Coca-Cola Hellenic

Passion for Excellence

Uniquely Positioned for Continued Success

.07

annual report


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ZERO
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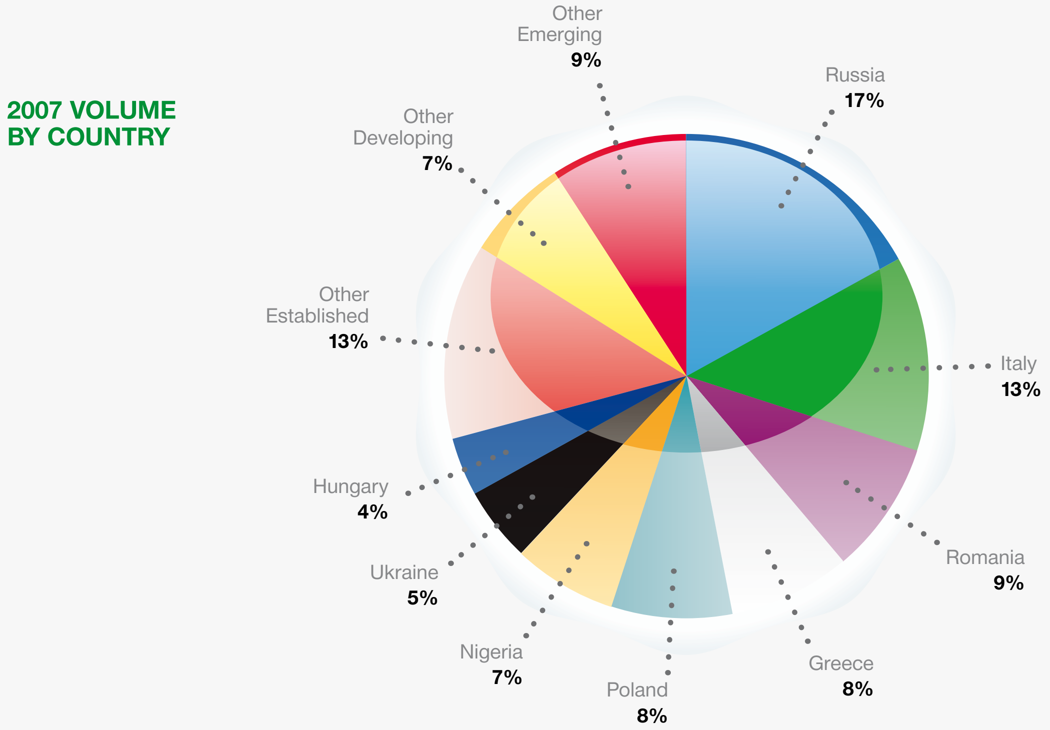
Uniquely Positioned for Continued Success

short profile

Coca-Cola Hellenic is one of the largest bottlers of products of The Coca-Cola Company. Our unique portfolio of brands, mix of geographies and passion for marketplace execution have translated into seven consecutive years of sustained profitable growth. Thanks to our proven business model as well as our social and environmental stewardship, we are well positioned for continued sustainable success in our communities.

To reflect the progress we have made since our formation in 2000, we have introduced a new corporate logo. Our new dynamic signature conveys our strong personality and winning mindset. Modern and bold, the logo incorporates our mantra **'Passion for Excellence'**, which underscores our commitment to leadership in everything we do in a socially responsible way.

financial highlights



In millions, except per share data and ROIC	2007	2006*	% change
Volume (unit cases)	2,019	1,788	+13 %
Net sales revenue	€ 6,462	€ 5,616	+15 %
Gross profit	€ 2,655	€ 2,253	+18 %
Operating profit (EBIT)	€ 703	€ 576	+22 %
Net profit	€ 472	€ 380	+24 %
Basic earnings per share**	€ 1.30	€ 1.05	+24 %
EBITDA	€ 1,067	€ 905	+18 %
ROIC	12.2%	10.4%	+180 bps

Note: On a reported basis in 2006 EBIT was €507 and EBITDA €875 representing growth of 39% and 22% respectively

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*Comparable financial indicators exclude in 2006 the recognition of pre-acquisition tax losses, significant restructuring costs and significant non-recurring items.
**2006 basic earnings per share has been adjusted to reflect the one for two bonus share issue on 13 November 2007

from
the Chairman

The year 2007 saw two major milestones in our development: we achieved sales volume of two billion unit cases and EBITDA of €1 billion. We posted a net profit of €472 million, an increase of 24% over the prior year.

These are outstanding results, especially in such a young company. In our seven years of operation, Coca-Cola Hellenic has built broad geographic coverage and a diverse product portfolio. As we continue to implement our 'Excellence Across the Board' strategy, we are developing superior end-outlet execution as well as strict financial discipline.

Similarly, our Social Responsibility strategy is yielding strong results. Early on, we saw an opportunity to generate value, as well as a responsibility to demonstrate leadership. We responded quickly to shifting consumer demands and have built a strong portfolio of waters, juices and innovative wellness beverages. These now represent 37% of our portfolio, compared to 10% in 2001.

Similarly, we are making strong progress in addressing our key environmental challenges: energy and climate change, water stewardship, packaging and waste. Since 2002, we have improved the energy and water efficiencies of our plants by 28% and 19%, respectively, and increased plant recycling by 32%. These achievements have resulted in significant environmental benefits and cost savings.

Yet we are far from complacent. In 2007, we signed contracts to build 15 highly efficient combined heat and power units in bottling plants across 12 countries. We believe this to be the largest energy-saving initiative in our industry to date; it is expected to deliver a 20% reduction in carbon dioxide emissions from production across the whole company, as well as significant cost savings.

We also voluntarily extended our use of enhanced nutritional labelling across all EU countries and we were leaders in the launch of the first industry-owned PET-to-PET recycling plant in Europe.

We also took our commitments to a new and international level, signing the UN Global Compact Caring for Climate statement and the CEO Water Mandate as well as being one of the first companies to sign the Bali Communiqué on climate change. In 2007, we were named a 'Notable Reporter' for our sustainability reporting by the Global Compact.

Closer to home, I am proud of the way in which Coca-Cola Hellenic operations and employees supported our communities in Greece following the catastrophic forest fires of 2007. In addition to financial support, we immediately mobilised employees and trucks, delivering 400,000 litres of drinking water to residents and relief agencies and providing almost four million litres of bulk water to help extinguish the fires. It may no longer make the headlines, but life has not returned to normal – and for as long as we can help in rehabilitation efforts, we will. Similar actions also took place in Romania during the flooding and subsequent drought that occurred there in June.

I express my sincere appreciation to Doros Constantinou, his management team and staff for their contribution to these relief efforts. I commend them on our outstanding business results and I thank you, our shareowners, business partners, customers and consumers, for your continued support.

George A. David
Chairman

from the Managing Director

Coca-Cola Hellenic marked its seventh year of operation with its seventh consecutive year of excellent performance. We continued to meet and exceed projected growth targets, with strong volume and profit growth across our markets.

Reaching a landmark two billion cases in sales volume was a noteworthy achievement. Ahead of expectations, this represented a 13% increase over the previous year. Operating profit was up 22% to €703 million, while net profit increased to €472 million, 24% above the previous year.

These strong results demonstrate our ability to anticipate and meet changing consumer preferences. The highly successful launch of Coca-Cola Zero in eight markets during 2007 grew our light/diet carbonated beverages by 21% and the carbonated category overall.

Additionally, our innovation pipeline continued to deliver results, with the launch of over 150 new waters, juices and wellness beverages, which represented 73% of all new products introduced. In 2007, non-carbonated beverages grew to 37% of our volume, compared to 10% in 2001. In 2008, we will continue to extend our reach by exploring new business opportunities; our joint venture with The Coca-Cola Company and illycaffè S.p.A., for example, will offer premium ready-to-drink coffee across all our territories.

We further invested in production capacity, with the addition of four new aseptic lines and new-built plants in Nigeria and Crete. We also increased delivery and service for a wider range of beverages with our purchase of Italian vending operator Eurmatik, offering consumers convenient access to high quality hot beverages. And we invested in increased cooler placement, helping to grow the profitable single-serve packages.

As part of our 'Excellence Across the Board' strategy, we aim to build superior end-outlet execution. Route-to-market investments have driven improved sales effectiveness and we continue to enhance customer-centric capabilities.

Our new Coca-Cola Hellenic logo, 'Passion for Excellence' symbolises our progress. It reflects our consistently strong performance to date, as well as confidence in our future growth.

The year also saw further integration of our Social Responsibility strategy into our business. The expansion of our product range in response to changing consumer trends has resulted in average calorie content of our beverages of 29.7 Kcal/100ml, 19% lower than in 2001. In addition we voluntarily placed enhanced nutritional labels on the front side of packages in all European Union countries. These labels show calories and nutrients per serving in the context of guideline daily amounts (GDAs), key information to help consumers manage their calorific intake.

As part of our climate change strategy, we scaled up our commitment to combined heat and power technology. Following the more than 18,000 tonne annual reduction in carbon dioxide emissions achieved by our unit in Hungary since 2006, we have signed an agreement to construct a further 15 units in the next two years.

We also continued to strengthen our water stewardship, an issue the United Nations places as first priority for all countries. The programme to implement wastewater treatment facilities at all plants where municipal treatment is not available nears completion with the start of construction at the last four plants in Nigeria in 2008. Meanwhile, our watershed protection initiatives received international recognition.

Tackling the challenge of post-consumer packaging waste remains a primary focus. In 2007, we took a major step towards closing the recycling loop, with the new Austrian PET-to-PET plant that manufactures PET flakes from used bottles.

Although we are operating in an uncertain global economic environment with persistent commodity cost pressures, I remain confident for the following reasons: we continue to build management depth and capability in our rapidly growing business, we have broad geographic coverage and a widening product portfolio, and we focus on excellence in end-outlet execution and financial discipline. These factors together give me the confidence to say that we will be able to successfully execute our strategy to deliver another year of strong performance in 2008.

Doros Constantinou
Managing Director

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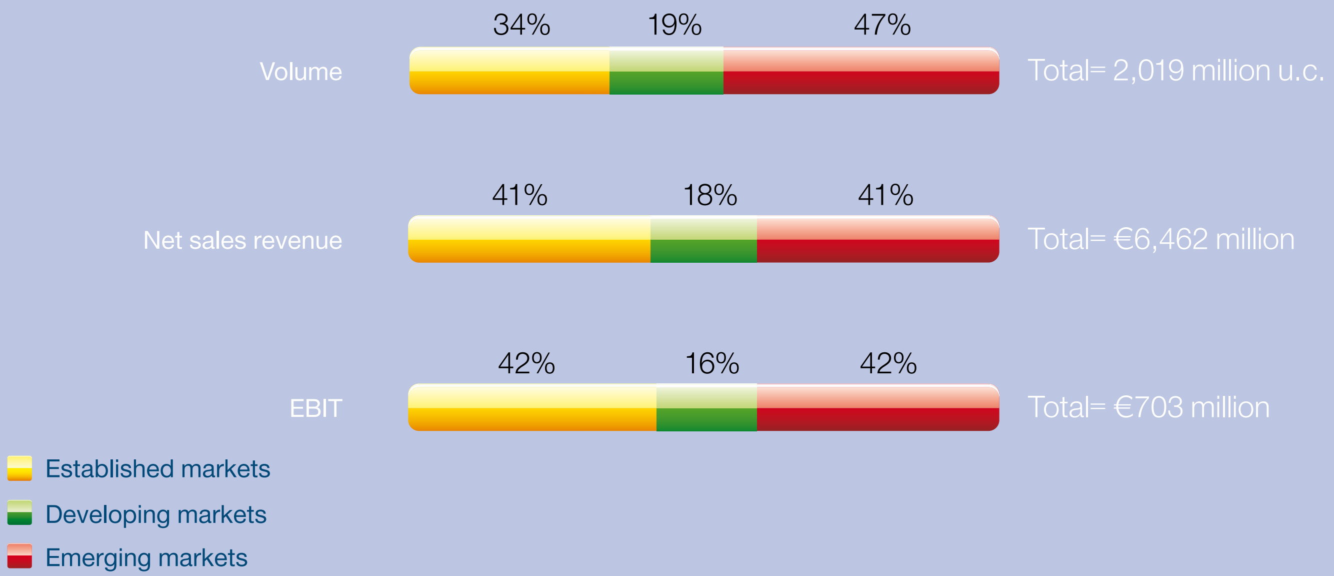
Coca-Cola Hellenic at a glance

2007 market split



Principal milestones

2000 Merger. Coca-Cola Beverages plc is acquired by Hellenic Bottling Company S.A. to form Coca-Cola Hellenic Bottling Company S.A., one of the biggest bottlers of products of The Coca-Cola Company in the world
Inclusion in the social responsibility index FTSE4GoodEurope

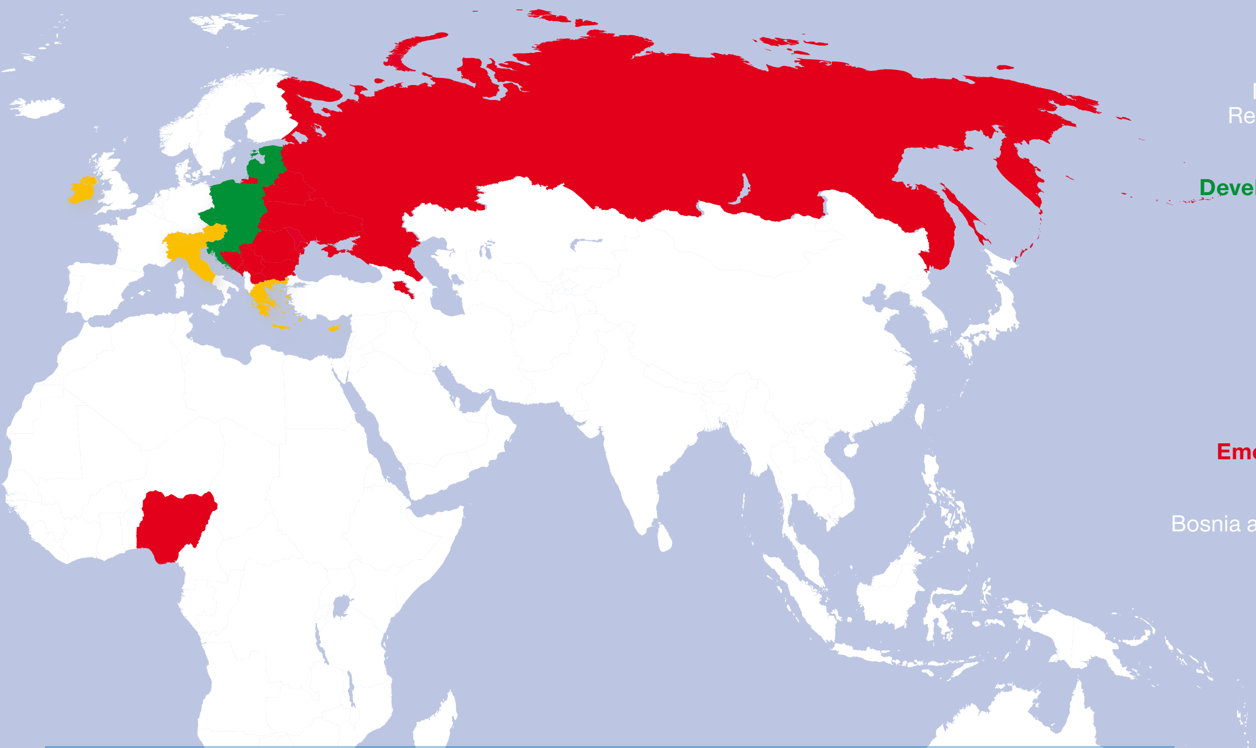
2001 Territory expansion. Acquisition of TCCC territories, yielding full control of Russian Coca-Cola bottling operations

2002 Territory expansion. Acquisition of all bottling operations in the Baltics
Water acquisitions of Valser Mineralquellen AG in Switzerland and Dorna Apemin S.A. in Romania
NYSE listing. Coca-Cola Hellenic Bottling Company lists its ADRs on the New York Stock Exchange

2003 20th anniversary of Amita juice brand, the market leader in Greece with 29 flavours
Leveraged recapitalisation plan resulting in a return of €2 per share to shareholders
Water acquisitions of Multivita sp. z o.o. in Poland and Römerquelle GmbH in Austria
Acquisition of 100% of the Greek potato chip company Tsakiris S.A.

2004 Water acquisition of Gotalka d.o.o. in Croatia
Eight Coca-Cola Hellenic Bottling Company countries join the European Union
Served 17,000 athletes and 3.5 million spectators with our products at the Athens 2004 Olympic Games

2005 Water acquisition of Vlasinka d.o.o. in Serbia and Bankya Mineral Waters Bottling Company E.O.O.D. in Bulgaria
Juice acquisition of the Multon Z.A.O. Group, a leading Russian fruit juice company
Acquisition of Vendit Ltd, one of the largest independent vending operators in Ireland
Deep RiverRock wins the Best Global TV Advertising Campaign Award at the Bottled Water Global Awards in Dubai and becomes a UNICEF corporate champion in 2005
Participation in the UN Global Compact
Valser Viva is recognised as the best wellness drink and most successful product innovation within this category by Switzerland's trade magazine Saldo



Established markets
Austria
Cyprus
Greece
Italy
Northern Ireland
Republic of Ireland
Switzerland

Developing markets
Croatia
Czech Republic
Estonia
Hungary
Latvia
Lithuania
Poland
Slovakia
Slovenia

Emerging markets
Armenia
Belarus
Bosnia and Herzegovina
Bulgaria
FYROM
Moldova
Montenegro
Nigeria
Romania
Russia
Serbia
Ukraine

	Established	Developing	Emerging
Population (millions)*	73	78	396
GDP per capita ($000's)*	33	10	3
Top three Coca-Cola Hellenic brands	Coca-Cola Fanta Coca-Cola light	Coca-Cola Fanta Nestea	Coca-Cola Fanta Bonaqua

*Source: Economist Intelligence Unit 2007 estimates

2006
Acquisition of the Fresh & Co d.o.o. Group, a leading Serbian fruit juice company
Territory expansion. Acquisition of Lanitis Bros Public Limited in Cyprus
Acquisition of Fonti del Vulture S.r.l., a producer of high quality mineral water in Italy
Acquisition of Yoppi Kft., a hot and cold beverage vending operator in Hungary
Sales volume exceeds 500 million unit cases of non-CSDs for the first time in one year
Kropla Beskidu is voted 'Brand of the Year 2006' by Poland's number one marketing magazine, Media & Marketing
Official beverage supplier at Torino Winter Olympic Games
Successful compliance with the Sarbanes-Oxley 404 Regulation for US GAAP reporting

2007
Acquisition of Eurmatik, a full-line vending operator in Italy
Employer of the Year award in Serbia in the GfK Most Desirable Employer survey
Powerade wins Product of the Year in Poland
Avra's limited edition bottle wins a bronze award in the Best Bottle in Glass category at the Global Bottled Water Congress in Mexico City, and Avra Bloom wins a bronze award in the Best Children's Concept category
Römerquelle emotion marula wins Best New Ingredient category, and the Danube Box wins a silver award in the Best Sustainable Initiative category, at the prestigious InnoBev Global Soft Drinks Congress
Our Serbian juice brand Next receives the prestigious Superior Taste Award from the International Taste and Quality Institute in Brussels
Voted Best Supplier by Poland's Real network of 49 hypermarkets
Participation in UN Global Compact meeting, inclusion in the list of Notable Communication on Progress companies and signing of the UN Global Compact Water Mandate and Caring for Climate statement
Issuance of one bonus share for every two shares owned
Breaking the mark of 2 billion unit case sales volume in one year
EBITDA in excess of 1 billion Euros

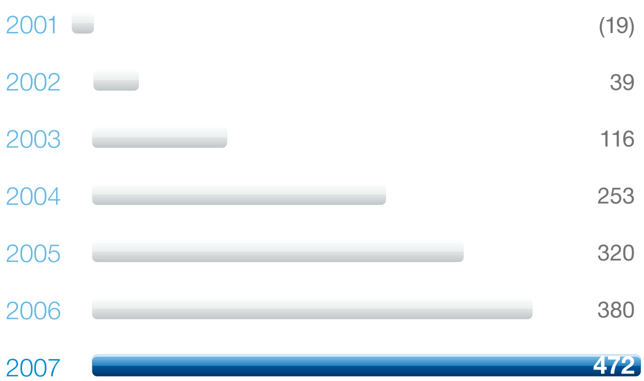
2007 fact sheet

Key Business Indicators

VOLUME
MILLION UNIT CASES

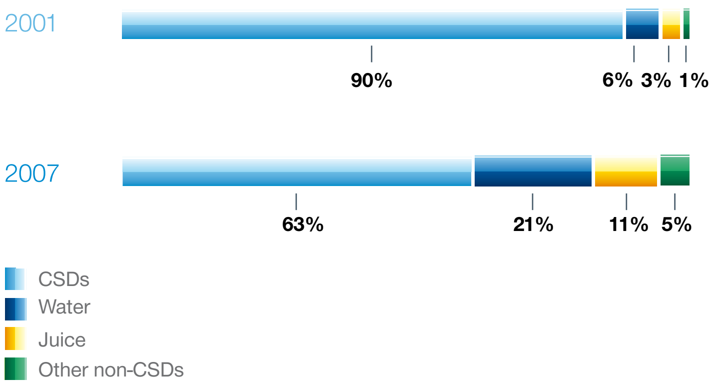
EBIT
€ MILLION

NET PROFIT
€ MILLION

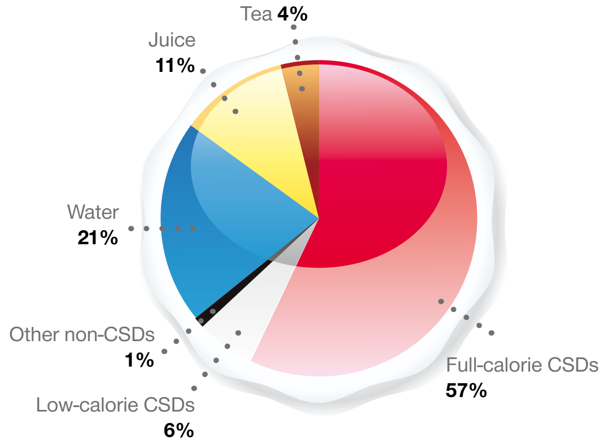


RETURN ON INVESTED CAPITAL

VOLUME CATEGORY SPLIT



VOLUME PRODUCT SPLIT



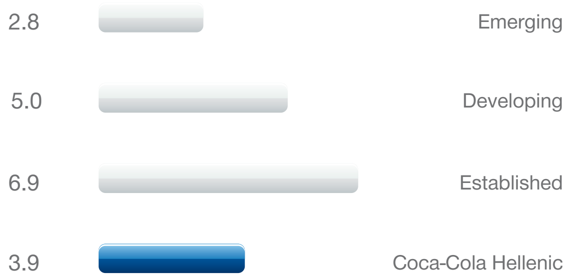
Note: 2007 figures include 100% of the Multon Group and Fresh & Co which are managed as a joint venture and accounted for as such.

EBITDA

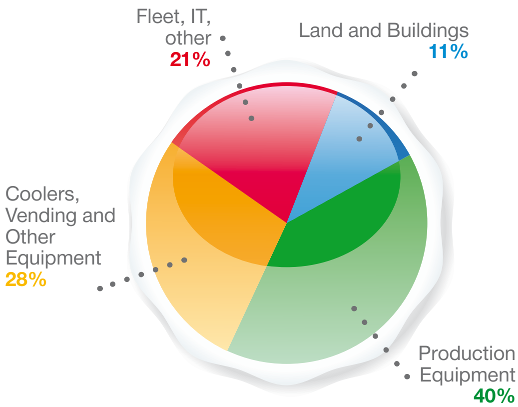
€ MILLION

NUMBER OF COOLER DOORS PER 1,000 PEOPLE

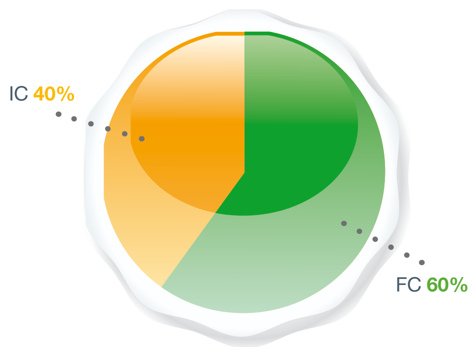
EXCLUDING NIGERIA



CAPITAL EXPENDITURE SPLIT



IMMEDIATE / FUTURE CONSUMPTION VOLUME SPLIT

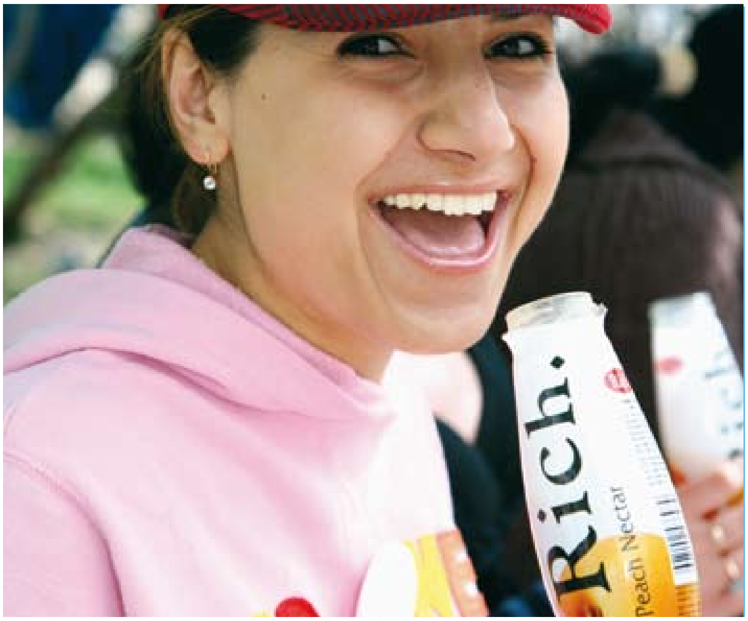


Broad Geographic Footprint

Coca-Cola Hellenic operates across a broad geographic area spanning 28 countries with a population of around 550 million people. Our territory extends from as far west as Galway in Ireland to the easternmost point of Russia, Petropavlovsk. Such breadth provides attractive growth opportunities, while reducing our dependence on any one particular market.


Slovenija


Coca-Cola


Rich.
Peach Nectar

28 countries, one vision, one team

Operating across a diverse portfolio of countries requires a deep understanding of local cultures and consumer habits. It is the appreciation of this market individuality that lies at the heart of our success at Coca-Cola Hellenic. By tailoring our strategy to address the unique requirements of each local market, we aspire towards a common vision of driving sustainable growth across our whole business.

As our business expands, we are able to leverage increased benefits of scale. In operating a large and flexible production and distribution network in Europe, we quickly address the needs of our customers and introduce new products and packages to the marketplace. At the same time, we are committed to sharing knowledge and successful operating practices across countries to realise efficiencies through the use of common systems and processes. There are several communication platforms and internal conferences that enable our people in different countries to share learnings, thus raising overall performance standards.

Building infrastructure for growth

In 2007, Coca-Cola Hellenic reached a significant milestone – selling 2 billion unit cases for the first time in a single year. This growth in consumer demand could not have been met without effective management of our production assets and ongoing investments in enhancing our supply chain. We made several capacity-driven infrastructure investments, such as the purchase of Aquavision in Russia, a ready installed production site comprising state-of-the-art facilities and capable of producing our full range of non-alcoholic beverages. In addition, we built new production facilities in Nigeria and Crete and installed four new aseptic lines to meet the growing demand for our non-carbonated products, including ready-to-drink teas, sports drinks and juices.

When it comes to planning, we look beyond national borders. We have capitalised on opportunities arising from expansion of the European Union by building a regional production network that allows us to better manage our asset base and drive cost savings through improved capacity utilisation. A regional approach to managing our inventory also reduces risk by providing contingency stock in the event of any unforeseen demand or supply fluctuations in a particular market.

In 2007, we simplified production processes leading to improved product cost efficiencies from introducing multi-lingual labels for Cappy juices in Central Europe and harmonising product formulas for Nestea, Cappy and Powerade. In line with our sustainability goals, we also expanded our PET lightweighting initiative in more markets and increased the use of recycled resin in our PET bottle packages.

We have taken huge strides to improve production efficiencies. However, there is still room to realise further cost reduction across our entire system. As part of our 'Excellence Across the Board' initiative, our Supply Chain and Commercial functions have joined forces to build a customer-centric supply chain. Placing the customer at the heart of our efforts is key in achieving preferred supplier status. By constantly exploring ways to optimise our asset infrastructure, we aim to meet consumer demand at the lowest possible cost, while at the same time raising customer service levels.

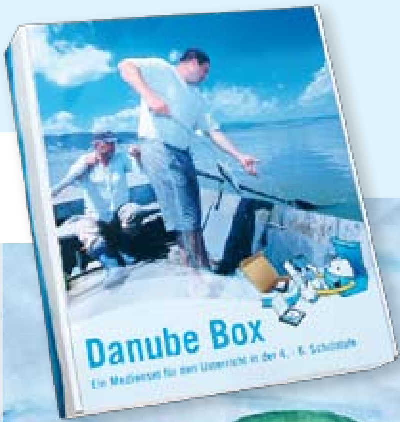
Moreover, we are introducing a fully integrated SAP platform across our countries to focus the organisation on building our front-end commercial capabilities and delivering overall enhanced service to our customers. We aim to achieve this by better managing our in-store inventory levels to reduce out-of-stocks, evaluating the effectiveness of our cold drink equipment and tracking point-of-sale data at outlet level. As a result, we can offer seamless value-added processes and solutions to our customers and our products can reach the market through a demand-driven rather than a supply-driven model.

Romania and Bulgaria join the EU

	Romania	Bulgaria
Population (millions)	21.5	7.7
GDP per capita ($000s)	7.4	5.1
CSD per capita consumption	128	124
CSD category share from Canadean	53.7%	28.3%

Source: Population from the countries' National Institute of Statistics
GDP per capita from the IMF latest estimate for 2007

In 2007, Romania and Bulgaria entered the European Union, increasing the total number of member countries across our territory to 16. We were well positioned to respond to the challenges presented by accession of these two countries through planned capital investments and focus on building sales capabilities to improve market competitiveness. This foresight, combined with strong execution of our strategy, has enabled us to realise continued strong volume and profit growth in both of these markets in 2007.



A river runs through us

Our social responsibility initiatives are as aligned as our business strategy. Nearly 72 million people in 17 of our countries share the Danube River Basin as their home. We have actively committed to the protection and preservation of the Danube River and its basin since 2005 and have been gradually coordinating efforts across countries for the benefit of the environment. In collaboration with the International Commission for the Protection of the Danube River, we have organised a series of activities to raise awareness and engage communities and organisations in the protection of the river. The flagship event is Danube Day, a range of celebrations in a number of our countries through which the Danube runs. We have also put together an educational kit for children called the Danube Box. It includes teaching aids, interactive materials, posters, maps and games designed to inform future generations about the importance of resource conservation and water management. The Danube Box was one of two projects selected out of over 600 submissions to showcase at the world's premier fresh water event, the Stockholm World Water Week. It also won a silver award in the Best Sustainable Initiative category at the esteemed Global Bottled Water Congress in Mexico City, as well as the prestigious International Thiess River prize 2007 in Brisbane, Australia for Excellence in Water Management in the Danube River basin.

Powerful Product Portfolio

07

Our job is to sell and distribute the most valuable brand in the world, Coca-Cola, as well as more than 90 other non-alcoholic brands and over 700 flavour variants to refresh our consumers. Over the past several years, we have been expanding the range of products offered to our consumers across growing non-alcoholic beverage categories in response to new preferences and tastes.


NESTEA
Coca-Cola
Nestea
Vita

A balanced product offering

In broadening our product portfolio, we are offering our consumers more choices than ever. At the end of 2007, non-CSD products accounted for 37% of our total volume. We are leaders in aseptic technology in Europe with 13 aseptic lines, which helps us offer products of a high quality, preservative-free with a superior taste profile. We sell 33 water brands with a focus on generating value through the 'on-the-go' or immediate consumption channels. Our range of ready-to-drink Nestea products is gaining increased popularity amongst consumers, as we introduce new flavours and ingredients offering functional benefits. Burn, our energy drink, while representing a small part of our business today, is backed by great enthusiasm and massive promotional programmes and has contributed to our profitable growth. Importantly, growth of carbonated soft drinks accelerated to 7% during the year, following the successful launch of Coca-Cola Zero, flavour extensions for the Fanta and Sprite trademarks and the introduction of innovative packages.

Expanding consumer choice with innovation

We go to great lengths to ensure that we are present at every consumption occasion, with the right brand, in the most appropriate package and across each sales channel. This commitment is being rewarded with a growing demand for our products across all beverage categories.

At Coca-Cola Hellenic, we pride ourselves on thinking 'outside the bottle' and consider new ways to broaden our beverage portfolio through product and packaging innovation.

2007 was another year of successful innovation for our business. CSD initiatives were led by the launch of Coca-Cola Zero in eight of our countries. Coca-Cola Zero's attractive proposition of full cola taste and zero calories was a hit with consumers and helped drive 8% growth of the Coca-Cola trademark in 2007. A fully integrated marketing campaign and excellent marketplace execution have made Coca-Cola Zero a true success, with sales exceeding expectations and driving both low-calorie and total CSD category share gains.

Innovation in non-CSDs is largely geared to the growing trends towards health and wellness products while offering more choice and variety to consumers. In Poland, we launched the flavoured hypotonic sports-water, Powerade Aqua+. Low in calories, it targets moderately active people. We also relaunched Bonaqua in the Czech Republic and Slovakia, grew our Römerquelle emotion line in Austria with the new jostabeere flavour and introduced a new logo and coloured bottles for Avra Bloom in Greece, a natural mineral water product targeted to children.

Our juice product portfolio witnessed further expansion with the introduction of new flavours in most countries. The Amita brand in Greece was reinvigorated with a new marketing campaign, while a variety of new juice and juice drink variants were introduced to the market. The Cappy, Frulite and Dobry range was extended and our increased focus on higher value functional juices was demonstrated by the launch of new vitamin-enriched flavours in Ireland and Serbia under the brands Fruice and Joy, respectively.

The ready-to-drink tea category witnessed a step change performance in 2007 as part of a concerted effort to make Nestea a more integral part of our health and wellness lineup of products. In addition to the launch of the antioxidant-containing Nestea Vitao in Switzerland, we introduced Nestea Green Tea in Slovakia, Poland, Hungary and the Czech Republic.

In 2007, we introduced a range of new packaging solutions to broaden our product offering to consumers and address the consumer trend towards increased convenience. We continue to steadily expand the presence of our ultra light glass bottle for CSDs, which results in a 33% reduction in glass used in bottles. Furthermore, we introduced an elegant 330mL sleek can in Italy, bringing significant differentiation in our largest can market and supporting growth of the carbonated soft drink category. Burn also had another great year, supported by strong outlet activation in targeted sales channels and packaging innovation, including a new 500mL can and an aluminium bottle launched in a number of selected markets.

Innovation highlights

Powerade Aqua+
Poland

330mL sleek can
Italy

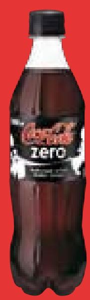
Römerquelle Jostabeere
Austria

Vitamin-enriched Fruice Vital
Ireland

New Dobry juice flavours
Russia

Nestea Vitao with antioxidants
Switzerland

Rich Fruit Mix puree in eight flavours
Russia



Coca-Cola Zero
introduced in eight of our countries

Vitamin-enhanced Joy
Serbia

Avra Bloom coloured bottles
Greece

Nestea green tea
Slovakia, Poland, Hungary, Czech Republic

Amita Motion energy bars
Greece

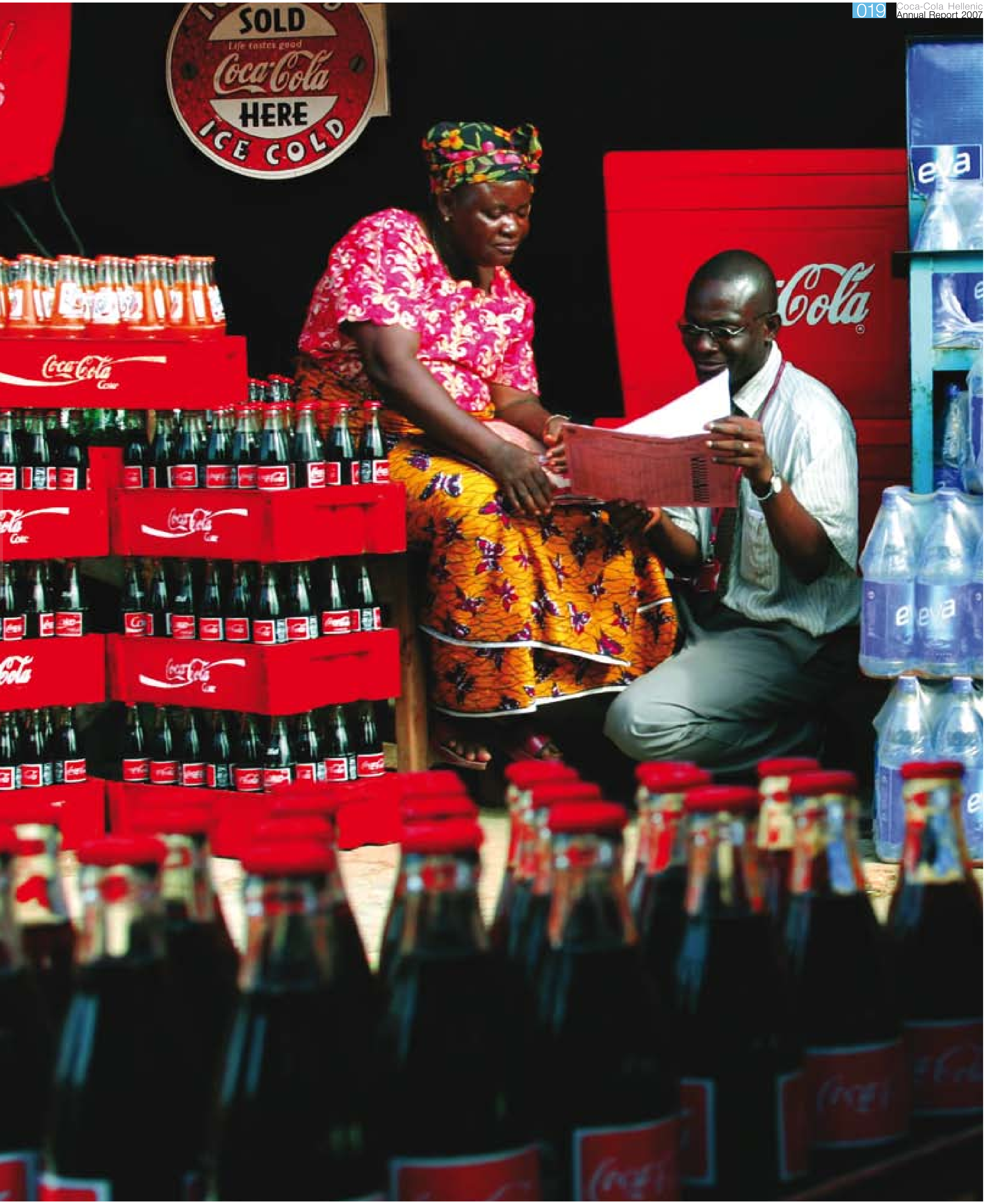
Amita Fun Biscuit
juice cocktail with biscuit, Greece

New Amita juice flavours
Greece

New Burn packaging
Introduced in a number of selected countries

Partnering with our Customers

Today's marketplace is becoming increasingly complex. The retail landscape is ever-changing, consumers are seeking greater variety and our customers are demanding higher service levels. In this vibrant and dynamic environment, we are constantly evaluating the way we do business as we strive to achieve profitable and sustainable growth.


SOLD
Life tastes good
Coca-Cola
HERE
ICE COLD
Coca-Cola
eva

Customer collaboration

Coca-Cola Hellenic aims to be the preferred business partner to the 1.4 million shops, restaurants, supermarkets, discount chains and other businesses that sell the Company's beverages. In view of this, we have been enhancing our route-to-market and commercial capabilities to ensure the availability of an ever-expanding range of products in the marketplace.

A key development for Coca-Cola Hellenic during 2007 was the rollout of our 'customer collaboration planning' model. This is a cross-functional initiative involving the development of a framework for creating a tailored business plan for our customers. The project was rolled out in 11 countries for 13 of our largest customers with areas of collaboration including the exchange of electronic data, automated reordering systems and targeted consumer shopper research. The innovative nature of our shopper marketing project with GS-Carrefour in Italy was recognised by ECR Europe, which showcased this initiative at its annual conference in Milan. In Russia and Ukraine, we work with major retailers to help them optimise overall beverage sales and more effectively utilise the space they allocate to beverage categories.

The scope of customer collaboration planning is being extended to include smaller independent customers. We have already successfully implemented this programme in five countries with further roll-out plans in 2008. At the core of this initiative is the development of individual business plans for our customers, with the aim of driving business growth and raising overall service standards.

Effective route-to-market systems

Another key element in driving sustainable growth is the Company's route-to-market strategy for the fragmented trade channels. This strategy is focused on adopting the most effective means to ensure the full availability of our products in the marketplace and build lasting relationships with outlet owners.

During 2007, this initiative was extended to Austria, Bulgaria, Greece, Serbia and Switzerland. Its success in both Austria and Switzerland is evidenced by increased direct outlet coverage and product availability. In Greece, we are improving our sales effectiveness in the wholesaler channel through leveraging investments in new technology, which enables us to better capitalise on opportunities at end-outlet level.

Excellence in marketplace execution

Excellence in marketplace execution is supported by our continuous investments in building salesforce effectiveness. We invest in merchandising equipment to generate impulse sales and have equipped our sales people with mobile devices to enhance order taking, invoicing and asset tracking. We have also developed electronic platforms that allow the real-time exchange of market data.

In addition, we invest heavily in chilled availability through our extensive cooler network. New cooler placements promote growth of our higher-margin single-serve packages and expansion of our entire product range. This year, we added approximately 200,000 coolers in the market, bringing our total number of cooler doors to 1.6 million.

Most importantly, we invest in our people. We focus on building the capabilities that our employees need to support our business strategy in a multifaceted environment. We have established an integrated model for assessment, selection, development, training and succession planning at every level of the organisation that accelerates our ability to grow talent. Within the context of this approach, we have developed standards with clear definitions of performance and the skills, knowledge and experience needed for each individual to grow. In addition, we expect our people to be multidimensional, performing exceptionally in areas covering not only business and financial results, but also management, leadership, people development, relationship management, growth and innovation, and corporate social responsibility.

A day in the life of a market developer

Load the Coca-Cola Hellenic car with point-of-sale material, drive to the field.

Begin today's market visit. Visit bakery, talk to manager. They are experiencing very high demand for our juices. Place an additional order for juices through handheld device. Suggest promotion for our new juice flavour. Find right location in the store, build carton display, position stickers and posters, load display with product. Use handheld device to tag coolers and check that products are correctly stocked according to Coca-Cola Hellenic's merchandising standards.

Suggest new open market neck hanger to better activate grocery store's fruit and vegetable section.

Notice grocery store without outdoor cooler. Speak to owner about placing a new, Coca-Cola branded cooler free-on-loan. Add stickers on the windows, activate racks with our branded price labels and set up promotional material that will bring our products forward. Show owner how all these activities will make our products more eye-catching, attracting consumers and generating sales for the outlet. Make arrangements with the help of the handheld device.

At the mini market. Discuss new solutions for pizza freezers to capitalise on consumers' appetite for Coke and pizza.

Stop at café, chat with manager, check presence and availability of our products, grab a quick lunch.

Meet a few colleagues at fast-food outlet, activate it with Coke & Food promotion.

Visit electronic store that promotes the My Coke Zone programme, a contest where consumers use cell phones and the internet to redeem points and win prizes found on Coke bottles. This is a non-traditional outlet and dialogue with the manager to come up with imaginative solutions is essential. Get feedback about store traffic; recommend adding open-top cooler near the register to drive purchase intent.

Thanks to the handheld device, I spent all day in the field. No need to return to the office today. Head back home.

Picking up groceries at the supermarket on the way home. Notice that the water display is in a low traffic area. Call my colleague who handles the the supermarket and suggest they may want to move it to another part of the store to create more interest.

Growing Responsibly

To succeed in the 21st century, we must not only act responsibly – we must operate in a sustainable way. In 2007, Coca-Cola Hellenic advanced its social responsibility agenda. We joined new global leadership platforms on key issues, we integrated social responsibility deeper into our day-to-day business and we strengthened our engagement with a wide range of stakeholders. Building on our work to date, we can truly say that social responsibility is now a central part of our business.

A responsible relationship with our consumers

Our response to health and wellness trends has led to vibrant innovation. Juices, waters, low and no-calorie beverages, as well as functional beverages, are increasingly important contributors to our portfolio. In 2007, we launched over 150 new waters, juices and wellness beverages. These represented 73% of all new products introduced and contributed nearly half of the total volume coming from innovation. In addition, we have pioneered industry initiatives such as expanded nutritional information on our products. By the end of 2008, product labels in all European Union countries will provide ingredient and nutritional information designed to educate consumers about our products. We have also made groundbreaking commitments to the European Commission through the European Beverages Industry Association, UNESDA, on responsible sales and marketing to young people.

Environmental and social commitment

In 2007, we joined new business leadership platforms on the issues of climate change and water preservation. Our Managing Director, Doros Constantinou, signed the CEO Water Mandate and the Caring for Climate statement of the UN Global Compact, as well as the Bali Communiqué. These platforms represent a notable joint response by industry to the urgent challenges facing businesses and societies.

We are putting our commitments into action by developing innovative solutions. Our first combined heat and power plant (CHP) is already operational in Hungary and we are planning to build another 15 in 12 countries in the next two years. This initiative will reduce our carbon emissions by at least 40% per new CHP plant and by more than 20% overall. At the same time, we are working with our suppliers and business partners to encourage them to improve their energy efficiency and minimise their emissions.

We are also taking action against emissions that result from the use of cold drink equipment. New coolers have lower energy requirements thanks to their design and cooling mechanism. Most large coolers purchased have an energy-saving device that turns off the fan when the cooler door opens, has the ability to detect when the outlet is open or closed, turns the cooler's lights on and off and controls the temperature.

The 'closed loop' recycling plant that we co-developed in Austria is already in operation. The first industry-owned facility of its kind in Europe, it recycles used PET bottles into food grade PET flakes for the production of new bottles. In the future, new bottles can be made with a content of up to 50% recycled PET flakes.

In the summer of 2007, disaster from fires in Greece and drought in Romania called for immediate action. Coca-Cola Hellenic and its employees were quick in providing both financial and material support. In Greece, for example, the Coca-Cola system donated €2 million and 400,000 litres of drinking water and juices and we engaged volunteers and our sales force to distribute food, clothing and medicines. Most importantly, we pledged to help in the long-term environmental and economic recovery of the affected regions.

Transparency in setting and monitoring goals

To create value for our business and for society, we regularly assess that we are tackling the most significant challenges. These include wellbeing, water stewardship, energy and climate, packaging and waste, developing our people, providing a safe and healthy workplace, adding value for our customers and suppliers, supporting our local communities and implementing the UN Global Compact.

We manage social responsibility as we manage any other part of our business. We set performance targets and hold our senior managers accountable for meeting them. Performance is reviewed regularly by a Sustainability Council and is overseen by a dedicated committee of the Board of Directors.

Operating sustainably must involve everyone in our Company. To that end, we have been encouraging among our employees a mindset of understanding and caring and a behaviour that contributes to society. From promoting eco-driving and volunteerism to levying environmental 'taxes' on flights and printouts, we are fostering a sense of individual accountability and shared responsibility.

Marketplace

Ongoing compliance
with UNESDA's commitment to
variety and choice

Increased implementation
of UNESDA's efforts to
stop direct sales to primary schools
in the EU

Voluntary rollout of
expanded GDA nutritional labels
on packs in all EU countries

Workplace

Healthiest Workplace Award
in the large enterprise category
in Hungary by AmCham,
supported by the Ministry of Health.

The Healthy Workplace Programme promotes
healthy lifestyles, balanced nutrition and motivation
for employees since 2002 and involves
more than 200,000 employees in nearly 90 companies

In Italy,
ranked 2nd
amongst 100
Best Workplaces in Europe
by the Great Place to Work Institute

Environment

Bottle-to-bottle
PET recycling plant
in Austria

Signed the
CEO Water Mandate
and Caring for Climate statement
of the
UN Global Compact

First CHP plant
in Hungary
and commitment to build
15 more

Community

Philanthropist of the Year
award in Ukraine

Relief support
for fires in Greece, drought
in Romania
and floods in Slovenia

operating and financial performance

2007 was a year of significant achievements for Coca-Cola Hellenic. Once again we delivered double-digit EBIT and EPS growth. This was driven by strong organic volume growth, effective revenue growth management and the benefit of ongoing operating cost efficiencies. This resulted in the solid expansion of our gross and operating margins despite higher cost pressures and increased investments in our sales force.

Excluding the contribution of our Italian water business, Fonti del Vulture during the first six months of 2007, full year volume grew by 11%, with all reporting segments achieving positive volume growth. Total carbonated soft drinks ('CSDs') grew by 7% in 2007, with the successful launch of Coca-Cola Zero and the activation of the 'The Coke Side of Life' campaign reinvigorating growth in trademark Coca-Cola. Following the success achieved in 2007, we are planning to launch Coca-Cola Zero across more countries in our Developing and Emerging segments in 2008.

Non-carbonated beverages volume once again grew by double digits in 2007, supported by new product and packaging innovation. Our continued focus on offering our consumers increased choice and variety resulted in a more balanced product mix with non-carbonated beverages accounting for 37% of our total volume sold in 2007, up from only 10% in 2001. During the year, we remained committed to driving increased profitability of non-carbonated beverages with the introduction of new flavours and beverages featuring value-added benefits.

In line with our strategy to invest for growth and value, we placed an additional 200,000 coolers in our markets in 2007, bringing the total number of our cooler doors in the marketplace to 1.6 million. Our expanded cooler presence continues to drive the volume growth of our higher margin single-serve products and enables the roll-out of new product innovation. We also invested in significant new production capacity to support the continued organic growth prospects for our business. This included the installation of four aseptic lines for production of preservative-free non-carbonated beverages across the juice, ready-to-drink tea and sports drink categories, as well as eight PET lines in response to growing consumer demand for our single-serve packages.

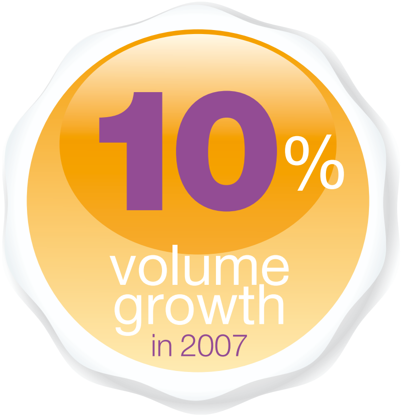
NOTE: Comparable financial indicators exclude in 2006 the recognition of pre-acquisition tax losses, significant restructuring costs and significant non-recurring items.

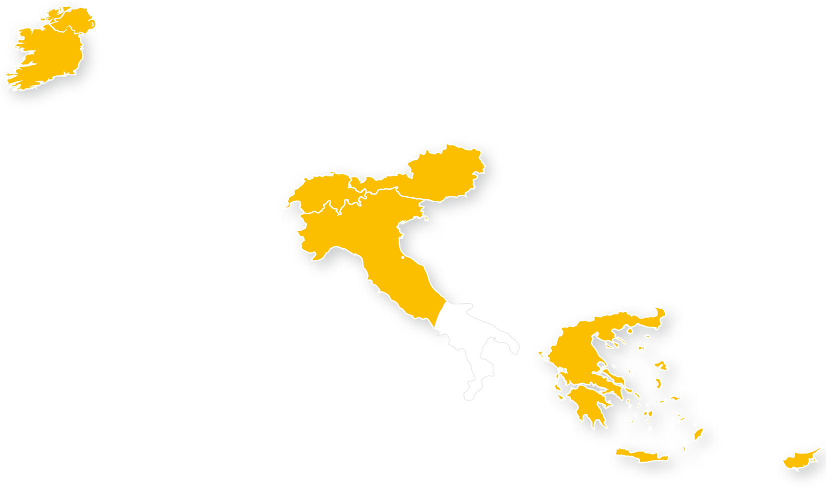
Two important milestones validating our continued ability to deliver on our volume-to-value model

2007 market split

	Volume		EBITDA	
	2007 (million u.c.)	% change vs. 2006	2007 (€ million)	% change vs. 2006
Established markets	679	+10%	413	+8%
Developing markets	382	+11%	187	+29%
Emerging markets	958	+16%	467	+34%
Coca-Cola Hellenic	2,019	+13%	1,067	+22%

operating and financial performance
established markets

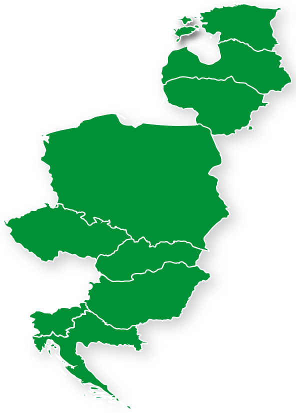




Volume (million u.c.)	2007	2006	2005
Austria	86.6	85.2	86.8
Cyprus	15.5	11.9	-
Greece	159.8	149.4	144.9
Italy	257.4	214.2	180.4
Ireland	80.1	77.9	75.8
Switzerland	79.2	75.9	75.6
Total	**678.6**	**614.5**	**563.5**

- Unit case volume was 679 million in 2007, 10% above the prior year. Excluding the contribution of Fonti del Vulture during the first six months of 2007, volume grew by 6% over the full year.
- The successful launch of Coca-Cola Zero across all countries in this segment during 2007 contributed to growth of 4% in the CSD category. Excluding Fonti del Vulture, on a like-for-like basis, non-carbonated beverages grew in the high single digits driven by strong demand across the water, juice, ready-to-drink tea and sports drink categories.
- Established markets contributed €292 million to the Group's EBIT in 2007, 5% above prior year on a comparable basis.
- Strong operating performance in Greece and Italy led segment profit growth during the full year.
- Strong pricing realisation combined with product mix benefits successfully offset higher commodity costs, resulting in gross margin expansion of 70 basis points over the full year, excluding Fonti del Vulture.
- Higher sales investment in our route-to-market in Austria, Switzerland and Greece impacted our operating profit margins, which were just in excess of 11% in this segment, excluding Fonti del Vulture. Our route-to-market investments are expected to yield profitable volume benefits from early 2008 through our improved ability to serve our customers in the fragmented trade channel.

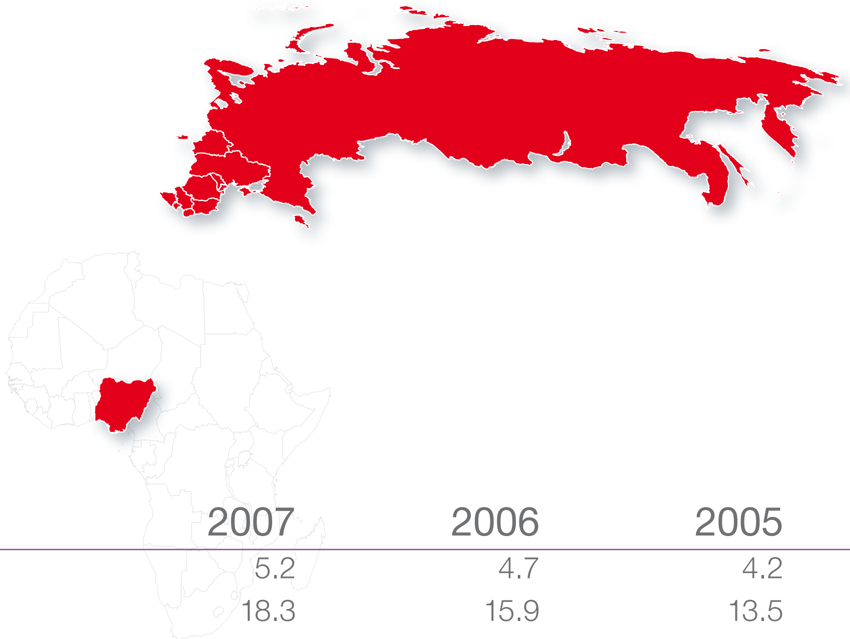
NOTE: Comparable financial indicators exclude in 2006 the recognition of pre-acquisition tax losses, significant restructuring costs and significant non-recurring items.



- Unit case volume was 382 million in 2007, 11% above the prior year. This solid volume performance was achieved despite cycling strong comparable growth of 13% last year.
- During the year, we achieved mid-single-digit volume growth in the CSD category driven by trademarks Coca-Cola, Sprite and Fanta. Double-digit growth in non-carbonated beverages was supported by strong market execution as well as successful product and packaging innovations across the juice, water, ready-to-drink tea, energy and sports drinks categories.
- Poland, our largest country in this segment, grew volume by 14% in 2007 as our focus on quality market execution, combined with outlet expansion, contributed to double-digit growth across both the CSD and non-CSD categories.
- In Hungary, we delivered volume growth of 4% despite the introduction of a government-imposed austerity package in late 2006 and achieved value share gains across all beverage categories as we benefited from improved pricing and category mix.
- Nestea Snowy Orange was launched in Hungary and Poland during the fourth quarter, building on the already strong success of the Nestea brand in these markets.
- On a comparable basis, developing markets contributed €115 million to the Group's EBIT in 2007, 40% above the prior year.
- Our operating profit growth for the full year was driven by solid volume growth, successful revenue growth management initiatives and an EBIT margin improvement of 140 basis points resulting from solid operating leverage.

Volume (million u.c.)	2007	2006	2005
Baltic States	27.7	24.1	20.0
Croatia	29.2	26.6	25.4
Czech Republic	58.4	52.2	45.3
Hungary	88.4	84.9	74.7
Poland	151.9	133.1	118.7
Slovakia	20.5	18.9	17.4
Slovenia	5.8	5.0	4.4
Total	**381.9**	**344.8**	**305.9**

NOTE: Comparable financial indicators exclude in 2006 the recognition of pre-acquisition tax losses, significant restructuring costs and significant non-recurring items.



Volume (million u.c.)	2007	2006	2005
Armenia	5.2	4.7	4.2
Belarus	18.3	15.9	13.5
Bosnia and Herzegovina	15.0	13.9	12.5
Bulgaria	62.6	51.3	41.3
FYROM	11.7	10.4	8.3
Moldova	6.5	2.3	1.8
Nigeria	149.8	142.2	143.6
Romania	178.9	145.6	123.5
Russia	351.7	314.9	260.1
Serbia and Montenegro	67.0	53.5	39.0
Ukraine	91.6	74.0	60.9
Total	958.3	828.7	708.7

- Unit case volume was 958 million in 2007, 16% above the prior year. This represents another strong performance in this segment, which was cycling a growth of 17%.
- Double-digit volume growth was achieved across all product categories, supported by new product and packaging innovation and strong marketplace execution.
- Russia (including our Multon juice business), Romania, Ukraine, Bulgaria and Serbia all contributed to the strong volume performance during the year.
- In Russia, volume gains across all product categories contributed to low double-digit volume growth. The introduction of an enhanced range of juices under the Diva brand and other value-adding products and flavour extensions across existing Multon brands drove strong volume growth within the juice category. In addition, investment in additional capacity supported continued expansion of our other non-carbonated beverages including Nestea, Powerade and Burn.
- Emerging markets contributed €296 million to the Group's EBIT, representing an increase of 37% over the prior year on a comparable basis.
- Strong volume growth and pricing realisation, combined with operating cost efficiencies, drove a significant operating margin improvement of 110 basis points over the year with even stronger margin progress in our key markets of Russia and Nigeria.
- Our key markets in this segment, Russia, Romania and Nigeria, contributed to the strong profit improvement over the year.

NOTE: Comparable financial indicators exclude in 2006 the recognition of pre-acquisition tax losses, significant restructuring costs and significant non-recurring items.

operating and financial
performance

BASIS OF THE FINANCIAL INFORMATION

This financial review covers the performance of Coca-Cola Hellenic and its subsidiaries. The financial results are presented in euro, which is the presentation currency of the Group. Our consolidated accounts are prepared under International Financial Reporting Standards (IFRS). We also prepare consolidated accounts under accounting principles generally accepted in the United States (US GAAP). Comparable financial indicators exclude in 2006 the recognition of pre-acquisition tax losses, significant restructuring costs and significant non-recurring items. The following financial review is presented using figures prepared under IFRS.

Volume is measured in unit cases. EBIT is defined as earnings before interest and tax. ROIC is calculated as operating profit plus amortisation less adjusted tax* divided by average invested capital (total equity plus interest-bearing debt).

*Tax is adjusted in 2006 for the recognition of pre-acquisition tax losses, restructuring costs, exceptional items and includes the results of acquired entities.

FINANCIAL RESULTS OF THE YEAR

Net sales revenue

Net sales revenue increased by 15% during the year. Net sales revenue per unit case for the Group, excluding the impact of the acquisition of Fonti del Vulture, increased by approximately 3.5% on a currency neutral basis during 2007 versus 2006. In terms of segments, excluding Fonti del Vulture, net sales revenue per unit case in the established segment grew by approximately 1%and by 4% and 9% respectively in the developing and emerging markets. All three segments experienced improvements in brand and package mix as a result of effective revenue growth management.

Operating profit (EBIT)

On a comparable basis, operating profit (EBIT) increased by 22% from €576 million last year to €703 million. Solid volume growth, gross margin improvement and higher operating leverage allowed us to grow operating profit ahead of volume while positioning ourselves to capture future growth opportunities. Comparable EBIT margin increased 60 basis points in 2007 versus 2006.

Net profit

Net profit increased by 24%, from €380 million in 2006 to €472 million in 2007 on a comparable basis.

Cash flow

Cash flow generated from operating activities increased by €87 million, from €773 million in 2006 to €860 million in 2007. The improvement in operating cash flow was partly attributable to continued efforts to reduce financial working capital as one of our ‘Excellence Across the Board’ initiatives. After deducting net capital expenditure, operating cash flow was €298 million during 2007, compared to €274 million in the previous year.

Capital expenditure

Coca-Cola Hellenic’s capital expenditure, net of receipts from disposal of assets and including principal repayments of finance lease obligations, amounted to €562 million in 2007 (8.7% of net sales revenue), compared to €499 million in 2006 (8.9% of net sales revenue).

NET SALES REVENUE
€ MILLION

Management of financial risk

Certain financial risks faced by Coca-Cola Hellenic arise from the adverse movements in currency rates, interest rates and commodity prices. Our Board of Directors has approved our Treasury Policy and Chart of Authority, which provide the control framework for all treasury and treasury-related transactions.

Treasury policy and objectives

Our Group Treasury function is responsible for managing the financial risks of Coca-Cola Hellenic and all its subsidiaries in a controlled manner, consistent with the Board of Directors' approved policies. These policies include:

- hedging transactional exposures to reduce risk and limit volatility. Derivatives may be used provided they qualify as hedging activities defined by the policy. Hedging of financial risks includes activities that reduce risk or convert one type of risk to another. To qualify as hedging, an activity should be expected to produce a measurable offset to the risk relating to an asset, liability or committed or forecasted transaction; and

- ensuring that all transactions are executed in the most cost-efficient manner, are controlled effectively and are undertaken with approved counter-parties. In the context of our overall Treasury Policy, and in line with the operating parameters, approved by our Board, specific objectives apply to the management of financial risks. These objectives are disclosed under their respective headings below.

Operating parameters

Authority to execute transactions, including derivative activity with approved financial institutions, has been delegated by the Board of Directors to the Chief Financial Officer and the Group Treasurer. Under this delegation of authority, only specified permitted financial instruments, including derivatives, may be used for specified permitted transactions. The use of derivatives is restricted to circumstances that do not subject Coca-Cola Hellenic to increased market risk. The market rate risk created by the use of derivatives must be offset by the market rate risk on the specific underlying exposures they are hedging. The estimated fair value of derivatives used to hedge or modify our risks fluctuates over time.

These fair value amounts should not be viewed in isolation, but rather in relation to the fair values of the underlying hedged transactions and to the overall reduction in our exposure to adverse fluctuations in interest rates, foreign exchange rates, commodity prices and other market risks.

Borrowings and Group funding arrangements

Medium- and long-term funding for the Company is based on the need to ensure a consistent supply of committed funding at Group and subsidiary level, at minimum cost given market conditions, to meet the anticipated capital and operating funding requirements of the Company. Short-term liquidity management is based on the requirement to obtain adequate and cost-effective short-term liquidity for the Company.

As at 31 December 2007, Coca-Cola Hellenic had consolidated borrowings of €1,899 million (€1,905 million in 2006) and consolidated cash and cash equivalents of €197 million (€306 million in 2006). Of this €1,899 million, 83% was classified as non-current debt and 17% as current debt.

Financing Group debt

Coca-Cola Hellenic has access to, and can raise, medium-to-long-term debt in both the US and Europe, through the SEC registered US$2 billion programme and the €2 billion Euro Medium Term Note programme, respectively. Short-term finance is raised as required using the €1 billion Global Commercial Paper programme respectively.

Interest rate management

We manage our interest rate costs mainly using interest rate swaps and options. All fixed rate bonds have been swapped from fixed rate obligations into six-month floating obligations and all non-euro issues have been fully currency swapped into euro with no residual currency risk. As at 31 December 2007, our Group had approximately €550 million of notional amount of interest rate options maturing in 2008, to reduce the impact of adverse changes in interest rates on our floating rate debt.

Foreign currency management

Our foreign exchange exposures arise primarily from adverse changes in exchange rates in our subsidiaries in Central and Eastern Europe. Due to this exposure, our results are affected in several ways, including:

- raw materials purchased in currencies such as the US dollar or euro can lead to higher cost of sales which, if not recovered in local pricing, will lead to reduced profit margins;
- devaluations of weaker currencies that are accompanied by high inflation and declining purchasing power can adversely affect sales and unit case volume; and
- as some operations have functional currencies other than the presentation currency (euro), any change in the functional currency against the euro impacts our income statement and balance sheet when results are translated into euro.

Our Treasury Policy requires the hedging of rolling 12-month forecasted transactional exposures within defined minimum and maximum coverage levels. Hedging beyond a 12-month period may occur, subject to certain maximum coverage levels, provided the forecasted transactions are highly probable. Currency forward and option contracts are used to hedge our forecasted transactional exposures.

Derivative financial instruments

We use derivative financial instruments, such as forward exchange contracts and currency options, to reduce further our net exposure to currency fluctuations. These contracts normally mature within one year. As a matter of policy, we do not enter into speculative derivative financial instruments. It is our policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness.

Commodities

Our Company hedges exposure to changes in movements in market prices associated with raw material purchases by using various risk management products such as commodity futures and option contracts and supplier agreements.


Coca-Cola
Coca-Cola
Coca-Cola

remuneration policy and senior managers' compensation

We aim to provide total compensation for our staff that is fair and sufficient to attract and retain people with the right talent and skills necessary to grow the business in order to maximise shareholder value.

To achieve our operating objectives, we must attract, retain and motivate high calibre executives for whom we recognise there is an international market.

The Human Resources Committee aims to provide total compensation that is competitive by reference to other multinational companies similar to us in terms of size, geographic spread and complexity.

In line with our commitment to maximise shareholder value, our policy is to link a significant proportion of remuneration for our senior managers to the performance of the business through incentives and stock option plans.

Equity-related compensation of senior managers aligns the financial interests of senior management with those of our shareholders. Our emphasis is on linking payment with performance by rewarding effective management of business performance, as well as individual achievement.

Salary

The level of salary reflects a senior manager's experience, responsibility and market value as determined by, among other factors, a comparison with similar multinational companies.

Management Incentive Plan

We operate a management incentive plan for all our managers. This plan is based on annual business performance against volume, EBITDA and economic profit*, as well as individual accomplishments against annual objectives. Individual objectives are set by senior management so as to be demanding but achievable. The target award as a percentage of annual base salary increases with the level of responsibility. Exceptional business unit performance where objectives are exceeded may result in awards in excess of the individual target awards.

Long-Term Incentive Plan

All middle and senior management, excluding our executive team, participate in the Coca-Cola Hellenic Long-Term Incentive Plan. We adopted this cash-based plan for implementation in 2003 as a replacement of stock options for middle-ranking employees. Incentive payouts are based on performance against three-year objectives, set every year. We use economic profit as a performance criterion under the plan as above. The target payout from the plan is determined for each individual based on their seniority, performance and potential. Exceptional business unit performance where objectives are exceeded may result in awards in excess of the individual target payout. We believe that this plan has a greater motivational impact on the participating employees because they can more directly link their efforts to the performance of their specific business unit than under the stock option plan.

Stock Option Plan

Senior managers of our Company are eligible to participate in the Coca-Cola Hellenic Stock Option Plan. Options are viewed as an integral part of the total remuneration package for senior managers. Options are granted at an exercise price equal to the average value of the mid-price quotation of the Company's shares at close of trading on the Athens Stock Exchange over the last ten working days before the date of 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 grant.

The number of options awarded are approved by the Board of Directors upon the recommendation of the Human Resources Committee after reviewing the advice of management and are based on a view of competitive market conditions for employee remuneration and employee performance. The Stock Option Award for the Managing Director is approved by the Board of Directors based on the recommendation of the Human Resources Committee.

Our Company views stock options as a long-term component of the total remuneration package of its senior managers, whose roles have an impact on the results of the business as a whole, and it intends to continue issuing stock options to these employees taking into account, among other factors, its profit growth, business prospects and financial condition, as well as individual employee performance and the competitive market conditions of employee remuneration. Under Greek law, the terms of any options granted must be approved by our shareholders at a General Meeting.

At the Annual General Meeting in June 2005, shareholders adopted a multi-year plan to grant stock options to senior managers subject to approval of the Board of Directors. Under this authorisation, the Board of Directors approved stock option grants during 2007.

Pension and other benefits

Senior managers either participate in their home country pension programme or in the Coca-Cola Hellenic International Retirement Savings Plan, as appropriate.

*For the purposes of the plan, we define economic profit as adjusted operating profit minus cost of capital. Adjusted operating profit is calculated as operating profit plus amortisation of intangible assets as applicable, less income tax expense and the tax benefit on the interest expense.

remuneration policy and senior managers' compensation

corporate governance

Board of Directors and corporate governance

We continually review our corporate governance standards and procedures in light of current developments and rulemaking projects in Greece, Europe and the United States in order to ensure that our corporate governance systems remain in line with international best practices.

Board composition and responsibilities

Our Board currently has twelve members of which only one, the Managing Director, is an executive of the Company. Mr. George A. David is Chairman and Mr. Doros Constantinou is Managing Director. The biographies of the Company's directors can be found on page 48.

The non-executive members of the Board include representatives of major shareholder interests as outlined in a shareholders' agreement between our largest shareholders, the Kar-Tess Group and The Coca-Cola Company. Based on this agreement, four directors are designated by the Kar-Tess Group and two are designated by The Coca-Cola Company. The remaining directors are independent and jointly designated by the Kar-Tess Group and The Coca-Cola Company.

We recognise the important role of independent non-executive Directors in ensuring continued high standards of corporate governance and have appointed five independent directors. The Company's independent directors are: Mr. Kent Atkinson, Sir Michael Llewellyn-Smith, Mr. Antonio D'Amato, Mr. Samir Toubassy and Mr. Nigel Macdonald. The role of the independent directors is to provide a clear, independent, non-executive influence and perspective within the Board. Our Board believes that all members of the Audit Committee are independent.

The Board and its committees meet at regular intervals. There are certain matters that are reserved for full consideration by the Board, including issues of policy, strategy and approval of the Chart of Authority and business plans. The Board members are supplied on a timely basis with comprehensive information, which the Board believes is in a form and of a quality to enable it to discharge its duties and carry out its responsibilities. All directors have access to our General Counsel, as well as independent professional advice at Company expense. All directors also have full access to the Managing Director, senior managers and our external and internal auditors.

Appointment and remuneration of directors

The Board believes that the level of remuneration offered to directors should be sufficient to attract and retain high calibre directors who will guide our Company successfully.

There is a formal procedure in place for appointments to the Board. The current term of Coca-Cola Hellenic's directors expires in 2008.

The remuneration of the directors is subject to the approval of shareholders. Consistent with the approach for Executive Directors, in order to be competitive, Coca-Cola Hellenic has compared remuneration of non-executive Directors against surveys of similar international businesses.

Our major shareholders entered into a relationship agreement prior to the listing of our shares on the London Stock Exchange. Under the terms of this agreement, directors nominated by such major shareholders are restricted from taking part in, and voting at, Board meetings in connection with matters in which the shareholder they represent has an interest.

Further to our objective to adopt international best practices in corporate governance, we have adopted a Code of Ethics for our directors and senior managers to prevent wrongdoing and promote honest and ethical conduct, full, fair, accurate, timely and understandable disclosure, and compliance with applicable governmental rules and regulations.

We also have in place a Code of Dealing in Company Securities, which applies to senior managers and employees as well as a Code of Business Conduct applicable to all our employees and directors.

The Human Resources Committee

The Human Resources Committee comprises three non-executive Directors: Sir Michael Llewellyn-Smith (Chairman), Mr. Alexander B. Cummings and Mr. George A. David. From Coca-Cola Hellenic's management, the Managing Director and Human Resources Director normally attend meetings except when the discussions concern matters affecting them personally.

The Human Resources Committee operates pursuant to written terms of reference and is responsible for:

- establishing the principles governing human resources policy and the compensation policy of the Company, which will guide management decision-making and action;
- overseeing succession planning, and approving the appointments and terminations of senior managers of the Company;
- overseeing talent management to ensure that there is a continuous development of talent for key roles;
- establishing the compensation strategy for the Company and approving Company-wide compensation and benefit plans and compensation for senior managers;
- making recommendations to the Board of Directors on compensation of the Managing Director; and
- making recommendations to the Board of Directors concerning potential non-executive directors.

The Audit Committee

The Audit Committee comprises three non-executive Directors: Mr. Kent Atkinson (Chairman), Mr. Nigel Macdonald and Mr. Samir Toubassy. Our Board believes that all members of the Audit Committee are independent. The Committee operates under a written charter and its duties include:

- providing recommendations to our shareholders in relation to the appointment, selection and termination of our external auditors and approving the remuneration and terms of engagement of the external auditors;

- discussing with the external auditors before the audit commences the nature and scope of the audit;

- reviewing our annual financial statements before submission to the Board, focusing particularly on any changes in accounting policies and practices, major decision areas, significant adjustments resulting from the audit, the going concern assumption, compliance with accounting standards and compliance with any applicable stock exchange and legal requirements;

- discussing issues arising from the interim reviews and annual audits and any matters the external auditors may wish to discuss;

- approving the appointment or termination of the Head of Internal Audit;

- reviewing the internal audit plans and programme, receiving summaries of internal audit investigations and management's response and considering the responses of the internal audit department to any reports or communications submitted by the external auditors;

- reviewing the effectiveness of corporate governance and internal control systems and, in particular, the external auditors' management letter and management's response;

- reviewing and recommending approval to the Board of our Code of Business Conduct, as well as our Treasury Policy and Chart of Authority, which provide the control framework for all transactions;

- administering and enforcing, in conjunction with the Board of Directors, our Code of Ethics for senior executives and directors; and

- establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters or matters involving fraudulent behaviour, and for the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.

The committee meets at least four times a year. Our Chief Financial Officer, as well as our General Counsel, our external auditors and the Head of Internal Audit, normally attend all meetings of the Audit Committee. The Committee also meets with the external auditors without others being present.

The Audit Committee is also responsible for the oversight and monitoring of the Company in compliance with Sarbanes-Oxley Act, Section 404, regarding internal control over financial reporting.

Internal audit

The Company's internal audit department reports directly to the Audit Committee, which reviews and approves the internal audit work programme for each year. The internal audit department consists of 18 full-time internal staff covering a range of disciplines and business expertise. Its objective is to provide assurance to the Board of Directors on internal controls across the Group. For this purpose, the Head of Internal Audit makes regular presentations to the Audit Committee.

The internal audit function monitors the internal financial control system across all the countries in which the Company operates and reports to management and the Audit Committee on its findings. The work of the internal auditors is focused on the areas of greatest risk to the Company, determined by using a risk management approach to audit planning. As part of our commitment to best practice in corporate governance matters, we have implemented a number of measures to enhance internal control and risk management.

Audit reports and recommendations are prepared subsequent to each audit and appropriate measures are taken to implement such recommendations. A report setting forth a summary of all significant recommendations and relevant measures is provided to the Audit Committee and Board of Directors. The Managing Director, along with regional and country managers, as well as the Group's Chief Financial Officer, General Counsel and Corporate Controller receive a copy.

The Disclosure Committee

The Company has established a Disclosure Committee and adopted disclosure controls and procedures to ensure the accuracy and completeness of the Company's public disclosures. The Disclosure Committee comprises the Company's Chief Financial Officer, General Counsel, Director of Investor Relations and Corporate Controller.

Performance reporting

Reports on the annual performance and prospects of Coca-Cola Hellenic are given in the Annual Report and in the Form 20-F filed annually with the SEC. Interim financial information is also released on a quarterly basis to the stock exchanges on which the Company is listed and to the financial press. Internally, the financial results and key business indicators of the Company are circulated and reviewed by Senior Management on a monthly basis. This information gives comparisons against budgets, forecasts and previous year performance. The Board receives updates on performance at each Board meeting in addition to a monthly report on business and financial performance.

Internal control processes

The Board acknowledges that it has ultimate responsibility for ensuring that the Company has systems of financial control with respect to the various business environments in which it operates. It should be noted that such financial systems can provide only reasonable and not absolute assurance against material misstatements or loss.

In some of the environments in which Coca-Cola Hellenic operates, businesses like ours are exposed to a heightened risk of loss due to fraud and criminal activity. The Company reviews its financial systems regularly in order to minimise such losses. The Board has adopted a Chart of Authority for the Group defining financial and other authorisation limits and setting procedures for approving capital and investment expenditure. The Board approves three-year strategic and financial plans and detailed annual budgets. It subsequently reviews monthly performance against these targets. A key focus of the financial management strategy is the protection of Coca-Cola Hellenic's earnings stream and management of its cash flow.

The identification and management of risk

We have in place a risk management framework for the identification, assessment and control of key business risks. This risk management process has formed part of our annual Business Plan activities since 2001. It consists of four stages:

- pre-Business Plan workshop risk assessment at country and Group level involving all senior management;
- alignment of key identified business risks with specific Business Plan activities during Business Plan preparation;
- post-Business Plan country and Group level review of the effectiveness of risk management action plans; and
- regular audit of progress in management of key risks.

Our Company has insurance coverage in place to provide catastrophic level property damage or business interruption and liability protection. Local insurance policies have been arranged beneath the Company coverage to provide working loss protection and necessary legal compliance.

Accountability

Our Chart of Authority sets financial and other authorisation limits and procedures for approving capital and investment expenditures. The country is the basic unit for purposes of business performance and the Company's policy is to maintain accountability at the country level. Head office functions focus on policy and Group issues and provide support and expertise where it is not practical or efficient to provide these at a country level.

Certain differences with the New York Stock Exchange corporate governance listing standards

Greek corporate law and our corporate practices differ in certain respects from the listing rules of the New York Stock Exchange. US companies listed on the New York Stock Exchange are required to have a majority of independent directors on their board and to have a nominating/corporate governance committee and a compensation committee, both entirely composed of independent members.

Based on the shareholders' agreement between the Kar-Tess Group and The Coca-Cola Company, four of our directors are designated by The Kar-Tess Group, and two are designated by The Coca-Cola Company.

We have also appointed five Directors that our Board has determined to be independent: Mr. Kent Atkinson, Sir Michael Llewellyn-Smith, Mr. Antonio D'Amato, Mr. Nigel Macdonald and Mr. Samir Toubassy.

Our Human Resources Committee, which fulfils certain duties of both a nominating/corporate governance committee and a compensation committee, consists of Mr. Alexander B. Cummings, Mr. George A. David and Sir Michael Llewellyn-Smith. Our Human Resources Committee does not have sole authority to determine our Managing Director's compensation.

We continuously review our corporate governance standards and procedures in light of the ongoing debates and rulemaking projects in Greece, Europe and the United States in order to ensure that our corporate governance systems remain in line with international best practices.

The Social Responsibility Committee

The Social Responsibility Committee comprises three non-executive Directors: Sir Michael Llewellyn-Smith (Chairman), Mr. Alexander B. Cummings and Mr. George A. David. The Social Responsibility Committee takes responsibility for the development and supervision of procedures and systems to ensure our Company's pursuit of its social and environmental goals. Its written terms of reference cover the following areas:

- overseeing the development and supervision of procedures and systems to ensure the achievement of the Company's social and environmental goals;

- establishing principles governing corporate social responsibility and environmental goals;

- ensuring transparency and openness at all levels in the Company's business conduct in the context of the Company's pursuit of its corporate social responsibility and environmental goals;

- establishing an Operating Council responsible for developing and implementing appropriate policies and strategies to achieve the Company's social and environmental goals and ensuring Group-wide capabilities to execute such policies and strategies;

- ensuring and overseeing the Company's communication with stakeholders of its social and environmental policies, goals and achievements, including the level of compliance with internationally accepted standards; and considering other topics as appropriate.

Governing bodies

Governing body	Name	Nationality	Company/ Nominated by	Age
The Board of Directors				
Chairman	George A. David	British	The Kar-Tess Group	71
Managing Director	Doros Constantinou	Greek	Coca-Cola Hellenic	57
Vice-Chairman	Anastasios P. Leventis	British	The Kar-Tess Group	67
Non-Executive Director	Kent Atkinson	British	Independent	63
Non-Executive Director	Alexander B. Cummings	American	The Coca-Cola Company	52
Non-Executive Director	Antonio D'Amato	Italian	Independent	51
Non-Executive Director	Anastassis G. David	British	The Kar-Tess Group	37
Non-Executive Director	Irial Finan	Irish	The Coca-Cola Company	51
Non-Executive Director	Haralambos K. Leventis	British	The Kar-Tess Group	65
Non-Executive Director	Sir Michael Llewellyn-Smith	British	Independent	69
Non-Executive Director	Nigel Macdonald	British	Independent	63
Non-Executive Director	Samir Toubassy	American	Independent	68
The Audit Committee				
Chairman	Kent Atkinson	British	Independent	63
Member	Nigel Macdonald	British	Independent	63
Member	Samir Toubassy	American	Independent	68
The Human Resources Committee				
Chairman	Sir Michael Llewellyn-Smith	British	Independent	69
Member	Alexander B. Cummings	American	The Coca-Cola Company	52
Member	George A. David	British	The Kar-Tess Group	71
The Social Responsibility Committee				
Chairman	Sir Michael Llewellyn-Smith	British	Independent	69
Member	Alexander B. Cummings	American	The Coca-Cola Company	52
Member	George A. David	British	The Kar-Tess Group	71

Governing body	Name	Nationality	Company/ Nominated by	Age
The Disclosure Committee				
Director of Investor Relations	Melina Androutsopoulou	Greek	Coca-Cola Hellenic	37
General Counsel	Jan Gustavsson	Swedish	Coca-Cola Hellenic	42
Chief Financial Officer	Nik Jhangiani	American	Coca-Cola Hellenic	42
Corporate Controller	Michael Calfee	American	Coca-Cola Hellenic	41
The Operating Committee				
Managing Director	Doros Constantinou	Greek	Coca-Cola Hellenic	57
Regional Director	John Brady	American	Coca-Cola Hellenic	50
Regional Director	Richard Smyth	British	Coca-Cola Hellenic	50
Regional Director	Dimitris Lois	Greek	Coca-Cola Hellenic	47
Supply Chain Services Director	Kleon Giavassoglou	Greek	Coca-Cola Hellenic	56
General Counsel	Jan Gustavsson	Swedish	Coca-Cola Hellenic	42
Chief Financial Officer	Nik Jhangiani	American	Coca-Cola Hellenic	42
Human Resources Director	Bernard Kunerth	French	Coca-Cola Hellenic	53
Executive Assistant to the Managing Director	Alexis Sacre	Lebanese	Coca-Cola Hellenic	57

Directors' biographies

George A. David

Mr. David, Chairman of the Board of Directors of Coca-Cola Hellenic Bottling Company S.A., graduated from the University of Edinburgh in 1959. He began his career that same year with the group of companies controlled by his uncle A.G. Leventis in Nigeria. Today, he holds a position on the Board of Directors of Petros Petropoulos AVEE, Titan Cement Co. S.A. and AXA Insurance S.A. He is a trustee of the A.G. Leventis Foundation, a member of the Boards of the Hellenic Institute of Defence and Foreign Policy (ELIAMEP) and the Centre for Asia Minor Studies. Mr. David is a member of our Human Resources Committee and Social Responsibility Committee.

Doros Constantinou

Mr. Constantinou graduated from the University of Piraeus in 1974 and holds a degree in Business Administration. Mr. Constantinou started his career in auditing with PricewaterhouseCoopers, where he worked for ten years. In 1985, Mr. Constantinou joined Hellenic Bottling Company, where he held several senior financial positions. In 1996, he was appointed to the position of Chief Financial Officer and remained in that position until August 2000. He was a key member of the management team that led the merger of Hellenic Bottling Company and Coca-Cola Beverages. In 2001, Mr. Constantinou became Managing Director of Frigoglass, one of the leading manufacturers of commercial refrigerators and packaging products worldwide with operations in 16 countries. Mr. Constantinou was appointed Managing Director of Coca-Cola Hellenic in August 2003.

Anastasios P Leventis CBE OFR

Mr. Leventis has been working in Nigeria for companies controlled by A.G. Leventis since the 1960s, where he became involved in all aspects of their operations and, in particular, the expansion and development of their commercial activities. He is on the Board of Directors of Boval S.A., which has widespread investments worldwide, as well as on the boards of subsidiaries of Boval S.A. in Nigeria. Mr. Leventis is Chairman of the A.G. Leventis Foundation. On 4 April 1990, Mr. Leventis was accredited as Honorary Commissioner for the Republic of Cyprus to Nigeria by the government of the Republic of Cyprus. Mr. Leventis was honoured with the award of Commander of the Order of the British Empire in the Queen's Birthday Honours List of 2004 and was also honoured with the award of Order of 'Madarski Konnik' by the President of Bulgaria in 2004. He was appointed Officer of the Order of the Federal Republic of Nigeria in 2002. Mr. Leventis also serves on the councils of several non-profit organisations.

Kent Atkinson

Mr. Atkinson was Chief Financial Officer of Lloyds TSB Group plc from January 1995 until his retirement in June 2002. He continued as a non-executive Director of that board until April 2003. He began his career in 1964 with the Bank of London in South America, which was later acquired by Lloyds Bank plc. After a number of appointments with Lloyds Bank in various countries in South America and the Middle East, he transferred to the United Kingdom in 1989 as Regional Executive Director for the South East and then General Manager of the retail operations, UK Retail Banking division, before assuming his position as Chief Financial Officer. He is a Non-executive Director of Millicom International Cellular S.A.; a non-executive Director and a member of the Audit Committee and the Strategy and M&A Committee of Gemalto N.V.; a Non-executive Director and Chairman of the Audit Committee of Standard Life plc; Deputy Chairman of Standard Life Assurance Company Ltd; Chairman of Standard Life Bank Limited and a member of Standard Life's Investment Committee; and Chairman of Link Plus Corporation. Mr. Atkinson is Chairman of our Audit Committee.

Alexander B. Cummings

Mr. Cummings is President and Chief Operating Officer of the Africa Group of The Coca-Cola Company and is responsible for The Coca-Cola Company operations in Africa, which encompasses a total of 56 countries and territories across the continent. Born in Liberia, West Africa, Mr. Cummings joined The Coca-Cola Company in 1997 as Region Manager, Nigeria. In 2000, he was named President of The Coca-Cola Company North & West Africa Division. He assumed his current role in March 2001. Mr. Cummings is Chairman of The Coca-Cola Africa Foundation and is on the Boards of Africare and Clark Atlanta University. In addition to this board, Mr. Cummings is also a board member of the following bottling partner entities of The Coca-Cola Company: Coca-Cola Sabco (Pty.) Ltd., Equatorial Coca-Cola Bottling Company and The Coca-Cola Bottling Company of Egypt. Mr. Cummings is a member of our Human Resources Committee and Social Responsibility Committee.

Antonio D'Amato

Mr. D'Amato started his business career in 1979 with Cartoprint in Milan, part of the Finseda Group, a leading European company in the production of food packaging. He was employed in various capacities and in 1991, he became president of the Finseda Group. Since 1996, Mr. D'Amato has been a member of the board of directors of Confindustria, the Confederation of Italian Industry. From 1999 to May 2000, he was president of the Industrial Union of Naples. In May 2000, he was elected president of Confindustria. In August 2000, Mr. D'Amato was appointed vice president of UNICE (Union of Industrial and Employers' Confederations of Europe) and later that year became a member of CNEL (Italian National Council for Economy and Labour). In July 2001, he became president of the LU ISS University in Rome, a leading private Italian university.

Anastassis G. David

Mr. David graduated from Tufts University in 1993 and began his career in the Coca-Cola Bottling System in the United States. From 1994 to 1997, Mr. David held several positions in the Sales and Marketing departments of Hellenic Bottling Company S.A. During 1997, Mr. David worked for PricewaterhouseCoopers, focusing on accounting and business finance. From 1998 to date, Mr. David's principal activity has been as advisor to the Kar-Tess Group on its bottling investments. Mr. David was Chairman of Navios Corporation, a major bulk shipping company, from 2002 to 2005 and currently serves as a member on the Board of Directors of IDEAL Group S.A. and Aegean Airlines S.A. Mr. David is also a member of the Advisory Board of the Fares Center at Tufts University.

Irial Finan

Mr. Finan is Executive Vice President of The Coca-Cola Company and President of Bottling Investments and Supply Chain, a position responsible for managing The Coca-Cola Company's equity investments in bottler operations and overseeing the operations of The Coca-Cola Company-owned bottlers around the world. Mr. Finan joined the Coca-Cola system in 1981 with Coca-Cola Bottlers Ireland, Ltd., based in Dublin, where for several years he held a variety of accounting positions. From 1987 until 1990, Mr. Finan served as Finance Director of Coca-Cola Bottlers Ireland, Ltd. From 1991 to 1993, he served as Managing Director of Coca-Cola Bottlers Ulster, Ltd., based in Belfast. He was Managing Director of Coca-Cola Bottlers in Romania and Bulgaria until late 1994. From 1995 to 1999, he served as Managing Director of Molino Beverages, with responsibility for expanding markets, including the Republic of Ireland, Northern Ireland, Romania, Moldova, Russia and Nigeria. Mr. Finan served from May 2001 until 2003 as Managing Director of Coca-Cola Hellenic Bottling Company S.A. Mr. Finan joined The Coca-Cola Company and was appointed President of Bottling Investments in August 2004. He was elected to his current position in October 2004. Mr. Finan serves on the boards of directors of Coca-Cola Enterprises Inc., Coca-Cola FEMSA S.A., Coca-Cola Amatil Limited and the supervisory board of Coca-Cola Erfrischungsgetränke AG. He also serves as a non-executive Director for Co-operation Ireland and Galway University Foundation.

Haralambos K. Leventis

Mr. Leventis graduated from Cambridge University in 1963 and was admitted to the English Bar in 1964. He moved to Nigeria in 1964 to work for the companies controlled by Mr. A.G. Leventis. He was involved in the management of a number of companies in the group, especially in Leventis Motors Ltd, where he was the Executive Director responsible to the board for the management of the company. Mr. Leventis is a director of a number of companies in the Leventis Group in Nigeria and elsewhere and also a Trustee of the A.G. Leventis Foundation.

Sir Michael Llewellyn-Smith KCVO CMG

Sir Michael had a distinguished career in the British diplomatic service including postings to Moscow, Paris and Athens, culminating in positions as British Ambassador to Poland (1991–1996) and then British Ambassador to Greece (1996–1999). He is currently a member of the council of London University, Vice President of the British School at Athens, Honorary Fellow of St Antony's College, Oxford, and member of the council of the Anglo-Hellenic League. He is also a historian and author of a number of books about Greece. Sir Michael is Chairman of our Human Resources Committee and Social Responsibility Committee.

Nigel Macdonald

Mr. Macdonald was formerly a Senior Partner in Ernst & Young's UK practice, having been a partner for 27 years, during which he served for a time as Vice Chairman of the Accounting and Auditing Committees of Ernst & Young's worldwide practice. Mr. Macdonald is a member of the Institute of Chartered Accountants of Scotland, of which he was the president between 1993 and 1994. He is a member of the Audit Committee of the International Oil Pollution Compensation Fund and also an advisor to it, as well as a Trustee of the National Maritime Museum and Chairman of its Remuneration Committee and Audit Committee. He is also chairman of a privately held retail business in London. Between 1994 and 2001, he was a member of the Industrial Development Advisory Board of the UK Government and, from 1992 until the end of 2004, he was a member of the Board of the British Standards Institute and Chairman of its Audit Committee. From 1990 until 2006, he was a member of the Review Panel of the Financial Reporting Council and from 1998 until 2005, he was a member of the UK Competition Commission serving on its specialist panels on electricity and water. Mr. Macdonald is a member of our Audit Committee.

Samir Toubassy

Mr. Toubassy holds a BBA from the American University of Beirut and an MBA from Golden Gate University of San Francisco. In 1980, he joined The Olayan Group as an Executive Vice President responsible for several of its operating companies. He is currently President of Olayan Development Corporation and Group Vice President of The Olayan Group. He is also a Board Member of the Olayan Financing Company and a Board Member of The Coca-Cola Bottling Company of Saudi Arabia. Mr. Toubassy is a Senior Advisor to Credit Suisse EMEA and a member of their Advisory Board. He also serves on the Board of Trustees of Thunderbird School of Global Management. He serves on several non-profit organisations including membership of the Advisory Board for the Churchill Archives Centre, Churchill College, Cambridge University, a member of the Dean's Council, John F. Kennedy School of Government at Harvard University and a member of the Aspen Institute's Middle East Strategy Group. Mr. Toubassy is a member of our Audit Committee.

Coca-Cola Hellenic is committed to maximising shareholder value in a sustainable way. We are one of the largest bottling companies in Europe.

Listings

Coca-Cola Hellenic was formed through the combination of Hellenic Bottling Company S.A. and Coca-Cola Beverages plc on 9 August 2000. The primary market for our shares is the Athens Stock Exchange (ATHEX), where we trade under the ticker symbol EEEK. Our shares are also listed on the London Stock Exchange (LSE:CCB), the New York Stock Exchange in the form of ADRs (NYSE:CCH) and the Australian Stock Exchange in the form of CDIs (ASX:CHB).

ADR ratio	1:1
CDI ratio	1:1

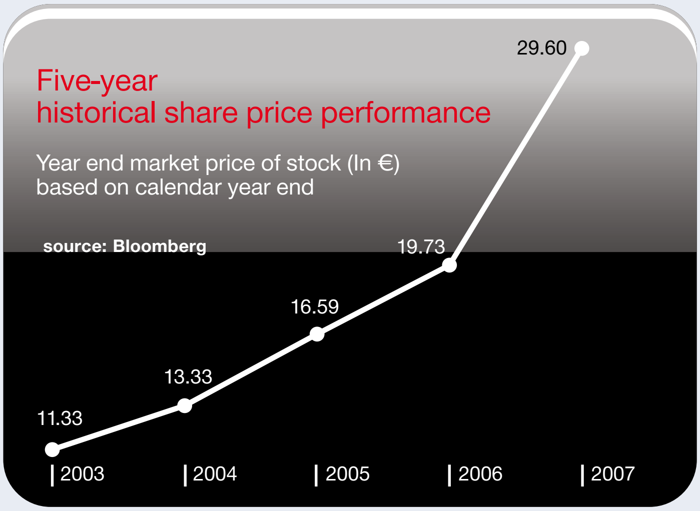
Ticker symbol

HLB.AT (Reuters)
EEEK GA (Bloomberg)
ISIN: GRS104111000

Share price performance*

In € per share – ATHEX:EEEK	**2007**	2006	2005
Close	**29.60**	19.73	16.59
High	**29.60**	20.00	16.99
Low	**18.60**	14.87	11.79
Market capitalisation (€ millions)	**10,767**	7,165	5,930

*All historic prices adjusted for one-for-two bonus share issue on 13 November 2007



Bonus share issuance

On 13 November 2007, we executed a 1-for-2 bonus share issuance, which is expected to enhance our stock's liquidity and broaden the range of our investor base. The capital increase was affected through the issuance of 121,033,958 new ordinary bearer shares with a nominal value of €0.50 each. The Company's share capital was increased by €60.6 million and the share price was adjusted accordingly.

Share capital

On 20 November 2007, Coca-Cola Hellenic's share capital increased by €0.3 million by issuing 636,483 new ordinary shares as a result of the exercise of stock options. After the increase, the share capital amounts to €181.9 million and is divided into 363,738,357 shares with a nominal value of €0.50 each.

Dividend information

We typically pay dividends once a year. We have paid 16 consecutive annual dividends, starting with Hellenic Bottling Company S.A.'s public listing in 1991. In 2003, we restructured our balance sheet through a leveraged re-capitalisation plan resulting in a capital return of €2 per share to shareholders. At our Annual General Meeting scheduled to take place on 23 June 2008 in Athens, we will be proposing a dividend for 2007 of €0.25 per share, an increase of 17% over the prior year.

Dividend per share (in €)**

2000	GRD 40***
2001	0.12
2002	0.13
2003	0.13
2004	0.19
2005	0.20
2006	0.21
2007	**0.25**

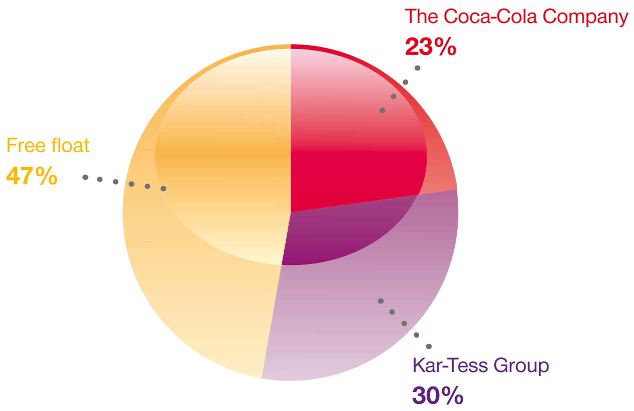
Credit rating

Standard & Poor's: A/ Stable Outlook
Moody's: A3/ Stable Outlook

**2000-2006 dividend amounts adjusted for one-for-two bonus share issue on 13 November 2007
***Greek drachmas, equivalent to €0.12

Shareholder structure

We have a diversified shareholder structure, with more than two thirds of our free-float held by UK and US institutional investors.



Stock indices*

Coca-Cola Hellenic is included in the following indices*:

Index	Coca-Cola Hellenic weight	Ranking	Index members
FTSE/ ATHEX Food & Bev.	76.8%	1	13
ASE General Index	7.7%	4	60
DJES Food & Bev.	3.7%	6	12
ASE Main General	7.7%	4	60
BBG World Beverages	2.0%	12	43
BBG European Beverages	5.8%	6	12
FTSE Med 100 Index	2.5%	11	100

Data as of 31 December 2007 source: Bloomberg

*Please note that only indices where Coca-Cola Hellenic's weighting exceeds 2% are listed.

FTSE4Good

We are also listed on the **FTSE4Good** index which recognises the performance of companies that meet globally accepted corporate social responsibility standards to facilitate investment in ethical and socially responsible companies.

ADR depositary
The Bank of New York Investor Relations
P.O. Box 11258
Church Street Station
New York, NY 10286-1258
USA
Web: www.adrbny.com
Email: shareowner@bankofny.com
Local tel: 888.BNY.ADRS (toll-free)
Int'l tel: +1 212 815 3700

ADR Dividend Reinvestment and Direct Purchase Programme
GlobalBuyDIRECT, sponsored by the Bank of New York, is a programme that permits interested parties to purchase Coca-Cola Hellenic ADRs and reinvest dividends in Coca-Cola Hellenic ADRs. For more information, please visit:
www.adrbny.com/howtobuy_globalbuydirect.jsp

CSN Service
Aimed primarily at UK-based investors, the Company-Sponsored Nominee Service is a special share account for Greek shares held on the shareholder's behalf by Lloyds TSB Registrars and administered by Equiniti Financial Services Limited.

For more information, please contact:
Equiniti Financial Services Limited
Aspect House, Spencer Road
Lancing, West Sussex BN99 6DA
England
Web: www.shareview.co.uk
Local tel: 0870 600 3970
Int'l tel: +44 121 415 7047

Australian Registry
Coca-Cola Hellenic's registrar in Australia is:
Computershare Investor Services Pty Limited
GPO Box 7045
Sydney, NSW 2001
Australia
Web: www.computershare.com
Local tel: 1300 855 080
Int'l tel: +61 3 9415 4000

Independent auditors
PricewaterhouseCoopers S.A.
268 Kifissias Ave
Athens 152 32
Greece

Annual General Meeting:
23 June 2008

Corporate headquarters
9, Fragoklissias Street
151 25 Maroussi
Athens, Greece
Corporate website: www.coca-colahellenic.com

Shareholder and analyst information
Shareholders and financial analysts can get answers to many frequently asked questions related to Coca-Cola Hellenic by contacting:
Investor Relations
Tel: +30 210 618 3100
Email: investor.relations@cchellenic.com
IR website: www.coca-colahellenic.com/ir/index.php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Financial statements

Independent auditor's report

To the Shareholders of Coca-Cola Hellenic Bottling Company S.A.

We have audited the accompanying consolidated financial statements of Coca-Cola Hellenic Bottling Company S.A and its subsidiaries (the 'Group') which comprise the consolidated balance sheet as of 31 December 2007 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 56 to 122.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; 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 International Standards on Auditing. Those Standards require that we comply with ethical requirements and 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 internal control relevant to the entity's preparation and fair presentation 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In addition, in our opinion, the accompanying consolidated financial statements present fairly, in all material the financial position of the Group as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

PricewaterhouseCoopers S.A.

PricewaterhouseCoopers S.A.
28 March 2008
268 Kifissias Avenue,
15232 Athens, Greece

Consolidated income statement

Year ended 31 December

	Note	2007 € million	2006 € million
Net sales revenue	3	**6,461.9**	5,616.3
Cost of goods sold		**(3,807.3)**	(3,363.2)
Gross profit		**2,654.6**	**2,253.1**
Operating expenses	5	**(1,952.0)**	(1,746.0)
Operating profit	3,4	**702.6**	**507.1**
Finance costs	6	**(85.8)**	(76.4)
Share of results of equity investments	11	**(1.6)**	0.4
Profit before tax		**615.2**	**431.1**
Tax	3,7	**(128.4)**	(89.9)
Profit after tax		**486.8**	**341.2**
Attributable to:			
Minority interests		**14.5**	7.5
Shareholders of the Group		**472.3**	333.7
		486.8	**341.2**
Basic and diluted earnings per share (€)	8	**1.30**	0.92

The Notes on pages 60 to 122 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

Year ended 31 December

	Note	**2007 € million**	2006 € million
Operating activities			
Operating profit	3,4	**702.6**	507.1
Depreciation of property, plant and equipment	3,10	**354.0**	329.1
Stock option expense	32	**5.8**	4.0
Amortisation of intangible assets	3,9	**3.4**	2.4
Adjustments to intangible assets	5,9	**0.8**	7.8
Impairment of property, plant and equipment	10	**-**	24.5
		1,066.6	**874.9**
Gains on disposal of non-current assets		**(3.9)**	(11.1)
Increase in inventories		**(90.1)**	(32.7)
Increase in trade and other receivables		**(103.9)**	(66.9)
Increase in trade payables and other liabilities		**91.7**	111.2
Tax paid		**(100.6)**	(102.3)
Cash flow generated from operating activities		**859.8**	**773.1**
Investing activities			
Payments for purchases of property, plant and equipment		**(546.8)**	(516.6)
Payments for purchases of intangible assets	9	**(5.8)**	(2.7)
Receipts from disposals of property, plant and equipment		**27.3**	37.8
Net (payments for) / receipts from investments		**(3.5)**	9.3
Net payments for acquisitions	30	**(191.6)**	(78.1)
Net cash used in investing activities		**(720.4)**	**(550.3)**
Financing activities			
Payment of expenses related to bonus shares issue	26	**(0.6)**	-
Proceeds from issue of shares to employees	26	**8.7**	22.5
Dividend paid to shareholders of the Group	29	**(77.5)**	(72.2)
Dividend paid to minority interests		**(11.9)**	(5.9)
Proceeds from external borrowings		**199.8**	718.0
Repayment of external borrowings		**(233.7)**	(673.4)
Principal repayments of finance lease obligations		**(42.2)**	(20.4)
Interest received		**11.2**	11.8
Interest paid		**(99.2)**	(79.8)
Net cash used in financing activities		**(245.4)**	**(99.4)**
(Decrease) / increase in cash and cash equivalents		**(106.0)**	**123.4**
Cash and cash equivalents at 1 January		**305.5**	182.4
(Decrease) / increase in cash and cash equivalents		**(106.0)**	123.4
Effect of changes in exchange rates		**(2.5)**	(0.3)
Cash and cash equivalents at 31 December	18	**197.0**	**305.5**

The Notes on pages 60 to 122 are an integral part of these consolidated financial statements.

Consolidated balance sheet

As at 31 December

	Note	2007 € million	2006 € million
Assets			
Intangible assets	9	**1,913.0**	1,865.7
Property, plant and equipment	10	**2,857.8**	2,497.7
Equity method investments	11	**20.4**	12.5
Available-for-sale investments	12	**10.5**	7.6
Held-to-maturity investments		**0.8**	0.9
Deferred tax assets	13	**26.6**	24.6
Other non-current assets	14	**53.4**	25.2
Total non-current assets		**4,882.5**	**4,434.2**
Inventories	15	**509.2**	419.3
Trade receivables	16	**696.2**	674.2
Derivative assets	21	**5.7**	1.7
Other receivables	16	**328.4**	236.6
Assets classified as held for sale	17	**-**	1.8
Current tax assets		**15.3**	10.0
Cash and cash equivalents	18	**197.0**	305.5
Total current assets		**1,751.8**	**1,649.1**
Total assets		**6,634.3**	**6,083.3**
Liabilities			
Short-term borrowings	19	**316.3**	306.9
Trade and other liabilities	22	**1,208.2**	1,067.8
Current tax liabilities		**58.0**	50.3
Total current liabilities		**1,582.5**	**1,425.0**
Long-term borrowings	19	**1,582.4**	1,597.8
Cross-currency swap payables relating to borrowings	21	**186.7**	122.0
Deferred tax liabilities	13	**97.3**	79.8
Non-current provisions	23	**116.8**	113.3
Other non-current liabilities		**16.3**	21.3
Total non-current liabilities		**1,999.5**	**1,934.2**
Total liabilities		**3,582.0**	**3,359.2**
Equity			
Share capital	26	**181.9**	121.0
Share premium	26	**1,644.7**	1,697.5
Exchange equalisation reserve	28	**92.4**	132.5
Other reserves	28	**318.3**	297.7
Retained earnings		**719.5**	381.6
Total shareholders' equity		**2,956.8**	**2,630.3**
Minority interests		**95.5**	93.8
Total equity		**3,052.3**	**2,724.1**
Total equity and liabilities		**6,634.3**	**6,083.3**

The Notes on pages 60 to 122 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

	Attributable to equity shareholders of the Group						Minority interests	Total equity
	Share capital € million	Share premium € million	Exchange equalisation reserve € million	Other reserves €million	Retained earnings € million	Total € million	€ million	€ million
Balance as at 31 December 2005	**120.3**	**1,675.7**	**144.2**	**271.1**	**141.3**	**2,352.6**	**95.3**	**2,447.9**
Net profit for 2006	-	-	-	-	333.7	**333.7**	7.5	**341.2**
Valuation gains on available-for-sale investments taken to equity	-	-	-	2.1	-	**2.1**	-	**2.1**
Cash flow hedges:								
Losses taken to equity	-	-	-	(0.3)	-	**(0.3)**	-	**(0.3)**
Losses transferred to profit or loss for the year	-	-	-	0.4	-	**0.4**	-	**0.4**
Foreign currency translation	-	-	(11.7)	-	-	**(11.7)**	(3.1)	**(14.8)**
Tax on items taken directly to or transferred from equity	-	-	-	(0.6)	-	**(0.6)**	-	**(0.6)**
Comprehensive income / (loss)	**-**	**-**	**(11.7)**	**1.6**	**333.7**	**323.6**	**4.4**	**328.0**
Shares issued to employees exercising stock options	0.7	21.8	-	-	-	**22.5**	-	**22.5**
Share-based compensation:								
Options	-	-	-	4.0	-	**4.0**	-	**4.0**
Movement in treasury shares	-	-	-	(0.2)	-	**(0.2)**	-	**(0.2)**
Minority interest arising on acquisitions	-	-	-	-	-	**-**	3.7	**3.7**
Acquisition of shares held by minority interests	-	-	-	-	-	**-**	(3.4)	**(3.4)**
Appropriation of reserves	-	-	-	21.2	(21.2)	**-**	-	**-**
Dividends	-	-	-	-	(72.2)	**(72.2)**	(6.2)	**(78.4)**
Balance as at 31 December 2006	**121.0**	**1,697.5**	**132.5**	**297.7**	**381.6**	**2,630.3**	**93.8**	**2,724.1**
Net profit for 2007	-	-	-	-	472.3	**472.3**	14.5	**486.8**
Valuation gains on available-for-sale investments taken to equity	-	-	-	4.1	-	**4.1**	-	**4.1**
Cash flow hedges:								
Losses taken to equity	-	-	-	(1.2)	-	**(1.2)**	-	**(1.2)**
Losses transferred to profit or loss for the year	-	-	-	0.6	-	**0.6**	-	**0.6**
Foreign currency translation	-	-	(42.4)	-	-	**(42.4)**	(0.4)	**(42.8)**
Tax on items taken directly to or transferred from equity	-	-	-	(0.9)	-	**(0.9)**	-	**(0.9)**
Comprehensive income / (loss)	**-**	**-**	**(42.4)**	**2.6**	**472.3**	**432.5**	**14.1**	**446.6**
Bonus shares	60.6	(61.2)	-	-	-	**(0.6)**	-	**(0.6)**
Shares issued to employees exercising stock options	0.3	8.4	-	-	-	**8.7**	-	**8.7**
Share-based compensation:								
Options	-	-	-	5.8	-	**5.8**	-	**5.8**
Movement in treasury shares	-	-	-	(0.2)	-	**(0.2)**	-	**(0.2)**
Adoption of euro by Slovenia	-	-	2.3	-	(2.3)	**-**	-	**-**
Appropriation of reserves	-	-	-	12.4	(12.4)	**-**	-	**-**
Statutory minimum dividend	-	-	-	-	(42.2)	**(42.2)**	-	**(42.2)**
Dividends	-	-	-	-	(77.5)	**(77.5)**	(12.4)	**(89.9)**
Balance as at 31 December 2007	**181.9**	**1,644.7**	**92.4**	**318.3**	**719.5**	**2,956.8**	**95.5**	**3,052.3**

For further details, please refer to: Note 26 Share capital and share premium; Note 27 Shares held for equity compensation plan; Note 28 Reserves; and Note 29 Dividends.

The Notes on pages 60 to 122 are 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 Hellenic Bottling Company S.A. ('Coca-Cola Hellenic', previously 'CCHBC'), is a Societe Anonyme (corporation) incorporated in Greece and was formed in 1969. It took its current form in August 2000 through the acquisition of the Coca-Cola Beverages plc ('CCB') by Hellenic Bottling Company S.A.('HBC'). Coca-Cola Hellenic and its subsidiaries (collectively 'the Company' or 'the Group') are principally engaged in the production and distribution of alcohol-free beverages, under franchise from The Coca-Cola Company ('TCCC'). The Company distributes its products in Europe and Nigeria. Information on the Company's operations by segment is included in Note 3.

Coca-Cola Hellenic's shares are listed on the Athens Stock Exchange, with secondary listings on the London and Australian Stock Exchanges. Coca-Cola Hellenic's American Depositary Receipts (ADRs) are listed on the New York Stock Exchange.

These financial statements were approved for issue by the Board of Directors on 27 March 2008 and are expected to be verified at the Annual General Meeting to be held on 23 June 2008.

Basis of preparation

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

All IFRS issued by the IASB, which apply to the preparation of these financial statements, have been adopted by the European Union following an approval process undertaken by the European Commission, except for International Accounting Standard ('IAS') 39, *Financial Instruments: Recognition and Measurement* ('IAS 39'). Following this process and as a result of representations made by the Accounting Regulatory Committee of the European Council, the latter issued the Directives 2086/2004 and 1864/2005 that require the application of IAS 39 by all listed companies with effect from the 1 January 2005, except for specific sections that relate to hedging deposit portfolios. As the Group is not impacted by the sections that relate to hedging deposit portfolios, as reflected in the IAS 39 adopted by the European Union, these financial statements have been prepared in compliance with IFRS that have been adopted by the European Union and IFRS that have been issued by the IASB.

The consolidated financial statements are prepared under the historical cost convention, as modified by the revaluation of available-for-sale securities and derivative financial instruments.

Basis of consolidation

Subsidiary undertakings are those companies in which the Group, directly or indirectly, has an interest of more than one-half of the voting rights or otherwise has power to exercise control over operations. 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 control is transferred out of the Group.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the identifiable net assets of the subsidiary is recorded as goodwill.

All material intercompany transactions and balances between Group companies are eliminated. Where necessary, accounting policies of subsidiaries are modified to ensure consistency with policies adopted by the Group.

Critical accounting judgements and estimates

In conformity with generally accepted accounting principles, the preparation of financial statements for Coca-Cola Hellenic 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 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 is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of 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.

Notes to the consolidated financial statements

1. Basis of preparation and accounting policies (continued)

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. 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 given in Note 9.

Revenue recognition
Revenues are recognised when all of the following conditions are met: evidence of a binding arrangement exists (generally purchase orders), products have been delivered and there is no future performance required and amounts are collectible under normal payment terms.

Revenue is stated net of sales discounts, listing fees and marketing and promotional incentives paid to customers. Listing fees are incentives provided to customers for carrying the Company's products in their stores. Fees that are subject to contractual-based term arrangements are amortised over the term of the contract. All other listing fees are expensed as incurred. The amount of listing fees capitalised at 31 December 2007 was €42.1m (2006: €35.9m). Of this balance, €28.0m (2006: €21.6m) was classified as current prepayments and the remainder as non-current prepayments. Listing fees expensed for the year ended 31 December 2007 amounted to €117.7m (2006: €71.6m). Marketing and promotional incentives paid to customers during 2007 amounted to €121.4m (2006: €101.5m).

Coca-Cola Hellenic receives certain payments from TCCC in order to promote sales of Coca-Cola branded products. Contributions for price support and marketing and promotional campaigns in respect of specific customers are recognised as an offset to promotional incentives paid to customers. These reimbursements are accrued and matched to the expenditure to which they relate. In 2007, such contributions totalled €44.1m (2006: €29.9m).

Where the Group distributes third-party products, the related revenue earned is recognised based on the gross amount invoiced to the customer where Coca-Cola Hellenic acts as principal, takes title to the products and has assumed the risks and rewards of ownership. Coca-Cola Hellenic recognises revenue on the basis of the net amount retained (that is, the amount billed to a customer less the amount paid to a supplier) where the Group acts as an agent without assuming the associated relevant risks and rewards.

Earnings per share
Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Group by the weighted average number of shares that were in existence during the year. Diluted earnings per share take account of stock options, for which the average share price for the year is in excess of the exercise price of the stock option.

Intangible assets
Intangible assets consist mainly of goodwill and trademarks. Goodwill is the excess of the cost of an acquisition over the fair value of the share of net assets acquired. Goodwill and indefinite-lived intangible assets are tested annually for impairment and whenever there is an indication of impairment and carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill and other indefinite-lived intangible assets are allocated to each of the Group's cash-generating units expected to benefit from the business combination in which the goodwill arose. 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 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 indefinite-lived intangible 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 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 trademarks recorded by Coca-Cola Hellenic have been assigned an indefinite useful life as they have an established sales history in the applicable region, it is our intention to receive a benefit from them indefinitely and there is no indication that this will not be the case. The useful economic life assigned to trademarks is evaluated on an annual basis.

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

Notes to the consolidated financial statements

1. Basis of preparation and accounting policies (continued)

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.

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 term of the lease, up to 40 years
Production equipment	5 to 12 years
Vehicles	5 to 8 years
Computer hardware and software	3 to 7 years
Marketing equipment	3 to 7 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.

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 subject to amortisation but are tested for impairment at least annually. 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 an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are 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 expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss of 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% and 50% of the voting rights.

Equity accounting involves recognising the Group's share of the associates' profit or loss for the period in the income statement and the share of the post-acquisition movement of reserves in the Group's reserves. 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 associates equals or exceeds its interest in the associates, the Group does not recognise further losses, unless the Group has incurred obligations or made payments on behalf of the associates.

Notes to the consolidated financial statements

1. Basis of preparation and accounting policies (continued)

Investment in joint ventures
The Group's interest in the jointly controlled entities Brewinvest S.A., Multon group and Fresh & Co d.o.o., is accounted for using the proportionate consolidation method as the Group has day-to-day control of the operations of the entities. Under this method, the Group includes its share of the joint venture's income and expenses, assets, liabilities and cash flows on a line-by-line basis in the relevant components of the financial statements.

In addition, the Group's interest in its jointly controlled water entities Fonti del Vulture, Multivita Sp.z o.o. and Valser Springs GmbH is accounted for using the equity method of accounting, as the day-to-day management of the entities is shared with the respecitve equity partner.

Other investments
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 is dependent on the purpose for which the investment was acquired. FVTPL and available-for-sale investments 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.

Investments are recognised using trade date accounting. They are recognised on the day the Group commits to purchase the investments and derecognised on the day when the Group commits to sell the investments. The cost of purchase includes transaction costs for investments other than those carried at 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 investments are recognised in equity until the financial assets are derecognised, at which time the cumulative gains or losses previously in equity are recognised in 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 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. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (or 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 overheads. Cost includes all costs incurred in bringing the product to its present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

Notes to the consolidated financial statements

1. Basis of preparation and accounting policies (continued)

Trade receivables
Trade receivables are carried at original invoice amount, adjusted for the effect of discounting (where applicable), less allowance for doubtful debts. An allowance 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 receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'operating expenses'. When a trade receivable is uncollectable, it is written off initially against any allowance made in respect of that receivable in the allowance account for trade receivables with any excess taken to the income statement. Subsequent recoveries of amounts previously written off or allowances no longer required are credited against 'operating expenses' in the income statement.

Trade payables
Trade payables are recognised initially at fair value and, when applicable, 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 functional currency of the parent entity, and the presentation currency for the consolidated financial statements.

The assets and liabilities of overseas subsidiaries are translated into euro at the rate of exchange ruling at the balance sheet date. The income statements of overseas subsidiaries are translated using the average monthly exchange rate. The exchange differences arising on retranslation are taken directly to equity. On disposal of a foreign entity, accumulated exchange differences are recognised in the income statement as a component of the gain or loss on disposal.

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All gains and losses arising on retranslation are included in net profit or loss for the period, 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.

None of the Group's entities operated in a hyper-inflationary environment in 2007 or 2006.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and highly liquid investments with a maturity of three months or less when purchased. For the purpose of the cash flow statement, bank overdrafts are considered as borrowings.

Borrowings
All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of transaction costs associated with the loan or borrowing.

After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on settlement which is amortised to the income statement over the period of the borrowings. For liabilities carried at amortised cost which are not part of a hedging relationship, any gain or loss is recognised in the income statement when the liability is derecognised, as well as through the amortisation process.

Notes to the consolidated financial statements

1. Basis of preparation and accounting policies (continued)

Derivative financial instruments

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivative financial instruments designated as hedging instruments to specific assets, liabilities, firm commitments or forecast transactions. The Group also documents its assessment, both at the hedge inception and on an ongoing basis, of whether the derivative financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The Group uses financial instruments, including interest rate swaps, options, currency and commodity derivatives. Their use is undertaken only as economic and accounting hedges to manage interest, currency and commodity price risk associated with the Group's underlying business activities. The Group does not undertake any trading activity in financial instruments.

All derivative financial instruments are initially recognised in the balance sheet at fair value and are subsequently remeasured to their fair value. Changes in the fair values 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.

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 portions of 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 equity and the ineffective portion is recognised immediately in profit or loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in profit or loss as they arise. Regular way purchases and sales of financial assets are accounted for at trade date.

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 forecasted transactions occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

Financial Risk

Credit risk

The Group has no significant concentrations of credit risk. Policies are in place to ensure that credit sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any single financial institution.

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.

Leases

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

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. 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 rental obligations, net of finance charges, are included in other long-term borrowings. The interest element of the finance cost is charged to the income statement over the lease period. Property, plant and equipment acquired under finance leases is depreciated in accordance with the Group policy for owned assets of the same class unless there is no reasonable certainty that the Group will obtain ownership of the asset at the end of the lease term. In this case, property, plant and equipment acquired under finance lease is depreciated over the shorter of the useful life of the asset and the lease term.

Notes to the consolidated financial statements

1. Basis of preparation and accounting policies (continued)

Provisions
Provisions are recognised as follows: 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 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, where appropriate, 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.

Employee benefits - pensions and post retirement 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, after taking into account the recommendations of independent qualified actuaries.

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, together with adjustments for unrecognised actuarial gains or losses and past service costs.

For defined benefit pension plans, pension costs are assessed using the projected unit credit method. Actuarial gains and losses are recognised as income or expense, when the cumulative unrecognised actuarial gains or losses for each individual plan exceed 10% of the greater of the defined benefit obligation or the fair value of plan assets, in accordance with the valuations made by qualified actuaries. The defined benefit obligations are measured at the present value of the estimated future cash outflows using interest rates of corporate or government bonds which have terms to maturity approximating the terms of the related liability. Actuarial gains and losses arising from experience adjustments or changes in assumptions are recognised over the average remaining service lives of employees. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise amortised over the average remaining service lives of the employees.

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
Coca-Cola Hellenic issues equity-settled (stock options) and cash-settled (stock appreciation rights) share-based payments to its senior managers.

Equity-settled share-based payments are measured at fair value at the date of grant using a binomial stock option valuation model. 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 Coca-Cola Hellenic’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.

For cash-settled share-based payments, a liability equal to the portion of the vested stock appreciation rights is recognised at the current fair value determined at each balance sheet date using the same model and inputs as used for determining the fair value of stock options.

In addition, the Group operates a stock purchase plan, in which eligible employees can participate. The Group’s contributions to the stock purchase plan are charged to the income statement over their vesting period. Any unvested shares held by the trust are owned by the Group and are recorded at cost in the balance sheet within equity as shares held for equity compensation plan until they vest.

Notes to the consolidated financial statements

1. Basis of preparation and accounting policies (continued)

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 when it is demonstrably committed to either terminate the employment of current employees or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

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 Company's subsidiaries, joint ventures and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is 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 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 used to determine deferred tax.

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.

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
There is only one class of 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 financial statements in the period in which they are approved by the Group's shareholders, with the exception of the statutory minimum dividend.

Under Greek corporate legislation, companies are annually required to declare dividends of at least 35% of unconsolidated adjusted after-tax IFRS profits. This statutory minimum dividend is recognised as a liability.

Comparative figures
Comparative figures have been reclassified where necessary to conform with changes in presentation in the current year.

Notes to the consolidated financial statements

1. Basis of preparation and accounting policies (continued)

Adoption of new accounting pronouncements
In the current year, the Group has adopted all of the new and revised standards and interpretations issued by the IASB and the International Financial Reporting Interpretation Committee ('IFRIC') of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2007. None of these Standards and interpretations had a significant effect on the financial statements of the Company, except the following:

In August 2005, the IASB issued IFRS 7, *Financial Instruments: Disclosures, and amendments to IAS 1, Presentation of Financial Statements – Capital Disclosures*. IFRS 7 introduces new disclosures relating to financial instruments but does not have any impact on the classification and valuation of the Group's financial instruments or the disclosures relating to tax and trade and other payables.

New accounting pronouncements
At the date of approval of these financial statements, the following standards and interpretations were issued but not yet effective:

In November 2006 the IFRIC issued IFRIC 11, *IFRS 2—Group and Treasury Share Transactions*. IFRIC 11 clarifies the application of IFRS 2, *Share-based Payments,* to certain share-based payment arrangements involving the entity's own equity instruments and to arrangements involving equity instruments of the entity's parent company. IFRIC 11 is effective for annual periods beginning on or after 1 March 2007, and is not expected to have a material impact on the Group's financial statements.

In November 2006 the IFRIC issued IFRIC 12, *Service Concession Arrangements*. IFRIC 12 sets out the general principles on recognising and measuring the obligations and related rights in service concession arrangements. IFRIC 12 is effective for annual periods beginning on or after 1 January 2008. Since the Group is not involved in concession arrangements, the interpretation is not expected to have an impact on the Group's financial statements.

In November 2006, the IASB issued IFRS 8, *Operating Segments*, which replaces IAS 14, *Segment Reporting*. IFRS 8 introduces new disclosure requirements relating to segmental reporting and provides guidance on operating segments. IFRS 8 also expands significantly the requirements for segment information at interim reporting dates. The European Union endorsed IFRS 8 in November 2007. IFRS 8 is applicable for annual periods beginning on or after 1 January 2009. Earlier application is permitted. It is not expected that IFRS 8 will have a material effect on the disclosure within the Group's financial statements.

In March 2007, the IASB issued a revision of IAS 23, *Borrowing Costs*. Under the revised standard, entities will no longer have the option to immediately recognise, as an expense, borrowing costs related to the acquisition, construction, or production of qualifying assets that require a substantial period of time to be prepared for their intended use or sale. These costs must now be capitalised as part of the cost of the asset. The revised standard is applicable for annual periods beginning on or after January 1, 2009. Coca-Colla Hellenic already has a policy of capitalising applicable borrowing costs and therefore this standard will not have any effect on the Group's financial statements.

In July 2007, the IFRIC issued IFRIC 13, *Customer loyalty programmes*, which is effective from 1 July 2008. IFRIC 13 requires that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is treated as multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. IFRIC 13 is not relevant to Coca-Cola Hellenic's operations because none of the Group's companies operate any significant loyalty programmes.

In July 2007, the IFRIC issued IFRIC 14, *IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction,* which is effective from 1 January 2008. IFRIC 14 provides guidance on assessing the limit in IAS 19, *Employee Benefits*, on the amount of the surplus of the fair value of plan assets over the present value of defined benefit obligations that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. Coca-Colla Hellenic will apply IFRIC 14 from 1 January 2008, but it is not expected to have a material impact on the Group's financial statements.

In January 2008, the IASB issued a revised version of IFRS 3, *Business Combinations*. The revised standard still requires the purchase method of accounting to be applied to business combinations but will introduce some changes to existing accounting treatment. For example, contingent consideration should be measured at fair value at the date of acquisition and subsequently remeasured to fair value with changes recognised in profit or loss. Goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to the minority interest. All transaction costs will be expensed. The standard is applicable to business combinations occurring in accounting periods beginning on or after 1 July 2009. Assets and liabilities arising from business combinations occurring before the date of adoption by the Group will not be restated and thus there will be no effect on the Group's reported income or net assets on adoption. The revised standard has not yet been adopted by the EU.

An amendment to IFRS 2 was issued in January 2008, clarifying that only service conditions and performance conditions are vesting conditions, and other features of a share-based payment are not vesting conditions. In addition, it specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amendment is effective for annual periods beginning on or after 1 January 2009 and has not yet been adopted by the EU. The Group has not yet completed its evaluation of the effect of adopting this amendment.

Notes to the consolidated financial statements

2. Exchange rates

Coca-Cola Hellenic translates the income statements of subsidiary operations to euro at average exchange rates and the balance sheets at the closing exchange rates at 31 December. The principal exchange rates used for transaction and translation purposes in respect of one euro are:

	Average 2007	Average 2006	**Closing 2007**	Closing 2006
US dollar	**1.37**	1.26	**1.45**	1.32
UK sterling	**0.69**	0.68	**0.73**	0.67
Polish zloty	**3.78**	3.90	**3.61**	3.83
Nigerian naira	**172.50**	161.38	**171.46**	169.00
Hungarian forint	**251.46**	264.61	**254.23**	253.70
Swiss franc	**1.64**	1.57	**1.67**	1.61
Russian rouble	**35.06**	34.11	**35.93**	34.70
Romanian leu	**3.34**	3.52	**3.53**	3.37

3. Segmental analysis

Coca-Cola Hellenic has one business, being the production, distribution and sale of alcohol-free, ready-to-drink beverages. The Group operates in 28 countries, and its financial results are reported in the following segments:

Established countries: Austria, Cyprus, Greece, Italy, Northern Ireland, Republic of Ireland and Switzerland.
Developing countries: Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia.
Emerging countries: Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, FYROM, Moldova, Montenegro, Nigeria, Romania, Russia, Serbia, and Ukraine.

The Group's operations in each of its segments have similar economic characteristics, production processes, customers, and distribution methods. The Group evaluates performance and allocates resources primarily based on operating profit. The accounting policies of the Group's reportable segments are the same as those described in the accounting policies (refer to Note 1).

There are no material amounts of sales or transfers between the Group's segments.

Year ended 31 December	**2007 € million**	2006 € million
Net sales revenue		
Established	**2,634.6**	2,474.1
Developing	**1,186.0**	993.2
Emerging	**2,641.3**	2,149.0
Total net sales revenue	**6,461.9**	**5,616.3**
EBITDA[1]		
Established	**412.6**	382.7
Developing	**186.8**	144.3
Emerging	**467.2**	347.9
Total EBITDA	**1,066.6**	**874.9**

[1] Earnings before interest, tax, depreciation, amortisation and other non-cash items.

Notes to the consolidated financial statements

3. Segmental analysis (continued)

Year ended 31 December	Note	2007 € million	2006 € million
Depreciation of property, plant and equipment			
Established		**(116.6)**	(125.9)
Developing		**(70.8)**	(66.1)
Emerging		**(166.6)**	(137.1)
Total depreciation of property, plant and equipment	10	**(354.0)**	**(329.1)**
Amortisation of intangible assets			
Established		**(1.3)**	(2.1)
Developing		**(0.3)**	(0.1)
Emerging		**(1.8)**	(0.2)
Total amortisation of intangible assets	9	**(3.4)**	**(2.4)**
Other non-cash items[1]			
Established		**(5.2)**	(22.3)
Developing		**(0.5)**	(4.9)
Emerging		**(0.9)**	(9.1)
Total other non-cash items		**(6.6)**	**(36.3)**
Operating profit			
Established		**291.8**	234.2
Developing		**114.7**	73.3
Emerging		**296.1**	199.6
Total operating profit		**702.6**	**507.1**
Interest expense and finance charges			
Established		**(95.9)**	(56.4)
Developing		**(4.2)**	(4.0)
Emerging		**(37.6)**	(15.4)
Corporate		**(176.0)**	(139.0)
Intersegment interest expense		**215.8**	127.3
Total interest expense and finance charges	6	**(97.9)**	**(87.5)**
Interest income			
Established		**23.2**	2.8
Developing		**4.1**	2.0
Emerging		**25.3**	3.1
Corporate		**174.9**	130.4
Intersegment interest income		**(215.8)**	(127.3)
Total interest income	6	**11.7**	**11.0**
Income tax expense			
Established		**(59.9)**	(44.1)
Developing		**(21.3)**	(8.6)
Emerging		**(46.0)**	(27.2)
Corporate		**(1.2)**	(10.0)
Total income tax expense	7	**(128.4)**	**(89.9)**
Reconciling items			
Net foreign exchange translation gains		**0.4**	0.1
Share of results of equity investments		**(1.6)**	0.4
Net profit		**486.8**	**341.2**

[1] Other non-cash items comprise adjustments to intangible assets of €0.8m (2006: €7.8m), (refer to Note 5), stock option expenses of €5.8m (2006: €4.0m), (refer to Note 32) and in 2006 impairment charges to property, plant and equipment of €24.5m (refer to Note 10).

Notes to the consolidated financial statements

3. Segmental analysis (continued)

Year ended 31 December	Note	**2007 € million**	2006 € million
Expenditure on non-current assets[1]			
Established		**175.1**	175.3
Developing		**125.0**	92.1
Emerging		**252.5**	251.9
Total capital expenditure		**552.6**	**519.3**
Intangible assets arising on acquisitions			
Established		**16.4**	19.3
Developing		**-**	1.7
Emerging		**44.2**	12.9
Total intangible assets arising on acquisitions	9	**60.6**	**33.9**
Assets			
Established		**3,099.1**	3,111.2
Developing		**1,097.4**	951.6
Emerging		**2,616.3**	1,938.6
Corporate (less intersegment receivables)		**(178.5)**	81.9
Total assets		**6,634.3**	**6,083.3**
Liabilities			
Established		**2,482.5**	**2,206.0**
Developing		**368.3**	**290.0**
Emergings		**1,096.2**	**590.3**
Corporate (less intersegment payables)		**(365.0)**	**272.9**
Total liabilities		**3,582.0**	**3,359.2**

4. Operating profit

The following items have been included in arriving at the operating profit, for the years ended 31 December:

	2007 € million	2006 € million
Depreciation of property, plant and equipment (refer to Note 10)	**354.0**	329.1
Impairment of property, plant and equipment (refer to Note 10)	**-**	24.5
Gain on disposal of property, plant and equipment	**(3.9)**	(11.1)
Operating lease charges		
Plant and equipment	**25.7**	29.5
Property	**48.7**	23.1
Total operating lease charges	**74.4**	**52.6**
Provision set aside for doubtful debts (refer to Note 16)	**9.9**	7.1
Staff costs		
Wages and salaries	**783.6**	660.9
Social security costs	**142.0**	128.6
Pension and other employee benefits	**151.0**	139.8
Termination benefits	**7.5**	29.0
Total staff costs	**1,084.1**	**958.3**

Impairment of property, plant and equipment in 2006 was recorded in operating expenses (refer to Note 5). The average number of full-time equivalent employees in 2007 was 45,500 (2006: 42,942).

[1]Total additions of property, plant and equipment for the year ended 31 December 2007 was €666.7m (2006: €557.4m).

Notes to the consolidated financial statements

5. Operating expenses

Year ended 31 December	Note	**2007 € million**	2006 € million
Selling expenses		**983.6**	857.3
Delivery expenses		**565.9**	490.2
Administrative expenses		**392.5**	322.9
Restructuring costs		**-**	51.8
Significant non-recurring items		**-**	9.6
Adjustments to intangible assets	9	**0.8**	7.8
Stock option expense	32	**5.8**	4.0
Amortisation of intangible assets	9	**3.4**	2.4
Total operating expenses		**1,952.0**	**1,746.0**

Restructuring costs

	2007 € million	2006 € million
Cash restructuring expenses	**-**	36.0
Impairment of property, plant and equipment	**-**	9.5
Accelerated depreciation	**-**	6.3
Total restructuring costs	**-**	**51.8**

On 24 February 2006, production in the Athens plant ceased. In addition, on 10 March 2006, the Greek warehouses in Messologi, Corfu and Rhodes closed. Additional restructuring was undertaken in Greece in December 2006, following an organisational streamlining across the administrative support and logistic functions. A total restructuring charge for Greece of €22.1m (cash and non-cash) was recorded in the full year of 2006. In Nigeria, restructuring charges in the full year of 2006 amounted to €7.9m (cash and non-cash). Production that was carried out at the Onitsha and Makurdi plants was transferred to other production sites within Nigeria. In addition, our Nigerian operation invested in a new production facility in Abuja. In Ireland, during the full year of 2006, €6.3m of accelerated depreciation and €1.5m of redundancy charges were recorded in relation to the project to develop a single all-island production facility. In Croatia, €5.1m of restructuring charges were recorded in 2006 in respect of rationalisation of the delivery function by outsourcing it to third party contractors. A further €8.9m of restructuring charges was incurred in 2006 in relation to other restructuring activities throughout the Group.

Significant non-recurring items
Non-recurring items in 2006 consist of impairment of bottles and crates in Austria, Bulgaria, Nigeria, Poland, Greece and some other markets, following a decision to accelerate the implementation of the Group's refillable bottle strategy, for a total of €15.1m, the gain from the sale of the production site in Dublin of €14.8m and the provision for a fine imposed by the Greek Competition Authority of €9.3m (refer to Note 24).

Adjustments to intangible assets
During 2007 and 2006, the Group recognised deferred tax assets on losses that had previously not been recognised on acquisition of CCB by HBC. In accordance with IAS 12 revised, *Income Taxes*, when deferred tax assets on losses have not been recognised on acquisition and are subsequently recognised, both goodwill and deferred tax assets are adjusted with corresponding entries to operating expense and tax in the income statement. Therefore, a charge of €0.8m (2006: €7.8m) has been recorded in operating expense for the full year of 2007 and a deferred tax credit of €0.6m (2006: €7.8m) included within tax on the income statement.

6. Finance costs

Net finance costs for the years ended 31 December comprise:

	2007 € million	2006 € million
Interest income	**11.7**	11.0
Interest expense	**(87.5)**	(80.9)
Net foreign exchange translation gains	**0.4**	0.1
Finance charges paid with respect to finance leases	**(10.4)**	(6.6)
Total finance costs	**(97.5)**	**(87.4)**
Finance costs (net)	**(85.8)**	**(76.4)**

Capitalised borrowing costs amounted to €5.3m (2006: €4.1m). The interest rate used for the capitalisation of borrowing costs of the Group for the year was 4.84% (2006: 3.72%).

7. Tax

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate of the home country of the Company as follows:

	2007 € million	2006 € million
Profit before tax per the income statement	**615.2**	431.1
Tax calculated at a tax rate of 25% (2006: 29%)	**153.8**	125.0
Effect of different tax rates in foreign jurisdictions	**(31.7)**	(27.5)
Additional local taxes in foreign jurisdictions	**17.4**	20.6
Tax holidays in foreign jurisdictions	**(3.0)**	(3.1)
Expenses non-deductible for tax purposes	**28.6**	23.0
Income not subject to tax	**(32.7)**	(23.9)
Changes in tax laws and rates	**(1.3)**	(0.9)
Current year tax losses not recognised	**0.6**	1.3
Recognition of pre-acquisition deferred tax assets	**(0.6)**	(7.8)
Utilisation of previously unrecognised post-acquisition tax losses	**(0.6)**	(0.7)
Recognition of previously unrecognised post-acquisition tax losses	**(3.4)**	(8.2)
Other	**1.3**	(7.9)
Income tax charge per the income statement	**128.4**	**89.9**

The reduction of the applicable tax rate is related to the reduction in the statutory tax rate in Greece.

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

	2007 € million	2006 € million
Current tax charge	**114.0**	85.0
Deferred tax charge (refer to Note 13)	**15.0**	12.7
Pre-acquisition deferred tax assets recognised subsequent to acquisition of CCB and reflected in goodwill (refer to Notes 5)	**(0.6)**	(7.8)
Total income tax charge	**128.4**	**89.9**

Notes to the consolidated financial statements

8. Earnings per share

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

	2007	2006
Net profit attributable to shareholders of the Group (€ million)	**472.3**	333.7
Weighted average number of ordinary shares for the purposes of basic earnings per share (million)	**363.1**	361.8
Effect of dilutive stock options (million)	**1.5**	0.8
Weighted average number of ordinary shares for the purposes of diluted earnings per share (million)	**364.6**	362.6
Basic and diluted earnings per share (€)	**1.30**	0.92

The comparative weighted average number of ordinary shares has been adjusted for the bonus share issue (refer to Note 26).

9. Intangible assets

	Goodwill € million	Franchise agreements € million	Trademarks € million	Other intangible assets € million	**Total € million**
Cost					
As at 1 January 2007	1,734.7	10.2	115.1	8.7	**1,868.7**
Additions	-	-	-	5.8	**5.8**
Arising on recognition of deferred tax assets in connection with the acquisition of CCB (refer to Note 5)	(0.8)	-	-	-	**(0.8)**
Intangible assets arising on current year acquisitions (refer to Note 30)	44.6	-	7.6	6.0	**58.2**
Intangible assets arising on prior year acquisitions (refer to Note 30)	2.4	-	-	-	**2.4**
Arising on Fonti del Vulture (refer Note 30)	(2.2)	-	-	-	**(2.2)**
Foreign currency translation	(9.7)	(0.1)	(2.9)	-	**(12.7)**
As at 31 December 2007	**1,769.0**	**10.1**	**119.8**	**20.5**	**1,919.4**
Amortisation					
As at 1 January 2007	-	-	0.6	2.4	**3.0**
Charge for the year	-	-	0.8	2.6	**3.4**
As at 31 December 2007	**-**	**-**	**1.4**	**5.0**	**6.4**
Net book value as at 1 January 2007	1,734.7	10.2	114.5	6.3	**1,865.7**
Net book value as at 31 December 2007	**1,769.0**	**10.1**	**118.4**	**15.5**	**1,913.0**

9. Intangible assets (continued)

	Goodwill € million	Franchise agreements € million	Trademarks € million	Other intangible assets € million	Total € million
Cost					
As at 1 January 2006	1,737.1	1.1	106.0	3.2	**1,847.4**
Additions	-	-	-	2.7	**2.7**
Arising on recognition of deferred tax assets in connection with the acquisition of CCB (refer to Note 5)	(7.8)	-	-	-	**(7.8)**
Intangible assets arising on current year acquisitions	10.7	9.2	10.2	0.8	**30.9**
Intangible assets arising on prior year acquisitions	1.5	-	-	1.5	**3.0**
Foreign currency translation	(6.8)	(0.1)	(1.1)	0.5	**(7.5)**
As at 31 December 2006	**1,734.7**	**10.2**	**115.1**	**8.7**	**1,868.7**
Amortisation					
As at 1 January 2006	-	-	0.5	0.1	**0.6**
Charge for the year	-	-	0.1	2.3	**2.4**
As at 31 December 2006	**-**	**-**	**0.6**	**2.4**	**3.0**
Net book value as at 1 January 2006	1,737.1	1.1	105.5	3.1	**1,846.8**
Net book value as at 31 December 2006	**1,734.7**	**10.2**	**114.5**	**6.3**	**1,865.7**

Goodwill and other indefinite-lived intangible assets are allocated to the Group's cash-generating units, which correspond to the country of operation, for both management and impairment testing purposes.

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

	2007 € million	2006 € million
Intangible assets not subject to amortisation		
Goodwill	**1,769.0**	1,734.7
Trademarks	**110.1**	113.7
Franchise agreements	**10.1**	10.2
	1,889.2	**1,858.6**
Intangible assets subject to amortisation		
Trademarks	**8.3**	0.8
Water rights	**4.9**	1.9
Distribution rights	**0.2**	0.4
Other intangible assets	**10.4**	4.0
Total	**1,913.0**	**1,865.7**

Notes to the consolidated financial statements

9. Intangible assets (continued)

A segment level summary of the goodwill and indefinite-lived intangible assets as at 31 December 2007 is as follows:

	Goodwill € million	Franchise agreements € million	Trademarks € million	Total € million
Established	1,434.0	9.1	33.5	**1,476.6**
Developing	153.0	-	-	**153.0**
Emerging	182.0	1.0	76.6	**259.6**
	1,769.0	**10.1**	**110.1**	**1,889.2**

The recoverable amount of each operation has been 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 three -year period. Cash flows projections for years four to ten have been projected by management based on operation and market specific high level assumptions. Cash flows beyond the ten-year period (the period in perpetuity) have been extrapolated using the estimated growth rates stated below.

The ranges by segment of the key assumptions used for value-in-use calculations are as follows:

	Established	Developing	Emerging
Average gross margin (%)	37.6-47.1	41.8-48.3	20.6-46.9
Growth rate in perpetuity (%)	2.4-3.0	3.0-3.5	3.0-4.0
Discount rate (%)	7.2-7.9	8.1-8.7	9.1-14.9

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 exceed, 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. Management believes that any reasonably possible change in any of the key assumptions would not cause the operation’s carrying amount to exceed its recoverable amount.

10. 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 2007	1,024.5	2,796.6	245.4	239.4	**4,305.9**
Additions	7.5	186.1	45.8	427.3	**666.7**
Arising on acquisitions	80.1	51.6	-	11.2	**142.9**
Arising on Fonti del Vulture (refer to Note 30)	(13.7)	(16.6)	(0.3)	-	**(30.6)**
Disposals	(7.0)	(127.9)	(28.9)	-	**(163.8)**
Reclassified from assets held for sale (refer to Note 17)	3.6	-	-	-	**3.6**
Reclassifications	79.2	247.5	2.0	(328.7)	**-**
Foreign currency translation	(11.8)	(40.8)	(2.4)	(8.0)	**(63.0)**
As at 31 December 2007	**1,162.4**	**3,096.5**	**261.6**	**341.2**	**4,861.7**
Depreciation					
As at 1 January 2007	178.8	1,553.1	76.3	-	**1,808.2**
Charge for the year	29.4	292.0	32.6	-	**354.0**
Disposals	(2.4)	(114.8)	(23.6)	-	**(140.8)**
On assets reclassified from held for sale (refer to Note 17)	2.0	-	-	-	**2.0**
Foreign currency translation	(2.0)	(16.6)	(0.9)	-	**(19.5)**
As at 31 December 2007	**205.8**	**1,713.7**	**84.4**	**-**	**2,003.9**
Net book value as at 1 January 2007	845.7	1,243.5	169.1	239.4	**2,497.7**
Net book value as at 31 December 2007	**956.6**	**1,382.8**	**177.2**	**341.2**	**2,857.8**

	Land and buildings € million	Plant and equipment € million	Returnable containers € million	Assets under construction € million	Total € million
Cost					
As at 1 January 2006	930.4	2,507.8	277.8	177.6	**3,893.6**
Additions	6.8	206.1	27.2	317.3	**557.4**
Arising on acquisitions	48.1	33.1	0.3	5.1	**86.6**
Disposals	(24.3)	(129.2)	(36.8)	-	**(190.3)**
Impairment	-	(9.5)	(15.0)	-	**(24.5)**
Reclassifications	65.3	194.7	-	(260.0)	**-**
Foreign currency translation	(1.8)	(6.4)	(8.1)	(0.6)	**(16.9)**
As at 31 December 2006	**1,024.5**	**2,796.6**	**245.4**	**239.4**	**4,305.9**
Depreciation					
As at 1 January 2006	156.7	1,382.8	66.7	-	**1,606.2**
Charge for the year	27.6	275.0	26.5	-	**329.1**
Disposals	(5.5)	(105.8)	(15.3)	-	**(126.6)**
Foreign currency translation	-	1.1	(1.6)	-	**(0.5)**
As at 31 December 2006	**178.8**	**1,553.1**	**76.3**	**-**	**1,808.2**
Net book value as at 1 January 2006	773.7	1,125.0	211.1	177.6	**2,287.4**
Net book value as at 31 December 2006	**845.7**	**1,243.5**	**169.1**	**239.4**	**2,497.7**

Assets under construction include advances for equipment purchases of €113.9m (2006: €73.3m).

Notes to the consolidated financial statements

10. Property, plant and equipment (continued)

Included in plant and equipment are assets held under financial lease, where the Group is the lessee, as follows:

	2007 € million	2006 € million
As at 1 January	**119.5**	69.7
Additions	**87.8**	70.2
Disposals	**(10.7)**	(6.0)
Depreciation charge	**(19.7)**	(14.6)
Foreign currency translation	**(3.1)**	0.2
As at 31 December	**173.8**	**119.5**

Assets held under finance lease have been pledged as security in relation to the liabilities under the finance lease. The net book value of land and buildings held under finance lease as at 31 December 2007 was €26.1m (2006: €21.6m). The net book value of plant and equipment held under finance lease as at 31 December 2007 was €147.7m (2006: €97.9m).

11. Equity investments

a. The effective interest held in and carrying value of the investments in associates at 31 December are:

	Country of incorporation	Effective interest held 2007	Effective interest held 2006	Carrying value 2007 € million	Carrying value 2006 € million
Frigoglass Industries Limited	Nigeria	**16%**	16%	**10.6**	9.6
PET to PET Recycling Österreich GmbH	Austria	**20%**	20%	**1.0**	1.0
Heineken Lanitis Cyprus Ltd	Cyprus	**-**	35%	**-**	-
Total investment in associates				**11.6**	**10.6**

In 16 March 2007 the Goup sold the investment in Heineken Lanitis Cyprus Ltd. The result from the sale was immaterial.

The Group holds an effective interest in Frigoglass Industries Limited through a 23.9% (2006: 23.9%) holding held by Nigerian Bottling Company plc, in which the Group has a 66.4% (2006: 66.4%) interest. There are restrictive controls on the movement of funds out of Nigeria.

b. The effective interest held in and carrying value of the joint ventures accounted for using the equity method of accounting as at 31 December are:

	Country of incorporation	Effective interest held 2007	Effective interest held 2006	Carrying value 2007 € million	Carrying value 2006 € million
Fonti Del Vulture S.r.l. (refer to Note 30)	Italy	**50%**	50%	**7.1**	-
Multivita Sp. z o.o.	Poland	**50%**	50%	**1.4**	1.6
Valser Springs GmbH	Switzerland	**50%**	50%	**0.3**	0.3
Total investment in joint ventures				**8.8**	**1.9**

Notes to the consolidated financial statements

11. Equity investments (continued)

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

	2007 € million	2006 € million
As at 1 January	**12.5**	14.1
Purchases	**-**	1.0
Capital increase in joint ventures	**6.0**	-
Arising on Fonti del Vulture (refer to Note 30)	**5.8**	-
Share of results of equity investments (net of tax and minority interest)	**(1.6)**	0.4
Dividend paid by associate	**-**	(0.1)
Return of capital from associates	**-**	(1.8)
Foreign currency translation	**(2.3)**	(1.1)
As at 31 December	**20.4**	**12.5**

12. Available-for-sale investments

Changes in available-for-sale investments are as follows:

	2007 € million	2006 € million
As at 1 January	**7.6**	10.6
Disposals	**(1.2)**	(8.0)
Arising on acquisitions	**-**	2.6
Unrealised gain on available-for-sale investments	**4.1**	2.1
Foreign currency translation	**-**	0.3
As at 31 December	**10.5**	**7.6**

13. Deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The following amounts, determined after appropriate off-setting, are shown in the consolidated balance sheet:

	2007 € million	2006 € million
Deferred tax assets	**26.6**	24.6
Deferred tax liabilities	**(97.3)**	(79.8)
Total deferred tax	**(70.7)**	**(55.2)**

13. Deferred tax (continued)

The movement in deferred tax assets and liabilities during the year (after off-setting balances within the same tax jurisdiction) is as follows:

	2007 € million	2006 € million
As at 1 January	**(55.2)**	(53.6)
Charged to the income statement	**(15.0)**	(12.7)
Charged to equity	**(0.1)**	(0.6)
Pre-acquisition deferred tax assets in connection with acquisition of CCB, recognised subsequent to business combination and reflected in goodwill (refer to Note 5)	**0.6**	7.8
Arising on acquisitions	**(2.9)**	1.1
Foreign currency translation	**1.9**	2.8
As at 31 December	**(70.7)**	**(55.2)**

Deferred tax assets and liabilities (prior to off-setting balances within the same tax jurisdiction) at 31 December are attributable to the following items:

	2007 € million	2006 € million
Deferred tax assets		
Provisions	**44.6**	34.7
Tax loss carry-forwards	**20.4**	17.3
Pensions and employee benefit plans	**11.0**	10.1
Other deferred tax assets	**45.5**	48.5
Total gross deferred tax assets	**121.5**	**110.6**
Deferred tax liabilities		
Differences in depreciation	**(182.2)**	(154.8)
Other deferred tax liabilities	**(10.0)**	(11.0)
Total gross deferred tax liabilities	**(192.2)**	**(165.8)**
Net deferred tax liability	**(70.7)**	**(55.2)**

Deferred tax assets are recognised for tax loss carry-forwards 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 €17.3m (2006: €20.0m). €2.8m of this unrecognised deferred tax asset is attributable to tax losses that expire between 2008 and 2012, nil is attributable to tax losses that will expire in 2013 and 2014 and €14.5m is attributable to tax losses that have no expiry period.

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.

Notes to the consolidated financial statements

14. Other non-current assets

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

	2007 € million	2006 € million
Non-current prepayments	**31.0**	21.7
Loans to non-related parties	**8.0**	3.5
Non-current derivative assets (refer to Note 21)	**14.4**	-
Total other non-current assets	**53.4**	**25.2**

15. Inventories

Inventories consist of the following at 31 December:

	2007 € million	2006 € million
Finished goods	**204.2**	168.1
Raw materials and work in progress	**202.4**	174.1
Consumables	**99.6**	75.0
Payments on account	**3.0**	2.1
Total inventories	**509.2**	**419.3**

16. Trade and other receivables

Trade receivables consist of the following at 31 December:

	2007 € million	2006 € million
Trade debtors	**741.6**	715.2
Less: provision for doubtful debts	**(45.4)**	(41.0)
Total trade receivables	**696.2**	**674.2**

Other receivables consist of the following at 31 December:

	2007 € million	2006 € million
Prepayments	**126.2**	98.4
Receivables from related parties	**96.4**	67.8
VAT and other taxes receivable	**45.6**	13.0
Loans and advances to employees	**9.5**	7.9
Receivables from sale of property, plant and equipment	**4.5**	4.5
Other	**46.2**	45.0
Total other receivables	**328.4**	**236.6**

16. Trade and other receivables (continued)

The credit period given to customers ranges from 7 days to 120 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-collectable 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.

Trade receivables and receivables from related parties, net of provision for doubtful debts	**2007 € million**	2006 € million
Due within due date	**673.5**	612.4
Outstanding after due date	**119.1**	129.6
Total trade and related party receivables	**792.6**	**742.0**
Collateral held against trade and related party receivables	**14.5**	**12.4**

Of the balance of €164.1m (2006: €170.6m) outstanding after due date, €119.1m (2006: €129.6m) has not been provided for as the amounts are considered recoverable. Of these amounts, 44% (2006: 46%) are up to 30 days old, 39% (2006: 27%) are between 30 and 90 days old, 11% (2006: 18%) are between 90 days and 180 old and 6% (2006: 9%) are over 180 days old. Collateral of €8.5m (2006: €6.3m) is held on overdue balances.

Movement in provision for doubtful debts	**2007 € million**	2006 € million
As at 1 January	**(41.0)**	(33.8)
Amounts written off during the year	**5.0**	6.3
Amounts recovered during the year	**0.7**	3.6
Arising on acquisition	**(0.8)**	(8.6)
Arising on Fonti del Vulture (refer to Note 30)	**0.7**	-
Increase in allowance recognised in profit or loss	**(9.9)**	(8.3)
Foreign currency translation	**(0.1)**	(0.2)
As at 31 December	**(45.4)**	**(41.0)**

Provisions for doubtful debts are recorded within operating expenses.

17. Assets classified as held for sale

As at 31 December 2006, certain land and buildings with a net book value of €1.8m were classified as held for sale as part of the restructuring plan in Greece. The items of property, plant and equipment that were not sold in 2007 were classified back to property, plant and equipment after being adjusted for the depreciation that would have been recognised had the assets not been classified as held for sale.

Notes to the consolidated financial statements

18. Cash and cash equivalents

Cash and cash equivalents at 31 December comprise the following:

	2007 € million	2006 € million
Cash at bank, in transit and in hand	77.8	88.0
Short-term deposits	119.2	217.5
Total cash and cash equivalents	**197.0**	**305.5**

Cash and cash equivalents are held in the following currencies:

	2007 € million	2006 € million
Euro	139.6	240.5
Romanian Leu	11.9	7.2
FYROM dinar	7.5	11.7
Russian rouble	6.9	4.1
Croatian kuna	5.1	3.2
Nigerian naira	4.5	7.6
Swiss franc	3.6	3.6
UK sterling	3.2	2.0
Bulgaria lev	2.9	2.6
Polish zloty	2.3	0.6
Bosnia and Herzegovina convertible mark	1.8	1.7
US dollar	1.6	1.6
Serbian Dinar	0.7	2.4
Belorussian rouble	0.6	1.0
Cyprus pounds	0.1	12.3
Other	4.7	3.4
Total cash and cash equivalents	**197.0**	**305.5**

There are restrictive controls on the movement of funds out of certain countries in which we operate, in particular Nigeria. These restrictions do not have a material impact on our liquidity, as the amounts of cash and cash equivalents held in such countries are generally retained for capital expenditure and working capital purposes.

19. Borrowings

The Group holds the following borrowings at 31 December:

	2007 € million	2006 € million
Bank overdrafts	**32.9**	66.2
Current portion of long-term borrowings	**3.1**	3.0
Bonds, bills and unsecured notes	**213.3**	187.1
Other	**13.0**	16.7
	262.3	273.0
Obligations under finance leases falling due within one year	**54.0**	33.9
Total borrowings falling due within one year	**316.3**	**306.9**
Borrowings falling due within one to two years		
Other borrowings	**3.3**	2.6
Borrowings falling due within two to five years		
Bonds, bills and unsecured notes	**841.6**	846.5
Other borrowings	**-**	2.0
Borrowings falling due in more than five years		
Bonds, bills and unsecured notes	**626.3**	664.5
	1,471.2	1,515.6
Obligations under finance leases falling due in more than one year	**111.2**	82.2
Total borrowings falling due after one year	**1,582.4**	**1,597.8**
Total borrowings	**1,898.7**	**1,904.7**

As at 31 December 2007, a total of €850.0m in Eurobonds has been issued under the €2.0bn Euronote programme. A further amount of €1,150.0m is available for issuance. The bonds are not subject to any financial covenants.

On 12 July 2004, Coca-Cola Hellenic announced a successful tender offer for €322.0m of the outstanding debt on the Eurobond which matured in June 2006. On the same date, Coca-Cola Hellenic successfully completed, through its wholly owned subsidiary Coca-Cola HBC Finance B.V., a €500.0m bond issue. The issue was completed as part of the Coca-Cola Hellenic's Euro Medium Term Note Programme and has a term of seven years. Proceeds from the new issue were used to finance the tender offer and to partially fund the repayment of the €300.0m Eurobond in December 2004.

On 24 March 2006, Coca-Cola Hellenic completed, through its wholly owned subsidiary Coca-Cola HBC Finance plc, the issue of a €350.0m 3-year Euro-denominated floating rate bond. The transaction was executed under Coca-Cola Hellenic's existing €2.0 bn Euro Medium Term Note programme. Proceeds from the bond offering were used to fund the repayment of the remaining €233.0m outstanding debt under the Group's €625.0m 5.25% Eurobond, which matured on 27 June 2006, as well as to provide short-term liquidity at the completion of certain acquisitions made in that year. Contractual interest repricing dates for the bond are the 24th day of March, June, September and December of each year until maturity.

In March 2002, Coca-Cola Hellenic established a €1.0bn global commercial paper programme with various financial institutions to further diversify its short-term funding sources. The programme consists of a multi-currency euro commercial paper facility and a US dollar-denominated US commercial paper facility. The 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 at a floating rate, or by reference to an index or formula. All commercial paper issued under the programme must be repaid within 1 to 365 days. The outstanding amount under the commercial paper programme at 31 December 2007 was €210.5m (2006: €184.0m).

During August 2005, Coca-Cola Hellenic executed a €600m syndicated loan facility through various financial institutions expiring on 1 August 2010. This facility will be used as a backstop to the €1.0bn global commercial paper programme and carries a floating interest rate over EURIBOR and LIBOR. The facility allows the Company to draw down, on one 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 Coca-Cola Hellenic. In the aggregate, Coca-Cola Hellenic has a maximum available borrowing under the global commercial paper programme of €1.0bn as at 31 December 2007. No amounts have been drawn under the syndicated loan facility.

Notes to the consolidated financial statements

19. Borrowings (continued)

On 17 September 2003, Coca-Cola Hellenic successfully completed, through its wholly owned finance subsidiary Coca-Cola HBC Finance B.V., a US$900.0m (€617.2m at 31 December 2007 exchange rates) global offering of privately placed notes with registration rights. The first tranche consisted of an aggregate principal amount of US$500.0m (€342.9m at 31 December 2007 exchange rates) due in 2013 and the second tranche consisted of an aggregate principal amount of US$400.0m (€274.3m at 31 December 2007 exchange rates) due in 2015. The net proceeds of the offering were used to refinance certain outstanding debt, including the repayment of €200.0m bonds which matured on 17 December 2003, 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 in order to effect the exchange of the privately placed notes for similar notes registered with the US Securities and Exchange Commission (SEC). Acceptances under the offer, which was finalised in February 2004, were US$898.1m. The notes are fully, unconditionally and irrevocably guaranteed by Coca-Cola Hellenic. These notes are not subject to financial covenants.

In December 2003, Coca-Cola Hellenic filed a registration statement with the SEC for a shelf registration. The amount registered was US$2.0bn. As at 27 March 2008, no amounts had been drawn under the shelf registration.

The summary of the bonds outstanding at 31 December 2007 is as follows:

	Start date	Maturity date	Coupon
€350.0m Eurobond	24 March 2006	24 March 2009	Euribor + margin
€500.0m Eurobond	15 July 2004	15 July 2011	Fixed at 4.375%
US$500.0m notes	17 September 2003	17 September 2013	Fixed at 5.125%
US$400.0m notes	17 September 2003	17 September 2015	Fixed at 5.5%

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

	2007 € million	2006 € million
Less than one year	**54.1**	33.9
Later than one year but less than two years	**52.8**	29.6
Later than two years but less than three years	**35.4**	25.8
Later than three years but less than four years	**11.7**	12.2
Later than four years but less than five years	**4.2**	5.6
Later than five years	**7.0**	9.0
Present value of finance lease liabilities	**165.2**	**116.1**

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

	2007 € million	2006 € million
Less than one year	**62.5**	39.0
Later than one year but less than two years	**57.4**	32.8
Later than two years but less than three years	**39.0**	27.4
Later than three years but less than four years	**12.3**	12.7
Later than four years but less than five years	**4.6**	5.8
Later than five years	**7.6**	9.7
	183.4	127.4
Future finance charges on finance leases	**(18.2)**	(11.3)
Present value of finance lease liabilities	**165.2**	**116.1**

Notes to the consolidated financial statements

19. Borrowings (continued)

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

	Current 2007 € million	**Non-current 2007 € million**	Current 2006 € million	Non-current 2006 € million
Euro	**267.6**	**951.1**	244.6	925.3
US dollar	**13.2**	**626.3**	4.0	664.8
Nigerian naira	**23.1**	**-**	38.1	0.3
Bulgarian lev	**3.1**	**3.3**	3.0	4.5
UK sterling	**3.1**	**-**	6.7	-
Romanian leu	**-**	**-**	5.9	-
Ukrainian hryvnia	**5.3**	**1.6**	2.1	2.8
Polish zloty	**-**	**-**	1.4	-
Other	**0.9**	**0.1**	1.1	0.1
Borrowings	**316.3**	**1,582.4**	**306.9**	**1,597.8**

	Fixed interest rate € million	Floating interest rate € million	**Total 2007 € million**	Fixed rate liabilities weighted average interest rate	Weighted average maturity for which rate is fixed (years)
Euro	746.0	472.7	**1,218.7**	4.6%	3.5
US dollar	626.2	13.3	**639.5**	5.3%	6.6
Nigerian naira	23.1	-	**23.1**	11.8%	1.0
Bulgarian lev	-	6.4	**6.4**	-	-
UK sterling	3.1	-	**3.1**	5.4%	1.0
Ukrainian hryvnia	-	6.9	**6.9**	-	-
Other	1.0	-	**1.0**	11.0%	0.1
Financial liabilities	**1,399.4**	**499.3**	**1,898.7**	**5.0%**	**5.1**

Financial liabilities represent fixed and floating rate borrowings held by the Group. The Group hedges exposures to changes in interest rates and the fair value of debt by using a combination of floating and fixed rate interest rate swaps. Of the total fixed rate debt, 100% of the US dollar and euro amounts have been swapped into floating rate obligations for the life of the underlying euro and US dollar bond financings. The US dollar bond issues have been fully swapped into euro obligations with no residual currency risk for the life of the respective bonds.

Financial assets contain cash and cash equivalents of €197.0m in 2007 (2006: €305.5m). Financial assets and liabilities falling due within one year exclude all debtors and creditors, other than borrowings.

Notes to the consolidated financial statements

19. Borrowings (continued)

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

US dollar	6 month LIBOR (London inter-bank offer rate)
Euro	6 month EURIBOR (European inter-bank offer rate)
Bulgarian lev	1 month SOFIBOR (Sofia inter-bank offer rate)
Ukrainian hryvnia	6 month KIEBOR (Kiev inter-bank offer rate)

20. Financial risk management

Foreign currency transaction exposures
The Group has foreign exchange transaction exposures where subsidiaries hold monetary assets and liabilities which are not denominated in the functional currency of that subsidiary. In addition, the Group hedges highly probable forecasted transactions. These exposures are primarily denominated in euros and US dollars and are shown below in the sensitivity analysis.

Fair values of financial assets and liabilities
For primary financial instruments of cash, deposits, investments, short-term borrowings and other financial liabilities (other than long-term borrowings), fair values equate to book values. The fair value of long-term borrowings, including the current portion, is €1,438.7m (2006: €1,528.1m) compared to their book value, including the current portion, of €1,474.5m (2006: €1,518.6m).

The fair value of debtors and creditors approximates to their book values unless otherwise stated.

The fair value of forward contracts is calculated by reference to forward exchange rates at 31 December 2007 for contracts with similar maturity dates. 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. The fair value of commodity derivatives in 2006 was based on independent quoted market valuations. The fair value of options is based on application of the binomial stock option valuation model and implied volatilities.

The Group holds interest-bearing borrowings at both fixed and floating interest rates. Interest rate swaps and options have been used to manage the Group's exposure to interest rates, in line with the Group's fixed/floating rate strategy.

The Group only uses derivatives for hedging purposes. The following is a summary of the Group's risk management strategies:

Interest rate risk management
The fair value of swap agreements utilised by the Group modify the Group's exposure to interest rate risk and the changes in fair value of debt by converting the Group's fixed rate debt into floating rate based on EURIBOR over the life of the underlying debt. The agreements involve the receipt of fixed rate interest payments in exchange of floating rate interest payments over the life of the agreement without an exchange of the underlying principal amount.

Since 2004, Coca-Cola Hellenic has purchased interest rate caps on floating rate debt in order to continue to benefit from lower floating interest rates whilst ensuring protection against adverse interest rate movements. The options are marked to market with gains and losses taken to the income statement. The option premium is expensed in the income statement through the option revaluation process.

Notes to the consolidated financial statements

20. Financial risk management (continued)

Interest rate sensitivity

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 2007 would have decreased by €12.1m (2006: €14.7m). 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 2007 would have increased by €18.1m (2006: €15.4m). This is mainly attributable to the Group's exposure to interest rates on its fixed rate bonds that have been swapped to a variable rate.

Foreign currency risk management

The Group is exposed to the effect of foreign currency risk on future commercial transactions, recognised assets and liabilities and net investments in foreign operations, that are denominated in currencies other than the local entity's functional currency. Forward exchange and option contracts are used to hedge a portion of the Group's foreign currency risk. All of the forward exchange and option contracts have maturities of less than one year after the balance sheet date and consequently the net fair value of the gains or losses on these contracts will be transferred from the hedging reserve to the income statement at various dates during this period.

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 assets and liabilities, entities in the Group use forward and option contracts transacted with Group treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group treasury's risk management policy is to hedge between 25% and 80% of anticipated cash flows in each major foreign currency for the subsequent twelve months. 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 assets, liabilities or future transactions on a gross basis.

The following table presents details of the Group's sensitivity to increases and decreases in the euro and US dollar against the relevant foreign currencies. The sensitivity rate represents management's assessment of a reasonably possible change in foreign exchange rates.

The sensitivity analysis includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for the stated percentage change in foreign currency rates. The sensitivity analysis includes external loans as well as loans between operations within the Group where the denomination of the loan is in a currency other than the currency of the local entity.

20. Financial risk management (continued)

2007 exchange risk sensitivity analysis

		Euro strengthens against local currency		Euro weakens against local currency	
	% change	(Gain) / loss in income statement € million	(Gain) / loss in equity € million	(Gain) / loss in income statement € million	(Gain) / loss in equity € million
Armenian dram	12.57%	0.2	-	(0.2)	-
Croatian kuna	10.00%	0.2	(0.4)	(0.2)	0.4
Czech koruna	4.70%	0.1	(0.6)	(0.1)	0.6
Hungarian forint	7.55%	0.6	(1.2)	(0.8)	1.2
Moldovan leu	7.97%	0.3	-	(0.3)	-
Nigerian naira	6.85%	0.4	-	(0.4)	-
Polish zloty	6.00%	0.3	(1.2)	(0.6)	0.9
Romanian leu	13.50%	1.4	(3.0)	(1.3)	2.1
Russian rouble	6.15%	3.1	(0.1)	(3.1)	0.1
Slovak koruna	4.90%	0.3	(0.3)	(0.3)	0.3
Swiss franc	3.60%	0.3	(1.1)	(0.1)	0.2
UK sterling	7.45%	(0.3)	4.9	(0.3)	(4.6)
Ukrainian hryvnia	6.98%	0.1	-	(0.1)	-
US dollar	8.40%	(2.2)	-	2.2	-
Serbian dinar	11.11%	2.1	-	(2.1)	-
		6.9	(3.0)	(7.7)	1.2

		US dollar strengthens against local currency		US dollar weakens against local currency	
	% change	(Gain) / loss in income statement € million	(Gain) / loss in equity € million	(Gain) / loss in income statement € million	(Gain) / loss in equity € million
Euro	8.40%	2.2	-	(2.2)	-
Romanian leu	13.00%	(0.1)	(1.5)	0.1	1.5
Russian rouble	5.70%	1.5	(1.7)	(1.7)	0.9
Ukrainian hryvnia	3.58%	0.4	-	(0.4)	-
		4.0	(3.2)	(4.2)	2.4

Notes to the consolidated financial statements

20. Financial risk management (continued)

2006 exchange risk sensitivity analysis

		Euro strengthens against local currency		Euro weakens against local currency	
	% change	(Gain) / loss in income statement € million	(Gain) / loss in equity € million	(Gain) / loss in income statement € million	(Gain) / loss in equity € million
Armenian dram	8.52%	0.1	-	(0.1)	-
Bulgarian lev	1.56%	(0.1)	-	0.1	-
Croatian kuna	3.52%	0.1	(0.1)	(0.1)	0.1
Czech koruna	4.45%	(1.0)	-	1.0	-
Hungarian forint	8.25%	(0.6)	(0.9)	-	1.7
Nigerian naira	8.06%	1.0	-	(1.0)	-
Polish zloty	9.60%	(3.7)	(2.5)	3.5	2.6
Romanian leu	8.25%	0.8	(0.2)	(0.8)	0.2
Russian rouble	6.45%	6.5	-	(6.5)	-
Slovak koruna	4.70%	0.5	(0.1)	(0.5)	0.1
Swiss franc	2.60%	1.3	(0.2)	(1.3)	0.2
UK sterling	4.30%	(1.0)	-	1.0	-
Ukrainian hryvnia	8.37%	(0.1)	-	0.1	-
US dollar	6.95%	(0.6)	-	0.6	-
		3.2	(4.0)	(4.0)	4.9

		US dollar strengthens against local currency		US dollar weakens against local currency	
	% change	(Gain) / loss in income statement € million	(Gain) / loss in equity € million	(Gain) / loss in income statement € million	(Gain) / loss in equity € million
Bulgarian lev	7.45%	0.1	-	(0.1)	-
Czech koruna	8.60%	0.1	-	(0.1)	-
Euro	6.95%	0.6	-	(0.6)	-
Romanian leu	10.00%	-	(0.4)	-	0.4
Russian rouble	6.60%	2.1	-	(2.1)	-
Ukrainian hryvnia	3.90%	0.3	-	(0.3)	-
		3.2	(0.4)	(3.2)	0.4

20. Financial risk management (continued)

Credit risk management
The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 December 2007 in relation to each class of recognised financial asset, is the carrying amount of those assets as indicated in 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 Note 16.

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 21).

The Group only undertakes investment transactions with banks and financial institutions that have a minimum independent credit rating of 'A' from Standard & Poor's or 'A2' from Moody's. In relation to derivative transactions, the financial institutions is required to have at least one long-term credit rating of 'AA-' or 'Aa3' from Standard & Poor's or Moody's respectivly.

Commodities price risk management
The Group has no material exposure to the effect of short-term changes in the price of sugar, fructose and aluminium as where possible it contracts prices with suppliers up to one year in advance.

Liquidity risk management
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 reserves, banking facilities and reserve borrowing facilities, access to the debt capital markets, and by continuously monitoring forecasted and actual cash flows. Included in Note 19 is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

The following tables detail the Group's remaining contractual maturities for its financial liabilities. The tables includes both interest and principal cash flows assuming that interest rates remain constant from 31 December 2007.

2007

	€ million up to 1 year	€ million 1 - 2 yrs	€ million 3 - 5 yrs	€ million over 5 years
Borrowings (including finance leases and effect of swaps)	401.7	488.5	730.7	702.4
Derivative liabilities (excluding swaps)	3.0	-	-	-
Trade and other payables	1,153.1	0.3	-	1.2
As at 31 December	**1,557.8**	**488.8**	**730.7**	**703.6**

2006

	€ million up to 1 year	€ million 1 - 2 yrs	€ million 3 - 5 yrs	€ million over 5 years
Borrowings (including finance leases and effect of swaps)	392.3	119.1	1,100.2	745.3
Derivative liabilities (excluding swaps)	1.0	-	-	-
Trade and other payables	995.0	-	-	-
As at 31 December	**1,388.3**	**119.1**	**1,100.2**	**745.3**

Notes to the consolidated financial statements

20. Financial risk management (continued)

Capital risk management
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 new shares, adjust the amount of dividends paid to shareholders, or return capital to shareholders.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total capital. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt. During 2007, the Group's strategy, which was unchanged from 2006, was to maintain the gearing ratio within 35% to 45% and our credit ratings of 'A' and 'A3' from the rating agencies Standard & Poor's and Moody's, respectively. The gearing ratios at 31 December 2007 and 2006 were as follows:

	2007 € million	2006 € million
Total borrowings (refer to Note 19)	**1,898.7**	1,904.7
Total equity	**3,052.3**	2,724.1
Total capital	**4,951.0**	4,628.8
Gearing ratio	**38%**	41%

21. Financial instruments

Categories of financial instruments at 31 December are as follows (in € millions)

2007

Assets	Loans and Receivables	Assets at fair value through profit or loss	Derivatives used for hedging	Held-to-maturity	Available -for-sale	Total
Investments	-	-	-	0.8	10.5	11.3
Derivative financial instruments	-	2.7	17.4	-	-	20.1
Trade and other receivables	898.4	-	-	-	-	898.4
Cash and cash equivalents	197.0	-	-	-	-	197.0
Total	**1,095.4**	**2.7**	**17.4**	**0.8**	**10.5**	**1,126.8**

Liabilities	Liabilities held at amortised cost	Liabilities at fair value through profit or loss	Derivatives used for hedging	Total
Trade and other liabilities	1,154.6	-	-	1,154.6
Borrowings	1,898.7	-	-	1,898.7
Derivative financial instruments	-	186.7	9.3	196.0
Total	**3,053.3**	**186.7**	**9.3**	**3,249.3**

2006

Assets	Loans and Receivables	Assets at fair value through profit or loss	Derivatives used for hedging	Held-to-maturity	Available-for-sale	Total
Investments	-	-	-	0.9	7.6	8.5
Derivative financial instruments	-	1.1	0.6	-	-	1.7
Trade and other receivables	812.4	-	-	-	-	812.4
Cash and cash equivalents	305.5	-	-	-	-	305.5
Total	**1,117.9**	**1.1**	**0.6**	**0.9**	**7.6**	**1,128.1**

Liabilities	Liabilities held at amortised cost	Liabilities at fair value through profit or loss	Derivatives used for hedging	Total
Trade and other liabilities	995.0	-	-	995.0
Borrowings	1,904.7	-	-	1,904.7
Derivative financial instruments	-	122.1	11.8	133.9
Total	**2,899.7**	**122.1**	**11.8**	**3,033.6**

21. Financial instruments (continued)

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 as follows:

	Assets € million	Liabilities € million
At 31 December 2007		
Current		
Interest rate options	2.7	-
Foreign currency option contracts	0.9	(0.7)
Forward foreign exchange contracts	2.1	(2.3)
Total current	**5.7**	**(3.0)**
Non-current		
Cross-currency swap payables related to borrowings	-	(186.7)
Interest rate swaps	14.4	(6.3)
Total non-current	**14.4**	**(193.0)**
At 31 December 2006		
Current		
Interest rate swaps	-	(0.1)
Interest rate options	1.1	-
Foreign currency option contracts	-	(0.2)
Forward foreign exchange contracts	0.6	(0.8)
Total current	**1.7**	**(1.1)**
Non-current		
Cross-currency swap payables related to borrowings	-	(122.0)
Interest rate swaps	-	(10.8)
Total non-current	**-**	**(132.8)**

21. Financial instruments (continued)

Net fair values of derivative financial instruments

a. Cash flow hedges

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

	2007 € million	2006 € million
Contracts with positive fair values		
Foreign currency option contracts	0.8	-
Forward foreign exchange contracts	1.1	0.1
	1.9	0.1
Contracts with negative fair values		
Foreign currency option contracts	(0.4)	(0.1)
Forward foreign exchange contracts	(1.6)	(0.3)
	(2.0)	(0.4)

b. Fair value hedges

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

	2007 € million	2006 € million
Contracts with positive fair values		
Interest rate swaps	14.4	-
Foreign currency option contracts	0.1	-
Forward foreign exchange contracts	1.0	0.5
	15.5	0.5
Contracts with negative fair values		
Interest rate swaps	(6.3)	(10.8)
Foreign currency option contracts	(0.3)	(0.1)
Forward foreign exchange contracts	(0.7)	(0.5)
	(7.3)	(11.4)

c. Undesignated hedges

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

	2007 € million	2006 € million
Contracts with positive fair values		
Interest rate options	2.7	1.1
Contracts with negative fair values		
Interest rate swaps	-	(0.1)
Cross-currency swap payables related to borrowings	(186.7)	(122.0)
	(186.7)	(122.1)

21. Financial instruments (continued)

During 2003, the Company purchased cross-currency swaps to cover the currency risk related to the US$500.0m and US$400.0m notes (refer to Note 19). At 31 December 2007 the fair value of the cross-currency swaps represented a payable of €186.7m (2006: €122.0m). The cross-currency swaps are recorded as a long-term liability, as the maturity of the instruments matches the underlying notes. The €64.7m (2006: €78.7m) loss on the cross-currency swaps during 2007 was offset by the €64.7m (2006: €78.7m) gain recorded on the translation of the US dollar-denominated debt to euro.

Forward foreign exchange contracts
The notional principal amounts of the outstanding forward foreign exchange contracts at 31 December 2007 are €451.1m (2006: €187.3m).

Interest rate swaps
At 31 December 2007, the notional principal amounts of the outstanding euro denominated interest rate swap contracts totalled €500.0m (2006: €500.0m) and the notional principal amounts of the outstanding US dollar denominated interest rate swap contracts totalled $900.0m (2006: $900.0m).

The interest rate swap contracts outstanding at 31 December 2007 can be summarised as follows:

Currency	Amount million	Start date	Maturity date	Receive fixed rate	Pay floating rate
Euro	500.0	15 July 2004	15 July 2011	4.375%	Euribor + margin
US dollar	500.0	17 September 2003	17 September 2013	5.125%	Libor + margin
US dollar	400.0	17 September 2003	17 September 2015	5.500%	Libor + margin
	900.0				

Cross-currency swaps
The notional principal amounts of the outstanding cross-currency swap contracts at 31 December 2007 totalled €803.9m (2006: €803.9m). The cross-currency swap contracts outstanding at 31 December 2007 can be summarised as follows:

US$ million	€ million	Start date	Maturity date	Receive floating rate	Pay floating rate
500.0	446.8	17 September 2003	17 September 2013	Libor + margin	Euribor + margin
400.0	357.1	17 September 2003	17 September 2015	Libor + margin	Euribor + margin
900.0	**803.9**				

Interest repricing dates for swaps
Repricing dates for all US dollar interest rate swaps and cross-currency swaps are the 17th day of March and September each year until maturity. Repricing dates for all euro interest rate swaps are the 15th day of January and July of each year until maturity.

Interest rate options
The notional principal amounts of the outstanding interest rate option contracts at 31 December 2007 totalled €550.0m (2006: €550.0m).

Foreign currency option contracts
The notional principal amounts of the outstanding foreign currency option contracts at 31 December 2007 totalled €175.8m (2006: €27.5m).

Notes to the consolidated financial statements

21. Financial instruments (continued)

31 December 2007	Ineffectiveness charged to income € million	Fair value hedges charged to income € million	Released from equity to income € million	Cash flow hedges charged to equity € million
Derivatives:				
Interest rate swaps	1.0	(18.9)	-	-
Foreign currency forwards/options	-	(1.6)	0.6	1.2
Hedged items				
Borrowings	-	18.9	-	-
Forecasted transactions	-	-	-	(1.2)
Other foreign currency assets / liabilities	-	1.6	-	-
Total	**1.0**	**-**	**0.6**	

Recorded in:			
Operating expenses	-	-	0.6
Interest expense	1.0	-	-
Total	**1.0**	**-**	**0.6**

31 December 2006	Ineffectiveness charged to income € million	Fair value hedges charged to income € million	Released from equity to income € million	Cash flow hedges charged to equity € million
Derivatives:				
Interest rate swaps	-	39.1	-	-
Foreign currency forwards/options	-	(0.8)	0.4	0.3
Hedged items				
Borrowings	-	(39.1)	-	-
Forecasted transactions	-	-	-	(0.3)
Other foreign currency assets / liabilities	-	0.8	-	-
Total	**-**	**-**	**0.4**	

Recorded in:			
Operating expenses	-	-	0.4
Interest expense	-	-	-
Total	**-**	**-**	**0.4**

Notes to the consolidated financial statements

22. Trade and other liabilities

Trade and other liabilities consist of the following at 31 December:

	2007 € million	2006 € million
Trade creditors	**351.3**	302.9
Accrued liabilities	**354.0**	323.7
Payables to related parties	**146.1**	150.2
Deposit liabilities	**108.5**	102.4
Other tax and social security liabilities	**74.2**	63.8
Salaries and employee related payables	**67.3**	41.6
Current portion of provisions (refer to Note 23)	**48.7**	60.1
Statutory minimum dividend (refer to Note 29)	**42.2**	-
Deferred income	**3.4**	11.6
Derivative liabilities	**3.0**	1.1
Other payables	**9.5**	10.4
Total trade and other liabilities	**1,208.2**	**1,067.8**

23. Provisions

Provisions consist of the following at 31 December:

	2007 € million	2006 € million
Current		
Employee benefits	**35.4**	22.7
Restructuring and other	**13.3**	37.4
Total current provisions	**48.7**	**60.1**
Non-current		
Employee benefits	**110.6**	106.6
Restructuring and other	**6.2**	6.7
Total non-current provisions	**116.8**	**113.3**
Total provisions	**165.5**	**173.4**

The movements in provisions comprise:

	Total 2007 € million	Total 2006 € million
As at 1 January	**44.1**	51.5
Arising during the year	**9.5**	42.8
Utilised during the year	**(33.6)**	(49.2)
Unused amount reversed	**(0.1)**	(1.7)
Arising on acquisition	**-**	0.3
Foreign currency translation	**(0.4)**	0.4
As at 31 December	**19.5**	**44.1**

23. Provisions (continued)

Provisions comprise outstanding balances relating to restructuring of €10.3m (2006: €33.4m), a provision for long-term onerous contracts in our Russian territories of €5.3m (2006: €6.7m) and other items of €3.9m (2006: €4.0m).

Employee benefits
Employee benefits consist of the following at 31 December:

	2007 € million	2006 € million
Defined benefit plans		
Employee leaving indemnities	**98.2**	95.1
Pension plans	**6.4**	5.0
Long service benefits - jubilee plans	**6.2**	6.3
Total defined benefit plans	**110.8**	**106.4**
Other employee benefits		
Annual leave	**12.6**	6.9
Stock appreciation rights	**4.4**	3.1
Other employee benefits	**18.2**	12.9
Total other employee benefits	**35.2**	**22.9**
Total employee benefit obligations	**146.0**	**129.3**

Employee benefit obligations at 31 December are split between current and non-current as follows:

	2007 € million	2006 € million
Current	**35.4**	22.7
Non-current	**110.6**	106.6
Total employee benefit obligations	**146.0**	**129.3**

Employees of Coca-Cola Hellenic'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.

Coca-Cola Hellenic's subsidiaries in Austria, Greece, Northern Ireland, Republic of Ireland and Switzerland sponsor defined benefit pension plans. Of the four plans in the Republic of Ireland, three have plan assets, as do the two plans in Northern Ireland, the plan in Greece and the plans in Switzerland. The Austrian plans do not have plan assets.

Coca-Cola Hellenic provides long service benefits in the form of jubilee plans to its employees in Austria, Nigeria, Croatia, Slovenia and Poland.

Notes to the consolidated financial statements

23. Provisions (continued)

Reconciliation of defined benefit obligation:

	2007 € million	2006 € million
Present value of defined benefit obligation at the beginning of the year	**356.9**	342.6
Service cost	**17.5**	19.9
Interest cost	**16.1**	16.2
Plan participants' contributions	**3.4**	3.5
Past service cost arising from amendments	**0.4**	-
Curtailment/settlement	**3.5**	2.5
Arising on acquisitions	**0.6**	1.2
Arising on Fonti del Vulture (refer to Note 30)	**(1.1)**	-
Benefits paid	**(22.5)**	(30.8)
Actuarial (gain) / loss	**(32.6)**	7.8
Foreign currency translation	**(8.2)**	(6.0)
Present value of defined benefit obligation at the end of the year	**334.0**	**356.9**

Reconciliation of plan assets:

	2007 € million	2006 € million
Fair value of plan assets at the beginning of the year	**200.9**	188.9
Expected return on plan assets	**10.4**	9.7
Actual employer's contributions	**10.7**	9.9
Actual participants' contributions	**3.4**	3.5
Actual benefits paid	**(9.3)**	(10.2)
Asset (loss) / gain	**(2.7)**	2.2
Foreign currency translation	**(7.1)**	(3.1)
Fair value of plan assets at the end of the year	**206.3**	**200.9**

To develop its expected long-term rate of return assumptions, the Company, in consultation with its advisors, uses forward-looking assumptions in the context of historical returns and volatilities for each asset class, as well as correlations among asset classes. Adjustments are made to the expected long-term rate of return assumptions annually based upon revised expectations of future investment performance of the overall capital markets, as well as changes to local laws that may affect the investment strategy. The weighted average expected long-term rate of return assumption used in computing 2007 net periodic pension cost for the plans was 4.08%.

23. Provisions (continued)

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

	2007 € million	2006 € million
Present value of funded obligations	**208.4**	235.2
Fair value of plan assets	**(206.3)**	(200.9)
	2.1	34.3
Present value of unfunded obligations	**125.6**	121.7
Unrecognised actuarial loss	**(23.3)**	(51.0)
Unrecognised past service benefit	**1.0**	1.4
Net defined benefit obligations	**105.4**	**106.4**
Plus: amounts recognised within long term assets	**5.4**	**-**
Total defined benefit obligations	**110.8**	**106.4**
Actual return on plan assets	**7.7**	**11.9**

The movement in the net defined benefit obligation recognised in the balance sheet is as follows:

	2007 € million	2006 € million
As at 1 January	**106.4**	101.5
Expense recognised in the income statement	**23.5**	36.2
Employer contributions	**(10.7)**	(9.9)
Benefits paid	**(13.2)**	(20.6)
Arising on acquisition	**0.6**	1.2
Arising Fonti del Vulture (refer to Note 30)	**(1.1)**	-
Foreign currency translation	**(0.1)**	(2.0)
As at 31 December	**105.4**	**106.4**

The weighted average assumptions used in computing the net benefit obligation consist of the following for the years ended 31 December:

	2007 %	2006 %
Discount rate	**5.32**	4.66
Expected return on assets	**5.48**	4.08
Rate of compensation increase	**3.89**	3.94
Pension increases	**0.81**	0.85

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

	2007 € million	2006 € million
Current service cost	**17.5**	19.9
Interest cost	**16.1**	16.2
Expected return on plan assets	**(10.4)**	(9.7)
Amortisation of unrecognised actuarial obligation loss	**1.1**	2.4
Amortisation of unrecognised past service costs	**(0.1)**	(0.1)
Curtailment/settlement	**(0.7)**	7.5
Total	**23.5**	**36.2**

Notes to the consolidated financial statements

23. Provisions (continued)

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

The weighted average assumptions recognised in the income statement consist of the following for the years ended 31 December:

	2007 **%**	2006 %
Discount rate	**4.66**	4.83
Expected return on assets	**4.08**	5.04
Rate of compensation increase	**3.94**	4.12
Pension increases	**0.85**	0.63

Plan assets are invested as follows:

	2007 **%**	2006 %
Asset category		
Equity securities	**46**	45
Debt securities	**40**	43
Real estate	**9**	8
Cash	**4**	3
Other	**1**	1
Total	**100**	100

Equity securities include ordinary shares in the Company in the amount of €0.6m (0.3% of the plan assets) and €0.4m (0.2% of the plan assets) as at 31 December 2007 and 2006, respectively.

The total employer contributions expected to be paid in 2008 are €8.6m.

The history of experience adjustments is as follows:

	2007 **€ million**	2006 € million
Present value of defined benefit obligations	**334.0**	356.9
Fair value of plan assets	**(206.3)**	(200.9)
Deficit	**127.7**	156.0
Experience adjustment on plan liabilities	**(6.5)**	3.3
Experience adjustment on plan assets	**(2.7)**	2.2

Defined contribution plans
The expense recognised in the income statement in 2007 for the defined contribution plans is €7.9m (2006: €7.0m). This is included in staff costs and recorded in cost of goods sold and operating expenses.

Notes to the consolidated financial statements

24. Contingencies

The Greek Competition Authority issued a decision on 25 January 2002, imposed a fine on the Group of approximately €2.9 million for certain discount and rebate practices and required changes to its 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 the Group provide information on its commercial practices as a result of a complaint by certain third parties regarding the Group's level of compliance with the decision of 25 January 2002. On 7 October 2005, the Group 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 the Group failed to comply with the decision of 25 January 2002. The Greek Competition Authority imposed this penalty for the period from 1 February 2002 to 16 February 2006, resulting in a total of €8.7 million. On 31 August 2006, the Company deposited an amount of €8.9 million, reflecting the amount of the fine and applicable tax, with the Greek authorities. This deposit was a prerequisite to filing an appeal pursuant to Greek law. As a result of this deposit, the Company increased the charge to its 2006 financial statements in connection with this case to €8.9 million. The Company also incurred consulting fees and additional expenses of €0.4 million 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 of €2.8 million has been recognised in our 2007 income statement. The Group has appealed the decision of the Court of Appeals, to the extent it partly upholds the fine, to the Supreme Administrative Court. The Group believes that it has substantial legal grounds for its appeal against the judgment of the Court of Appeals. The Greek Competition Authority and one of the Group's competitors have also appealed the decision of the Court of Appeals to the extent it reduces the fine.

In relation to the Greek Competition Authority's decision of 25 January 2002, one of our competitors has filed a lawsuit claiming damages in an amount of €7.7 million. At present, it is not possible to predict the outcome of this lawsuit or quantify the likelihood or materiality of any potential liability arising from it. The Company has not provided for any losses related to this case.

In recent years, customs authorities in some Central and East European countries have attempted to challenge the classification under which the Company imports concentrate into these countries to produce our products. Local authorities have argued that a classification with higher customs duties than the current classification should apply. In the past, such issues were successfully resolved in most of these countries. The Company still has several cases outstanding before the Romanian customs authorities and courts. While the Company has won appeals of several cases to the Romanian Supreme Court, the Romanian Supreme Court has ruled against the Company in two cases. The Company believes that it has legal and factual support for its position, which is consistent with the customs classification standards adopted by the European Union, and will continue to oppose the position taken by the Romanian customs authorities. However, it is not possible to quantify the likelihood of any potential liability arising from these legal proceedings due to the legal uncertainty surrounding customs duties in Romania prior to Romania's accession to the European Union. If the Company were to become liable to pay all claims of the Romanian customs authorities, the amount payable would be approximately €14.9 million. The Company has made a provision for €2.6 million of this amount, relating to the cases that the Company has lost before the Romanian Supreme Court.

The Company is also involved in various other legal proceedings. Management believes that any liability to the Company 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 condition of the Company taken as a whole.

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

Notes to the consolidated financial statements

25. Commitments

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

	2007 € million	2006 € million
Less than one year	**52.1**	32.3
Later than one year but less than five years	**109.2**	87.4
Later than five years	**17.0**	12.3
Future minimum lease payments	**178.3**	**132.0**

b) Capital commitments
At 31 December 2007, the Group had capital commitments amounting to €146.0m (2006: €175.1m). Of this, €2.0m related to the Company's share of the commitments of its joint ventures (2006: €8.0m).

(c) Long-term purchase commitments
As at 31 December 2007, the Group had commitments to purchase raw materials amounting to €428.3m (2006: €222.5m). Of this, €52.7m related to the Company's share of the commitments of its joint ventures (2006: €41.1m).

26. Share capital and share premium

	Number of shares (authorised and issued)	Share capital € million	Share premium € million	Total € million
As at 1 January 2006	240,692,002	120.3	1,675.7	1,796.0
Shares issued to employees exercising stock options	1,375,914	0.7	21.8	22.5
As at 31 December 2006	**242,067,916**	**121.0**	**1,697.5**	**1,818.5**
Bonus shares issued	121,033,958	60.6	(61.2)	(0.6)
Shares issued to employees exercising stock options	636,483	0.3	8.4	8.7
As at 31 December 2007	**363,738,357**	**181.9**	**1,644.7**	**1,826.6**

There is only one class of shares, of which the par value is €0.50. Each share provides the right to one vote at general meetings of Coca-Cola Hellenic and entitles the holder to dividends declared by Coca-Cola Hellenic.

On 20 December 2006, Coca-Cola Hellenic's Board of Directors resolved to increase the share capital of the Company by issuing 1,375,914 ordinary shares, following the exercise of stock options by option holders pursuant to the Company's stock option plan. Proceeds from the issue of the shares were €22.5m.

On 15 October 2007, Coca-Cola Hellenic's Shareholders approved a share capital increase of €60.6m through the partial capitalisation of the 'share premium' account and the issuance of 121,033,958 new ordinary bearer shares. The new shares were delivered to Coca-Cola Hellenic's shareholders in a ratio of one (1) new share for every two (2) existing shares. Shareholders entitled to receive the new shares were those holding Coca-Cola Hellenic's shares at the closing of trading on 13 November 2007. Expenses of €0.6m were incurred as a result of this share capital increase.

On 20 November 2007, Coca-Cola Hellenic's Board of Directors resolved to increase the share capital of the Company by 636,483 new ordinary shares, following the exercise of stock options by option holders pursuant to the Company's stock option plan. Proceeds from the issue of the shares were €8.7m.

Notes to the consolidated financial statements

27. Shares held for equity compensation plan

The Group operates a stock purchase plan, the Coca-Cola HBC Stock Purchase Plan, which is an equity compensation plan in which eligible employees may participate.

Under the terms of this plan, employees have the opportunity to invest 1% to 15% of their salary in ordinary Coca-Cola Hellenic shares by contributing to the plan monthly. Coca-Cola Hellenic 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, currently the Athens Stock Exchange. Shares are either held in the employees name or by a trust, The Coca-Cola HBC Employee Stock Purchase Trust. Matching shares vest 350 days after the purchase. However, forfeited shares are held in a reserve account of the plan, do not revert back to the Company and may be used to reduce future employer contributions. Dividends received in respect of shares held in the plan accrue to the employees.

In order to adapt the plan to the Greek legal framework in the case of employees resident in Greece, Coca-Cola Hellenic 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 2007, 116,568 shares were purchased by Coca-Cola Hellenic (2006: 107,698) as matching shares to employee investments. The charge to the income statement totalled €3.8m (2006: €3.0m). Of this amount, €1.4m represented employer contributions made for Greek resident employees (2006: €0.8m). The cost of unvested matching shares held by the trust at the end of 2007, before they vest to employees, was €2.4m (2006: €2.2m). The total number of shares held by the trust at 31 December 2007 was 1,259,893 (2006: 820,365). The total contribution made by employees to the trust during 2007 was €4.2m (2006: €3.1m).

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.

28. Reserves

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

	2007 € million	2006 € million
Exchange equalisation reserve	**92.4**	132.5
Shares held for equity compensation plan	**(0.8)**	(0.6)
Hedging reserve (net of deferred tax of €0.2m; 2006: €0.1m)	**(0.8)**	(0.3)
Tax-free reserve	**196.7**	190.6
Statutory reserve	**74.9**	64.8
Stock option reserve	**15.0**	9.2
Available-for-sale financial instruments valuation reserve	**7.1**	4.0
Other	**26.2**	30.0
Total reserves	**410.7**	**430.2**

Notes to the consolidated financial statements

28. Reserves (continued)

Exchange equalisation reserve
The exchange equalisation reserve comprises all foreign exchange differences arising from the translation of the financial statements of entities not reporting in the Group's presentation currency, the euro.

Shares held for equity compensation plan
Shares held for the Coca-Cola Hellenic Stock Purchase Plan, which is an equity compensation plan in which eligible employees may participate.

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.

Tax-free reserve
The tax-free reserve includes investment tax incentive and other tax-free partially taxed reserves of the parent entity, Coca-Cola Hellenic. The tax-free reserve may be distributed if taxed, where applicable.

Statutory and other reserves
Statutory and other reserves are particular to the various countries in which the Group operates. The amount of statutory reserves of the parent entity, Coca-Cola Hellenic, with restrictions on distribution is €43.3m (2006: €37.1m).

Stock option reserve
This reserve represents the cumulative charge to profit or loss for employee stock option awards.

Available-for-sale financial instruments valuation reserve
The available-for-sale financial instruments valuation reserve reflects changes in the fair values of available-for-sale investments. On sale of these investments, these changes in the fair values will be recycled to profit or loss.

29. Dividends

The directors propose a dividend of €0.25 per share (totalling €90.9m) for the year ended 31 December 2007. The proposed dividend will be submitted for formal approval at the Annual General Meeting to be held on 23 June 2008.

The statutory minimum dividend recognised for 2007 amounted to €42.2m and was recorded as liability under 'Trade and other liabilities' in the consolidated balance sheet. The remaining estimated dividend of €48.7m will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2008.

During 2007, a dividend of €0.32 (€0.21 adjusted for the bonus share issue) per share totalling €77.5m was paid. During 2006, a dividend of €0.30 per share (€0.20 adjusted for the bonus share issue) totalling €72.2m was paid.

Notes to the consolidated financial statements

30. Business combinations

During 2007, the Group acquired controlling interests in the following entities:

		Location	Effective date of acquisition 2007	Net tangible assets acquired € million	Goodwill arising € million	Trademarks € million	Water rights € million	Other intangible assets € million	Amount of consideration including acquisition costs € million
Eurmatik S.r.l.	(a)	Italy	31 May	1.1	13.5	-	-	2.9	17.5
OOO Aqua Vision	(b)	Russia	4 September	136.1	31.1	7.6	3.1	-	177.9
Total acquisitions as at 31 December 2007				**137.2**	**44.6**	**7.6**	**3.1**	**2.9**	**195.4**

	€ million
Total consideration	195.4
Less: cash and cash equivalents acquired	(4.5)
Plus: payments made for acquisition of Lanitis Bros Limited in 2006	0.5
Plus: payments made for acquisition of Fresh & Co d.o.o. in 2006	0.1
Plus: payments made for acquisition of Gotalka in 2004	0.1
Cash outflow included in cash flow	**191.6**

If the acquisition of each of the entities acquired during 2007 and 2006 had been completed on the first day of each financial year, Group revenues for that year would have been €6,475.4m (2006:€5,755.7m) and Group profit attributable to shareholders of the Group would have been €456.4m (2006: €294.9m).

Notes to the consolidated financial statements

30. Business combinations (continued)

2007

(a) Acquisition of Eurmatik S.r.l.
On 31 May 2007, the Group acquired 100% of Eurmatik S.r.l., ('Eurmatik') a local full-line vending operator in Italy. Eurmatik has a long tradition in the Italian vending industry and is currently operating in all segments of the vending business such as hot and cold beverages, water and snacks. The total consideration for the transaction was €17.0m (excluding acquisition costs) with no debt assumed.

Details of the acquisition are as follows:

	Acquiree's carrying amount before combination € million	Fair value adjustments € million	Final fair values € million
Property, plant and equipment	1.4	-	1.4
Inventories	0.2	0.1	0.3
Other current assets	0.2	-	0.2
Cash and cash equivalent	3.4	-	3.4
Other current liabilities	(2.1)	(1.2)	(3.3)
Other non-current liabilities	(0.8)	(0.1)	(0.9)
Fair value of net tangible assets acquired	**2.3**	**(1.2)**	**1.1**
Customer contracts	-	2.9	2.9
Goodwill arising on acquisition		13.5	13.5
Fair value of net assets acquired			**17.5**
Cash paid to former shareholders			17.0
Costs of acquisition			0.5
Total consideration			**17.5**

The contribution of Eurmatik to the results of the group the year ended 31 December 2007 was a loss of €0.3m. The acquisition has resulted in the Group recording €13.5m of goodwill and €2.9m of customer contracts in its established segment.

The goodwill arising on the acquisition of Eurmatik is attributable to synergies from the enhancement of vending operations in Italy.

Notes to the consolidated financial statements

30. Business combinations (continued)

(b) Acquisition of OOO Aqua Vision

On 4 September 2007, the Group acquired 100% of OOO Aqua Vision (‘Aquavision’), a company owning a newly constructed production facility in Russia. The plant, located in close proximity to Moscow, covers a total area of 35 hectares with four production lines (including two aseptic lines), warehousing facilities and office space. The new site provides the Company with immediate incremental installed production capacity, as well as available space for the future installation of additional lines. The plant is capable of producing a full range of non-alcoholic beverages including carbonated soft drinks, fruit drinks and juices, bottled water, ready-to-drink tea and sports drinks. Aquavision has recently launched juice products under the ‘botaniQ’ trademark which is also included in the transaction. The total consideration for the transaction was €177.4m (excluding acquisition costs) including the assumption of debt of €23.5m.

Details of the acquisition are as follows:

	Acquiree’s carrying amount before combination € million	Fair value adjustments € million	Final fair values € million
Property, plant and equipment	117.6	26.7	144.3
Inventories	7.1	-	7.1
Other current assets	32.3	(5.7)	26.6
Cash and cash equivalent	1.1	-	1.1
Short-term borrowings	(14.4)	-	(14.4)
Long-term borrowings	(9.1)	-	(9.1)
Other current liabilities	(19.5)	-	(19.5)
Fair value of net tangible assets acquired	**115.1**	**21.0**	**136.1**
Trademark	0.9	6.7	7.6
Water rights	-	3.1	3.1
Goodwill arising on acquisition		31.1	31.1
Fair value of net assets acquired			**177.9**
Cash paid to former shareholders			177.4
Costs of acquisition			0.5
Total consideration			**177.9**

The fair values of acquired assets and liabilities assumed are preliminary and pending finalisation. The contribution of Aquavision to the results of the group for the year ended 31 December 2007 was a loss of €7.3m. The acquisition has resulted in the Group recording €31.1m of goodwill, €7.6m of trademarks and €3.1m of water rights in its emerging segment.

The goodwill arising on the acquisition of Aquavision is attributed to the immediate incremental installed production capacity in Russia.

The botaniQ trademark was sold on 29 February 2008 to the Multon group of companies for €7.6m.

Notes to the consolidated financial statements

30. Business combinations (continued)

2006

(a) Acquisition of Fresh & Co d.o.o.

On 13 March 2006, the Group acquired, jointly with TCCC, 100% of Fresh & Co d.o.o. ('Fresh & Co') the leading producer of fruit juices in Serbia. The acquisition includes a production facility located at Subotica and the juice and nectar brands 'Next' and 'Su-Voce'. The total consideration for the transaction was €17.1m (excluding acquisition costs) with the assumption of debt of €23.5m. The Group's share of the purchase price and debt was €20.3m. The business is being accounted as a joint venture.

Details of the acquisition are as follows:

	As reported in 2006 € million	Adjustments € million	Adjusted values € million
Property, plant and equipment	14.6	(2.9)	11.7
Inventories	4.3	-	4.3
Other current assets	3.0	-	3.0
Other non-current assets	1.9	0.5	2.4
Short-term borrowings	(11.8)	-	(11.8)
Other current liabilities	(14.1)	-	(14.1)
Other non-current liabilities	(0.5)	-	(0.5)
Fair value of net tangible assets acquired	**(2.6)**	**(2.4)**	**(5.0)**
Trademarks	4.5	-	4.5
Goodwill arising on acquisition	7.1	2.4	9.5
Fair value of net assets acquired	**9.0**	**-**	**9.0**
Cash paid to former shareholders	8.6	-	8.6
Costs of acquisition	0.4	-	0.4
Total consideration	**9.0**	**-**	**9.0**

The contribution of Fresh & Co to the results of the Group for the year ended 31 December 2006 was a loss of €2.6m. The acquisition has resulted in the Group recording €9.5m of goodwill and €4.5m of trademarks in its emerging segment.

The goodwill arising on the acquisition of Fresh & Co is attributed to expected future cash flows (including the effect of synergies) in excess of the value of identifiable assets.

Notes to the consolidated financial statements

30. Business combinations (continued)

(b) Acquisition of Lanitis Bros Public Limited
On 5 April 2006, the Group completed the tender offer for the outstanding share capital of Lanitis Bros Public Limited ('Lanitis Bros'), a beverage company in Cyprus with a strong portfolio of products. Following completion of the tender offer, the Group acquired 95.43% of the share capital of Lanitis Bros. Total consideration for the acquisition was €71.5m (excluding acquisition costs) with the assumption of debt of an additional €5.6m.

Details of the acquisition are as follows:

	As reported in 2006 € million	Adjustments € million	Adjusted values € million
Property, plant and equipment	41.0	0.1	41.1
Long-term investments	0.1	-	0.1
Inventories	9.5	-	9.5
Other current assets	21.4	(0.4)	21.0
Cash and cash equivalents	14.1	-	14.1
Short-term borrowings	(5.6)	-	(5.6)
Other current liabilities	(19.1)	0.4	(18.7)
Deferred tax liabilities	(0.7)	(0.1)	(0.8)
Fair value of net tangible assets acquired	**60.7**	**-**	**60.7**
Franchise rights	9.2	-	9.2
Trademarks	5.7	-	5.7
Other intangible identifiable assets	0.6	-	0.6
Fair value of net assets acquired before minority interest	**76.2**	**-**	**76.2**
Minority interest (4.57%)	(3.7)	-	(3.7)
Fair value of net assets acquired	**72.5**	**-**	**72.5**
Cash paid to former shareholders	71.5	-	71.5
Costs of acquisition	1.0	-	1.0
Total consideration	**72.5**	**-**	**72.5**

The contribution of Lanitis Bros to the results of the Group for the year ended 31 December 2006 was income of €8.0m.

The acquisition has resulted in the Group recording €9.2m of franchise rights, €5.7m of trademarks and €0.6m of other intangible assets in its established segment.

Following completion of the tender offer, the Group initiated a mandatory buy-out process in accordance with Cypriot law for the purposes of acquiring the remaining shares in Lanitis Bros. Lanitis Bros has been delisted from the Cyprus Stock Exchange. As of 31 December 2006, the Group had acquired an additional 11,218,735 shares representing 4.48% of the share capital of Lanitis Bros for a total consideration of €3.4m, bringing its participation to 99.91%.

Notes to the consolidated financial statements

30. Business combinations (continued)

(c) Acquisition of Fonti del Vulture S.r.l.
On 5 July 2006, the Group acquired, jointly with TCCC, 100% of Fonti del Vulture S.r.l., ('Fonti del Vulture') a producer of high quality mineral water in Italy with significant water reserves each paying €5.2m (excluding acquisition costs). The acquisition included the national mineral water brands 'Lilia' and 'Lilia Kiss' (still and sparkling).

Details of the acquisition are as follows:

	As reported in 2006 € million	Adjustments € million	Adjusted values € million
Goodwill arising on acquisition	2.2	(2.2)	-
Property, plant and equipment	30.6	(30.6)	-
Inventories	1.7	(1.7)	-
Other current assets	7.3	(7.3)	-
Other non-current assets	2.4	3.4	5.8
Short term borrowings	(11.8)	11.8	-
Other current liabilities	(13.8)	13.8	-
Long term borrowings	(11.4)	11.4	-
Other non-current liabilities	(1.4)	1.4	-
Fair value of net assets acquired	5.8	-	5.8
Cash paid to former shareholders	5.2	-	5.2
Costs of acquisition	0.6	-	0.6
Total consideration	**5.8**	-	**5.8**

The contribution of Fonti del Vulture to the results of the Group for the year ended 31 December 2006 was a loss of €2.2m.

The acquisition initially resulted in the Group recording €2.2m of goodwill in its established segment as of 31 December 2006. The finalisation of the arrangements for The Coca-Cola Company's and Coca-Cola Hellenic's relationship with Fonti del Vulture has resulted in the assets and liabilities of the acquired entity being retained by Fonti del Vulture (where they are subject to the equity method of accounting) rather than being distributed to the owners of Fonti del Vulture. This change has been reflected in the income statement and cash flow statement for the full year ended 31 December 2007, and in the balance sheet as at 31 December 2007.

30. Business combinations (continued)

(d) Acquisition of Yoppi Kft.
On 22 August 2006, the Group acquired 100% of a hot beverages vending operator in Hungary, Yoppi Kft. Total consideration for the acquisition was €1.9m with the assumption of debt of an additional €0.1m.

Details of the acquisition are as follows:

	Acquiree's carrying amount before combination € million	Fair value adjustments € million	Final fair values € million
Property, plant and equipment	0.2	0.2	0.4
Inventories	0.1	-	0.1
Short term borrowings	(0.1)	-	(0.1)
Other non-current liabilities	-	(0.1)	(0.1)
Fair value of net tangible assets acquired	**0.2**	**0.1**	**0.3**
Customer contracts		0.2	0.2
Goodwill arising on acquisition		1.4	1.4
Fair value of net assets acquired			**1.9**
Cash paid to former shareholders			**1.9**

The contribution of Yoppi Kft. to the results of the Group was negligible for the year ended 31 December 2006.

The acquisition has resulted in the Group recording €1.4m of goodwill and €0.2m of customer contracts in its developing segment.

The goodwill arising on the acquisition of Yoppi Kft. is attributable to synergies from the enhancement of vending operations in Hungary.

Notes to the consolidated financial statements

31. Directors' and senior management remuneration

The total remuneration including fair value of stock option grants (in accordance with IFRS 2) paid to or accrued for our directors and the senior management team during 2007 amounted to €14.0m (2006: €11.2m). Pension and post employment benefits for directors and for the senior management team during 2007 amounted to €1.1m (2006: €0.7m).

The total number of stock options granted to our managing director and the senior management team in 2007 amounted to 0.9m (2006: 1.0m adjusted for issue of bonus share in 2007).

32. Stock option compensation plans

Coca-Cola Hellenic operates a stock-based compensation plan, under which senior managers are granted awards of stock options, based on performance and level of responsibility. Options are granted at an exercise price of the average mid-price of the Company's shares at close of trading on the Athens Exchange over the last ten working days before the date 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 tables summarise information on outstanding stock options exercisable at 31 December 2007 and stock options exercised during 2007:

	Exercise price €[1]	Vesting status 2007	Vesting dates for further increments			End of option period	Number of stock options outstanding
2001 Stock Option Plan							
Sub Plan 1	15.55	fully vested	-	-	-	11.7.2008	244,077
Sub Plan 2	13.98	fully vested	-	-	-	29.9.2008	946
Sub Plan 3	11.37	fully vested	-	-	-	8.12.2009	231,185
Sub Plan 4	9.79	fully vested	-	-	-	12.12.2010	649,303
Sub Plan 6	9.69	fully vested	-	-	-	12.12.2011	251,340
2003 A Plan	8.63	fully vested	-	-	-	10.12.2012	16,500
2003-2004 Plan / 2003 Grant	11.17	fully vested	-	-	-	14.12.2013	130,250
2003-2004 Plan / 2004 Grant	12.42	fully vested	-	-	-	2.12.2014	431,989
2005-2009 Plan / 2005 Grant	15.53	two thirds	2.12.2008	-	-	1.12.2015	894,559
2005-2009 Plan / 2006A Grant	16.57	one third	21.3.2008	21.3.2009	-	20.3.2016	75,000
2005-2009 Plan / 2006B Grant	15.35	one third	23.6.2008	23.6.2009	-	22.6.2016	30,000
2005-2009 Plan / 2006 Grant	18.71	one third	13.12.2008	13.12.2009	-	12.12.2016	1,516,200
2005-2009 Plan / 2007 Grant	28.75	none	13.12.2008	13.12.2009	13.12.2010	12.12.2017	1,532,200
Total							**6,003,549**

[1] As adjusted for the bonus share issue (refer to Note 26).

Notes to the consolidated financial statements

32. Stock option compensation plans (continued)

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

	Number of stock options 2007	Weighted average exercise price before the issue of bonus shares 2007 (€)	weighted average exercise price after the issue of bonus shares 2007 (€)	Number of stock options 2006	Weighted average exercise price 2006 (€)
Outstanding on 1 January	**3,444,018**	**21.89**	**-**	3,847,059	18.19
Bonus shares issued	**1,722,373**	**-**	**14.59**	-	-
Granted	**1,532,200**	**-**	**28.75**	1,090,800	27.77
Exercised	**(695,883)**	**-**	**13.30**	(1,375,914)	16.45
Forfeited	**841**	**-**	**12.68**	(117,927)	19.07
Outstanding on 31 December	**6,003,549**	**-**	**18.36**	**3,444,018**	**21.89**
Exercisable on 31 December	**2,993,282**	**-**	**13.35**	**1,619,745**	**17.27**

The charge to the income statement for employee stock option awards for 2007 amounted to €5.8m (2006: €4.0m).

The Company adopted the employee stock option plan on 13 December 2001. Previously, the Company had issued stock appreciation rights to certain of its employees, including employees who previously held options in CCB. Upon adoption of the stock option plan, all such rights, except those held by retirees and employees located in countries where granting and exercising stock options was impractical or not permitted, were converted into stock options carrying the same exercise prices, vesting periods and expiration dates.

During 2006 the Board approved an amendment to the rules of all Coca-Cola Hellenic Stock Option Compensation Plans. In accordance with the amendment in the event of an equity restructuring, the Company shall make an equitable adjustment to the terms of the stock options. The incremental fair value granted as a result of this modification is nil.

Notes to the consolidated financial statements

32. Stock option compensation plans (continued)

Equity-settled share-based payments are measured at fair value at the date of grant using a binomial stock option valuation model. The inputs into the model are as follows:

	2007	2006
Weighted average fair value of options granted	**€8.1**	€6.3
Risk free interest rates	**4.8%**	4.3%
Expected volatility	**24.1%**	20.8%
Dividend yield	**0.7%**	1.0%
Expected life	**4.0 years**	4.1 years

The weighted average remaining contractual life of share options outstanding under the stock option compensation plans at 31 December 2007 was 7.4 years (2006: 7.3 years).

33. Stock appreciation rights

The Company operates a stock-based compensation plan, under which certain key employees are granted stock appreciation rights (SARs), based on performance and level of responsibility. The terms of the SARs are based upon the basic terms and conditions of stock option grants, except that instead of shares, the holders receive a payment equal to the positive difference between the market price of Coca-Cola Hellenic's shares at the date of exercise and the exercise price. SARs vest in one-third increments each year for three years and can be exercised for up to ten years from the date of award.

SARs outstanding at 31 December 2007:

	Exercise price €[1]	Vesting status 2007	Vesting dates for further increments	End of exercise period	Number of SARs outstanding
Phantom Option Plan					
1998 A	15.55	fully vested	-	11.7.2008	77,682
1999	11.37	fully vested	-	08.12.2009	81,883
2000	9.79	fully vested	-	12.12.2010	35,400
2001	9.69	fully vested	-	12.12.2011	19,350
2003	11.17	fully vested	-	14.12.2013	6,000
2004	12.42	fully vested	-	02.12.2014	15,000
2005	15.53	two thirds	02.12.2008	01.12.2015	16,500
Total					**251,815**

[1] As adjusted for the bonus share issue (refer to Note 26).

Notes to the consolidated financial statements

33. Stock appreciation rights (continued)

A summary of SARs activity under all plans is as follows:

	Number of SARs 2007	Weighted average exercise price before issue of bonus shares 2007 (€)	weighted average exercise price after issue of bonus shares 2007 (€)	Number of SARs 2006	Weighted average exercise price 2006 (€)
Outstanding on 1 January	**284,974**	**19.21**	**-**	531,482	18.37
Exercised before bonus share issue	**(82,170)**	**21.21**	**-**	-	-
Bonus shares issued (refer to Note 26)	**101,383**	**-**	**12.47**	-	-
Exercised after bonus share issure	**(52,372)**	**-**	**10.49**	-	-
Exercised	**-**	**-**	**-**	(218,239)	16.86
Forfeited	**-**	**-**	**-**	(28,269)	21.54
Outstanding on 31 December	**251,815**	**-**	**12.64**	**284,974**	**19.21**
Exercisable on 31 December	**246,315**	**-**	**12.57**	**274,306**	**19.08**

The inputs used for valuation of SARs are the same as those used for equity-settled share-based payments with the exception of risk free interest rates which were 4.7% (2006: 4.1%).

The compensation expense relating to SARs recorded for 2007 amounted to €3.3m (2006: €1.0m).

The aggregated intrinsic value for the vested SARs at 31 December 2007 was €4.2m (2006: €2.9m).

The weighted average remaining contractual life of share options outstanding under the stock appreciation rights schemes at 31 December 2007 was 2.6 years (2006: 3.2 years).

34. Related party transactions

a) The Coca-Cola Company

As at 31 December 2007, TCCC indirectly owned 23.4% (2006: 23.4%) of the issued share capital of Coca-Cola Hellenic. TCCC considers Coca-Cola Hellenic to be a 'key bottler' and has entered into bottler's agreements with Coca-Cola Hellenic in respect of each of Coca-Cola Hellenic's territories. All the bottler's agreements entered into by TCCC and Coca-Cola Hellenic are Standard International Bottler's ('SIB') agreements. The terms of the bottler's agreements grant Coca-Cola Hellenic's territories the right to produce and the exclusive right to sell and distribute the beverages of TCCC. Consequently, Coca-Cola Hellenic is obliged to purchase all its requirements for concentrate for TCCC's beverages from TCCC, or its designee, in the ordinary course of business. These agreements extend to 2013 and may be renewed at TCCC's discretion until 2023.

TCCC owns or has applied for the trademarks that identify its beverages in all of Coca-Cola Hellenic's countries. TCCC has authorised Coca-Cola Hellenic 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 2007 amounted to €1,283.7m (2006: €1,141.7m).

TCCC makes discretionary marketing contributions to Coca-Cola Hellenic'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 €53.6m (2006: €50.4m). 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 2007, such contributions totalled €44.1m (2006: €29.9m). Contributions for general marketing programmes are recorded as an offset to selling expenses. In 2007, such contributions of TCCC to Coca-Cola Hellenic totalled €21.9m (2006: €20.5m) and the contributions of Coca-Cola Hellenic to TCCC totalled €12.4m (2006:nil). TCCC has also customarily made additional payments for marketing and advertising direct 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.

Notes to the consolidated financial statements

34. Related party transactions (continued)

In addition, support payments received from TCCC for the placement of cold drink equipment were €40.5m (2006: €83.3m).

In 2007, the Company sold items of property, plant and equipment of €0.2m (2006: €0.9m) to TCCC.

During the year, the Company sold €13.0m of finished goods and raw materials to TCCC (2006: €17.2m).

Other income primarily comprises rent, facility and other costs of €5.2m (2006: €2.0m) and a toll-filling relationship in Poland of €14.7m (2006: €15.6m). Other expenses relate to facility costs charged by TCCC and shared costs. These other expenses amounted to €0.6m (2006: €4.0m) and are included in selling, delivery and administrative expenses.

At 31 December 2007, the Company had a total of €93.7m (2006: €65.8m) due from TCCC, and a total amount due to TCCC of €131.5m (2006: €122.9m).

b) Frigoglass S.A. ('Frigoglass')
Frigoglass, a company listed on the Athens Stock Exchange, is a manufacturer of coolers, PET resin, glass bottles, crowns and plastics. Frigoglass is related to Coca-Cola Hellenic by way of 44% ownership by The Kar-Tess Group (see below). Frigoglass has a controlling interest in Frigoglass Industries Limited, a company in which Coca-Cola Hellenic has a 16% effective interest, through its investment in Nigerian Bottling Company plc.

Under the terms of a supply agreement entered into in 1999, and extended in 2004 on substantially similar terms, Coca-Cola Hellenic is obliged to obtain at least 60% (at prices which are negotiated on an annual basis and which must be competitive) of its annual requirements for coolers, glass bottles, PET resin, PET preforms, as well as plastic closures, crates, sleeves and labels from Frigoglass. The current agreement expires on 31 December 2008. Coca-Cola Hellenic has the status of most favoured customer of Frigoglass, on a non-exclusive basis.

During the year, the Group made purchases of €95.8m (2006: €216.9m) of coolers, raw materials and containers from Frigoglass and its subsidiaries and incurred maintenance and other expenses of €3.1m (2006: €2.9m). As at 31 December 2007, Coca-Cola Hellenic owed €4.6m (2006: €16.4m) to, and was owed €1.0m (2006: €0.1m) by Frigoglass.

c) Directors
Mr George A. David, Mr Haralambos K. Leventis, Mr Anastasios P. Leventis and Mr Anastassis G. David have been nominated by the Kar-Tess Group to the board of Coca-Cola Hellenic. Mr Irial Finan and Mr Alexander B. Cummings have been nominated by TCCC to the board of Coca-Cola Hellenic. There have been no transactions between Coca-Cola Hellenic and the directors except for remuneration (refer to Note 31).

d) Other
Beverage Partners Worldwide ('BPW')
BPW is a 50/50 joint venture between TCCC and Nestlé. During 2007, the Group purchased inventory from BPW amounting to €90.4m (2006: €73.0m). As at 31 December 2007, Coca-Cola Hellenic owed €7.8m (2006: €6.5m) to, and was owed €1.0m (2006: €1.4m) by BPW.

The Kar-Tess Group
As at 31 December 2007, the Kar-Tess Group owned 29.6% (2006: 29.7%) of the issued share capital of Coca-Cola Hellenic.

Leventis Overseas & AG Leventis (Nigeria) PLC (the 'Leventis Companies').
The Leventis Companies are related to Coca-Cola Hellenic by way of common directors, as a result of which significant influence exists. During 2007, the Group purchased €11.4m (2006: €11.5m) of finished goods and other materials and €0.8m (2006: €7.0m) of fixed assets from the Leventis Companies and incurred rental expenses of €0.1m (2006: €0.2m) with the Leventis Companies. At 31 December 2007, the Group owed €1.7m (2006: €2.0m) to, and was owed €0.2m (2006: €0.1m) by the Leventis Companies.

34. Related party transactions (continued)

Plias S.A. and its subsidiaries ('Plias')

Plias is related to Coca-Cola Hellenic by way of some common shareholdings. At 31 December 2007, the receivables from Plias S.A. were €0.5m (2006: nil). There were no payables to Plias at 31 December 2007 and 2006.

J&P Avax S.A.

Coca-Cola Hellenic was related to J&P Avax S.A. in 2006 through Mr Leonidas Ioannou who is chairman of J&P Avax S.A. and was a member of the Coca-Cola Hellenic Board from January 1981 to July 2006. In 2006 the Group purchased fixed assets from J&P Avax S.A. of €16.2m. At 31 December 2006, the Group owed €2.0m to J&P Avax S.A. J&P Avax S.A. is no longer a related party.

Other Coca-Cola bottlers

The Group purchased €0.7m (2006: €2.5m) of finished goods from, and incurred expenses of €2.4m (2006: €1.6m) to other Coca-Cola bottlers over which TCCC has significant influence. At 31 December 2007, there were €0.5m of payables (2006: €0.4m), and no receivables (2006: €0.4m) with such Coca-Cola bottlers.

There are no material transactions with other related parties for the year ended 31 December 2007.

Notes to the consolidated financial statements

35. List of principal group companies

The following are the principal Group companies of Coca-Cola Hellenic at 31 December:

		% ownership	
	Country of registration	**2007**	2006
3E (Cyprus) Ltd	Cyprus	**100.0%**	100.0%
AS Coca-Cola HBC Eesti	Estonia	**100.0%**	100.0%
Balkaninvest Holdings Ltd	Cyprus	**100.0%**	100.0%
Bankya Mineral Waters Bottling Company EOOD	Bulgaria	**100.0%**	100.0%
Brewinvest S.A.[1]	Greece	**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%
CCB Services Ltd	England and Wales	**100.0%**	100.0%
CCBC Services Ltd	Republic of Ireland	**100.0%**	100.0%
CCHBC Insurance (Guernsey) Ltd.	The Channel Islands	**100.0%**	100.0%
Chisinau Beverage Services S.R.L.	Moldova	**100.0%**	100.0%
Clarina Bulgaria Ltd	Bulgaria	**100.0%**	100.0%
Clarina Holding S.àr.l	Luxembourg	**100.0%**	100.0%
Coca-Cola Beverages (Hungary) Kft.	Hungary	**100.0%**	100.0%
Coca-Cola Beverages AG	Switzerland	**99.9%**	99.9%
Coca-Cola Beverages Austria GmbH	Austria	**100.0%**	100.0%
Coca-Cola Beverages Belorussiya	Belarus	**100.0%**	100.0%
Coca-Cola Beverages Ceska republika, spol. s r.o.	Czech Republic	**100.0%**	100.0%
Coca-Cola Beverages Holdings Ltd	Republic of Ireland	**100.0%**	100.0%
Coca-Cola Beverages Hrvatska d.d.	Croatia	**99.9%**	99.9%
Coca-Cola Beverages Slovakia, s.r.o.	Slovakia	**100.0%**	100.0%
Coca-Cola Beverages Slovenia d.d.	Slovenia	**100.0%**	100.0%
Coca-Cola Beverages Ukraine Ltd	Ukraine	**100.0%**	100.0%
Coca-Cola Bottlers (Ulster) Ltd	Northern Ireland	**100.0%**	100.0%
Coca-Cola Bottlers Chisinau S.R.L.	Moldova	**100.0%**	100.0%
Coca-Cola Bottlers Iasi S.A.	Romania	**99.2%**	99.2%
Coca-Cola Bottling Company (Dublin) Ltd	Republic of Ireland	**100.0%**	100.0%
Coca-Cola HBC B-H d.o.o. Sarajevo	Bosnia and Herzegovina	**100.0%**	100.0%
Coca-Cola HBC Bulgaria AD	Bulgaria	**85.4%**	85.4%
Coca-Cola HBC Corna Gora d.o.o.	Republic of Montenegro	**89.1%**	89.1%
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 Italia S.r.l.	Italy	**100.0%**	100.0%
Coca-Cola HBC Kosovo L.L.C.	Kosovo	**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 Srbija A.D.	Republic of Serbia	**89.1%**	89.1%
Coca-Cola Hellenic Bottling Company Armenia	Armenia	**90.0%**	90.0%
Coca-Cola Hellenic Procurement GmbH	Austria	**100.0%**	-

[1] Joint venture

Notes to the consolidated financial statements

35. List of principal group companies (continued)

	Country of registration	% ownership 2007	2006
Coca-Cola Molino Beverages Ltd	Cyprus	**100.0%**	100.0%
Deepwaters Investments Ltd	Cyprus	**50.0%**	50.0%
Dorna Apemin S.A.	Romania	**46.4%**	49.9%
Dorna Investments Ltd	Guernsey	**50.0%**	50.0%
Dunlogan Ltd	Northern Ireland	**100.0%**	100.0%
Elxym S.A.	Greece	**100.0%**	100.0%
Fonti del Vulture S.r.l.[1]	Italy	**50.0%**	50.0%
Fresh & Co d.o.o.[1]	Republic of Serbia	**50.0%**	50.0%
Jayce Enterprises Ltd	Cyprus	**100.0%**	100.0%
John Daly and Company Ltd	Republic of Ireland	**100.0%**	100.0%
Killarney Mineral Water Manufacturing Company Ltd	Republic of Ireland	**100.0%**	100.0%
Lanitis Bros Limited	Cyprus	**99.9%**	99.9%
Leman Beverages Holding S.à.r.l.	Luxembourg	**90.0%**	90.0%
LLC Coca-Cola HBC Eurasia	Russia	**100.0%**	100.0%
Molino Beverages Holding S.à.r.l	Luxembourg	**100.0%**	100.0%
MTV West Kishinev Bottling Company S.A.	Moldova	**100.0%**	100.0%
Multon Z.A.O. Group[1]	Russia	**50.0%**	50.0%
Nigerian Bottling Company plc	Nigeria	**66.4%**	66.4%
Panpak Ltd	Republic of Ireland	**100.0%**	100.0%
Römerquelle GmbH	Austria	**100.0%**	100.0%
S.C. Cristalina S.A.	Romania	**49.9%**	49.9%
SIA Coca-Cola HBC Latvia	Latvia	**100.0%**	100.0%
Softbev Investments Ltd	Cyprus	**100.0%**	100.0%
Softbul Investments Ltd	Cyprus	**100.0%**	100.0%
Softinvest Holdings Ltd	Cyprus	**100.0%**	100.0%
Standorg-2007 Kereskedelmi Kft.[2]	Hungary	**100.0%**	100.0%
Star Bottling Ltd	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 Mineralquellen AG	Switzerland	**99.9%**	99.9%
Vendit Ltd	Republic of Ireland	**100.0%**	100.0%
Vlasinka d.o.o.	Republic of Serbia	**50.0%**	50.0%
Yoppi Kft.	Hungary	**100.0%**	100.0%
Acquisition of Group companies in 2007			
OOO Aqua Vision	Russia	**100.0%**	-
Eurmatik S.r.l.	Italy	**100.0%**	-

[1] Joint venture

[2] During 2007 Coca-Cola Magyarország Italok Kft. was renamed to Standorg-2007 Kereskedelmi Kft.

36. Joint ventures

The Group has a 50% interest in three joint ventures, Brewinvest S.A., a group of companies engaged in the bottling and distribution of beer in Bulgaria and beer and soft drinks in FYROM, the Multon group of companies, which is engaged in the production and distribution of juices in Russia and the Fresh & Co d.o.o. group of companies, which is engaged in the production and distribution of juices in Serbia. These joint ventures are accounted for using the proportionate consolidation, whereby the share of ownership of assets, liabilities, revenues and expenses are taken into the Group's financial statements.

The following amounts are included in the Group's financial statements as a result of the proportionate consolidation of these joint ventures at 31 December and for the years then ended:

	2007 total € million	2006 total € million
Balance sheet		
Non-current assets	**332.4**	347.5
Current assets	**130.5**	121.8
Total assets	**462.9**	**469.3**
Non-current liabilities	**(39.0)**	(8.2)
Current liabilities	**(60.7)**	(109.9)
Total liabilities	**(99.7)**	**(118.1)**
Net Assets	**363.2**	**351.2**
Income statement		
Income	**273.2**	243.6
Expenses	**(245.1)**	(210.3)
Net profit	**28.1**	**33.3**

In addition, the Group has a 50% interest in three joint ventures that are engaged in the bottling and distribution of water: Fonti del Vulture in Italy, Multivita Sp. z o.o. in Poland and Valser Springs GmbH in Switzerland (refer to Note 11). These joint ventures are accounted for using the equity method of accounting.


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Glossary of terms

The following definitions apply throughout the Annual Report unless the content requires otherwise:

'aseptic'
A technology used for packaging preservative-free products, especially fresh juice and tea, under sterile conditions.

'Baltics; Baltic States'
Estonia, Latvia and Lithuania.

'bottler's agreement'
An agreement between TCCC and a bottler of TCCC which governs the rights and obligations of the parties in relation to the manufacture, packaging, distribution and sale of TCCC beverages in a specified geographical area.

'bps'
Abbreviation of basis points. One basis point is equal to one hundredth of a percentage point (0.01%).

'capital expenditure; capex'
Gross capex is defined as payments for purchase of property, plant and equipment. Net capex is defined as payments for purchase of property, plant and equipment less receipts from disposals of property, plant and equipment plus principal repayment of finance lease obligations.

'carbonated soft drinks; CSDs'
Non-alcoholic carbonated beverages containing flavourings and sweeteners, excluding, among others, waters and flavoured waters, juices and juice drinks, sports and energy drinks, teas and coffee.

'Coca-Cola Hellenic'
Coca-Cola Hellenic Bottling Company S.A. and, as the context may require, its subsidiaries and joint ventures. Also, 'the Company' or 'the Group'.

'Coca-Cola System'
The Coca-Cola Company and its bottling partners.

'cold drink equipment; CDE'
A generic term encompassing point-of-sale equipment such as coolers (refrigerators), vending machines and post mix machines.

'consumer'
Person who drinks Coca-Cola Hellenic products.

'CSR'
Corporate Social Responsibility.

'customer'
Retail outlet, restaurant or other operation that sells or serves Coca-Cola Hellenic products directly to consumers.

'EBIT'
Earnings before interest and tax.

'EBITDA'
Earnings before interest, tax, depreciation and amortisation, and other non-cash items.

'future consumption; FC'
A distribution channel where consumers buy beverages in multi-serve packages (typically one litre and above) for consumption at a later time, mainly at home.

'FYROM'
Former Yugoslav Republic of Macedonia.

'GDA'
Abbreviation of Guideline Daily Amounts.

'IFRS'
International Financial Reporting Standards of the International Accounting Standards Board.

'immediate consumption; IC'
A distribution channel where consumers buy beverages in chilled single-serve packages (typically 0.5 litre or smaller) and fountain products for immediate consumption, mainly away from home.

'Ireland'
The Republic of Ireland and Northern Ireland.

'IT'
Abbreviation for Information Technology.

'Italy'
The northern and central regions of Italy served by Coca-Cola Hellenic.

'market'
When used in reference to geographic areas, territory in which Coca-Cola Hellenic does business, often defined by national boundaries.

'non-carbonated soft drinks; non-CSDs'
Non-alcoholic beverages without carbonation including, but not limited to, waters and flavoured waters, juices and juice drinks, sports and energy drinks, teas and coffee.

'per capita consumption'
Average number of servings consumed per person per year in a specific market. Coca-Cola Hellenic's per capita consumption is calculated by multiplying our unit case volume by 24 and dividing by the population.

'PET'
Polyethylene terepthalate, a form of polyester used to manufacture beverage bottles.

'ready-to-drink; RTD'
Drinks that are pre-mixed and packaged, ready to be consumed immediately with no further preparation.

'ROIC'
Return on Invested Capital is calculated as operating profit plus amortisation less adjusted taxes divided by average invested capital (total equity plus interest-bearing debt).

'serving'
237ml or 8oz of beverage. Equivalent to 1/24 of a unit case.

'TCCC'
The Coca-Cola Company and, as the context may require, its subsidiaries.

'UNESDA'
Union of European Beverages Association, a founding member of the EU Platform for Action on Diet, Physical activity and Health.

'unit case'
Approximately 5.678 litres or 24 servings, being a typically used measure of volume.

'vending business'
A business that uses vending machines to sell products. Vending machines are automatic devices that sell goods such as beverages and snacks without a cashier.

Forward-looking statements

This document contains forward-looking statements that involve risks and uncertainties. These statements may generally, but not always, be identified by the use of words such as ‘believe’, ‘outlook’, ‘guidance’, ‘intend’, ‘expect’, ‘anticipate’, ‘plan’, ‘target’ and similar expressions to identify forward-looking statements.

All statements other than statements of historical facts, including, among others, statements regarding our future financial position and results, our outlook for 2008 and future years, business strategy and the effects of our recent acquisitions, and restructuring initiatives on our business and financial condition, our future dealings with The Coca-Cola Company, budgets, projected levels of consumption and production, projected raw material and other costs, estimates of capital expenditure and plans and objectives of management for future operations, are forward-looking statements. You should not place undue reliance on these forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they reflect our current expectations and assumptions as to future events and circumstances that may not prove accurate. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons, including the risks described in our annual report on Form 20-F filed with the U.S. Securities and Exchange Commission (File No 1-31466).

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Unless we are required by law to update these statements, we will not necessarily update any of these statements after the date of the consolidated financial statements included here, either to conform them to actual results or to changes in our expectations.

M-real Hallein AG, the manufacturer of EuroBulk paper used in pages 1-54 has a policy to only use wood which comes from sustainably managed commercial forests.
The wood for the production of EuroBulk comes from forests with economically viable, environmentally appropriate and socially beneficial management. This is certified under the PEFC system.

M-real Hallein AG is certified in accordance with DIN EN ISO 9001, DIN EN ISO 14001 and EMAS.

All environmentally relevant data, including the origin of the wood, are documented in EuroBulk 'Paper Profile'. The respectively valid certification can be found on the M-real website.
EuroBulk is fully recyclable, with no harmful residue.

Coca-Cola Hellenic Bottling Company S.A. Annual Report 2007
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