
Romanian leu	4.03%	—	(1.2)	0.2	0.8
Russian rouble	7.70%	0.2	(2.5)	(0.4)	1.4
Serbian dinar	7.27%	0.6	—	(0.5)	—
Swiss franc	1.60%	—	(0.6)	—	0.6
UK sterling	5.81%	(0.5)	4.2	0.6	(4.7)
Ukrainian hryvnia	8.99%	1.8	—	(2.2)	—
US dollar	8.62%	18.4	1.7	(21.8)	(2.0)
		18.6	**(4.1)**	**(22.2)**	**1.2**

	% of historical volatility over a 12-moth period	US dollar strengthens against local currency (Gain)/loss in income statement € million	US dollar strengthens against local currency (Gain)/loss in equity € million	US dollar weakens against local currency Loss/(Gain) in income statement € million	US dollar weakens against local currency Loss/(Gain) in equity € million
Bulgarian lev	8.60%	0.1	—	(0.1)	—
Croatian kuna	8.77%	—	(0.1)	—	0.1
Czech Koruna	13.09%	0.1	—	(0.1)	—
Euro	8.62%	(19.1)	1.7	22.7	(2.0)
Romanian leu	9.98%	(0.1)	—	0.1	—
Russian rouble	10.92%	(0.3)	(6.6)	0.8	3.1
Serbian dinar	11.10%	—	—	0.1	—
Ukrainian hryvnia	2.59%	0.2	—	(0.3)	—
		(19.1)	**(5.0)**	**23.2**	**1.2**

2011 exchange risk sensitivity analysis

		Euro strengthens against local currency		Euro weakens against local currency	
	% of historical volatility over a 12-moth period	Loss/(Gain) in income statement € million	(Gain)/loss in equity € million	(Gain)/loss in income statement € million	(Gain)/loss in equity € million
Armenian dram	12.04%	0.4	—	(0.5)	—
Belarusian rouble	30.00%	(1.9)	—	3.6	—
Bulgarian lev	0.47%	(0.2)	—	0.2	—
Croatian kuna	1.68%	—	(0.1)	—	0.1
Czech koruna	6.71%	(1.6)	(1.3)	2.1	0.9
Hungarian forint	11.70%	(0.1)	(1.3)	0.1	1.4
Latvian Lati	1.48%	(0.1)	—	0.1	—
Moldovan leu	12.66%	0.2	1.0	(0.3)	(1.3)
Nigerian naira	15.46%	1.2	—	(1.6)	—
Polish zloty	10.31%	(1.0)	(4.5)	0.6	4.7
Romanian leu	4.76%	0.1	(1.4)	(0.2)	1.4
Russian rouble	8.66%	0.2	(3.4)	(1.3)	2.8
Serbian dinar	9.11%	0.3	—	(0.4)	—
Swiss franc	14.95%	3.5	(4.5)	(3.8)	4.6
UK sterling	8.02%	1.7	5.7	(1.6)	(6.8)
Ukrainian hryvnia	12.18%	0.8	—	(1.0)	—
US dollar	11.09%	20.8	6.6	(26.4)	(7.2)
		24.3	**(3.2)**	**(30.4)**	**0.6**

		US dollar strengthens against local currency		US dollar weakens against local currency	
	% of historical volatility over a 12-moth period	(Gain)/loss in income statement € million	(Gain)/loss in equity € million	Loss/(Gain) in income statement € million	Loss/(Gain) in equity € million
Belarusian rouble	20.00%	2.3	0.2	(3.5)	(0.3)
Bulgarian lev	11.09%	0.7	—	(0.8)	—
Croatian kuna	11.27%	(0.1)	(0.3)	0.1	0.3
Euro	11.09%	(22.5)	(2.2)	28.2	2.7
Nigerian naira	10.59%	—	4.1	—	(5.1)
Russian rouble	11.55%	(0.7)	(10.1)	0.3	10.2
Serbian dinar	14.33%	(0.2)	—	0.2	—
Swiss franc	15.98%	—	—	0.1	—
Ukrainian hryvnia	2.74%	0.1	—	(0.1)	—
		(20.4)	**(8.3)**	**24.5**	**7.8**

Commodity price risk

The Group is affected by the volatility of certain commodity prices in relation to certain raw materials (being mainly sugar, aluminium, PET and fuel) necessary for the production of the Group’s products.

29. Financial risk management

Due to the significantly increased volatility of commodity prices, the Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. Although the Group continues to contract prices with suppliers in advance, to reduce its exposure to the effect of short-term changes in the price of sugar, fructose and aluminium, the Group hedges the purchase price of sugar and aluminium using commodity swap contracts based on a rolling 36 month forecast. The Group Treasury's Risk management policy is to hedge minimum 50% and maximum 80% of commodity's exposure for the next twelve months.

The following table presents details of the Group's income statement and equity sensitivity to increases and decreases in sugar and aluminium prices. The table does not show the sensitivity to the Group's total underlying sugar and aluminium exposure or the impact of changes in volumes that may arise from increase or decrease in sugar and aluminium prices. The sensitivity analysis determines the potential effect on profit or loss and equity arising from the Group's commodity swap contract positions as a result of the reasonably possible increases or decreases of the sugar and aluminium price. The sensitivity analysis for sugar and aluminium price risk was as follows:

31 December 2013

		Commodity price increases with all other variables held constant		Commodity price decreases with all other variables held constant	
	% of historical volatility over a 12-month period/ per contract maturity	(Gain)/loss in income statement € million	(Gain)/loss in equity € million	Loss/(Gain) in income statement € million	Loss/(Gain) in equity € million
Sugar	10.4%	(5.9)	—	5.9	—
Aluminium	18.1%	(4.8)	(5.1)	4.8	5.1
		(10.7)	**(5.1)**	**10.7**	**5.1**

31 December 2012

		Commodity price increases with all other variables held constant		Commodity price decreases with all other variables held constant	
	% of historical volatility over a 12-month period/ per contract maturity	(Gain)/loss in income statement € million	(Gain)/loss in equity € million	Loss/(Gain) in income statement € million	Loss/(Gain) in equity € million
Sugar	16.4%	(7.8)	—	7.8	—
Aluminium	19.8%	(0.6)	—	0.6	—
		(8.4)	**—**	**8.4**	**—**

31 December 2011

		Commodity price increases with all other variables held constant		Commodity price decreases with all other variables held constant	
	% of historical volatility per contract maturity	(Gain)/loss in income statement € million	(Gain)/loss in equity € million	Loss/(Gain) in income statement € million	Loss/(Gain) in equity € million
Sugar	27.9%	(11.1)	—	11.0	—

Interest rate risk

The interest rate swap contracts with notional value of $500.0m, which were related to the $500.0m US dollar fixed rate debt, matured in September 2013.

The sensitivity analysis in the following paragraph has been determined based on exposure to interest rates of both derivative and non-derivative instruments existing at the balance sheet date and assuming constant foreign exchange rates. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates.

If interest rates had been 100 basis points higher and all other variables were held constant, the Group's profit for the year ended 31 December 2013 would have decreased by €0.4m (2012: €4.7m, 2011: €5.0m). If interest rates had been 100 basis points lower and all other variables were held constant, the Group's profit for the year ended 31 December 2013 would have increased by €0.2m (2012: €4.7m, 2011: €5.0m). This is mainly attributable to the Group's very minor exposure to interest rate fluctuations as the majority of outstanding amount of debt is in the form of fixed rate bonds.

Credit risk

The Group has limited concentration of credit risk across trade and financial counterparties. Policies are in place to ensure that sales of products and services on credit are made to customers with an appropriate credit history. The Group has policies that limit the amount of credit exposure to any single financial institution.

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 December 2013 in relation to each class of recognised financial asset, is the carrying amount of those assets as indicated on the balance sheet.

If credit is granted to customers, their credit quality is normally assessed using external agencies and historic experience. Credit limits are set accordingly. Further information regarding credit risk exposure is shown within Notes 12 and 13.

With respect to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's maximum credit risk exposure for each derivative instrument is the carrying amount of the derivative (refer to Note 8). In addition, the Group regularly makes use of money market funds to invest temporarily excess cash balances and to diversify its counterparty risk. These funds all have a minimum AAA rating and strict investment limits are set, per fund, depending on the size of the fund.

The Group only undertakes investment and derivative transactions with banks and financial institutions that have a minimum credit rating of 'BBB-' from Standard & Poor's and 'Baa3' from Moody's. Since June 2012 the Group has also introduced the Credit Default Swaps of a counterparty in order to measure more timely the credit worthiness of a counterparty and set up its counterparties in tiers in order to assign maximum exposure and tenor per tier. If the Credit Default Swaps of certain counterparty exceed 500bps the Group will stop trading derivatives with that counterparty and will try to cancel any deposits on a best effort basis.

Liquidity risk

The Group actively manages liquidity risk to ensure there are sufficient funds available for any short-term and long-term commitments. Bank overdrafts and bank facilities, both committed and uncommitted, are used to manage this risk.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity requirements. The Group manages liquidity risk by maintaining adequate cash reserves and committed banking facilities, access to the debt and equity capital markets, and by continuously monitoring forecasted and actual cash flows. In Note 15, the undrawn facilities that the Group has at its disposal to manage liquidity risk are discussed under the headings 'Commercial paper programme and committed credit facilities' and 'Euro medium-term note programmes'.

The following tables detail the Group's remaining contractual maturities for its financial liabilities. The tables include both interest and principal undiscounted cash flows assuming that interest rates remain constant from 31 December 2013.

	€ million up to 1 year	€ million 1-2 yrs	€ million 2-5 yrs	€ million over 5 years
Borrowings	530.3	371.4	769.5	916.3
Derivative liabilities	12.6	4.5	0.8	—
Trade and other payables	1,479.8	—	—	6.7
As at 31 December 2013	**2,022.7**	**375.9**	**770.3**	**923.0**
Borrowings	639.1	597.9	1,078.7	96.6
Derivative liabilities	8.3	2.2	0.2	—
Trade and other payables	1,461.6	—	—	6.7
As at 31 December 2012	**2,109.0**	**600.1**	**1,078.9**	**103.3**

The Group hedges exposures to changes in the fair value of debt, as well as in the foreign exchange cash flows of debt by using a combination of interest rate and cross-currency swap contracts (refer to Notes 8 and 15). Therefore, the impact of these instruments has been included in the aggregate interest and principal undiscounted cash flows related to the underlying borrowings presented above.

Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as going concern and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may increase or decrease debt, issue or buy back shares, adjust the amount of dividends paid to shareholders, or return capital to shareholders.

The Group's goal is to maintain a conservative financial profile. This is evidenced by the credit ratings maintained with Standard & Poor's and Moody's. In May 2013, Standard & Poor's affirmed Coca-Cola Hellenic Bottling Company S.A "BBB+" long term, "A2" short term corporate credit ratings but removed the negative credit watch following the completion of re-domiciliation. The corporate credit ratings by Moody's remained unchanged over the period, i.e"Baa1" long-term and negative outlook.

The Group monitors its capital structure on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Total capital is calculated as 'Total equity' plus 'Net debt' as shown in the consolidated balance sheet. The Group's strategy is to maintain a gearing ratio within a 35% to 45% range. The gearing ratios at 31 December 2013 and 2012 were as follows:

	2013 € million	2012 € million
Total borrowings (refer to Note 15)	**2,299.8**	2,159.7
Less: Cash and cash equivalents (refer to Note 14)	**(737.5)**	(439.1)
Net debt	**1,562.3**	**1,720.6**
Total Equity	**2,967.3**	3,006.5
Total capital	**4,529.6**	**4,727.1**
Gearing ratio	**34%**	**36%**

Fair values of financial assets and liabilities

For financial instruments such as cash, deposits, debtors and creditors, investments, short-term borrowings (excluding the current portion of bonds and notes payable) and other financial liabilities (other than bonds and notes payable), carrying values are a reasonable approximation of their fair values. According to the fair value hierarchy, the financial instruments measured at fair value are classified as follows:

Level 1

The fair value of available-for-sale listed equity securities is based on quoted market prices at 31 December 2013. The fair value of bonds is based on quoted market prices at 31 December 2013.

Level 2

The fair value of foreign currency forward contracts, foreign currency option contracts, commodity swap contracts, bonds and notes payable, interest rate swap contracts and cross-currency swap contracts is determined by using valuation techniques. These valuation techniques maximise the use of observable market data. The fair value of the foreign currency forward contracts, foreign currency option contracts, commodity swap contracts and cross-currency swap contracts is calculated by reference to quoted forward exchange, deposit rates and forward rate curve of the underlying commodity at 31 December 2013 for contracts with similar maturity dates. The fair value of interest rate option contracts is calculated by reference to the Black-Scholes valuation model and implied volatilities. The fair value of interest rate swap contracts is determined as the difference in the present value of the future interest cash inflows and outflows based on observable yield curves.

Level 3

The fair value of available-for-sale unlisted investments is determined through the use of estimated discounted cash flows.

The following table provides the fair value hierarchy in which fair value measurements are categorised for assets and liabilities measured at fair value as at 31 December 2013:

	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Financial assets at FVTPL				
Foreign currency forward contracts	—	1.9	—	**1.9**
Foreign currency option contracts	—	0.7	—	**0.7**
Commodity swap contracts	—	0.1	—	**0.1**
Derivative financial assets used for hedging				
Fair value hedges				
Foreign currency forward contracts	—	0.4	—	**0.4**
Foreign currency option contracts	—	0.1	—	**0.1**
Cash flow hedges				
Foreign currency forward contracts	—	1.6	—	**1.6**
Foreign currency option contracts	—	1.0	—	**1.0**
Interest rate swap contracts	—	22.1	—	**22.1**
Available-for-sale financial assets				
Equity securities	1.7	—	0.8	**2.5**
Total financial assets	**1.7**	**27.9**	**0.8**	**30.4**
Financial liabilities at FVTPL				
Foreign currency forward contracts	—	(2.0)	—	**(2.0)**
Commodity swap contracts	—	(10.9)	—	**(10.9)**
Derivative financial liabilities used for hedging				
Fair value hedges				
Foreign currency forward contracts	—	(0.2)	—	**(0.2)**
Cash flow hedges				
Foreign currency forward contracts	—	(2.1)	—	**(2.1)**
Foreign currency option contracts	—	(0.1)	—	**(0.1)**
Commodity swap contracts	—	(2.6)	—	**(2.6)**
Cross-currency swap contracts	—	(78.7)	—	**(78.7)**
Total financial liabilities	**—**	**(96.6)**	**—**	**(96.6)**

There were no material changes in fair value measurements for Level 3 items for the year ended 31 December 2013. There have been no transfers between Level 1 and Level 2 in the period.

29. Financial risk management

The following table provides the fair value hierarchy in which fair value measurements are categorised for assets and liabilities measured at fair value as at 31 December 2012:

	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Financial assets at FVTPL				
Foreign currency forward contracts	—	0.8	—	**0.8**
Foreign currency option contracts	—	0.2	—	**0.2**
Derivative financial assets used for hedging				
Fair value hedges				
Interest rate swap contracts	—	11.3	—	**11.3**
Cash flow hedges				
Foreign currency forward contracts	—	0.6	—	**0.6**
Foreign currency option contracts	—	0.7	—	**0.7**
Interest rate swap contracts	—	35.8	—	**35.8**
Available-for-sale financial assets				
Equity securities	1.0	—	0.7	**1.7**
Total financial assets	**1.0**	**49.4**	**0.7**	**51.1**
Financial liabilities at FVTPL				
Foreign currency forward contracts	—	(0.8)	—	**(0.8)**
Cross-currency swap contracts	—	(67.8)	—	**(67.8)**
Commodity swap contracts	—	(5.8)	—	**(5.8)**
Derivative financial liabilities used for hedging				
Fair value hedges				
Foreign currency forward contracts	—	(0.5)	—	**(0.5)**
Cash flow hedges				
Foreign currency forward contracts	—	(3.6)	—	**(3.6)**
Cross-currency swap contracts	—	(75.6)	—	**(75.6)**
Total financial liabilities	**—**	**(154.1)**	**—**	**(154.1)**

There were no material changes in fair value measurements for Level 3 items for the year ended 31 December 2012.

Offsetting financial assets and financial liabilities

(a) Financial assets

The following financial assets are subject to offsetting, enforceable master netting similar agreements

As at 31 December 2013

	Gross amounts of recognised financial assets € million	Gross amounts of recognised financial liabilities set off in the balance sheet € million	Net amounts of financial assets presented in the balance sheet € million	Related amounts not set off in the balance sheet: Financial instruments € million	Cash collateral received € million	Net amount € million
Derivative financial assets	27.9	—	27.9	(24.8)	—	**3.1**
Cash and cash equivalents	760.2	(22.7)	737.5	—	—	**737.5**
Other current assets	788.4	(58.0)	730.4	—	—	**730.4**
Total	**1,576.5**	**(80.7)**	**1,495.8**	**(24.8)**	**—**	**1,471.0**

As at 31 December 2012

	Gross amounts of recognised financial assets € million	Gross amounts of recognised financial liabilities set off in the balance sheet € million	Net amounts of financial assets presented in the balance sheet € million	Related amounts not set off in the balance sheet		
				Financial instruments € million	Cash collateral received € million	Net amount € million
Derivative financial assets	49.4	—	49.4	(49.4)	—	**—**
Cash and cash equivalents	465.5	(26.4)	439.1	—	—	**439.1**
Other current assets	848.4	(47.1)	801.3	—	—	**801.3**
Total	**1,363.3**	**(73.5)**	**1,289.8**	**(49.4)**	**—**	**1,240.4**

(b) Financial liabilities

The following financial liabilities are subject to offsetting, enforceable master netting similar agreements

As at 31 December 2013

	Gross amounts of recognised financial liabilities € million	Gross amounts of recognised financial assets set off in the balance sheet € million	Net amounts of financial liabilities presented in the balance sheet € million	Related amounts not set off in the balance sheet		
				Financial instruments € million	Cash collateral pledged € million	Net amount € million
Derivative financial liabilities	96.6	—	96.6	(24.8)	(8.8)	**63.0**
Bank overdrafts	28.9	(22.7)	6.2	—	—	**6.2**
Other current liabilities	538.8	(58.0)	480.8	—	—	**480.8**
Total	**664.3**	**(80.7)**	**583.6**	**(24.8)**	**(8.8)**	**550.0**

29. Financial risk management

As at 31 December 2012

	Gross amounts of recognised financial liabilities € million	Gross amounts of recognised financial assets set off in the balance sheet € million	Net amounts of financial liabilities presented in the balance sheet € million	Related amounts not set off in the balance sheet: Financial instruments € million	Cash collateral pledged € million	Net amount € million
Derivative financial liabilities	154.1	—	154.1	(49.4)	(23.5)	**81.2**
Bank overdrafts	43.0	(26.4)	16.6	—	—	**16.6**
Other current liabilities	482.9	(47.1)	435.8	—	—	**435.8**
Total	**680.0**	**(73.5)**	**606.5**	**(49.4)**	**(23.5)**	**533.6**

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements or other similar agreements. In general, under such agreements the counterparties can elect to settle into one single net amount the aggregated amounts owed by each counterparty on a single day with respect of all outstanding transactions of the same currency and the same type of derivative. In the event of default or early termination all outstanding transactions under the agreement are terminated and subject to any set-off. These agreements do not meet all of the IAS 32 criteria for offsetting in the statement of financial position as the Group does not have any current legally enforceable right to offset amounts since the right can be applied if elected by both counterparties.

30. Contingencies

The Greek Competition Authority issued a decision on 25 January 2002, imposing a fine on Coca-Cola Hellenic Bottling Company S.A. (following the merger now 3E Cyprus Limited) of approximately €2.9 million for certain discount and rebate practices and required changes to the Coca-Cola Hellenic Bottling Company S.A's commercial practices with respect to placing coolers in certain locations and lending them free of charge. On 16 June 2004, the fine was reduced on appeal to €1.8 million. On 29 June 2005, the Greek Competition Authority requested that Coca-Cola Hellenic Bottling Company S.A. provide information on its commercial practices as a result of a complaint by certain third parties regarding Coca-Cola Hellenic Bottling Company S.A.'s compliance with the decision of 25 January 2002. On 7 October 2005, Coca-Cola Hellenic Bottling Company S.A. was served with notice to appear before the Greek Competition Authority. On 14 June 2006, the Greek Competition Authority issued a decision imposing a daily penalty of €5,869 for each day that Coca-Cola Hellenic Bottling Company S.A. allegedly failed to comply with the decision of 25 January 2002. On 31 August 2006, Coca-Cola Hellenic Bottling Company S.A. deposited an amount of €8.9 million, reflecting the amount of the fine and applicable tax, with the Greek authorities. As a result of this deposit, Coca-Cola Hellenic Bottling Company S.A. increased the charge to its 2006 financial statements in connection to this case. On 23 November 2007, the Court of Appeals partly reversed and partly upheld the decision of the Greek Competition Authority reducing the amount of the fine to €5.9 million. The reduction of the fine by €2.8 million was recognised in Coca-Cola Hellenic Bottling Company S.A.'s 2007 income statement. Coca-Cola Hellenic Bottling Company S.A. has appealed the decision of the Court of Appeals to the extent it upholds the fine, to the Supreme Administrative Court of Greece. Coca-Cola Hellenic Bottling Company S.A. (following the merger now 3E Cyprus Limited) believes that it has substantial legal grounds for its appeal against the judgement of the Court of Appeals. The Greek Competition Authority and one of Coca-Cola Hellenic Bottling Company S.A.'s competitors have also appealed the decision of the Court of Appeals. There have been no material developments in the applicable litigation. Since 2008 when the case was first referred to the Supreme Administrative Court of Greece, hearings have been postponed due to the backlog of pending cases before the Court. Utilising advice from outside legal counsel, Coca-Cola Hellenic Bottling Company S.A. (following the merger now 3E Cyprus Limited) considers the risk of an increase to the amount of the fine and the possibility of further cash outflows as remote.

In relation to the Greek Competition Authority's decision of 25 January 2002, one of Coca-Cola Hellenic Bottling Company S.A.'s competitors has filed a lawsuit against Coca-Cola Hellenic Bottling Company S.A. claiming damages in an amount of €7.7 million. The court of first instance heard the case on 21 January 2009 and subsequently rejected the lawsuit. The plaintiff has appealed the judgement and on 9 December 2013 the Athens Court of Appeals rejected the plaintiff's appeal. Following the spin-off, Coca-Cola HBC Greece S.A.I.C. substituted Coca-Cola Hellenic Bottling Company S.A. as defendant in this lawsuit. Coca-Cola HBC Greece S.A.I.C. has not provided for any losses related to this case.

On 1 February 2012, the Greek Competition Commission conducted an inspection of Coca-Cola Hellenic Bottling Company S.A.'s (following the merger now 3E Cyprus Limited) operations as part of an investigation into the sparkling, juice and water categories. Coca-Cola HBC Greece S.A.I.C., by which the production, bottling and distribution division of Coca-Cola Hellenic Bottling Company S.A. was absorbed has a policy of strict compliance with Greek and EU competition law and it is cooperating fully with the Greek Competition Commission.

In the second quarter of 2010, the Serbian Competition Authority opened an investigation into the commercial practices of our Serbian subsidiary for potential abuse of dominance in the market for distribution of alcoholic and non-alcoholic beverages. In December 2012, the authority addressed a statement of objections to our Serbian subsidiary on which our Serbian subsidiary responded in March 2013. We believe that our Serbian subsidiary has not violated any Serbian competition rules and we will challenge any such allegations vigorously.

In 1992, our subsidiary Nigerian Bottling Company ("NBC") acquired a manufacturing facility in Nigeria from Vacunak, a Nigerian Company. In 1994, Vacunak filed a lawsuit against NBC, alleging that a representative of NBC had orally agreed to rescind the sale agreement and instead enter into a lease agreement with Vacunak. As part of its lawsuit Vacunak sought compensation for rent and loss of business opportunities. NBC discontinued all use of the facility in 1995. On August 19, 2013, NBC received the written judgment of the Nigerian court of first instance issued on 28 June 2012 providing for damages of approximately €38.5 million. NBC has filed an appeal against the judgment. Based on advice from NBC's outside legal counsel, we believe that it is unlikely that NBC will suffer material financial losses from this case. We have consequently not provided for any losses in relation to this case.

The tax filings of the Group and its subsidiaries are routinely subjected to audit by tax authorities in most of the jurisdictions in which the Group conducts business. These audits may result in assessments of additional taxes. The Group provides additional tax in relation to the outcome of such tax assessments, to the extent that a liability is probable and estimable.

The Group is also involved in various other legal proceedings. Management believes that any liability to the Group that may arise as a result of these pending legal proceedings will not have a material adverse effect on the results of operations, cash flows, or the financial position of the Group taken as a whole.

31. Commitments

(a) Operating leases

The total of future minimum lease payments under non-cancellable operating leases at 31 December was as follows:

	2013 € million	2012 € million
Less than one year	**50.7**	50.3
Later than one year but less than five years	**115.5**	130.4
Later than five years	**20.2**	25.2
Future minimum lease payments	**186.4**	**205.9**

The total operating lease charges included within operating expenses for the years ended 31 December were as follows:

	2013 € million	2012 € million	2011 € million
Plant and equipment	**66.5**	74.1	67.9
Property	**26.2**	45.0	47.2
Total operating lease charges	**92.7**	**119.1**	**115.1**

(b) Capital commitments

At 31 December 2013 the Group had capital commitments amounting to €79.2m (2012: €89.7m). Of this, €2.5m related to the Company's share of the commitments of its joint operations (2012: €0.4m)

(c) Long-term commitments

At 31 December 2013 the Group had commitments to purchase raw materials and receive services amounting to €567.8m (2012: €299.7m). Of this, €2.0m related to the Company's share of the commitments of its joint operations (2012: €8.2m)

32. Directors' and senior management remuneration

The total remuneration paid to or accrued for directors and the senior management team for 2013 amounted to €15.1m (2012: €11.4m). Salaries and other short-term benefits amounted to €10.3m (2012: €7.4m). Out of the total remuneration, the amount accrued for stock option grants during 2013 was €3.6m (2012: €3.0m). Pension and post employment benefits for directors and the senior management team during 2013 amounted to €0.7m (2012: €1.0m). Termination benefits for directors and the senior management team during 2013 amounted to €0.5m (2012: nil).

33. Related party transactions

(a) The Coca-Cola Company

As at 31 December 2013, TCCC indirectly owned 23.1% (2012: 23.2%) of the issued share capital of CCHBC. TCCC considers CCHBC to be a 'key bottler' and has entered into bottler's agreements with CCHBC in respect of each of CCHBC's territories. All the bottler's agreements entered into by TCCC and CCHBC are Standard International Bottler's ('SIB') agreements. The terms of the bottler's agreements grant CCHBC the right to produce and the exclusive right to sell and distribute the beverages of TCCC in each of the countries in which the Group operates. Consequently, CCHBC is obliged to purchase all concentrate for TCCC's beverages from TCCC, or its designee, in the ordinary course of business. On 10 October 2012, TCCC agreed to extend the term of the bottlers' agreements for further ten years until 2023. On 29 December 2008, Kar-Tess Holding and TCCC agreed to extend their existing shareholders' agreement, whereby the combined shareholdings of Kar-Tess Holding and TCCC in Coca Cola Hellenic Bottling Company S.A. will not fall below 44% for the period up to January 2014 and not below 40% for the period thereafter until 31 December 2018. However, On 22 February 2013, CCHBC announced that the shareholders' agreement of Kar-Tess Holding and TCCC would be terminated upon settlement of the voluntary share exchange offer and will not be renewed in relation to CCHBC.

TCCC owns or has applied for the trademarks that identify its beverages in each of the countries in which the Group operates. TCCC has authorised CCHBC and certain of its subsidiaries to use the trademark 'Coca-Cola' in their corporate names.

Total purchases of concentrate, finished products and other materials from TCCC and its subsidiaries during 2013 amounted to €1,432.7m (2012: € 1,305.4m, 2011: €1,300.8m).

TCCC makes discretionary marketing contributions to CCHBC's operating subsidiaries. The participation in shared marketing agreements is at TCCC's discretion and, where co-operative arrangements are entered into, marketing expenses are shared. Such arrangements include the development of marketing programmes to promote TCCC's beverages. Total net contributions received from TCCC for marketing and promotional incentives during the year amounted to €99.2m (2012: €70.6m, 2011: €76.5m). Contributions for price support and marketing and promotional campaigns in respect of specific customers are recorded in net sales revenue as an offset to promotional incentives paid to customers. In 2013, such contributions totalled €69.9m (2012: €51.2m, 2011: €49.0m). Contributions for general marketing programmes are recorded as an offset to selling expenses. In 2013, such contributions made by TCCC to CCHBC totalled € 31.0m (2012: €20.1m, 2011: €21.9m) and the contributions of CCHBC to TCCC totalled €1.7m (2012: €0.7m, 2011: €9.0m). TCCC has also customarily made additional payments for marketing and advertising directly to suppliers as part of the shared marketing arrangements. The proportion of direct and indirect payments, made at TCCC's discretion, will not necessarily be the same from year to year. In addition, there were no support payments received from TCCC for the placement of cold drink equipments for the year ended 31 December 2013 (2012: €nil, 2011: €14.6m).

During the year, the Group sold €28.2m of finished goods and raw materials to TCCC (2012: €25.1m, 2011: €32.8m).

Other income primarily comprises rent, facility and other items of € 1.6m (2012: €1.2m, 2011: €1.2m) and a toll-filling relationship in Poland of €19.0m (2012: €18.0m, 2011: €13.8m). Other expenses related to facility costs charged by TCCC and shared costs included in operating expenses amounted to €2.8m (2012: €1.5m, 2011: € 4.0m).

During 2013, 2012 and 2011 the Group did not make any purchases of franchise rights and did not receive any income from the sale of available-for-sale assets to TCCC.

As at 31 December 2013, the Group had a total amount due from TCCC of €73.6m (2012: €49.6m), and a total amount due to TCCC of € 215.4m of trade payables (2012: €154.0m).

(b) Frigoglass S.A. ('Frigoglass')

Frigoglass, a company listed on the Athens Exchange, is a manufacturer of coolers, cooler parts, glass bottles, crowns and plastics. Truad Verwaltungs AG, in its capacity as trustee of a private discretionary trust established for the primary benefit of present and future members of the family of the late Anastasios George Leventis, currently indirectly owns 44.5% of Frigoglass through Torval Investment Corp., Lavonos Limited, Thrush Investments Holdings, Tinola Holdings S.A., Boval Limited, Boval S.A., Rondo Holding S.A. and Eagle Enterprises A.E. Truad Verwaltungs AG, in its capacity as trustee of a private discretionary trust established for the primary benefit of present and future members of the family of the late Anastasios George Leventis, holds 100% of the share capital of Torval Investment Corp., whose 100% owned subsidiary Lavonos Limited holds 100% of the share capital of Boval Limited as nominee for Torval Investment Corp, where Boval Limited controls its 100% owned subsidiary Boval S.A., which controls Kar Tess Holding, which holds approximately 23.2% (2012: 23.3%) of CCHBC's total issued capital. Frigoglass has a controlling interest in Frigoglass Industries Limited, a company in which the Group has a 23.9% effective interest, through its investment in Nigerian Bottling Company plc (*refer to Note 6*).

The Group entered into a supply agreement with Frigoglass for the purchase of cooling equipment in 1999. The supply agreement was extended in 2004, 2008 and most recently, in 2013, on substantially similar terms. CCHBC has the status of most favoured customer of Frigoglass, on a non-exclusive basis, provided that it obtains at least 60% (at prices which are negotiated on an annual basis and which must be competitive) of its annual requirements for cooling equipment from Frigoglass. The current agreement expires on 31 December 2018.

During 2013, the Group made purchases of €118.9m (2012: €137.9m, 2011: €147.7m) of coolers, cooler parts, glass bottles, crowns and raw and plastics from Frigoglass and its subsidiaries and incurred maintenance and other expenses of €10.6m (2012: €9.8m, 2011: €6.3m). In addition the Group recorded other income of €0.3m (2012: €0.8m, 2011: €1.0m). As at 31 December 2013, CCHBC owed €11.7m (2012: €21.4m) to, and was owed €0.5m (2012: €1.2m) by Frigoglass.

(c) Directors

Mr George A. David, Mr Haralambos K. Leventis, Mr Anastasios P. Leventis and Mr Anastassis G. David were originally nominated by Kar-Tess Holding to the board of CCHBC. Mr Irial Finan and Mr John Hunter were originally nominated by TCCC to the board of CCHBC. There have been no transactions between CCHBC and the directors except for remuneration (*refer to Note 32*).

(d) Other

Beverage Partners Worldwide ('BPW')

BPW is a 50/50 joint venture between TCCC and Nestlé. During 2013, the Group purchased inventory from BPW amounting to €89.4m (2012: €101.5m, 2011: €99.6m). As at 31 December 2013, CCHBC owed €0.3m (2012: €4.9m) to and was not owed any amounts (2012: €nil) by BPW.

Kar-Tess Holding

As at 31 December 2013, Kar-Tess Holding owned 23.2% (2012: 23.3%, 2011: 23.3%) of the issued share capital of CCHBC.

On 6 December, 2010 Kar-Tess Holding transferred 22,453,254 of Coca-Cola Hellenic Bottling Company S.A. shares and voting rights representing 6.13% of the total number of shares and voting rights of Coca-Cola Hellenic by transferring its 100% owned subsidiaries under the trade names "Sammy LLC", "Lucky 70 LLC", "Zoe 20 LLC", "Kooky LLC", "Utopia Business Company Ltd.", "Harmonia Commercial S.A.", "Ice Cold Holdings Limited" and "Red & White Holdings Limited" to entities and individuals, who were either ultimate beneficial owners of Kar-Tess Holding or have been nominated by them. None of the above persons owns individually more than 2% of the outstanding shares and voting rights of CCHBC.

On 25 April 2013, when CCHBC became the new parent of the Group 14,925 shares had been held representing the initial ordinary shares of Coca Cola HBC acquired from Kar-Tess Holding at a total value of €1.6m.

Leventis Overseas & AG Leventis (Nigeria) PLC (the 'Leventis Companies')

The Leventis Companies are related to CCHBC by way of common directors, as a result of which significant influence is considered to exist. During 2013, the Group purchased €17.9m (2012: €20.3m, 2011: €14.9m) of finished goods and other materials from the Leventis Companies. Furthermore the Group incurred rental expenses of €2.1m (2012: €2.1m, 2011: €2.8m) from the Leventis Companies. In addition during 2013 the Group incurred other expenses of €0.5m (2012:

€0.3m, 2011: €0.3m) and did not record other income (2012: €nil, 2011: €0.3m) with the Leventis Companies. As at 31 December 2013, the Group owed €3.4m (2012: €2.5m) to, and was owed €0.1m (2012: €0.1m) by the Leventis Companies.

Other related parties

During 2013, the Group did not record any sale of finished goods (2012: € 0.5m, 2011: €1.6m) and purchased €1.6m (2012: €6.8m, 2011: €1.9m) of raw materials and finished goods from other related parties. In addition, during 2013, the Group incurred expenses of €34.0m (2012: €2.0m, 2011: €1.9m) mainly related to maintenance services for cold drink equipments and installations of coolers, fountains, vending and merchandising equipment from other related parties. Furthermore, during 2013, the Group recorded income of €3.9m (2012: €0.3m, 2011: €0.3m). At 31 December 2013, the Group owed €3.1m (2012: €0.7m) to, and was owed €5.6m (2012: €0.3m) by other related parties.

(e) Joint Arrangements

The Group purchased €25.6m of finished goods (2012: €31.0m, 2011: €28.9m) from joint arrangements. In addition, the Group received reimbursement for direct marketing expenses incurred of €0.6m for the year (2012:nil, 2011:nil). Furthermore incurred other expenses of €0.5m (2012: €0.4m, 2011: €0.1m) and recorded other income of €1.6m (2012: €0.2m, 2011: €0.2m). As at 31 December 2013, the Group owed €63.6m (2012: €67.5m) to, and was owed €9.1m (2012: € 19.5m) by joint arrangements.

There are no significant transactions with other related parties for the year ended 31 December 2013.

34. List of principal Group companies

The following are the principal Group companies as at 31 December:

	Country of registration	% ownership 2013	% ownership 2012
3E (Cyprus) Limited[1]	Cyprus	100.0%	100.0%
AS Coca-Cola HBC Eesti	Estonia	100.0%	100.0%
Bankya Mineral Waters Bottling Company EOOD	Bulgaria	100.0%	100.0%
Brewinvest S.A. Group[2]	Greece	50.0%	50.0%
BrewTech B.V. Group[2][3]	The Netherlands	50.0%	50.0%
CC Beverages Holdings II B.V.	The Netherlands	100.0%	100.0%
CCB Management Services GmbH	Austria	100.0%	100.0%
CCHBC Armenia CJSC	Armenia	90.0%	90.0%
CCHBC Bulgaria AD	Bulgaria	99.4%	85.4%
CCHBC Insurance (Guernsey) Limited	Guernsey	100.0%	100.0%
CCHBC IT Services Limited	Bulgaria	100.0%	100.0%
Coca-Cola Beverages Austria GmbH	Austria	100.0%	100.0%
Coca-Cola Beverages Belorussiya	Belarus	100.0%	100.0%
Coca-Cola Beverages Ceska republika, s.r.o.	Czech Republic	100.0%	100.0%
Coca-Cola Beverages Ukraine Ltd	Ukraine	100.0%	100.0%
Coca-Cola Bottlers Chisinau S.R.L.	Moldova	100.0%	100.0%
Coca-Cola Bottlers Iasi Srl	Romania	99.2%	99.2%
Coca-Cola Bottling Company (Dublin) Limited	Republic of Ireland	100.0%	100.0%
Coca-Cola HBC-Srbija d.o.o.	Serbia	100.0%	100.0%
Coca-Cola HBC B-H d.o.o. Sarajevo	Bosnia and Herzegovina	100.0%	100.0%
Coca-Cola HBC Finance B.V.	The Netherlands	100.0%	100.0%
Coca-Cola HBC Finance plc	England and Wales	100.0%	100.0%
Coca-Cola HBC Greece S.A.I.C.[4]	Greece	100.0%	100.0%
Coca-Cola HBC Holdings B.V.[5]	The Netherlands	100.0%	—
Coca-Cola HBC Hrvatska d.o.o.	Croatia	100.0%	100.0%
Coca-Cola HBC Hungary Ltd	Hungary	100.0%	100.0%
Coca-Cola HBC Ireland Limited	Republic of Ireland	100.0%	100.0%
Coca-Cola HBC Italia S.r.l.	Italy	100.0%	100.0%
Coca-Cola HBC Kosovo L.L.C.	Kosovo	100.0%	100.0%
Coca-Cola HBC Northern Ireland Limited	Northern Ireland	100.0%	100.0%
Coca-Cola HBC Polska sp. z o.o.	Poland	100.0%	100.0%
Coca-Cola HBC Romania Ltd	Romania	100.0%	100.0%
Coca-Cola HBC Slovenija d.o.o.	Slovenia	100.0%	100.0%
Coca-Cola HBC Slovenska republika, s.r.o.	Slovakia	100.0%	100.0%
Coca-Cola HBC Switzerland Ltd	Switzerland	99.9%	99.9%
Coca-Cola Hellenic B.V.[5]	The Netherlands	100.0%	—
Coca-Cola Hellenic Bottling Company-Crna Gora d.o.o., Podgorica	Montenegro	100.0%	100.0%
Coca-Cola Hellenic Business Service Organisation	Bulgaria	100.0%	100.0%
Coca-Cola Hellenic Procurement GmbH	Austria	100.0%	100.0%
Deepwaters Investments Ltd	Cyprus	50.0%	50.0%
Lanitis Bros Ltd	Cyprus	100.0%	100.0%
LLC Coca-Cola HBC Eurasia	Russia	100.0%	100.0%
MTV West Kishinev Bottling Company S.A.	Moldova	100.0%	100.0%
Multon Z.A.O. Group[6]	Russia	50.0%	50.0%
Nigerian Bottling Company Ltd	Nigeria	100.0%	100.0%
SIA Coca-Cola HBC Latvia	Latvia	100.0%	100.0%
Star Bottling Limited	Cyprus	100.0%	100.0%
Star Bottling Services Corp.	British Virgin Islands	100.0%	100.0%
Tsakiris S.A.	Greece	100.0%	100.0%
UAB Coca-Cola HBC Lietuva	Lithuania	100.0%	100.0%
Valser Services AG	Switzerland	99.9%	99.9%
Vendit Ltd[7]	Republic of Ireland	—	100.0%
Yoppi Hungary Kft.	Hungary	100.0%	100.0%

(1) Effective from 29 November 2013, Coca-Cola Hellenic Bottling Company S.A. merged into its wholly owned subsidiary in Cyprus, 3E (Cyprus) Limited.

(2) Joint arrangement.

(3) The BrewTech B.V. Group of companies is engaged in the bottling and distribution of soft drinks and beer in FYROM. In 2010, 2011 and up until April 2012 BrewTech B.V. Group formed part of the Brewinvest S.A. Group.

(4) On 25 June 2012, Greek operations' operating assets and liabilities were transferred to Elxym S.A. in accordance with Greek Law 2166/1993. Effective from 1 August 2012, Elxym S.A. has been renamed "Coca-Cola HBC Greece S.A.I.C".

(5) Incorporated in June 2013.

(6) Joint arrangement.

(7) Dissolved, effective 1 January 2013.

35. Financial information for issuer, Parent, Guarantor and Non-Guarantor Subsidiaries

As discussed in Note 1, on 11 October 2012, CCHBC announced a voluntary share exchange offer to acquire all outstanding ordinary registered shares and all American depositary shares of Coca-Cola Hellenic Bottling Company S.A. As a result of the successful completion of this offer (the "reorganization"), on 25 April 2013, CCHBC became the new parent company of the Group.

The $400m Notes due September 2015, (described in Note 15 *Borrowings*), were de-registered in 2013. These notes were issued by Coca-Cola HBC Finance BV (the "Issuer"), and are unconditionally and fully guaranteed, jointly and severally by CCHBC and Coca-Cola HBC Holdings B.V. and 3E (Cyprus) Limited (the "Guarantors"), which are 100% owned subsidiaries of CCHBC.

The following condensed consolidated financial statements have been prepared on the new guarantor structure as of 31 December 2013, which came as a result of the reorganization, and present the financial position of the Issuer, CCHBC, consolidated Guarantors, and consolidated Non-Guarantors as of 31 December 2013 and 2012, as well as, their income statements, statements of comprehensive income, and cash flows for each of the years in the three year period ended 31 December 2013. CCHBC's income statement, statement of comprehensive income and cash flows are for the period 25 April 2013 through 31 December 2013.

These condensed consolidated financial statements comply in all material respects with International Financial Reporting Standards as issued by the International Accounting Standards Board, except that investments in subsidiaries are accounted for under the equity method.

35. Financial information for issuer, Parent, Guarantor and Non- Guarantor Subsidiaries

Condensed Consolidated Balance Sheet as of 31 December 2013

Assets	Issuer	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Intangible assets	—	—	—	1,921.3	—	**1,921.3**
Property, plant and equipment	—	1.1	2.1	2,898.7	—	**2,901.9**
Investments in subsidiaries	—	3,132.7	3,143.4	307.0	(6,583.1)	**—**
Intercompany loans	2,785.3	—	—	371.9	(3,157.2)	**—**
Other non-current assets	29.2	0.3	6.1	264.4	—	**300.0**
Total non-current assets	**2,814.5**	**3,134.1**	**3,151.6**	**5,763.3**	**(9,740.3)**	**5,123.2**
Inventories	—	—	—	429.0	—	**429.0**
Trade and other receivables	15.3	1.3	1.6	966.9	—	**985.1**
Intercompany loans	11.8	—	—	505.1	(516.9)	**—**
Intercompany receivables	—	8.3	4.8	12.6	(25.7)	**—**
Cash and cash equivalents	649.4	0.4	1.0	86.7	—	**737.5**
Total current assets	**676.5**	**10.0**	**7.4**	**2,000.3**	**(542.6)**	**2,151.6**
Total assets	**3,491.0**	**3,144.1**	**3,159.0**	**7,763.6**	**(10,282.9)**	**7,274.8**
Liabilities						
Short-term borrowings	417.1	—	—	29.1	—	**446.2**
Intercompany borrowings	505.1	—	—	11.8	(516.9)	**—**
Intercompany payables	6.0	5.4	1.2	13.1	(25.7)	**—**
Other current liabilities	53.6	5.5	14.5	1,546.3	—	**1,619.9**
Total current liabilities	**981.8**	**10.9**	**15.7**	**1,600.3**	**(542.6)**	**2,066.1**
Long-term borrowings	1,695.5	—	—	158.1	—	**1,853.6**
Intercompany borrowings	365.1	170.7	6.8	2,614.6	(3,157.2)	**—**
Other non-current liabilities	141.6	0.3	3.8	242.1	—	**387.8**
Total non-current liabilities	**2,202.2**	**171.0**	**10.6**	**3,014.8**	**(3,157.2)**	**2,241.4**
Total liabilities	**3,184.0**	**181.9**	**26.3**	**4,615.1**	**(3,699.8)**	**4,307.5**
Equity						
Attributable to owners of the parent	307.0	2,962.2	3,132.7	3,143.4	(6,583.1)	**2,962.2**
Non-controlling interests	—	—	—	5.1	—	**5.1**
Total Equity	**307.0**	**2,962.2**	**3,132.7**	**3,148.5**	**(6,583.1)**	**2,967.3**
Total Equity and liabilities	**3,491.0**	**3,144.1**	**3,159.0**	**7,763.6**	**(10,282.9)**	**7,274.8**

Notes to the Consolidated Financial Statements

Condensed Consolidated Balance Sheet as of 31 December 2012

Assets	Issuer	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Intangible assets	—	—	—	1,944.6	—	**1,944.6**
Property, plant and equipment	—	—	2.6	3,038.8	—	**3,041.4**
Investments in subsidiaries	—	—	4,065.4	295.8	(4,361.2)	**—**
Intercompany loans	2,677.4	—	—	312.7	(2,990.1)	**—**
Other non-current assets	42.3	—	4.2	246.8	—	**293.3**
Total non-current assets	**2,719.7**	**—**	**4,072.2**	**5,838.7**	**(7,351.3)**	**5,279.3**
Inventories	—	—	—	458.0	—	**458.0**
Trade and other receivables	36.6	—	1.4	1,035.7	—	**1,073.7**
Intercompany loans	60.9	—	—	376.7	(437.6)	**—**
Intercompany receivables	—	—	12.6	0.2	(12.8)	**—**
Cash and cash equivalents	359.4	—	0.6	79.1	—	**439.1**
Total current assets	**456.9**	**—**	**14.6**	**1,949.7**	**(450.4)**	**1,970.8**
Total assets	**3,176.6**	**—**	**4,086.8**	**7,788.4**	**(7,801.7)**	**7,250.1**
Liabilities						
Short-term borrowings	520.5	—	—	34.5	—	**555.0**
Intercompany borrowings	364.6	—	12.1	60.9	(437.6)	**—**
Intercompany payables	—	—	0.2	12.6	(12.8)	**—**
Other current liabilities	115.9	—	12.8	1,538.6	—	**1,667.3**
Total current liabilities	**1,001.0**	**—**	**25.1**	**1,646.6**	**(450.4)**	**2,222.3**
Long-term borrowings	1,428.9	—	—	175.8	—	**1,604.7**
Intercompany borrowings	312.7	—	1,065.7	1,611.7	(2,990.1)	**—**
Other non-current liabilities	138.2	—	7.3	271.1	—	**416.6**
Total non-current liabilities	**1,879.8**	**—**	**1,073.0**	**2,058.6**	**(2,990.1)**	**2,021.3**
Total liabilities	**2,880.8**	**—**	**1,098.1**	**3,705.2**	**(3,440.5)**	**4,243.6**
Equity						
Attributable to owners of the parent	295.8	—	2,988.7	4,065.4	(4,361.2)	**2,988.7**
Non-controlling interests	—	—	—	17.8	—	**17.8**
Total Equity	**295.8**	**—**	**2,988.7**	**4,083.2**	**(4,361.2)**	**3,006.5**
Total Equity and liabilities	**3,176.6**	**—**	**4,086.8**	**7,788.4**	**(7,801.7)**	**7,250.1**

Notes to the Consolidated Financial Statements

Condensed Consolidated Income Statement for the year ended 31 December 2013

	Issuer	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales revenue	—	—	—	6,874.0	—	**6,874.0**
Cost of goods sold	—	—	—	(4,438.5)	—	**(4,438.5)**
Gross profit	**—**	**—**	**—**	**2,435.5**	**—**	**2,435.5**
Operating income/(expenses)	1.9	(29.6)	(35.7)	(1,942.9)		**(2,006.3)**
Management fee recharge	—	(2.6)	36.0	(33.4)	—	**—**
Restructuring costs	—	—	—	(55.5)	—	**(55.5)**
Total operating income/(expenses), net	**1.9**	**(32.2)**	**0.3**	**(2,031.8)**	**—**	**(2,061.8)**
Operating profit/(loss)	**1.9**	**(32.2)**	**0.3**	**403.7**	**—**	**373.7**
Total finance costs, net	(84.3)	(1.0)	—	(6.2)	—	**(91.5)**
Total intercompany finance income/(expenses), net	92.6	(0.7)	(20.8)	(71.1)	—	**—**
Share of results of equity method investments	—	—	—	11.9	—	**11.9**
Income from subsidiaries	—	249.5	276.3	7.6	(533.4)	**—**
Profit before tax	**10.2**	**215.6**	**255.8**	**345.9**	**(533.4)**	**294.1**
Tax	(2.6)	—	(0.7)	(69.6)	—	**(72.9)**
Profit after tax	**7.6**	**215.6**	**255.1**	**276.3**	**(533.4)**	**221.2**
Attributable to:						
Owners of the parent	7.6	215.6	255.1	276.3	(533.4)	**221.2**
Non-controlling interests	—	—	—	—	—	**—**

Condensed Consolidated Income Statement for the year ended 31 December 2012

	Issuer	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales revenue	—	—	—	7,044.7	—	**7,044.7**
Cost of goods sold	—	—	—	(4,522.2)	—	**(4,522.2)**
Gross profit	—	—	—	**2,522.5**	—	**2,522.5**
Operating expenses	(1.9)	—	(44.1)	(2,032.1)	—	**(2,078.1)**
Management fee recharge	—	—	30.1	(30.1)	—	**—**
Restructuring costs	—	—	—	(106.7)	—	**(106.7)**
Total operating expenses, net	**(1.9)**	**—**	**(14.0)**	**(2,168.9)**	**—**	**(2,184.8)**
Operating profit/(loss)	**(1.9)**	**—**	**(14.0)**	**353.6**	**—**	**337.7**
Total finance costs, net	(80.4)	—	—	(10.3)	—	**(90.7)**
Total intercompany finance income/(expenses), net	98.1	—	(38.2)	(59.9)	—	**—**
Share of results of equity method investments	—	—	—	11.6	—	**11.6**
Income from subsidiaries	—	—	236.5	12.0	(248.5)	**—**
Profit before tax	**15.8**	**—**	**184.3**	**307.0**	**(248.5)**	**258.6**
Tax	(3.8)	—	6.1	(67.5)	—	**(65.2)**
Profit after tax	**12.0**	**—**	**190.4**	**239.5**	**(248.5)**	**193.4**
Attributable to:						
Owners of the parent	12.0	—	190.4	236.5	(248.5)	**190.4**
Non-controlling interests	—	—	—	3.0	—	**3.0**

35. Financial information for issuer, Parent, Guarantor and Non- Guarantor Subsidiaries

Condensed Consolidated Income Statement for the year ended 31 December 2011

	Issuer	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales revenue	—	—	—	6,824.3	—	**6,824.3**
Cost of goods sold	—	—	—	(4,254.7)	—	**(4,254.7)**
Gross profit	**—**	**—**	**—**	**2,569.6**	**—**	**2,569.6**
Operating income/(expenses)	1.7	—	(54.4)	(1,995.5)	—	**(2,048.2)**
Management fee recharge	—	—	39.6	(39.6)	—	—
Restructuring costs	—	—	(1.3)	(69.8)	—	**(71.1)**
Total operating income/(expenses), net	**1.7**	**—**	**(16.1)**	**(2,104.9)**	**—**	**(2,119.3)**
Operating profit/(loss)	**1.7**	**—**	**(16.1)**	**464.7**	**—**	**450.3**
Total finance costs, net	(83.3)	—	—	(11.9)	—	**(95.2)**
Total intercompany finance income/(expenses), net	93.3	—	(37.4)	(55.9)	—	—
Share of results of equity method investments	—	—	—	9.4	—	**9.4**
Income from subsidiaries	—	—	312.6	8.7	(321.3)	—
Profit before tax	**11.7**	**—**	**259.1**	**415.0**	**(321.3)**	**364.5**
Tax	(3.0)	—	5.3	(101.1)	—	**(98.8)**
Profit after tax	**8.7**	**—**	**264.4**	**313.9**	**(321.3)**	**265.7**
Attributable to:						
Owners of the parent	8.7	—	264.4	312.6	(321.3)	**264.4**
Non-controlling interests	—	—	—	1.3	—	**1.3**

Condensed Consolidated Statement of Comprehensive Income for the year ended 31 December 2013

	Issuer	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Profit after tax	**7.6**	**215.6**	**255.1**	**276.3**	**(533.4)**	**221.2**
Other comprehensive income:						
Items that may be reclassified to income statement, net	3.6	(107.3)	(110.4)	(120.1)	214.6	**(119.6)**
Items that will not be subsequently reclassified to income statement	—	0.2	0.6	9.2	—	**10.0**
Other comprehensive income for the year, net of tax	**3.6**	**(107.1)**	**(109.8)**	**(110.9)**	**214.6**	**(109.6)**
Total comprehensive income for the year	**11.2**	**108.5**	**145.3**	**165.4**	**(318.8)**	**111.6**
Total comprehensive income attributable to:						
Owners of the parent	11.2	108.5	145.3	165.4	(318.8)	**111.6**
Non-controlling interests	—	—	—	—	—	—

Condensed Consolidated Statement of Comprehensive Income for the year ended 31 December 2012

	Issuer	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Profit after tax	**12.0**	**—**	**190.4**	**239.5**	**(248.5)**	**193.4**
Other comprehensive income:						
Items that may be reclassified to income statement, net	0.1	—	11.4	21.1	(11.3)	**21.3**
Items that will not be subsequently reclassified to income statement	—	—	(2.7)	(9.9)	—	**(12.6)**
Other comprehensive income for the year, net of tax	**0.1**	**—**	**8.7**	**11.2**	**(11.3)**	**8.7**
Total comprehensive income for the year	**12.1**	**—**	**199.1**	**250.7**	**(259.8)**	**202.1**
Total comprehensive income attributable to:						
Owners of the parent	12.1	—	199.1	247.7	(259.8)	**199.1**
Non-controlling interests	—	—	—	3.0	—	**3.0**

Condensed Consolidated Statement of Comprehensive Income for the year ended 31 December 2011

	Issuer	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Profit after tax	**8.7**	**—**	**264.4**	**313.9**	**(321.3)**	**265.7**
Other comprehensive income:						
Items that may be reclassified to income statement, net	(4.2)	—	(76.6)	(49.3)	80.5	**(49.6)**
Items that will not be subsequently reclassified to income statement	—	—	—	(22.0)	—	**(22.0)**
Other comprehensive income for the year, net of tax	**(4.2)**	**—**	**(76.6)**	**(71.3)**	**80.5**	**(71.6)**
Total comprehensive income for the year	**4.5**	**—**	**187.8**	**242.6**	**(240.8)**	**194.1**
Total comprehensive income attributable to:						
Owners of the parent	4.5	—	187.8	236.3	(240.8)	**187.8**
Non-controlling interests	—	—	—	6.3	—	**6.3**

35. Financial information for issuer, Parent, Guarantor and Non- Guarantor Subsidiaries

Condensed Consolidated Cash Flow Statement for the year ended 31 December 2013

	Issuer	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash from / (used in) operating activities	**5.2**	**(23.2)**	**7.5**	**795.4**	**—**	**784.9**
Investing activities						
Payments for purchases of property, plant and equipment	—	(0.8)	—	(379.4)	—	**(380.2)**
Proceeds from sales of property, plant and equipment	—	—	—	24.5	—	**24.5**
Net receipts from/(payments for) investments	—	—	—	15.2	—	**15.2**
Interest received	1.1	—	—	8.6	—	**9.7**
Intercompany interest received	99.2	1.8	—	5.9	(106.9)	**—**
Repayments of loans to Group Companies	1,846.8	—	—	761.2	(2,608.0)	**—**
Loans to Group Companies	(1,899.1)	—	—	(952.9)	2,852.0	**—**
Intercompany dividends received	—	—	1,084.6	—	(1,084.6)	**—**
Net cash from / (used in) investing activities	**48.0**	**1.0**	**1,084.6**	**(516.9)**	**(947.5)**	**(330.8)**
Financing activities						
Payments for buy-out of non-controlling interest of Coca-Cola Hellenic Bottling Company SA	—	(1.0)	—	—	—	**(1.0)**
Payments for purchase of own shares	—	(1.6)	—	—	—	**(1.6)**
Proceeds from shares issued to employees exercising stock options	—	16.4	—	—	—	**16.4**
Purchase of shares held by non-controlling interests	—	—	—	(18.1)	—	**(18.1)**
Proceeds from external borrowings	1,569.8	10.0	—	16.9	—	**1,596.7**
Repayments of external borrowings	(1,415.4)	(45.5)	—	(27.7)	—	**(1,488.6)**
Principal repayments of finance lease obligations	—	—	—	(16.5)	—	**(16.5)**
Interest paid	(101.6)	(1.0)	—	(11.1)	—	**(113.7)**
Intercompany interest paid	(7.7)	(1.1)	(30.4)	(67.7)	106.9	**—**
Dividends paid to owners of the parent	—	(123.7)	—	—	—	**(123.7)**
Dividends paid to non-controlling interests	—	—	—	(4.5)	—	**(4.5)**
Loans from Group Companies	952.9	302.4	43.0	1,553.7	(2,852.0)	**—**
Repayments of loans from Group Companies	(761.2)	(133.1)	(1,104.3)	(609.4)	2,608.0	**—**
Intercompany dividends paid	—	(1.0)	—	(1,083.6)	1,084.6	**—**
Net cash from / (used in) financing activities	**236.8**	**20.8**	**(1,091.7)**	**(268.0)**	**947.5**	**(154.6)**
Net increase / (decrease) in cash and cash equivalents	**290.0**	**(1.4)**	**0.4**	**10.5**	**—**	**299.5**
Movement in cash and cash equivalents						
Cash and cash equivalents at 1 January	359.4	—	0.6	79.1	—	**439.1**
Net increase / (decrease) in cash and cash equivalents	290.0	(1.4)	0.4	10.5	—	**299.5**
Effect of changes in exchange rates	—	—	—	(4.1)	—	**(4.1)**
Effect of consolidation of CCHBC	—	1.8	—	—	—	**1.8**
Hyperinflation impact on cash	—	—	—	1.2	—	**1.2**
Cash and cash equivalents at 31 December	**649.4**	**0.4**	**1.0**	**86.7**	**—**	**737.5**

Condensed Consolidated Cash Flow Statement for the year ended 31 December 2012

	Issuer	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash (used in) / from operating activities	**(9.6)**	**—**	**(7.4)**	**770.6**	**—**	**753.6**
Investing activities						
Payments for purchases of property, plant and equipment.....................	—	—	—	(395.5)	—	**(395.5)**
Proceeds from sales of property, plant and equipment.....................	—	—	—	5.0	—	**5.0**
Net receipts from/(payments for) investments............	—	—	—	(21.1)	—	**(21.1)**
Interest received................	1.5	—	—	6.4	—	**7.9**
Intercompany interest received	103.9	—	—	4.8	(108.7)	**—**
Repayments of loans to Group Companies..........	1,295.5	—	—	665.9	(1,961.4)	**—**
Loans to Group Companies	(1,498.8)	—	—	(943.8)	2,442.6	**—**
Intercompany dividends received	—	—	14.5	24.6	(39.1)	**—**
Net cash from / (used in) investing activities	**(97.9)**	**—**	**14.5**	**(653.7)**	**333.4**	**(403.7)**
Financing activities						
Return of share capital to shareholders..................	—	—	(123.4)	—	—	**(123.4)**
Proceeds from shares issued to employees exercising stock options.................	—	—	0.1	—	—	**0.1**
Purchase of shares held by non-controlling interests	—	—	—	(13.9)	—	**(13.9)**
Proceeds from external borrowings	1,082.2	—	—	6.0	—	**1,088.2**
Repayments of external borrowings	(1,148.0)	—	—	(38.2)	—	**(1,186.2)**
Principal repayments of finance lease obligations	—	—	—	(21.8)	—	**(21.8)**
Interest paid	(85.6)	—	—	(14.9)	—	**(100.5)**
Intercompany interest paid.	(2.8)	—	(2.0)	(103.9)	108.7	**—**
Dividends paid to non-controlling interests	—	—	—	(1.0)	—	**(1.0)**
Loans from Group Companies....................	943.8	—	470.1	1,028.7	(2,442.6)	**—**
Repayments of loans from Group Companies..........	(665.9)	—	(327.0)	(968.5)	1,961.4	**—**
Intercompany dividends paid	—	—	(24.6)	(14.5)	39.1	**—**
Net cash from/ (used in) financing activities.......	**123.7**	**—**	**(6.8)**	**(142.0)**	**(333.4)**	**(358.5)**
Net increase / (decrease) in cash and cash equivalents	**16.2**	**—**	**0.3**	**(25.1)**	**—**	**(8.6)**
Movement in cash and cash equivalents						
Cash and cash equivalents at 1 January	343.2	—	0.3	103.9	—	**447.4**
Net increase / (decrease) in cash and cash equivalents	16.2	—	0.3	(25.1)	—	**(8.6)**
Effect of changes in exchange rates	—	—	—	0.9	—	**0.9**
Hyperinflation impact on cash	—	—	—	(0.6)	—	**(0.6)**
Cash and cash equivalents at 31 December	**359.4**	**—**	**0.6**	**79.1**	**—**	**439.1**

35. Financial information for issuer, Parent, Guarantor and Non- Guarantor Subsidiaries

Condensed Consolidated Cash Flow Statement for the year ended 31 December 2011

	Issuer	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash from operating activities	**(14.0)**	—	**(11.8)**	**854.1**	**—**	**828.3**
Investing activities						
Payments for purchases of property, plant and equipment	—	—	—	(363.9)	—	**(363.9)**
Proceeds from sales of property, plant and equipment	—	—	—	10.9	—	**10.9**
Net receipts from/(payments for) investments	—	—	—	(38.1)	—	**(38.1)**
Interest received	3.8	—	—	4.9	—	**8.7**
Net receipts from disposal of subsidiaries	—	—	—	13.1	—	**13.1**
Net payments for acquisition of joint arrangement	—	—	—	(2.5)	—	**(2.5)**
Intercompany interest received	86.6	—	—	16.6	(103.2)	**—**
Repayments of loans to Group Companies	763.3	—	—	1,352.1	(2,115.4)	**—**
Loans to Group Companies	(510.2)	—	—	(1,242.0)	1,752.2	**—**
Intercompany dividends received	—	—	311.2	—	(311.2)	**—**
Net cash from /(used in) investing activities	**343.5**	—	**311.2**	**(248.9)**	**(777.6)**	**(371.8)**
Financing activities						
Return of share capital to shareholders	—	—	(181.5)	—	—	**(181.5)**
Payment of expenses related to the share capital increase	—	—	(6.0)	—	—	**(6.0)**
Proceeds from shares issued to employees exercising stock options	—	—	4.7	—	—	**4.7**
Purchase of shares held by non-controlling interests	—	—	—	(74.2)	—	**(74.2)**
Proceeds from external borrowings	1,465.0	—	—	28.7	—	**1,493.7**
Repayments of external borrowings	(1,343.4)	—	—	(40.3)	—	**(1,383.7)**
Principal repayments of finance lease obligations	—	—	—	(48.1)	—	**(48.1)**
Interest paid	(97.3)	—	—	(11.6)	—	**(108.9)**
Intercompany interest paid	(6.5)	—	(10.1)	(86.6)	103.2	**—**
Dividends paid to non-controlling interests	—	—	—	(5.8)	—	**(5.8)**
Loans from Group Companies	1,242.0	—	42.8	467.4	(1,752.2)	**—**
Repayments of loans from Group Companies	(1,352.1)	—	(146.6)	(616.7)	2,115.4	**—**
Intercompany dividends paid	(125.0)	—	(2.7)	(183.5)	311.2	**—**
Net cash from/ (used in) financing activities	**(217.3)**	—	**(299.4)**	**(570.7)**	**777.6**	**(309.8)**
Net increase / (decrease) in cash and cash equivalents	**112.2**	—	**—**	**34.5**	**—**	**146.7**
Movement in cash and cash equivalents						
Cash and cash equivalents at 1 January	231.0	—	0.3	75.4	—	**306.7**
Net increase in cash and cash equivalents	112.2	—	—	34.5	—	**146.7**
Effect of changes in exchange rates	—	—	—	1.6	—	**1.6**
Hyperinflation impact on cash	—	—	—	(7.6)	—	**(7.6)**
Cash and cash equivalents at 31 December	**343.2**	**—**	**0.3**	**103.9**	**—**	**447.4**

36. Post balance sheet events

The events involving Ukraine and the Russian Federation during the first quarter of 2014 have, 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. As of 25 March 2014, the Russian Rouble and the Hryvnia have depreciated by 8.4% and 29.4% respectively against Euro compared to the 31 December 2013 exchange rates. Our 2013 net sales revenues for Russia and Ukraine represented 21.8% and 3.1% of the consolidated net sales revenues respectively, while non-current assets for Russia and Ukraine represented 15.6% and 2.5% of the consolidated non-current assets respectively as of 31 December 2013.

During the first months of 2014 the Group incurred €4.6m of restructuring costs before tax, €3.4m in its established, €0.5m in its emerging and €0.7m in its developing markets.

Report of the statutory auditor
to the General Meeting of
Coca-Cola HBC AG
Steinhausen /Zug

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Coca-Cola HBC AG, which comprise the Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes (pages 6 to 86), for the year ended 31 December 2013.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the period from 1 January 2013 to 31 December 2013 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Daniel Anliker

Auditor in charge
Audit expert

Philipp Kegele

Zurich, 31 March 2014

2012/2013 Stand-alone Financial Statements

Balance Sheet as at 31 December 2013

		CHF 12/31/2013
ASSETS		
Cash and cash equivalents		433,066
Receivables from group companies		10,158,590
Prepayments and other receivables		632,342
Own shares	Note 5	387,340
Current assets		**11,611,338**
Other long term receivables from third parties		390,613
Investments in subsidiaries	Note 4	9,119,161,370
Fixed assets, net		1,311,805
Organisational costs, net		48,699,392
Non current assets		**9,169,563,180**
TOTAL ASSETS		**9,181,174,518**
LIABILITIES AND EQUITY		
Payables to third parties		913,939
Payables group companies		8,365,459
Accrued and other liabilities		4,777,181
Current liabilities		**14,056,579**
Other long term loans to group companies		210,831,889
Long term liabilities		**210,831,889**
Share capital	Note 6	2,463,524,508
Legal reserves		
General reserve from capital contributions		6,433,831,398
Reserve for own shares from capital contributions	Note 5	87,248,296
Net loss		(28,318,152)
Total equity	Note 7	**8,956,286,050**
TOTAL LIABILITIES AND EQUITY		**9,181,174,518**

2012/2013 Stand-alone Financial Statements

Statement of Income for the period

	CHF 9/19/2012 - 12/31/2013
Fee income	10,207,999
Revenues	**10,207,999**
Payroll costs	(6,935,494)
Depreciation and amortisation	(10,631,524)
Other operating expenses	(14,719,501)
Total operating expenses	**(32,286,519)**
Operating loss	**(22,078,520)**
Financial income	274,624
Financial expenses	(5,554,311)
Translation differences	(959,945)
Net loss	**(28,318,152)**

Notes to the Financial Statements

1. Introduction

The statutory financial statements of Coca-Cola HBC AG (the "Company") have been prepared in accordance with the requirements of the Swiss Code of Obligations ("SCO"). Applying the transitional provisions of the new accounting law, these financial statements have been prepared in accordance with the provisions on accounting and financial reporting of the Swiss Code of Obligations effective until 31 December 2012.

The Company was incorporated on 19 September 2012 by Kar-Tess Holding. On 11 October 2012, the Company announced a voluntary share exchange offer to acquire all outstanding ordinary registered shares and all American depositary shares of Coca-Cola Hellenic Bottling Company S.A., Maroussi (GR) ('CCHBC SA'). As a result of the successful completion of this offer, on 25 April 2013 the Company acquired 96.85% of the issued CCHBC SA shares, including shares represented by American depositary shares, and became the new parent company of the Group. On 17 June 2013, the Company completed its statutory buy-out of the remaining shares of CCHBC SA that it did not acquire upon completion of its voluntary share exchange offer.

The extended financial year includes the period from 19 September 2012 to 31 December 2013.

2. Accounting policies

Exchange rate differences

Except for investments in subsidiaries, capitalized organizational costs, fixed assets, long term receivables, long term liabilities and equity that are translated at historical rates, all assets and liabilities denominated in foreign currencies are translated into Swiss francs (CHF) using the closing exchange rate as per 31 December 2013. Income and expenses are translated into CHF at the average exchange rate of the reporting year. Realized exchange gains or losses arising from the translation of balance sheet amounts as well as those from business transactions denominated in foreign currencies are recorded in the income statement. Net unrealized exchange losses are recorded in the income statement; however, net unrealized gains are deferred within accrued liabilities.

Applied FX rates	Balance sheet 31 December 2013	Income statement for the period 19 September 2012 to 31 December 2013
EUR	1.23	1.23
USD	0.89	
GBP	1.46	

Investments in subsidiaries

Investments in subsidiaries are valued at historical cost and evaluated for impairment if identified triggering events occur.

Capitalized organizational costs

Under Article 664 SCO, the incorporation, capital increase and organizational costs arising from the set up of the business, can be capitalized. According to the new accounting law, Article 664 SCO is repealed as per 1 January 2013. The transition period to adopt the new accounting law is two years and capitalized costs have to be fully depreciated at the end of this transition period, which is 31 December 2014. At 31 December 2013 the capitalized costs were depreciated using the straight line method over 60 months. In 2014, the remaining capitalized organizational costs will be fully depreciated.

Marketable securities

Marketable securities, including own shares, are valued at the lower of cost or market value.

3. Contingent liabilities

In June 2013 Coca-Cola HBC Finance B.V., Netherlands, a private limited liability company established under the laws of The Netherlands, established a EUR 3 billion Euro Medium Term Note Programme under which Coca-Cola HBC Finance B.V. as issuer from time to time issues and sells notes. The Company and 3E (Cyprus) Ltd. guarantee such notes.

On 18 June 2013 Coca-Cola HBC Finance B.V. issued EUR 800 million 2.375% notes due on 18 June 2020 under the EUR 3 billion Euro Medium Note Programme. The notes are guaranteed by the Company, Coca-Cola HBC Holdings B.V. and CCHBC SA (subsequently merged into 3E (Cyprus) Ltd.).

On 18 June 2013 Coca-Cola HBC Finance B.V., Netherlands issued a first supplemental indenture. The Company, Coca-Cola HBC Holdings B.V. and CCHBC SA (subsequently merged into 3E (Cyprus) Ltd.) are guarantors for USD 400 million aggregate principal amount of the Coca-Cola HBC Finance B.V., Netherlands 5.500% notes due 2015.

In connection with a supplemental trust deed dated 18 June 2013 with Coca-Cola HBC Finance B.V. as issuer, by CCHBC SA (subsequently merged into 3E (Cyprus) Ltd.) as guarantors and, inter alia, the Company as additional guarantor, Coca-Cola HBC Finance B.V. issued EUR 500 million 7.875% notes due 15 January 2014 and EUR 600 million 4.25% notes due 2016, in each case under the EUR 3 billion Euro Medium Term Notes Programme.

On 18 June 2013 an English law governed amendment agreement was entered into between the Company as acceding company and additional guarantor, CCHBC SA (subsequently merged into 3E (Cyprus) Ltd.) and Coca-Cola HBC Finance plc as original guarantors, Coca-Cola HBC Finance B.V., Netherlands as original borrower, and ING Bank N.V., London Branch acting as facility agent amending and restating a EUR 500 million syndicated multi-currency revolving credit facility agreement originally dated 12 May 2011.

On 18 July 2013 the Company signed as credit support provider to Deutsche Bank, Frankfurt in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement [1].

On 18 July 2013 the Company signed as credit support provider to J.P.Morgan Securities plc, London in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement [1].

On 18 July 2013 the Company signed as credit support provider to Credit Suisse International, London in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement [1].

On 18 July 2013 the Company signed as credit support provider to Credit Suisse AG, London in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement [1].

On 18 July 2013 the Company signed as credit support provider to ING Bank N.V., London in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement [1].

On 18 July 2013 the Company signed as credit support provider to Societe Generale, London in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement [1].

On 18 July 2013 the Company signed as credit support provider to Merrill Lynch International, London in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement [1].

On 18 July 2013 the Company signed as credit support provider to The Royal Bank of Scotland plc, London in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement [1].

On 24 July 2013 the Company signed as credit support provider to The Governor and Company of the Bank of Ireland, Dublin in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement [1].

1 The ISDA (International Swap Dealers Association) Master Agreement is a standardized form issued by the International Swap Dealers Association Inc. to be used for credit support transactions.

On 8 August 2013 the Company signed as credit support provider to Citibank N.A., London in favour of CCHBC Bulgaria AD for the obligations as defined in the ISDA Master Agreement [1].

On 8 August 2013 the Company signed as credit support provider to Citibank N.A., London in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement [1].

On 8 August 2013 the Company signed as credit support provider to Citibank N.A., London in favour of Bankya Mineral Waters Bottling Company EOOD for the obligations as defined in the ISDA Master Agreement [1].

On October 2013 the Company together with 3E (Cyprus) Ltd. and Coca-Cola HBC Holdings B.V. became guarantors for the EUR 1 billion Euro Commercial Paper Programme under which Coca-Cola HBC B.V., Netherlands as issuer may issue and sell notes to the dealers from time to time.

4. Investments in subsidiaries

Subsidiary	Corporate purpose	Percentage owned by the Company	Local currency	Total share capital in local currency
3E (Cyprus) Limited, Egkomi (CY) [2]	Holding company	100%	EUR	1,521,323,388
Coca-Cola HBC Holdings B.V., Amsterdam (NL) [3]	Holding company	100%	EUR	220,000

Subsidiary	Book value in CHF
3E (Cyprus) Limited, Egkomi (CY) [2]	5,045,522,814
Coca-Cola HBC Holdings B.V., Amsterdam (NL) [3]	4,073,638,556
Investments in subsidiaries	9,119,161,370

5. Own shares

The number of treasury shares held by the Company and subsidiaries qualifying under article 659b SCO and their movements are as follows:

Own shares held as assets	Number of shares	Rate per share	Total
Purchase of own shares from the founding shareholder	14,925	130.66	1,950,100
Fair value adjustment of own shares (including translation difference)			(1,562,760)
Fair value of own shares held as assets	14,925	25.95	387,340

Reserve for own shares	Number of shares	Book value per share	Total
Purchase of own shares from the founding shareholder	14,925	130.66	1,950,100
Own shares held by subsidiary	3,430,135	24.87	85,298,196
Total own ordinary shares held by the Company and it's subsidiaries at 31 December 2013	3,445,060	25.33	87,248,296

1 The ISDA (International Swap Dealers Association) Master Agreement is a standardized form issued by the International Swap Dealers Association Inc. to be used for credit support transactions.
2. On 29 November 2013 the Company announced the merger of CCHBC SA into 3E (Cyprus) Limited, both subsidiaries of the Company. The merger is effective as at the date hereof. The Cyprus subsidiary was the surviving entity and has assumed all of the assets and liabilities, as well as the benefits and obligations, of CCHBC SA.
3. Coca-Cola HBC Holdings B.V., Amsterdam (NL) was founded on 26 June 2013.

Notes to the Financial Statements

6. Share capital

	Number of shares	Nominal value	Total
Incorporation of the Company	1,000,000	0.10	100,000
Share capital decrease	(25)	0.10	(2)
Change of nominal value [1]	14,925	6.70	99,998
Capital increase through investment in CCHBC SA (subsequently merged into 3E (Cyprus) Ltd., Cyprus) [2]	355,009,014	6.70	2,378,560,394
Share capital increase [3]	11,467,206	6.70	76,830,280
Capital increase through stock options exercise [4]	1,199,080	6.70	8,033,836
Total share capital	367,690,225		2,463,524,508

7. Equity

	Share capital	General reserve from capital contributions	Reserve for own shares from capital contributions	Accumulated loss	Total
Incorporation of the Company	100,000	-	-	-	100,000
Additional capital contribution	-	1,810,800	-	-	1,810,800
Share capital decrease	(2)	2	-	-	-
Capital increase by contribution of shares in CCHBC SA to settle the Company's exchange offer	2,378,560,394	6,449,555,260	-	-	8,828,115,654
Purchase of own shares	-	(1,950,100)	1,950,100	-	-
Allocation for own shares held by CCHBC SA tendered in the Company's exchange offer	-	(85,298,196)	85,298,196	-	-
Capital increase by contribution of shares in CCHBC SA to settle the Company's squeeze out	76,830,280	212,637,548	-	-	289,467,828
Stock option exercise	8,033,836	12,625,652	-	-	20,659,488
Dividend [5]	-	(155,549,568)	-	-	(155,549,568)
Loss of the period	-	-	-	(28,318,152)	(28,318,152)
Balance at 31 December 2013	2,463,524,508	6,433,831,398	87,248,296	(28,318,152)	8,956,286,050

1 On 25 April 2013 the shareholders resolved that the existing 1,000,000 registered shares with a nominal value of CHF 0.10 each shall be consolidated in the proportion of 67:1 into new 14,925 registered shares with a nominal value of CHF 6.70 each.
2. On 25 April 2013, the shareholders agreed to issue 355,009,014 shares with a par value of CHF 6.70 each.
3. On 17 June 2013 the Board of Directors resolved to increase the share capital in the amount of CHF 76,830,280 out of authorized capital from CHF 2,378,660,391 to 2,455,490,671 through the issuance of 11,467,206 registered shares with a par value of CHF 6.70.
4. On 25 April 2013, the shareholders agreed to the creation of conditional capital in the maximum amount of CHF 245,600,848, through issuance of a maximum of 36,656,843 fully paid-in registered shares with a par value of CHF 6.70 each upon exercise of options issued to members of the Board of Directors, members of the management, employees or advisers of the Company, its subsidiaries and other affiliated companies. Until 31 December 2013, 1,199,080 new ordinary shares were issued following the exercise of stock options pursuant to the Company's employee stock option plan.
5. In the Extraordinary General Meeting of the Company held on 19 June 2013, the shareholders approved the distribution of a €0.34 dividend per each ordinary registered share. The dividend was paid on 23 July 2013 and amounted to CHF 155,549,568.

8. Significant shareholders

As at 31 December 2013, to the knowledge of the Company, there were two shareholders exceeding the threshold of 5% voting rights in the Company's share capital.

	Number of shares	Percentage of issued share capital[1]	Percentage of outstanding share capital[2]
Total Kar-Tess Holding	85,355,019	23.2%	23.4%
Total shareholdings related to The Coca-Cola Company	85,112,078	23.1%	23.4%

9. Compensations and loans

The section below is in line with articles 663bbis and 663c para. 3 of the Swiss Code of Obligations, which require disclosure of the elements of compensation paid to the Company's Board of Directors (Directors) and Senior Management, as well as their shareholdings and loans. The numbers relate to the calendar year 2013 and not to the effective period 19 September 2012 to 31 December 2013.

Compensation for acting members of governing bodies

The Company's Directors believes that the level of remuneration offered to Directors and Senior Management should reflect their experience and responsibility as determined by, among other factors, a comparison with similar multinational companies and should be sufficient to attract and retain high calibre Directors and Senior Management who will lead the Coca-Cola HBC AG Group successfully. In line with the Coca-Cola HBC AG Group's commitment to maximise shareholder value, its policy is to link a significant proportion of remuneration for its Senior Managers to the performance of the business through short- and long-term incentives. Therefore, especially the equity-related long-term compensation of Senior Managers aligns the financial interests of Senior Management with those of the Company's shareholders.

The total remuneration of the Directors and Senior Management of the Company, including stock option grants, during 2013 amounted to CHF 30.6 million. Out of this, the amount relating to the total fair value of stock options granted during 2013 was CHF 16.4 million. Pension and post-employment benefits for Directors and Senior Management of the Company during 2013 amounted to CHF 0.9 million.

1. Basis: total issued share capital including treasury shares. Share basis 367,690,225
2. Basis: total issued share capital excluding treasury shares. Share basis 364,245,165

Notes to the Financial Statements

Compensation to the members of the Board of Directors

The total remuneration paid to or accrued for the members of the Board of Directors for the calendar year 2013 amounted to CHF 7.9 million.

	Fixed Compensations					Variable Compensations
	Base salary	Cash & Non-Cash Benefits [1]	Cash performance incentives	Pension and post employment benefits [2]	Total fair value of stock options at the date granted	Total Compensation
George A. David, Chairman and Member of Social Responsibility Committee	-	-	-	-	-	-
Dimitris Lois, Chief Executive Officer [3]	880,188	283,596	482,701	152,433	5,276,132	7,075,050
Anastasios P. Leventis, Vice-Chairman	-	-	-	-	-	-
Haralambos K. Leventis, Member of the Board of Directors	-	-	-	-	-	-
Anastassis G. David, Member of Nomination Committee	84,496	-	-	-	-	84,496
Irial Finan, Member of the Board of Directors	79,875	-	-	-	-	79,875
John Hunter, Member of Nomination Committee and Social Responsibility Committee	92,164	-	-	-	-	92,164
Kent Atkinson [4]	51,764	-	-	-	-	51,764
Antonio D'Amato, Member of Nomination Committee and of Remuneration Committee	89,116	-	-	-	-	89,116
Christos Ioannou, Member of Audit Committee	95,236	-	-	-	-	95,236
Sir Michael Llewllyn-Smith, Chairman of Nomination Committee, of Remuneration Committee and Social Responsibility Committee	104,452	-	-	-	-	104,452
Nigel Macdonald, Chairman of Audit Committee	102,937	-	-	-	-	102,937
Susan Kilsby Saltzbart [5], Member of Nomination Committee and Remuneration Committee	69,306	-	-	-	-	69,306
Stefan F. Heidenreich [6], Member of Audit Committee	47,744	-	-	-	-	47,744
Total Board of Directors	**1,697,278**	**283,596**	**482,701**	**152,433**	**5,276,132**	**7,892,140**

1. Allowances consist of cost of living allowance, housing support, Employee Stock Purchase Plan, Private Medical Insurance Relocation Expenses, Home Trip Allowance, lump sum expenses and similar allowances
2. Members of Senior Management participate in their pension plan of their employing entity, as appropriate
3. Dimitris Lois' compensation is based on his role as CEO, member of the Senior Management Team, and his employment agreement. Mr. Lois is not entitled and does not receive the fixed compensation applicable for the Non-Executive Directors of the Board of Directors.
4. Kent Atkinson was member of the Board of Directors until 19 June 2013
5. Susan Kilsby Saltzbart joined the Board of Directors on 25 April 2013
6. Stefan F. Heidenreich joined the Board of Directors on 19 June 2013

Notes to the Financial Statements

Compensation to the members of the Senior Management

The total remuneration paid to or accrued for the Senior Management for 2013 amounted to CHF 29.8 million.

	Fixed Compensations		Variable Compensations			
	Base salary	Cash & Non-Cash Benefits [1]	Cash performance incentives	Pension and post employment benefits [2]	Total fair value of stock options at the date granted	Total Compensation
Dimitris Lois, Chief Executive Officer (highest compensated member of the Senior Management) [3]	880,188	283,596	482,701	152,433	5,276,132	7,075,050
Other members [4, 5, 6, 7]	5,640,740	3,393,833	1,841,678	703,918	11,120,446	22,700,615
Total Senior Management	6,520,928	3,677,429	2,324,379	856,351	16,396,578	29,775,665

Credits and Loans granted to governing bodies

In 2013, there were no credits or loans granted to active or former members of the Company's Board of Directors, members of the Senior Management or to any related persons.

1. Allowances consist of cost of living allowance, housing support, schooling, Employee Stock Purchase Plan, Private Medical Insurance Relocation Expenses, Home Trip Allowance, lump sum expenses and similar allowances.
2. Members of Senior Management participate in the pension plan of their employing entity, as appropriate.
3. Dimitris Lois' compensation is based on his role as CEO, member of the Senior Management Team, and his employment agreement. Mr. Lois is not entitled and does not receive the fixed compensation applicable for the Non-Executive Directors of the Board of Directors.
4. Zoran Bogdanovic became Region Director on 1 June 2013.
5. June Hirst joined the Company as Group HR Director on 1 September 2013.
6. Per Breimyr stepped down from the role of Group Commercial Director on 31 May 2013 and the employment termination date was 31 December 2013. Amounts include the remuneration for entire 2013.
7. Bernard Kunerth stepped down from the role of Group HR Director on 31 May 2013 and the employment termination date was 31 December 2013. Amounts include the remuneration for entire 2013

Notes to the Financial Statements

10. Shareholdings, conversion and option rights

The table below sets out as of 31 December 2013, the interests in the Company's total issued share capital that the members of the Board of Directors ("Directors") and members of Senior Management (all of which, unless otherwise stated, are beneficial interests or are interests of a person connected with a Director or a member of Senior Management) hold and the interests in the Company's share capital:

	Number of shares	Percentage of issued share capital [1]	Percentage of outstanding share capital [2]
Directors			
John Hunter	2,000	0.00%	0.00%
Christos Ioannou [3]	447,500	0.12%	0.12%
Nigel Macdonald	1,700	0.00%	0.00%
Susan Kilsby Saltzbart	6,000	0.00%	0.00%
Sir Michael Llewellyn-Smith	545	0.00%	0.00%
Dimitris Lois [4]	22,912	0.01%	0.01%
Senior Management			
Richard Smyth	15,571	0.00%	0.00%
John Brady	5,776	0.00%	0.00%
Jan Gustavsson	34,770	0.01%	0.01%
Kleon Giavassoglou	2,597	0.00%	0.00%
Keith Sanders	18,810	0.01%	0.01%
Zoran Bogdanovic	8,354	0.00%	0.00%
Alain Brouhard	5,781	0.00%	0.00%
Michael Imellos	6,077	0.00%	0.00%

The following table sets out the information regarding the stock options held by members of Senior Management as of 31 December 2013:

	Number of stock options	Already vested	Vesting at the end of 2014	Vesting at the end of 2015	Vesting at the end of 2016
Dimitris Lois	1,340,000	623,333	296,667	210,000	210,000
Richard Smyth	617,038	396,371	93,999	63,334	63,334
John Brady	731,001	510,334	93,999	63,334	63,334
Jan Gustavsson	728,500	507,833	93,999	63,334	63,334
June Hirst	60,000	-	19,999	20,000	20,001
Kleon Giavassoglou	559,834	351,500	88,334	60,000	60,000
Keith Sanders	504,775	331,441	73,334	50,000	50,000
Zoran Bogdanovic	178,501	87,834	35,333	27,666	27,668
Alain Brouhard	250,000	95,000	64,999	45,000	45,001
Michael Imellos	196,500	41,500	54,999	50,000	50,001

11. Accomplishment of a risk assessment

The Company participates in the global, integrated risk management processes of the Coca-Cola HBC AG Group. Within the scope of these processes, the Board of Directors evaluates the risks once a year in accordance with article 663b no. 12 SCO.

1. Basis: total issued share capital including treasury shares. Share basis 367,690,225
2. Basis: total issued share capital excluding treasury shares. Share basis 364,245,165
3. Mr. Christos Ioannou holds 400,000 Company Shares on his own and 190,000 Company Shares in a joint account with his brother and two sisters (of which he effectively owns 25%, i.e., 47,500 Company Shares).
4 Includes 1,000 shares held by the spouse of Mr. Dimitris Lois

Proposed appropriation of balance sheet loss and reserves

1. Proposed treatment of balance sheet profit/net loss

The balance sheet as of 31 December 2013 does not show a balance sheet profit subject to appropriation by the shareholders. The net loss of CHF 28,318,152 will be carried forward.

2. Proposed appropriation of reserves / declaration of dividend

The Board of Directors proposes a gross dividend of EUR 0.354 for each ordinary registered share to be paid out of the general capital contribution reserve, as shown in the financial statements of the Company as of 31 December 2013. Own shares held directly by the Company are not entitled to dividends. The total aggregate amount of the dividends shall be capped at an amount of CHF 200,000,000 (the "Cap"), and thus will reduce the general capital contribution reserve of CHF 6,433,831,398, as shown in the financial statements as of 31 December 2013, by a maximum of CHF 200,000,000. To the extent that the dividend calculated on 0.354 EUR per share would exceed the Cap on the day of the extraordinary general meeting, due to the exchange ratio determined by the Board of Directors in its reasonable opinion, the euro per share amount of the dividend shall be reduced on a pro rata basis so that the aggregate amount of all dividends paid does not exceed the Cap. Payment of the dividend shall be made at such time and with such record date as shall be determined by the annual shareholders meeting and the Board of Directors.

Variant 1: Dividend of EUR 0.354 at current exchange ratio

As of 31 December 2013	**CHF**
General capital contribution reserve before distribution	6,433,831,398
Proposed dividend of EUR 0.354 [1]	(161,394,750)
General capital contribution reserve after distribution	6,272,436,648

Variant 2: Dividend if cap is triggered

As of 31 December 2013	**CHF**
General capital contribution reserve before distribution	6,433,831,398
(Maximum) dividend if cap is triggered [2]	(200,000,000)
(Minimum) general capital contribution reserve after distribution	6,233,831,398

1. Illustrative at an exchange ratio of CHF 1.24 per EUR. Assumes that the shares entitled to a dividend amount to 367,675,300.
2 Dividend is capped at a total aggregate amount of CHF 200,000,000.

Report of the statutory auditor
to the General Meeting of
Coca-Cola HBC AG
Steinhausen /Zug

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Coca-Cola HBC AG, which comprise the Balance Sheet, Statement of Income and Notes (pages 89 to 99), for the period from 19 September 2012 to 31 December 2013.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the period from 19 September 2012 to 31 December 2013 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Daniel Anliker Auditor in charge Audit expert	Philipp Kegele

Zurich, 31 March 2014

Additional Disclosure Regarding Capital Increases

Reports of independent audit experts (E&Y) relating to capital increases during the financial year.

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To the Board of Directors of

Coca-Cola HBC AG, Steinhausen

Zurich, 20 February 2014

Independent auditor's report related to the conditional capital increase

We have audited the issue of new shares by Coca-Cola HBC AG, Steinhausen, in the period from 1 January 2013 to 31 December 2013 pursuant to article 6 of the articles of incorporation in accordance with article 653f para. 1 Swiss Code of Obligations (CO).

Board of Directors' responsibility
The Board of Directors is responsible for the issue of new shares in accordance with the legal requirements and the company's articles of incorporation.

Auditor's responsibility
Our responsibility is to express an opinion based on our audit as to whether the issue of new shares complies with Swiss law and the company's articles of incorporation. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the issue of new shares complies with the legal requirements and the company's articles of incorporation.

An audit involves performing procedures to obtain audit evidence so that material breaches of the legal requirements and the company's articles of incorporation may be identified with reasonable assurance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material breaches of the requirements concerning the issue of new shares, whether due to fraud or error.

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

Opinion
In our opinion, the issue of 1'199'080 registered shares with a nominal value of CHF 6.70 complies with Swiss law and the company's articles of incorporation.

Ernst & Young AG

Roger Müller
Zugelassener Revisionsexperte
(Leitender Revisor)

Patric Roth
Zugelassene Revisionsexperte

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To the Board of Directors of

Coca-Cola HBC Ltd, Zug

Zurich, 25 April 2013

Audit confirmation regarding the ordinary capital increase

In accordance with your instructions and in compliance with article 652f paragraph 1 CO we have audited the capital increase report presented by you dated 25 April 2013.

This capital increase report is the responsibility of the Board of Directors. Our responsibility is to examine whether this report is complete and accurate. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the capital increase report is free from material misstatement. We have performed the audit procedures appropriate in the circumstances and we believe that our audit provides a reasonable basis for our opinion.

In our opinion, the capital increase report is complete and accurate.

Ernst & Young Ltd

Patric Roth
Licensed audit expert
(Auditor in charge)

Jolanda Dolente
Licensed audit expert

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To the Board of Directors of

Coca-Cola HBC AG, Zug

Zurich, 17 June 2013

Audit confirmation regarding the authorized capital increase

In accordance with your instructions and in compliance with article 652 et seq. para. 1 Swiss Code of Obligations (CO) we have audited the capital increase report presented by you dated 17 June 2013.

This capital increase report is the responsibility of the Board of Directors. Our responsibility is to examine whether this report is complete and accurate. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the capital increase report is free from material misstatement. We have performed the audit procedures appropriate in the circumstances and we believe that our audit provides a reasonable basis for our opinion.

In our opinion, the capital increase report is complete and accurate and complies with the resolution of the Board of Directors dated 17 June 2013.

Ernst & Young Ltd

Patric Roth	Jolanda Dolente
Licensed audit expert	Licensed audit expert
(Auditor in charge)	