

SOLID PERFORMANCE DESPITE VOLUME PRESSURE

Coca-Cola HBC AG, the second largest bottler of the brands of The Coca-Cola Company, reports its financial results for the nine-month period ended 26 September 2014.

Third quarter and nine-month highlights

- Gained or maintained market share in volume and value in 15 markets in Sparkling beverages and in 10 markets in NARTD¹
- Volume declined in the quarter at a faster pace than in the first half, due to unseasonably poor weather in Established markets and our strategic decision to focus on sustainable value-accretive volume in Developing markets
- Strong growth in currency-neutral net sales revenue per unit case continued – up 3% in the quarter - mainly as a result of improved package mix through the successful implementation of our revenue growth management initiatives and pricing implemented earlier in the year
- Benefits from cost saving actions have gained momentum, resulting in a 30bps reduction in operating expenses as a percentage of net sales revenue
- Improved comparable EBIT margin in the quarter and the nine months, mainly due to revenue growth initiatives, favourable input costs and lower operating expenses
- Solid free cash flow generation, with continued reduction in the working capital balance

	Q3 2014	Q3 2013	Change
Volume (m unit cases)	547.6	575.0	-4.8%
Net Sales Revenue (€ m)	1,817.1	1,918.3	-5.3%
Net Sales Revenue per Unit Case (€)	3.32	3.34	-0.6%
Currency Neutral Net Sales Revenue per Unit Case (€)	3.32	3.23	2.8%
Comparable EBIT (€ m)	200.9	207.4	-3.1%
Comparable EBIT margin (%)	11.1	10.8	30bps
Comparable Net Profit* (€ m)	148.2	148.1	0.1%
Comparable EPS (€)	0.41	0.41	-

	Nine months 2014	Nine Months 2013	Change
Volume (m unit cases)	1,517.8	1,579.4	-3.9%
Net Sales Revenue (€ m)	5,000.2	5,299.4	-5.6%
Net Sales Revenue per Unit Case (€)	3.29	3.36	-2.1%
Currency Neutral Net Sales Revenue per Unit Case (€)	3.29	3.21	2.5%
Comparable EBIT (€ m)	367.8	385.6	-4.6%
Comparable EBIT margin (%)	7.4	7.3	10bps
Comparable Net Profit* (€ m)	247.0	258.8	-4.6%
Comparable EPS (€)	0.68	0.71	-4.2%

* Comparable Net Profit refers to comparable net profit after tax attributable to owners of the parent.

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

"Although ongoing weak consumer sentiment and poor summer weather have impacted volumes in many of our markets, we are pleased with our profitability performance this quarter. Our well executed commercial strategy delivered further growth in net sales revenue per case which, combined with continued efficiency improvements and the favourable input cost environment, delivered good EBIT margin improvement.

We expect markets to remain challenging for the remainder of the year. We will focus on revenue growth management initiatives while addressing affordability. With these initiatives in place, as well as our actions to improve cost efficiency and cash flow generation, we continue to believe that performance for the year will be in line with our expectations."

¹ Nielsen September Quarter 3 data based on 24 measured markets in Sparkling beverages and 21 measured markets in NARTD; NARTD: non-alcoholic ready-to-drink

SPECIAL NOTE REGARDING THE INFORMATION SET OUT HEREIN

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

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 2014 and future years, business strategy and the effects of the global economic slowdown, the impact of the sovereign debt crisis, currency volatility, our recent acquisitions, and restructuring initiatives on our business and financial condition, our future dealings with The Coca-Cola Company, budgets, projected levels of consumption and production, projected raw material and other costs, estimates of capital expenditure, free cash flow, effective tax rates and plans and objectives of management for future operations, are forward-looking statements. You should not place undue reliance on such forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they reflect our current expectations and assumptions as to future events and circumstances that may not prove accurate. Our actual results and events could differ materially from those anticipated in the forward-looking statements for many reasons, including the risks described in the UK Annual Financial Report for Coca-Cola HBC AG and its subsidiaries for the year ended 31 December 2013.

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

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

Group Financial Results	Third quarter 2014							
	COGS ¹	Gross Profit ²	Operating Expenses ³	EBIT ⁴	Adjusted EBITDA ⁵	Finance Costs ⁶	Net Profit ⁷	EPS ⁸ (€)
Reported	(1,152.1)	665.0	(466.6)	179.8	265.0	(15.6)	133.2	0.37
Restructuring costs	-	-	-	18.6	18.1	-	13.6	0.04
Commodity hedging ⁹	2.5	2.5	-	2.5	2.5	-	1.4	-
Comparable	(1,149.6)	667.5	(466.6)	200.9	285.6	(15.6)	148.2	0.41
Group Financial Results	Third quarter 2013							
	COGS ¹	Gross Profit ²	Operating Expenses ³	EBIT ⁴	Adjusted EBITDA ⁵	Finance Costs ⁶	Net Profit ⁷	EPS ⁸ (€)
Reported	(1,210.9)	707.4	(499.9)	205.6	295.8	(18.6)	147.2	0.40
Restructuring costs	-	-	-	1.9	1.9	-	1.8	0.01
Commodity hedging ⁹	(1.6)	(1.6)	-	(1.6)	(1.6)	-	(1.0)	-
Non-recurring items ¹⁰	-	-	1.5	1.5	1.5	(1.1)	0.1	-
Comparable	(1,212.5)	705.8	(498.4)	207.4	297.6	(19.7)	148.1	0.41
Group Financial Results	Nine months 2014							
	COGS ¹	Gross Profit ²	Operating Expenses ³	EBIT ⁴	Adjusted EBITDA ⁵	Finance Costs ⁶	Net Profit ⁷	EPS ⁸ (€)
Reported	(3,185.5)	1,814.7	(1,440.3)	343.9	612.7	(54.5)	228.3	0.63
Restructuring costs	-	-	-	30.5	29.8	-	23.8	0.06
Commodity hedging ⁹	(6.6)	(6.6)	-	(6.6)	(6.6)	-	(5.1)	(0.01)
Comparable	(3,192.1)	1,808.1	(1,440.3)	367.8	635.9	(54.5)	247.0	0.68
Group Financial Results	Nine months 2013							
	COGS ¹	Gross Profit ²	Operating Expenses ³	EBIT ⁴	Adjusted EBITDA ⁵	Finance Costs ⁶	Net Profit ⁷	EPS ⁸ (€)
Reported	(3,398.2)	1,901.2	(1,537.3)	339.6	623.7	(68.0)	212.8	0.59
Restructuring costs	-	-	-	24.3	18.9	-	19.1	0.05
Commodity hedging ⁹	2.5	2.5	-	2.5	2.5	-	1.8	-
Non-recurring items ¹⁰	-	-	19.2	19.2	19.2	8.1	25.1	0.07
Comparable	(3,395.7)	1,903.7	(1,518.1)	385.6	664.3	(59.9)	258.8	0.71

¹ Reported COGS refers to cost of goods sold.

² Reported Gross Profit refers to gross profit.

³ Reported Operating Expenses refers to operating expenses.

⁴ Reported EBIT refers to operating profit.

⁵ Adjusted EBITDA refers to operating profit before deductions for depreciation and impairment of property, plant and equipment (included both in cost of goods sold and in operating expenses), amortisation and impairment of intangible assets, employee share options and other non-cash items, if any (refer to 'Supplementary information' section).

⁶ Reported Finance Costs refers to total net finance costs.

⁷ Reported Net Profit refers to profit after tax attributable to owners of the parent.

⁸ Reported EPS refers to basic earnings per share.

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

¹⁰ Non-recurring items refer mainly to the transactions costs related to the re-domiciliation and the admission of the Group to listing on the premium segment of the London Stock Exchange. Further to that, non-recurring finance costs also relate to the tender offer for the €500 million bond matured in January 2014.

Group Operational Review

The challenging trading conditions in our markets persisted in the third quarter. Sequential deterioration in consumer sentiment and high unemployment levels in a number of our markets, macroeconomic slowdown in Russia and an unseasonably cold and wet summer in Europe have resulted in a further decline in Group volumes.

Given these circumstances and the unfavourable foreign exchange movements, we are pleased to have maintained good levels of profitability – a result of our actions to improve net sales revenue per case, a disciplined approach to our operating cost base and the favourable input cost environment.

Our commercial strategy also enabled us to improve our market position in many of our markets. We gained or maintained share in volume and value in 15 markets¹ in Sparkling beverages and 10 markets¹ in NARTD in the period. The biggest improvements were in Austria, Hungary, Ireland, Romania, Serbia and Switzerland.

Volume declined by just under 5% in the third quarter, bringing the rate of decline in the nine months to 4%. Established markets volumes decreased by 10% in the quarter and 6% in the nine-month period. The main reasons behind the deterioration were tough trading conditions in Italy, as well as adverse weather in Switzerland, Austria and Italy. We also faced a deterioration in volumes in the majority of our Developing markets, driving an 11% decline in the third quarter and an 8% decline in the first nine months. The effect of our continuing initiatives to achieve sustainable value-accretive volume in Poland and the Czech Republic was exacerbated by the weak underlying market conditions and competitive pressures on our businesses. In the Emerging markets, Nigeria's volume growth gained momentum, which combined with sequential improvements in Romania and Ukraine, more than offset the weak volumes in Russia, resulting in 1% growth in the third quarter and a marginal decline in the nine-month period.

Sparkling beverages declined by 5% in the quarter and 4% in the nine-month period. The good performance in the majority of our Emerging markets was more than offset by broad-based weakness in the other two segments, particularly in markets such as Italy, Poland, Russia and Switzerland. Within the category, Trademark Coca-Cola and Sprite declined by 5% and 7% respectively, while Fanta volumes were stable. Coke Zero continued to outperform the sparkling category, resulting in a marginal volume decline in the quarter.

Juice sustained its growth trend, benefitting from the continuous growth of Cappy Pulpy and the addition of the Moya Semya brand to the portfolio in Russia in July, growing by 7% in the quarter and 4% in the nine-month period. Water performance was mixed, with growth in Nigeria and Greece being more than offset by the impact of poor weather and our continued focus on profitable SKUs in the Developing markets. As a result, Water volumes decreased by 5% in the quarter. Energy declined marginally in the quarter, mainly due to a weak performance in the Developing markets. RTD Tea demonstrated a weak performance across the board, with volumes declining by 8% in the quarter.

Package mix continued to improve, with the proportion of beverages sold in single-serve packages increasing by 0.9 percentage points. Increasing consumption of beverages in single-serve packages is one of the main pillars of our revenue growth management strategy, so we are pleased to see improved mix for the sixth consecutive quarter. All market segments demonstrated increases in single-serve contribution, with Developing markets delivering a 2 percentage point improvement. Mix improvement was evident in both Sparkling and Water categories.

Our sharp focus on revenue growth management has continued to deliver results. We sustained the improvement in currency-neutral net sales revenue per case for the 13th consecutive quarter, posting a 3% increase in the quarter. All segments continued to improve in the quarter, while the biggest improvement came from Emerging markets.

The favourable input cost environment we have experienced since the start of the year has supported our performance in all segments in the quarter, with Developing markets benefiting more than the other segments. Overall for the Group, we continue to see a low single-digit percentage decrease in currency-neutral input cost per case.

¹ Nielsen September Quarter 3 data based on 24 measured markets in Sparkling beverages and 21 measured markets in NARTD

Group Operational Review (continued)

Our action plans to control our operating cost base continued to deliver in the quarter, resulting in a 30 basis point reduction in operating expenses as a percentage of net sales revenue. The main drivers were reductions in warehousing, distribution and marketing expenses. The Emerging markets segment was the main driver with a 120 basis point improvement in the quarter. Established and Developing segments also achieved reductions in absolute terms.

Comparable EBIT amounted to €201 million in the quarter. While this result was €6 million lower than in the prior period, comparable EBIT margin has expanded by 30 basis points to 11.1%. The major driver of the EBIT margin expansion was the Emerging segment, offsetting the Established and Developing segments' margin declines arising from the significant volume deleverage in the quarter. On a Group level, positive pricing, lower input costs and operating expenses were not enough to offset the volume shortfall, the adverse impact of foreign exchange and the increase in concentrate cost. Comparable profit for the first nine months was €368 million, following €386 million in 2013.

We incurred €19 million in pre-tax restructuring charges in the quarter, the majority of which was due to planned restructuring actions in the Established segment. We continue to execute on our restructuring plans for 2014, which have cost €30 million so far this year, ultimately creating a more agile and efficient organisation.

In the third quarter, we generated free cash flow of €250 million, which is slightly higher than in the prior-year period. The key driver for the improvement was improved working capital and phasing of capital expenditure, which more than offset lower operating profitability and higher tax payments. On a year-to-date basis, we have generated €345 million of free cash flow, which is broadly stable on the prior-year amount, despite the pressure on operating profitability.

Working capital improved year on year in terms of both balance sheet position and working capital days, across all three segments.

Coca-Cola HBC named industry leader in the 2014 Dow Jones Sustainability Index and awarded an A rating by the Carbon Disclosure Project

Coca-Cola HBC's sustainability programmes are long-term investments, building value over time for the business and communities where we operate. In this respect, we are proud to have been named the industry leader amongst beverage companies in the 2014 Dow Jones Sustainability Indices (DJSI). This is the seventh consecutive year that we have been included in the indices and the first year that we are leading both the World and European indices, while improving our overall company score.

We have also been awarded an A rating by the Carbon Disclosure Project and a place in The A List: Global Climate Performance Leadership Index, which for the first time looks at all climate leader companies around the world, not just the global 500 companies. The award signifies a clear recognition of the comprehensive information we provide about the management of our carbon footprint, climate change strategy and risk management processes and outcomes.

Disposal of non-core investment

On 27 October 2014, we sold to Heineken our interest in the Bulgarian brewery Zagorka A.D. Zagorka was a non-core investment, managed separately from our NARTD business in Bulgaria, and was accounted for on an equity accounting basis. We remain committed to our core business in Bulgaria. (More information in note 19 "subsequent events" of the condensed consolidated interim financial statements).

Operational Review by Reporting Segment
Established markets

	Q3 2014	Q3 2013	Change	Nine months 2014	Nine months 2013	Change
Volume (m unit cases)	167.2	185.0	-9.6%	473.1	504.4	-6.2%
Net sales revenue (€ m)	660.4	717.3	-7.9%	1,888.4	1,985.0	-4.9%
Net Sales Revenue per Unit Case (€)	3.95	3.88	1.8%	3.99	3.94	1.3%
Currency Neutral Net Sales Revenue per Unit Case (€)	3.95	3.90	1.3%	3.99	3.95	1.0%
Operating profit (EBIT in € m)	51.3	71.5	-28.3%	110.2	105.4	4.6%
Comparable operating profit (Comparable EBIT in € m)	65.4	74.3	-12.0%	129.7	135.9	-4.6%
Comparable EBIT margin (%)	9.9	10.4	-50bps	6.9	6.8	10bps

- Unit case volume in our Established markets segment decreased by 10% in the third quarter and by 6% in the nine-month period. This follows 4% and 5% declines in the respective prior-year periods. In a difficult underlying trading environment, we saw an acceleration of the negative trends experienced in the first half of the year, with the performance further impacted by unusually poor summer weather in much of Continental Europe and underlying market weakness.
- Net sales revenue was 8% lower in the third quarter, as the volume shortfall more than offset the benefits of favourable package and price mix. Currency-neutral revenue per case maintained the positive trend, rising by 1% in both the quarter and the first nine months.
- Volume decline in Italy accelerated to mid teens in the third quarter, cycling a high single-digit decline in the prior-year period, resulting in low double-digit decline for the first nine months. The underlying trading environment remains challenging with unemployment at near record high levels of 13% and disposable income still under pressure. Additionally, volume performance was impacted by adverse weather conditions in the quarter, and the continuing impact on our business from tighter liquidity in the trade. As a result, significant volume pressure was evident across all brands and categories, with only Coke Zero and Energy registering positive performances. Package mix improved, driven by a higher proportion of single-serve packages sold in the sparkling category.
- Volume in Greece increased by mid single digits in the third quarter, cycling high single-digit decline in the prior-year quarter. Volume for the first nine months grew by low single digits. Water was the key growth driver. Growth was also supported by a low single-digit increase in the sparkling category, helped by increased tourist traffic in the summer period. Whilst we are pleased to see improving volume trends in Greece, after several quarters of double-digit decline, we remain cautious. Trading conditions are still challenging, unemployment remains at near historic highs of 26% and the political environment remains fragile.
- Volume in Switzerland showed a sequential deterioration and declined by mid teens in the third quarter, cycling a mid single-digit increase in the prior-year quarter. Volume for the first nine months declined by high single digits. Adverse weather conditions resulted in a weak volume performance across all categories. Although, Sparkling was the main underperformer, we gained share in volume and value in the category. Package mix improved in both the sparkling and water categories.

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

- Volume trends in Ireland remained volatile, with volume decreasing by low single digits in the quarter, cycling a high single-digit increase in the prior-year quarter due to exceptionally favourable weather. Volume was flat in the first nine months. Sparkling beverages were the main underperformer, declining by mid single digits despite double-digit growth from Coke Zero and Sprite. Water and Juice categories maintained their positive trend and grew by mid single digits, positively affected by increased activation and promotions.
- Comparable operating profit in the Established markets segment decreased by €9 million in the third quarter, bringing the comparable operating profit in the first nine months of the year to €130 million, which is €6 million lower than the prior-year period. Benefits in the quarter from our revenue growth initiatives, restructuring and tighter operating expense management as well as lower input costs, were not enough to offset the impact of lower volume and the concentrate cost increase.



Operational Review by Reporting Segment (continued)

Developing markets

	Q3	Q3	Change	Nine months	Nine months	Change
	2014	2013		2014	2013	
Volume (m unit cases)	100.2	112.1	-10.6%	270.5	294.4	-8.1%
Net sales revenue (€ m)	303.2	333.2	-9.0%	807.9	858.9	-5.9%
Net Sales Revenue per Unit Case (€)	3.03	2.97	2.0%	2.99	2.92	2.4%
Currency Neutral Net Sales Revenue per Unit Case (€)	3.03	2.94	3.1%	2.99	2.88	3.8%
Operating profit (EBIT in € m)	32.3	37.6	-14.1%	55.1	38.1	44.6%
Comparable operating profit (Comparable EBIT in € m)	31.7	37.5	-15.5%	55.1	41.4	33.1%
Comparable EBIT margin (%)	10.5	11.3	-80bps	6.8	4.8	200bps

- Unit case volume in our Developing markets segment decreased by 11% in the third quarter and 8% in the first nine months. This follows 2% and 3% declines in the respective prior-year periods. Volume performance in the segment has been impacted by our strategic decision to focus on value-accretive volume, particularly in Poland and the Czech Republic and to a lesser extent by weather conditions and increased competitive pressure.
- Net sales revenue declined by 9% in the quarter. Benefits of improved category, package and price mix were more than offset by lower volume and negative currency impact. On a currency-neutral basis, net sales revenue per case increased by 3% in the third quarter and 4% in the nine months.
- In Poland, volume declined by low double digits in both the third quarter and the nine-month periods. This follows a low single-digit increase and a low single-digit decline in the respective prior-year periods. Volume declined across all categories, while the pace of decline in sparkling beverages accelerated to low double digits, affected by weak results in the organised trade. Our strategic decision to focus on sustainable value-accretive volume in a market heavily influenced by discounters contributed to the overall decline. As a result of this strategy, package mix improved by 3.1 percentage points in the quarter, driven by the increased contribution of single-serve packages in the sparkling beverages category.
- Volume in Hungary declined by mid single digits, cycling a high single-digit decline in the prior-year period. This resulted in a low single-digit decline for the first nine months. Increased competitive pressure and adverse weather conditions negatively impacted volume performance. Sparkling beverages declined by low single digits, with continued strong double-digit growth in Coca-Cola Zero and a positive performance from Sprite providing some support. Volume in Energy maintained the positive trend and grew by high single digits, cycling very strong growth in the prior-year period and reflecting the solid performance of our new product and flavour launches. Juice increased by mid single digits in the quarter, helped by the positive impact of the Cappy Pulpy launch and the introduction of new flavours. In line with our focus to increase single serve contribution, package mix improved by 1.0 percentage point in the quarter, driven by increased volume of single-serve packages in the sparkling beverages category. We gained share in Sparkling beverages in volume and value.
- Volume decline in the Czech Republic accelerated to mid teens in the third quarter, leading to a mid-teens decline in the nine-month period. Volume performance was mainly driven by our strategic decision to focus on value-accretive volume and to a lesser extent by increased competitive pressure and adverse weather conditions. Sparkling and Water were affected by lower promotional activity recording a double-digit decline. Juice posted marginal growth in the quarter, supported by the positive impact of new Cappy packs. Package mix improved by 2.8 percentage points in the quarter, driven by the increased contribution of single-serve packages in the sparkling beverages category.

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

- Developing markets posted a €6 million decline in comparable operating profit in the third quarter, bringing the comparable operating profit in the nine-month period to €55 million, which is €14 million higher than the prior-year period. In the third quarter, favourable price mix, lower input costs and operating expenses were more than offset by the impact from weak volumes, higher concentrate costs and the negative impact of foreign exchange movements.

Operational Review by Reporting Segment (continued)
Emerging markets

	Q3 2014	Q3 2013	Change	Nine months 2014	Nine months 2013	Change
Volume (m unit cases)	280.2	277.9	0.8%	774.2	780.6	-0.8%
Net sales revenue (€ m)	853.5	867.8	-1.6%	2,303.9	2,455.5	-6.2%
Net Sales Revenue per Unit Case (€)	3.05	3.12	-2.2%	2.98	3.15	-5.4%
Currency Neutral Net Sales Revenue per Unit Case (€)	3.05	2.91	4.8%	2.98	2.86	4.2%
Operating profit (EBIT in € m)	96.2	96.5	-0.3%	178.6	196.1	-8.9%
Comparable operating profit (Comparable EBIT in € m)	103.8	95.6	8.6%	183.0	208.3	-12.1%
Comparable EBIT margin (%)	12.2	11.0	120bps	7.9	8.5	-60bps

- Unit case volume in our Emerging markets segment grew by 1% in the third quarter, resulting in a 1% decline in the first nine months of 2014. This follows 4% decline in the prior-year quarter and 1% growth for the prior-year nine month period. Volume performance in the quarter was driven by Nigeria's acceleration in growth momentum, combined with a sequential improvement in Romania and Ukraine, which more than offset the weak volumes in Russia.
- Net sales revenue declined by 2% in the third quarter. Positive pricing, package and category mix were not enough to compensate for the negative impact from currency movements. Currency-neutral revenue per case grew by 5% in the quarter, building on the good performance seen in the first half of the year.
- Volume in Russia declined by low single digits in the third quarter, following a low single-digit increase in the comparable prior-year period. Volume for the first nine months declined by just under 1%. The escalation of the geopolitical developments continued to adversely impact the economy and the consumer sentiment in the country. At the same time, disposable income was under further pressure by the currency depreciation and sanctions driven inflation in the food and beverage categories. As such, volume decline in the quarter was broad-based, with all major categories except Juice posting lower volume. Trademark Coca-Cola declined by 4% and Sparkling by 7%, with only Fanta recording substantial growth, supported by the launch of new flavours. Volume in the juice category grew by double-digits in the quarter, supported by the inclusion of the Moya Semya brand, while both our mainstream brand Dobry and our premium brand Rich grew by high single digits. As a result, we expanded our value share in Juice.
- In Nigeria, following the resolution of temporary SAP related disruptions earlier in the year, volume continued to gain momentum, resulting in high single-digit growth in the third quarter. In the first nine months, volume increased by low single digits. Underlying demand remained robust, while strong execution helped Brand Coca-Cola grow by 11% in the quarter. Meanwhile, Water continued to grow strongly for the tenth consecutive quarter, supported by improved product availability.
- Volume in Romania sequentially improved to deliver a marginal decline in the third quarter, following a mid-teens decline in the prior-year period. As a result, in the nine-month period, Romania's decline moderated to mid single digits. In what remains a highly competitive environment, Sparkling performance returned to growth in the quarter at +1%, supported by good growth in Fanta and Sprite and 11% growth in Coca-Cola Zero. Juice continued its solid double-digit growth driven by Cappy Pulpy. Package mix improved for yet another quarter driven mainly by Water single serves. Overall, we gained volume and value share in Sparkling and NARTD.

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

- Volume decline in Ukraine moderated to a stable performance in the third quarter, following a low-teens decline in the prior year quarter. The political environment remained very difficult, severely impacting consumer demand and in some cases product distribution. Against this backdrop, we have intensified our promotional activities, while adjusting our route-to-market, leading to 3% growth in both sparkling beverages and Trademark Coca-Cola products, while Fanta volumes grew by 10%. Overall, we gained volume and value share in Sparkling beverages.
- Our Emerging markets segment posted an €8 million improvement in comparable operating profit in the third quarter to €104 million, resulting in comparable operating profit of €183 million for the first nine months, €25 million below the prior-year period. In the third quarter, price mix improvements, lower input costs and lower operating expenses more than offset the significant negative currency impact and higher concentrate costs.

Business Outlook

In a year characterised by weak consumer sentiment in the developed world and uncertainty in emerging markets, our focus has been on improving efficiency and executing our commercial strategy. This focus has enabled us to grow currency neutral net sales revenue per case - while respecting affordability - and manage our cost base. Despite the significant volume headwinds, we delivered good profitability, and this will remain our focus for the balance of the year.

We made good progress in the first half in implementing price initiatives in order to mitigate the impact of adverse foreign exchange movements resulting from the geopolitical developments in Russia and Ukraine as well as the increases in incidence rates for concentrate announced in the first quarter. We expect that these actions, in combination with our ongoing revenue growth management initiatives, will ensure an improvement for the year in currency-neutral revenue per case broadly in line with that achieved in the first nine months.

Taking into account the timing and level of our hedged positions and coverage, we continue to expect a low single-digit percentage decrease in full-year currency-neutral input cost per case year on year.

Operating expense management is a key pillar of our effort to execute well in every area we can influence. We have reduced absolute operating expenses considerably, and for the full year we are working to maintain operating expenses as a percentage of net sales revenue at the prior full year levels, despite the significant adverse impact of volume deleverage.

With the current spot rates and our hedged positions, we now narrow our expectations for the foreign currency impact to the range of €80-85 million.

For the full year, we expect the positive trends in currency-neutral net sales revenue per case, input and operating costs to enable us to achieve another year of EBIT margin expansion.

We manage our business for the long term. We are confident that we have the right strategy in place to grow in a sustainable and profitable way. Our product portfolio contains some of the world's best known and loved brands and we operate across 28 countries, largely characterized by low per capita consumption of our products, giving us excellent growth opportunities.

Technical guidance

We continue to implement initiatives which further improve operational efficiencies, including SAP Wave 2 exploitation, expansion of the scope of our shared services centre, route-to-market optimization and other restructuring measures. In 2014, we have increased the restructuring initiatives by a further €5 million to approximately €50 million. We expect these initiatives to yield €38 million in annualised benefits from 2015 onwards, while the actions already taken in 2013 and those that we have taken on in 2014 are expected to yield approximately €35 million of total benefits in 2014.

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

The emphasis on free cash flow generation and tight working capital management delivered good results in 2013, and we believe we can make further progress in 2014. We therefore continue to expect that during the three-year period between 1 January 2013 and 31 December 2015, we will generate free cash flow of approximately €1.3 billion.

Annual capital expenditure over the medium term is still expected to range between 5.5% and 6.5% of net sales revenue, reflecting our commitment to invest in the long-term development of our business.

Group Financial Review
Selected income statement and other items

	Third Quarter		
	2014	2013	% Change
	€ million	€ million	
Volume (m unit cases)	547.6	575.0	-4.8%
Net sales revenue	1,817.1	1,918.3	-5.3%
Net Sales Revenue per Unit Case (€)	3.32	3.34	-0.6%
Currency Neutral Net Sales Revenue per Unit Case (€)	3.32	3.23	2.8%
Cost of goods sold	(1,152.1)	(1,210.9)	-4.9%
Comparable cost of goods sold ¹	(1,149.6)	(1,212.5)	-5.2%
Gross profit	665.0	707.4	-6.0%
Comparable gross profit ¹	667.5	705.8	-5.4%
Operating expenses	(466.6)	(499.9)	-6.7%
Comparable operating expenses ¹	(466.6)	(498.4)	-6.4%
Operating profit (EBIT)	179.8	205.6	-12.5%
Comparable operating profit (EBIT) ¹	200.9	207.4	-3.1%
Adjusted EBITDA ²	265.0	295.8	-10.4%
Comparable adjusted EBITDA ¹	285.6	297.6	-4.0%
Total net finance costs	(15.6)	(18.6)	-16.1%
Comparable total net finance costs ¹	(15.6)	(19.7)	-20.8%
Tax	(38.2)	(46.7)	-18.2%
Profit after tax attributable to owners of the parent	133.2	147.2	-9.5%
Comparable profit after tax attributable to owners of the parent ¹	148.2	148.1	0.1%
Basic earnings per share (€)	0.37	0.40	-7.5%
Comparable basic earnings per share (€) ¹	0.41	0.41	-
Net cash from operating activities ²	337.7	352.7	-4.3%
Capital expenditure ²	(87.8)	(105.2)	-16.5%
Free cash flow ²	249.9	247.5	1.0%

Selected income statement and other items

	Nine months		
	2014	2013	% Change
	€ million	€ million	
Volume (m unit cases)	1,517.8	1,579.4	-3.9%
Net sales revenue	5,000.2	5,299.4	-5.6%
Net Sales Revenue per Unit Case (€)	3.29	3.36	-2.1%
Currency Neutral Net Sales Revenue per Unit Case (€)	3.29	3.21	2.5%
Cost of goods sold	(3,185.5)	(3,398.2)	-6.3%
Comparable cost of goods sold ¹	(3,192.1)	(3,395.7)	-6.0%
Gross profit	1,814.7	1,901.2	-4.5%
Comparable gross profit ¹	1,808.1	1,903.7	-5.0%
Operating expenses	(1,440.3)	(1,537.3)	-6.3%
Comparable operating expenses ¹	(1,440.3)	(1,518.1)	-5.1%
Operating profit (EBIT)	343.9	339.6	1.3%
Comparable operating profit (EBIT) ¹	367.8	385.6	-4.6%
Adjusted EBITDA ²	612.7	623.7	-1.8%
Comparable adjusted EBITDA ¹	635.9	664.3	-4.3%
Total net finance costs	(54.5)	(68.0)	-19.9%
Comparable total net finance costs ¹	(54.5)	(59.9)	-9.0%
Tax	(72.3)	(70.2)	3.0%
Profit after tax attributable to owners of the parent	228.3	212.8	7.3%
Comparable profit after tax attributable to owners of the parent ¹	247.0	258.8	-4.6%
Basic earnings per share (€)	0.63	0.59	6.8%
Comparable basic earnings per share (€) ¹	0.68	0.71	-4.2%
Net cash from operating activities ²	572.6	602.5	-5.0%
Capital expenditure ²	(227.9)	(257.4)	-11.5%
Free cash flow ²	344.7	345.1	-0.1%

¹ Refer to the 'Reconciliation of Reported to Comparable Financial Indicators' section.

² Refer to 'Supplementary Information' section.

Group Financial Review (continued)***Net sales revenue***

Net sales revenue per unit case decreased by 1% during the third quarter and by 2% for the first nine months of 2014 compared to the respective prior year periods, on a reported basis. On a currency neutral basis, net sales revenue per unit case increased by 3% during the third quarter and by 3% during the first nine months of 2014 compared to the respective prior year periods.

Cost of goods sold

Comparable cost of goods sold decreased by 5% in the third quarter and by 6% in the first nine months of 2014, compared to the respective prior year periods, as the input cost environment continued to be favourable.

Gross profit

Comparable gross profit margin decreased from 36.8% in the third quarter of 2013 to 36.7% in the third quarter of 2014 and increased slightly from 35.9% in the first nine months of 2013 to 36.2% in the first nine months of 2014.

Operating expenses

Comparable operating expenses decreased by 6% during the third quarter and by 5% during the first nine months of 2014 versus the respective prior year periods, mainly reflecting the benefits of our restructuring initiatives as well as lower period over period warehousing, distribution and marketing expenses.

Operating profit

Comparable operating profit decreased by 3% in the third quarter of 2014 as the benefits from our revenue growth initiatives, the favourable input costs and the lower operating expenses were more than offset the impact of the volume shortfall, the higher foreign currency impact and the higher concentrate costs. For the same reasons, comparable operating profit decreased by 5% in the first nine months of 2014.

Total net finance costs

Comparable total net finance costs decreased by €4.1 million during the third quarter and by €5.4 million during the first nine months of 2014, compared to the respective prior year periods.

Tax

On a comparable basis, Coca-Cola HBC's effective tax rate for the first nine months of 2014 was approximately 24% compared to 23% in the first nine months of 2013. The Group's effective tax rate varies quarterly depending on the mix of taxable profits by territory, the non-deductibility of certain expenses, non-taxable income and other one-off tax items across its territories.

Profit after tax attributable to owners of the parent

On a comparable basis, profit after tax attributable to owners of the parent remained flat for the third quarter compared to the respective prior year period, as the decreased operating profit was offset by lower total net finance costs and income tax. Comparable profit after tax attributable to owners of the parent decreased by 5% in the first nine months of 2014 compared to the respective prior year period driven by lower operating profitability, partially counterbalanced by lower net finance costs.

Net cash from operating activities

Net cash from operating activities decreased by 4% in the third quarter of 2014 compared to the respective prior year period, mainly reflecting the decreased operating profitability. For the first nine months of 2014, net cash flow from operating activities decreased by 5% compared to the respective prior year period, mainly on the back of the decreased operating profitability during the period and the adverse working capital movement compared to the respective prior year period.

Group Financial Review (continued)

Cash flow from operating activities net of capital expenditure increased by 1% during the third quarter versus the respective prior year period, as the decreased cash from operating activities was more than offset by the decrease in capital expenditure. For the first nine months of 2014, cash flow from operating activities net of capital expenditure remained flat versus the respective prior year period, mainly on the back of the decreased cash from operating activities and capital expenditure.

Capital expenditure

Capital expenditure, net of receipts from the disposal of assets and including principal repayments of finance lease obligations, reduced by 17% in the third quarter and by 11% in the first nine months of 2014, compared with the respective prior year periods. In the first nine months of 2014, capital expenditure amounted to €227.9 million of which 53% was related to investment in production equipment and facilities and 24% to the acquisition of marketing equipment. In the first nine months of 2013, capital expenditure amounted to €257.4 million of which 41% was related to investment in production equipment and facilities and 26% to the acquisition of marketing equipment.

Supplementary Information

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

	Third quarter	
	2014	2013
	€ million	€ million
Profit after tax	133.1	147.3
Tax charged to the income statement	38.2	46.7
Total finance costs, net	15.6	18.6
Share of results of equity method investments	(7.1)	(7.0)
Operating profit (EBIT)	179.8	205.6
Depreciation of property, plant and equipment	81.9	87.9
Amortisation of intangible assets	0.1	0.3
Employee share options	2.7	2.0
Other non-cash items	0.5	-
Adjusted EBITDA¹	265.0	295.8
Losses / (gains) on disposal of non-current assets	0.6	(1.6)
Decrease in working capital	96.5	78.7
Tax paid	(24.4)	(20.2)
Net cash from operating activities	337.7	352.7
Payments for purchases of property, plant and equipment	(89.0)	(106.2)
Principal repayments of finance lease obligations	(3.0)	(4.7)
Proceeds from sale of property, plant and equipment	4.2	5.7
Capital expenditure	(87.8)	(105.2)
Net cash from operating activities	337.7	352.7
Capital expenditure	(87.8)	(105.2)
Free cash flow	249.9	247.5

	Nine months	
	2014	2013
	€ million	€ million
Profit after tax	228.2	212.8
Tax charged to the income statement	72.3	70.2
Total finance costs, net	54.5	68.0
Share of results of equity method investments	(11.1)	(11.4)
Operating profit (EBIT)	343.9	339.6
Depreciation of property, plant and equipment	258.6	279.1
Amortisation of intangible assets	0.3	0.9
Employee share options	9.4	4.1
Other non-cash items	0.5	-
Adjusted EBITDA¹	612.7	623.7
Gains on disposal of non-current assets	(2.0)	(4.3)
Decrease in working capital	7.9	22.8
Tax paid	(46.0)	(39.7)
Net cash from operating activities	572.6	602.5
Payments for purchases of property, plant and equipment	(226.3)	(253.1)
Principal repayments of finance lease obligations	(9.6)	(12.7)
Proceeds from sale of property, plant and equipment	8.0	8.4
Capital expenditure	(227.9)	(257.4)
Net cash from operating activities	572.6	602.5
Capital expenditure	(227.9)	(257.4)
Free cash flow	344.7	345.1

¹ Adjusted EBITDA refers to operating profit before deductions for depreciation and impairment of property, plant and equipment (included both in cost of goods sold and in operating expenses), amortisation and impairment of intangible assets, employee share options and other non-cash items, if any.

Coca-Cola HBC Group

Coca-Cola HBC is the second-largest bottler of the brands of The Coca-Cola Company in terms of volume with sales of more than 2 billion unit cases. It has a broad geographic footprint with operations in 28 countries serving a population of approximately 585 million people. Coca-Cola HBC offers a diverse range of non-alcoholic ready to drink beverages in the sparkling, juice, water, sport, energy, tea and coffee categories. Coca-Cola HBC is committed to promoting sustainable development in order to create value for its business and for society. This includes providing products that meet the beverage needs of consumers, fostering an open and inclusive work environment, conducting its business in ways that protect and preserve the environment and contribute to the socio-economic development of the local communities.

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

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

Conference call

Coca-Cola HBC will host a conference call with financial analysts to discuss the third quarter and 2014 nine months financial results on 6 November 2014 at 10:00 am, Swiss time (9:00 am London, 11:00am Athens, and 4:00 am New York time). Interested parties can access the live, audio webcast of the call through Coca-Cola HBC's website (www.coca-colahellenic.com/investorrelations/webcasts).

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Condensed consolidated interim balance sheet (unaudited)

	Note	As at 26 September 2014 € million	As at 31 December 2013 € million
Assets			
Intangible assets	4	1,927.3	1,921.3
Property, plant and equipment	4	2,791.4	2,901.9
Other non-current assets		306.7	300.0
Total non-current assets		5,025.4	5,123.2
Inventories		512.6	429.0
Trade and other receivables		1,035.2	985.1
Cash and cash equivalents	5	649.8	737.5
Total current assets		2,197.6	2,151.6
Total assets		7,223.0	7,274.8
Liabilities			
Short-term borrowings	5	502.7	446.2
Other current liabilities		1,838.5	1,619.9
Total current liabilities		2,341.2	2,066.1
Long-term borrowings	5	1,572.8	1,853.6
Other non-current liabilities		330.1	387.8
Total non-current liabilities		1,902.9	2,241.4
Total liabilities		4,244.1	4,307.5
Equity			
Owners of the parent		2,973.9	2,962.2
Non-controlling interests		5.0	5.1
Total equity		2,978.9	2,967.3
Total equity and liabilities		7,223.0	7,274.8

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

Condensed consolidated interim income statement (unaudited)

	Note	Three months to 26 September 2014 € million	Three months to 27 September 2013 € million
Net sales revenue	3	1,817.1	1,918.3
Cost of goods sold		(1,152.1)	(1,210.9)
Gross profit		665.0	707.4
Operating expenses		(466.6)	(499.9)
Restructuring costs	7	(18.6)	(1.9)
Operating profit	3	179.8	205.6
Total finance costs, net	8	(15.6)	(18.6)
Share of results of equity method investments		7.1	7.0
Profit before tax		171.3	194.0
Tax	9	(38.2)	(46.7)
Profit after tax		133.1	147.3
Attributable to:			
Owners of the parent		133.2	147.2
Non-controlling interests		(0.1)	0.1
		133.1	147.3
Basic earnings per share (€)	10	0.37	0.40
Diluted earnings per share (€)	10	0.36	0.40

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

Condensed consolidated interim statement of comprehensive income (unaudited)

	Three months to 26 September 2014 € million	Three months to 27 September 2013 € million
Profit after tax for the period	133.1	147.3
Other comprehensive income:		
Items that may be subsequently reclassified to income statement:		
Available-for-sale financial assets:		
Valuation (losses)/ gains during the period	(0.4)	0.1
Cash flow hedges:		
Amounts of gains / (losses) during the period	5.3	(6.0)
Amounts of losses reclassified to profit and loss for the period	2.1	2.1
Transfers to inventory for the period	3.5	(3.6)
Foreign currency translation	(30.3)	(18.0)
Share of other comprehensive income of equity method investments	0.8	(0.4)
Income tax relating to items that may be subsequently reclassified to income statement	(2.8)	1.6
	(21.8)	(24.2)
Items that will not be subsequently reclassified to income statement:		
Actuarial (losses) / gains	(12.7)	6.3
Income tax relating to components of other comprehensive income	2.6	(1.1)
	(10.1)	5.2
Other comprehensive income for the period, net of tax	(31.9)	(19.0)
Total comprehensive income for the period	101.2	128.3
Total comprehensive income attributable to:		
Owners of the parent	101.3	128.2
Non-controlling interests	(0.1)	0.1
	101.2	128.3

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

Condensed consolidated interim income statement (unaudited)

	Note	Nine months to 26 September 2014 € million	Nine months to 27 September 2013 € million
Net sales revenue	3	5,000.2	5,299.4
Cost of goods sold		(3,185.5)	(3,398.2)
Gross profit		1,814.7	1,901.2
Operating expenses		(1,440.3)	(1,537.3)
Restructuring costs	7	(30.5)	(24.3)
Operating profit	3	343.9	339.6
Total finance costs, net	8	(54.5)	(68.0)
Share of results of equity method investments		11.1	11.4
Profit before tax		300.5	283.0
Tax	9	(72.3)	(70.2)
Profit after tax		228.2	212.8
Attributable to:			
Owners of the parent		228.3	212.8
Non-controlling interests		(0.1)	-
		228.2	212.8
Basic earnings per share (€)	10	0.63	0.59
Diluted earnings per share (€)	10	0.62	0.58

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

Condensed consolidated interim statement of comprehensive income (unaudited)

	Nine months to 26 September 2014 € million	Nine months to 27 September 2013 € million
Profit after tax for the period	228.2	212.8
Other comprehensive income :		
Items that may be subsequently reclassified to income statement:		
Available-for-sale financial assets:		
Valuation (losses) / gains during the period	(0.3)	0.4
Cash flow hedges:		
Amounts of (losses)/ gains during the period	(1.4)	0.6
Amounts of losses reclassified to profit and loss for the period	5.9	8.7
Transfers to inventory for the period	1.3	(3.6)
Foreign currency translation	(76.6)	(86.7)
Share of other comprehensive income of equity method investments	0.9	(0.6)
Income tax relating to items that may be subsequently reclassified to income statement	(1.6)	(0.4)
	(71.8)	(81.6)
Items that will not be subsequently reclassified to income statement:		
Actuarial (losses) / gains	(34.7)	26.0
Income tax relating to items that will not be subsequently reclassified to income statement	6.9	(4.5)
	(27.8)	21.5
Other comprehensive income for the period, net of tax	(99.6)	(60.1)
Total comprehensive income for the period	128.6	152.7
Total comprehensive income attributable to:		
Owners of the parent	128.7	152.7
Non-controlling interests	(0.1)	-
	128.6	152.7

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

Condensed consolidated interim statement of changes in equity (unaudited)

	Attributable to owners of the parent							Retained earnings	Total	Non-controlling interests	Total equity
	Share Capital	Share Premium	Reorganization reserve	Treasury shares	Exchange equalisation reserve	Other reserves	Group				
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	
Balance as at 1 January 2014	1,997.4	5,287.1	(6,472.1)	(70.7)	(293.3)	388.7	2,125.1	2,962.2	5.1	2,967.3	
Shares issued to employees exercising stock options	0.4	0.5	-	-	-	-	-	0.9	-	0.9	
Share-based compensation:											
Options	-	-	-	-	-	9.4	-	9.4	-	9.4	
Movement in treasury shares	-	-	-	-	-	(1.9)	-	(1.9)	-	(1.9)	
Hyperinflation impact	-	-	-	-	-	-	3.6	3.6	-	3.6	
Appropriation/transfer of reserves	-	-	-	-	-	(134.0)	134.0	-	-	-	
Dividends (note 13)	-	(130.2)	-	-	-	-	1.2	(129.0)	-	(129.0)	
	1,997.8	5,157.4	(6,472.1)	(70.7)	(293.3)	262.2	2,263.9	2,845.2	5.1	2,850.3	
Profit for the period net of tax	-	-	-	-	-	-	228.3	228.3	(0.1)	228.2	
Other comprehensive income for the period, net of tax	-	-	-	-	(75.7)	3.9	(27.8)	(99.6)	-	(99.6)	
Total comprehensive income for the period net of tax ⁽¹⁾	-	-	-	-	(75.7)	3.9	200.5	128.7	(0.1)	128.6	
Balance as at 26 September 2014	1,997.8	5,157.4	(6,472.1)	(70.7)	(369.0)	266.1	2,464.4	2,973.9	5.0	2,978.9	

⁽¹⁾ The amount included in the exchange equalisation reserve of €75.7 million loss for the first nine months of 2014 represents the exchange loss attributed to the owners of the parent of €76.6 million plus the share of equity method investments of €0.9 million gain.

The amount included in other reserves of €3.9 million gain for the first nine months of 2014 consists of loss on valuation of available-for-sale financial assets of €0.3 million, cash flow hedges gains of €5.8 million (of which €1.4 million represents revaluation loss for the period, €5.9 million represents revaluation loss reclassified to profit and loss for the period and €1.3 million represents revaluation losses reclassified to inventory for the period) and the deferred income tax charge of €1.6 million.

The amount of €200.5 million gain comprises a gain for the period of €228.3 million plus actuarial loss of €34.7 million less deferred income tax credit of €6.9 million.

The amount of €0.1 million loss included in non-controlling interests for the first nine months of 2014 represents the share of non-controlling interests in the retained earnings.

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

Condensed consolidated interim statement of changes in equity (unaudited)

	Attributable to owners of the parent							Total	Non-controlling interests	Total equity
	Share capital ⁽³⁾	Share Premium ⁽³⁾	Reorganization reserve ⁽³⁾	Treasury shares ⁽³⁾	Exchange equalisation reserve	Other reserves	Retained earnings			
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Balance as at 1 January 2013	370.2	569.3	-	(54.3)	(168.1)	376.6	1,895.0	2,988.7	17.8	3,006.5
Shares issued to employees exercising stock options	5.6	9.2	-	-	-	-	-	14.8	-	14.8
Share-based compensation:										
Options	-	-	-	-	-	4.1	-	4.1	-	4.1
Hyperinflation impact	-	-	-	-	-	-	0.9	0.9	-	0.9
Appropriation of reserves	-	-	-	-	-	0.3	(0.3)	-	-	-
Purchase of shares held by non-controlling interest	-	-	-	-	-	-	(5.1)	(5.1)	(8.2)	(13.3)
Change of parent company to Coca-Cola HBC AG	1,620.7	4,832.6	(6,472.1)	(16.4)	-	1.5	-	(33.7)	-	(33.7)
Dividends (note 13)	-	(124.7)	-	-	-	-	1.2	(123.5)	(4.5)	(128.0)
	1,996.5	5,286.4	(6,472.1)	(70.7)	(168.1)	382.5	1,891.7	2,846.2	5.1	2,851.3
Profit for the period net of tax	-	-	-	-	-	-	212.8	212.8	-	212.8
Other comprehensive income for the period, net of tax	-	-	-	-	(87.3)	5.7	21.5	(60.1)	-	(60.1)
Total comprehensive income for the period, net of tax ⁽²⁾	-	-	-	-	(87.3)	5.7	234.3	152.7	-	152.7
Balance as at 27 September 2013	1,996.5	5,286.4	(6,472.1)	(70.7)	(255.4)	388.2	2,126.0	2,998.9	5.1	3,004.0
Shares issued to employees exercising stock options	0.9	0.7	-	-	-	-	-	1.6	-	1.6
Share-based compensation:										
Options	-	-	-	-	-	2.2	-	2.2	-	2.2
Movement in treasury shares	-	-	-	-	-	(0.1)	-	(0.1)	-	(0.1)
Hyperinflation impact	-	-	-	-	-	-	0.9	0.9	-	0.9
Appropriation of reserves	-	-	-	-	-	(1.5)	1.5	-	-	-
Dividends	-	-	-	-	-	-	(0.2)	(0.2)	-	(0.2)
	1,997.4	5,287.1	(6,472.1)	(70.7)	(255.4)	388.8	2,128.2	3,003.3	5.1	3,008.4
Profit for the period net of tax	-	-	-	-	-	-	8.4	8.4	-	8.4
Other comprehensive income for the period, net of tax	-	-	-	-	(37.9)	(0.1)	(11.5)	(49.5)	-	(49.5)
Total comprehensive income for the period, net of tax	-	-	-	-	(37.9)	(0.1)	(3.1)	(41.1)	-	(41.1)
Balance as at 31 December 2013	1,997.4	5,287.1	(6,472.1)	(70.7)	(293.3)	388.7	2,125.1	2,962.2	5.1	2,967.3

⁽²⁾ The amount included in the exchange equalisation reserve of €87.3 million loss for the first nine months of 2013 represents the exchange loss attributed to the owners of the parent of €86.7 million plus the share of equity method investments of €0.6 million loss.

The amount included in other reserves of €5.7 million gain for the first nine months of 2013 consists of gains on valuation of available-for-sale financial assets of €0.4 million, cash flow hedges gain of €5.7 million (of which €0.6 million represents revaluation gains for the period, €8.7 million represents revaluation losses reclassified to profit and loss for the period and €3.6 million represents revaluation gains reclassified to inventory for the period) and the deferred income tax charge of €0.4 million.

The amount of €234.3 million gain comprises a gain for the period of €212.8 million, plus actuarial gains of €26.0 million less deferred income tax charge of €4.5 million.

⁽³⁾ As these condensed consolidated interim financial statements are a continuation of the consolidated financial statements of Coca-Cola Hellenic Bottling Company S.A., for the period 1 January 2012 to 25 April 2013 these components of equity reflect the capital structure of Coca-Cola Hellenic Bottling Company S.A. and following the reorganisation reflect the capital structure of Coca-Cola HBC AG.

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

Condensed consolidated interim cash flow statement (unaudited)

	Note	Nine months to 26 September 2014 € million	Nine months to 27 September 2013 € million
Operating activities			
Profit after tax for the period		228.2	212.8
Total finance costs, net	8	54.5	68.0
Share of results of equity method investments		(11.1)	(11.4)
Tax charged to the income statement		72.3	70.2
Depreciation of property, plant and equipment	4	258.6	279.1
Employee share options		9.4	4.1
Amortisation of intangible assets	4	0.3	0.9
Other non- cash items		0.5	
		612.7	623.7
Gains on disposal of non-current assets		(2.0)	(4.3)
Increase in inventories		(87.7)	(51.9)
(Increase) / decrease in trade and other receivables		(60.6)	16.6
Increase in trade and other payables		156.2	58.1
Tax paid		(46.0)	(39.7)
Net cash from operating activities		572.6	602.5
Investing activities			
Payments for purchases of property, plant and equipment		(226.3)	(253.1)
Payments for purchase of intangible assets	17	(14.1)	-
Proceeds from sales of property, plant and equipment		8.0	8.4
Net receipts from investments		1.2	9.4
Interest received		7.0	4.5
Net cash used in investing activities		(224.2)	(230.8)
Financing activities			
Payments for buy-out minorities of Coca-Cola Hellenic Bottling Company SA		-	(1.0)
Payment for purchase of own shares		-	(1.6)
Proceeds from shares issued to employees exercising stock options		0.9	14.8
Purchase of shares held by non-controlling interests	12	-	(16.7)
Dividends paid		(129.0)	(128.0)
Proceeds from external borrowings		903.6	1,390.3
Repayments of external borrowings		(1,140.3)	(1,259.9)
Principal repayments of finance lease obligations		(9.6)	(12.7)
Interest paid		(62.3)	(81.4)
Net cash used in financing activities		(436.7)	(96.2)
(Decrease) / increase in cash and cash equivalents		(88.3)	275.5
Movement in cash and cash equivalents			
Cash and cash equivalents at 1 January		737.5	439.1
(Decrease) / increase in cash and cash equivalents		(88.3)	275.5
Effect of changes in exchange rates		0.1	(1.9)
Effect of consolidation of Coca-Cola HBC AG		-	1.8
Hyperinflation impact on cash		0.5	0.5
Cash and cash equivalents at the end of the period		649.8	715.0

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

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

The accounting policies used in the preparation of the condensed consolidated interim financial statements of Coca-Cola HBC AG ('Coca-Cola HBC', the 'Company' or the 'Group') are consistent with those used in the annual financial statements for the year ended 31 December 2013, except for the adoption, as of 1 January 2014, the amendment to IAS 32 *Financial Statement Presentation*, on asset and liability offsetting; amendment to IAS 36 *Impairment of assets*, on recoverable amount disclosures; amendment to IAS 39 *Financial Instruments: Recognition and Measurement*, on novation of derivatives; and IFRIC 21 *Levies*. In addition, as of 1 July 2014 the Group adopted the amendments to IFRS 2 *Definitions relating to vesting conditions* and IFRS 3 *Accounting for contingent consideration in a business combination* both of which were part of the *Annual improvements to IFRSs 2010-2012 Cycle*. The adoption of the new interpretation and amended standards did not have a significant impact on the current or prior periods.

Basis of preparation

Operating results for the third quarter of 2014 are not indicative of the results that may be expected for the year ending 31 December 2014 because of business seasonality. Business seasonality results from higher unit sales of the Group's products in the warmer months of the year. The Group's methods of accounting for fixed costs such as depreciation and interest expense are not significantly affected by business seasonality.

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

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

These condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to Interim Financial Reporting ("IAS 34"). These condensed consolidated interim financial statements should be read in conjunction with the 2013 annual financial statements, which include a full description of the Group's accounting policies.

2. Exchange rates

The Group's reporting currency is the euro (€). Coca-Cola HBC translates the income statements of subsidiary operations to the euro at average exchange rates and the balance sheet at the closing exchange rate for the period, except for subsidiaries operating in a hyperinflationary environment as explained in Note 8.

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

	Average for the nine months period ended		Closing as at	
	26 September 2014	27 September 2013	26 September 2014	31 December 2013
US dollar	1.35	1.32	1.29	1.38
UK sterling	0.81	0.85	0.78	0.84
Polish zloty	4.17	4.20	4.18	4.15
Nigerian naira	210.94	205.35	200.23	214.41
Hungarian forint	308.45	296.86	310.29	296.36
Swiss franc	1.22	1.23	1.21	1.23
Russian Rouble	47.85	41.58	49.16	44.98
Romanian leu	4.45	4.40	4.40	4.46
Serbian dinar	116.32	112.71	118.56	114.62
Czech koruna	27.51	25.79	27.52	27.48
Ukrainian hryvnia	15.06	10.53	16.69	10.94

Selected explanatory notes to the condensed consolidated interim financial statements (unaudited)
3. Segmental analysis

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

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

Information on the Group's segments is as follows:

	Three months ended		Nine months ended	
	26 September 2014	27 September 2013	26 September 2014	27 September 2013
<i>Volume in unit cases⁽¹⁾ (million)</i>				
Established countries	167.2	185.0	473.1	504.4
Developing countries	100.2	112.1	270.5	294.4
Emerging countries	280.2	277.9	774.2	780.6
Total volume	547.6	575.0	1,517.8	1,579.4
<i>Net sales revenue (€ million)</i>				
Established countries	660.4	717.3	1,888.4	1,985.0
Developing countries	303.2	333.2	807.9	858.9
Emerging countries	853.5	867.8	2,303.9	2,455.5
Total net sales revenue	1,817.1	1,918.3	5,000.2	5,299.4
<i>Operating profit (€ million)</i>				
Established countries	51.3	71.5	110.2	105.4
Developing countries	32.3	37.6	55.1	38.1
Emerging countries	96.2	96.5	178.6	196.1
Total operating profit	179.8	205.6	343.9	339.6
<i>Reconciling items (€ million)</i>				
Finance costs, net	(15.6)	(18.6)	(54.5)	(68.0)
Tax	(38.2)	(46.7)	(72.3)	(70.2)
Share of results of equity method investments	7.1	7.0	11.1	11.4
Non-controlling interests	0.1	(0.1)	0.1	-
Profit after tax attributable to owners of the parent	133.2	147.2	228.3	212.8

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

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

	Property, plant and equipment € million	Intangible assets € million
Opening net book value as at 1 January 2014	2,901.9	1,921.3
Additions	213.2	14.1
Reclassified to assets held for sale	(1.0)	-
Disposals	(4.2)	-
Depreciation and amortisation	(258.6)	(0.3)
Foreign exchange differences	(59.7)	(7.8)
Effect of hyperinflation	(0.2)	-
Closing net book value as at 26 September 2014	2,791.4	1,927.3

5. Net debt

	As at 26 September 2014 € million	31 December 2013 € million
Long-term borrowings	1,572.8	1,853.6
Short-term borrowings	502.7	446.2
Cash and cash equivalents	(649.8)	(737.5)
Net debt	1,425.7	1,562.3

During January 2014, the remaining amount of the €500 million bond issued in 2008 (€317.0 million) was repaid using part of the cash balance. During September 2014, the outstanding bond of USD 400 million maturing in September 2015 was reclassified to short term debt.

6. Fair value

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

The Group's financial instruments recorded at fair value are included in Level 2 within the fair value hierarchy and comprise derivatives. There have been no changes in valuation techniques and inputs used to determine their fair value since 31 December 2013 (as described in the 2013 Annual Report available on the Coca-Cola HBC's web site: www.coca-colahellenic.com). As at 26 September 2014, the total financial assets included in Level 2 was €28.2 million and the total financial liabilities €64.7 million.

There were no transfers between level 1, 2 and 3 during the first nine months of 2014. The fair value of bonds and notes payable as at 26 September 2014, including the current portion, is €1,818.1 million, compared to their book value of €1,715.9 million, including the current portion.

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

Restructuring costs amounted to €18.6 million before tax in the third quarter of 2014. The Group recorded €16.7 million, €0.5 million and €1.4 million of restructuring charges in its established, developing and emerging countries respectively. For the third quarter of 2013, restructuring costs amounted to €1.9 million. The Group recorded €2.1 million and €0.3 million of restructuring charges in its established and emerging countries respectively, while the partial reversal of certain restructuring provisions for developing countries resulted in recognizing €0.5 million gains in this segment. The restructuring costs mainly concern redundancy costs.

Restructuring costs amounted to €30.5 million before tax in the first nine months of 2014. The Group recorded €22.5 million, €1.6 million and €6.4 million of restructuring charges in its established, developing and emerging countries respectively. For the first nine months of 2013, restructuring costs amounted to €24.3 million. The Group recorded €23.1 million and €1.4 million of restructuring charges in its established and emerging countries respectively, while the partial reversal of certain restructuring provisions for developing countries resulted in recognizing €0.2 million gains in this segment. The restructuring costs mainly concern redundancy costs.

8. Total finance costs, net

	Three months ended	
	26 September 2014	27 September 2013
	€ million	€ million
Interest income	(2.6)	(2.5)
Finance costs	17.0	20.3
Net foreign exchange losses	0.4	0.5
Loss on net monetary position	0.8	0.3
Total finance costs, net	15.6	18.6

	Nine months ended	
	26 September 2014	27 September 2013
	€ million	€ million
Interest income	(7.3)	(6.6)
Finance costs	51.4	73.1
Net foreign exchange losses	7.1	0.2
Loss on net monetary position	3.3	1.3
Total finance costs, net	54.5	68.0

Total net finance costs for the third quarter and first nine months of 2014 were lower by €3.0 million and €13.5 million respectively, compared to the same prior year periods. This is mainly due to a significant decrease in interest expense (cycling the one-off impact of the tender of the €500 million Bond in 2013), which was partially offset by the increase of net foreign exchange losses.

Hyperinflation

Belarus has been considered to be a hyperinflationary economy since the fourth quarter of 2011. The three year cumulative inflation exceeded 100% and therefore Belarus was consolidated in terms of the measuring unit at the balance sheet date and translated at the closing exchange rate. The restatement was based on conversion factors derived from the Belarus Consumer Price Index (CPI) as compiled by the National Statistical Committee of the Republic of Belarus. The conversion factor used for September 2014 was 1.134 which resulted in a net monetary loss for the nine months of 2014 of €3.3 million.

Selected explanatory notes to the condensed consolidated interim financial statements (unaudited)**9. Tax**

The Group's effective tax rate for 2014 may differ from the parent company statutory tax rate as a consequence of a number of factors, the most significant of which are: the statutory tax rates of the countries in which the Group operates, the non-deductibility of certain expenses, non-taxable income and one off tax items.

10. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to the owners of the parent by the weighted average number of shares outstanding during the period (third quarter of 2014: 364,309,304, first nine months of 2014: 364,287,910, third quarter of 2013: 363,613,253, first nine months of 2013: 363,315,609). Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive ordinary shares arising from exercising employee stock options.

11. Share capital

On 25 April 2013, Coca-Cola HBC acquired 96.85% (355,009,014 shares) of the issued Coca-Cola Hellenic Bottling Company SA ("CCHBC SA") shares, including shares represented by American depositary shares, following the successful completion of its voluntary share exchange offer and became the new parent company of the Group.

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

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

In the first quarter of 2014, the share capital of Coca-Cola HBC increased by the issue of 38,245 new ordinary shares following the exercise of stock options pursuant to the Coca-Cola HBC AG's employees' stock option plan. Total proceeds from the issuance of the shares under the stock option plan amounted to €0.4 million.

In the second quarter of 2014, the share capital of Coca-Cola HBC increased by the issue of 18,663 new ordinary shares following the exercise of stock options pursuant to the Coca-Cola HBC AG's employees' stock option plan. Total proceeds from the issuance of the shares under the stock option plan amounted to €0.2 million.

In the third quarter of 2014, the share capital of Coca-Cola HBC increased by the issue of 18,500 new ordinary shares following the exercise of stock options pursuant to the Coca-Cola HBC AG's employees' stock option plan. Total proceeds from the issuance of the shares under the stock option plan amounted to €0.3 million.

Following the above changes, and including 3,445,060 ordinary shares held as treasury shares, out of which 14,925 shares represent the initial ordinary shares of Coca-Cola HBC, on 26 September 2014 the share capital of the Group amounted to €1,997.8 million and comprised 367,765,633 shares with a nominal value of CHF 6.70 each.

Selected explanatory notes to the condensed consolidated interim financial statements (unaudited)**12. Non-controlling interests**

On 8 June 2011, the Board of Directors of the Coca-Cola HBC's subsidiary Nigerian Bottling Company plc ("NBC") resolved to propose a scheme of arrangement between NBC and its minority shareholders, involving the cancellation of part of the share capital of NBC. The transaction was approved by the Board of Directors and General Assembly of NBC on 8 June 2011 and 22 July 2011 respectively and resulted in the acquisition of the remaining 33.6% of the voting shares of NBC bringing the Group's interest in the subsidiary to 100%. The transaction was completed in September 2011 and NBC was de-listed from the Nigerian Stock Exchange. The consideration for the acquisition of non controlling interests was €100.2 million, including transaction costs of €1.8 million, out of which €75.2 million was paid as of 26 September 2014 (as of 31 December 2013: €75.2 million). The difference between the consideration and the carrying value of the interest acquired (€60.1 million) has been recognised in retained earnings while the accumulated components recognised in other comprehensive income have been reallocated within the equity of the Group.

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

13. Dividends

The shareholders of Coca-Cola HBC AG approved the dividend distribution of 0.354 euro cents per share at the Annual General Meeting held on 25 June 2014. The total dividend amounted to €130.2 million and was paid on 29 July 2014.

On 19 June 2013, the extraordinary general meeting of Coca-Cola HBC AG approved the distribution of a €0.34 dividend per share. The total dividend amounted to €124.7 million and was paid on 23 July 2013.

14. Contingencies

There have been no significant changes in contingencies since 31 December 2013 (as described in the 2013 UK Annual Financial Report available on the Coca-Cola Hellenic's web site: www.coca-colahellenic.com).

15. Commitments

As of 26 September 2014 the Group has capital commitments of €85.8 million (31 December 2013: €80.0 million), which mainly relate to plant and machinery equipment.

16. Number of employees

The average number of full-time equivalent employees in the first nine months of 2014 was 36,722 (38,312 for the first nine months of 2013).

Selected explanatory notes to the condensed consolidated interim financial statements (unaudited)**17. Related party transactions****a) The Coca-Cola Company**

As at 26 September 2014, The Coca-Cola Company and its subsidiaries (collectively, "TCCC") indirectly owned 23.1% (2013: 23.2%) of the issued share capital of Coca-Cola HBC.

Total purchases of concentrate, finished products and other materials from TCCC and its subsidiaries during the first nine months and the third quarter of 2014 amounted to €1,128.7 million and €382.0 million (€1,079.6 million and €363.8 million in the respective prior year period). Total net contributions received from TCCC for marketing and promotional incentives during the same period amounted to €49.7 million and €19.1 million (€66.3 million and €24.2 million in the respective prior year period).

During the first nine months and the third quarter of 2014, the Group sold €21.3 million and €9.4 million of finished goods and raw materials respectively to TCCC (€22.7 million and €8.9 million in the respective prior year period) while other income from TCCC was €11.9 million and €3.3 million respectively (€12.3 million and €3.1 million in the prior year period). Other expenses from TCCC amounted to €0.7 million and €0.6 for the first nine months and third quarter of 2014 (€2.8 million and €0.2 million in the respective prior year periods).

As at 26 September 2014, the Group had a total amount of €104.8 million (€73.6 million as at 31 December 2013) due from TCCC, and had a total amount of €251.5 million (€215.4 million as at 31 December 2013) due to TCCC.

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

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

Frigoglass, a company listed on the Athens Exchange, is a manufacturer of coolers, cooler parts, glass bottles, crowns and plastics. Truad Verwaltungs AG, in its capacity as trustee of a private discretionary trust established for the primary benefit of present and future members of the family of the late Anastasios George Leventis, currently indirectly owns 44.5% of Frigoglass through Torval Investment Corp., Lavonos Limited, Thrush Investments Holdings, Tinola Holdings S.A., Boval Limited, Boval S.A., Rondo Holding S.A. and Eagle Enterprises A.E. Truad Verwaltungs AG, in its capacity as trustee of a private discretionary trust established for the primary benefit of present and future members of the family of the late Anastasios George Leventis, holds 100% of the share capital of Torval Investment Corp., whose 100% owned subsidiary Lavonos Limited holds 100% of the share capital of Boval Limited as nominee for Torval Investment Corp, where Boval Limited controls its 100% owned subsidiary Boval S.A., which controls Kar Tess Holding, which holds approximately 23.2% (2013: 23.2%) of Coca Cola HBC's total issued capital. Frigoglass has a controlling interest in Frigoglass Industries Limited, a company in which Coca-Cola HBC has a 23.9% effective interest, through its investment in NBC.

During the first nine months and the third quarter of 2014, the Group made purchases of €58.4 million and €16.5 million respectively (€81.0 million and €17.1 million in the prior-year periods) of coolers, raw materials and containers from Frigoglass and its subsidiaries and incurred maintenance and other expenses of €10.5 million and €4.0 million respectively (€8.0 million and €2.9 million in the prior-year periods). The Group record other income of €0.1 million from Frigoglass both during the first nine months and the third quarter of 2014 (€0.1 million and nil for prior-year periods under review). As at 26 September 2014, Coca-Cola HBC owed €11.5 million (€11.7 million as at 31 December 2013) to, and was owed €0.3 million (€0.5 million as at 31 December 2013) by Frigoglass.

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

During the first nine months and the third quarter of 2014, the Group purchased €87.3 million and €26.4 million of raw materials and finished goods respectively (€93.2 million and €26.4 million in the prior year period) while the Group recorded sales of finished goods of €0.1 million for both the first nine months and third quarter of 2014 (nil for both prior year periods under review). In addition, the Group received reimbursement for direct marketing expenses for both the first nine months and the third quarter of 2014 of €0.2 million (€0.4 million and nil for the respective prior year periods under review). Furthermore the Group added €1.3 million and €0.3 million of tangible fixed assets during the first nine months and the third quarter of 2014 respectively, (nil for both prior year periods under review). During the first nine months and the third quarter of 2014 the Group incurred other expenses of €23.2 million and €5.4 million (€25.9 million and €7.3 million in the prior year period) and recorded income of €0.4 million and €0.1 million respectively (€3.9 million and €0.5 million in the prior year period). As at 26 September 2014, the Group owed €14.3 million (€6.8 million as at 31 December 2013) to, and was owed €1.8 million (€5.7 million as at 31 December 2013) by other related parties.

d) Joint Ventures

During the first nine months and the third quarter of 2014, the Group purchased €17.5 million and €6.7 million of finished goods (€19.2 million and €6.1 million in the prior-year periods) from joint ventures. In addition, the Group did not receive reimbursement for direct marketing expenses for both of the first nine months and the third quarter of 2014 (€0.6 million for both prior year periods under review). Furthermore during the first nine months and the third quarter of 2014, the Group incurred expenses of €0.6 million and €0.2 million (€0.2 million and nil for the respective prior year periods) and recorded other income for the first nine months and the third quarter of €5.1 million and €4.3 from joint ventures (€0.9 million and €0.7 million in the prior-year periods). As at 26 September 2014, the Group owed €79.4 million (€63.6 million as at 31 December 2013) to, and was owed €13.0 million (€9.1 million as at 31 December 2013) by joint ventures.

There were no transactions between Coca-Cola HBC and the directors and senior management except for remuneration for the period ended 26 September 2014, as well as the prior year period.

There were no other significant transactions with related parties for the period ended 26 September 2014.

18. Recent developments in Ukraine and the Russian Federation

We disclosed in our financial statements and annual report for the year ended 31 December 2013 information on the recent events involving Ukraine and the Russian Federation, including those related to the Crimean peninsula, which have among other things resulted in the depreciation of the Russian Ruble and the Ukrainian Hryvnia. The ongoing situation in Ukraine and the Russian Federation, and any further economic sanctions that may be imposed on the Russian Federation by the US and the European Union, could adversely affect the Group's operational and financial performance. We are continuously monitoring developments in that region.

19. Subsequent events

Following the 26 September 2014 the Group incurred €3.6m of restructuring costs before tax, of which €1.4m, €1.8m and €0.4m in its established, developing and emerging markets respectively.

On 27 October 2014, Brewmasters Holdings Ltd, subsidiary of Brewinvest S.A. joint venture with Heineken, sold its participation in Zagorka A.D. to Heineken. The consideration for the Group amounted to €76.5 million. The transaction resulted in a gain of €58.8 million, net of tax.