

Coca-Cola Hellenic Bottling Company S.A.
Results for the period ended 1st July 2005 (IFRS)

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Income statement (unaudited)

	Note	Six months to 1 July 2005 € million	Six months to 2 July 2004 € million
Net sales revenue		305.8	307.5
Cost of goods sold		<u>(169.7)</u>	<u>(174.6)</u>
Gross profit		136.1	132.9
Operating expenses		(82.6)	(77.2)
Amortisation of intangible assets		-	<u>(0.5)</u>
Total operating expenses		<u>(82.6)</u>	<u>(77.7)</u>
Operating profit (EBIT)		53.5	55.2
Interest expense		(7.4)	(7.9)
Dividend income		<u>1.5</u>	<u>2.1</u>
Profit before taxation		47.6	49.4
Taxation	2	(16.5)	(17.8)
Profit for the period attributable to the shareholders of the company		<u>31.1</u>	<u>31.6</u>
Basic & diluted earnings per share (Euro)	3	0.13	0.13

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Income statement (unaudited)

	Note	Three months to 1 July 2005 € million	Three months to 2 July 2004 € million
Net sales revenue		176.7	176.7
Cost of goods sold		(94.5)	(99.2)
Gross profit		82.2	77.5
Operating expenses		(44.6)	(36.9)
Amortisation of intangible assets		-	(0.3)
Total operating expenses		(44.6)	(37.2)
Operating profit (EBIT)		37.6	40.3
Interest expense		(3.7)	(4.0)
Dividends income		1.5	2.1
Profit before taxation		35.4	38.4
Taxation	2	(10.9)	(12.5)
Profit for the period attributable to the shareholders of the company		24.5	25.9
Basic & diluted earnings per share (Euro)	3	0.10	0.11

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Balance sheet (unaudited)

	Note	As at 1 July 2005 € million	As at 31 December 2004 € million
Assets			
Intangible assets	4	7.5	7.5
Property, plant and equipment	4	187.9	191.1
Investment in subsidiaries		2,305.9	2,305.9
Other non-current assets		9.8	11.8
Total non-current assets		2,511.1	2,516.3
Inventories		36.6	37.8
Trade and other receivables		197.7	145.5
Cash and cash equivalents	5	0.5	7.5
Total current assets		234.8	190.8
Total assets		2,745.9	2,707.1
Liabilities			
Short-term borrowings	5	15.5	19.9
Other current liabilities		217.0	129.0
Total current liabilities		232.5	148.9
Long-term borrowings	5	478.3	488.5
Other non-current liabilities		22.9	22.9
Total non-current liabilities		501.2	511.4
Shareholders' equity		2,012.2	2,046.8
Total equity and liabilities		2,745.9	2,707.1

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Cash flow statement (unaudited)

	Note	Six months to 1 July 2005 € million	Six months to 2 July 2004 € million
Operating profit		53.5	55.2
Depreciation of property, plant and equipment	4	15.7	15.3
Amortisation of intangible assets		-	0.5
Employee share options		1.0	0.3
		70.2	71.3
Loss on disposal of non-current assets		0.1	-
Decrease/(increase) in inventories		1.3	(5.0)
Increase in trade and other receivables		(51.7)	(59.3)
Increase in trade payables and other liabilities		12.6	14.4
Taxation paid		(8.2)	(13.7)
Cash flow generated from operating activities		24.3	7.7
Investing activities:			
Payment for purchase of property, plant and equipment		(11.1)	(20.8)
Net cash used in investing activities		(11.1)	(20.8)
Financing activities:			
Return of capital to shareholders		-	(0.4)
Net increase (decrease) in borrowings		(14.6)	66.4
Principal repayments of finance lease obligations		(0.1)	(0.1)
Net interest paid		(6.9)	(7.7)
Net inflow (outflow) from dividends		1.4	(45.2)
Net cash from (used in) financing activities		(20.2)	13.0
Decrease in cash and cash equivalents		(7.0)	(0.1)
Movement in cash and cash equivalents:			
Cash and cash equivalents at 1 January		7.5	0.9
Decrease in cash and cash equivalents		(7.0)	(0.1)
Cash and cash equivalents	5	0.5	0.8

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Statement of movements in equity (unaudited)

Attributable to shareholders of the Company

	Share capital	Share premium	Other reserves	Retained earnings	Total
Balance as at 31 December 2003	118,5	1.621,7	251,6	24,3	2.016,1
Changes in accounting policy			0,9	(0,9)	-
Restated balance	118,5	1.621,7	252,5	23,4	2.016,1
Profit for the period	-	-	-	31,6	31,6
Valuation gains on available-for-sale investments taken to equity	-	-	(0,1)	-	(0,1)
Comprehensive income	-	-	(0,1)	31,6	31,5
Share based compensations - options	-	-	0,3	-	0,3
Dividends	-	-	-	(47,4)	(47,4)
Balance as at 2 July 2004	118,5	1.621,7	252,7	7,6	2.000,5
Profit for the period	-	-	-	26,2	26,2
Valuation gains on available-for-sale investments taken to equity	-	-	0,5	-	0,5
Comprehensive income	-	-	0,5	26,2	26,7
Shares issued to employees exercising stock options	0,6	18,6	-	-	19,2
Share based compensations - options	-	-	0,4	-	0,4
Transfer to reserves	-	-	12,7	(12,7)	-
Balance as at 31 December 2004	119,1	1.640,3	266,3	21,1	2.046,8
Profit for the period	-	-	-	31,1	31,1
Comprehensive income	-	-	-	31,1	31,1
Share based compensations - options	-	-	1,0	-	1,0
Transfer from reserves	-	-	(49,0)	49,0	-
Dividends	-	-	-	(66,7)	(66,7)
Balance as at 1 July 2005	119,1	1.640,3	218,3	34,5	2.012,2

Condensed notes to the financial statements (unaudited)

1. Accounting policies

The accounting policies used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2004 with the exception of the changes mentioned below.

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.

The Company shows its investments in subsidiaries at the lower of cost or fair value.

These condensed financial statements have been prepared in accordance with International Accounting Standard ('IAS') 34, *Interim Financial Reporting* and should be read in conjunction with the 2004 annual consolidated financial statements, which include a full description of the Coca-Cola Hellenic Bottling Company SA (CCHBC) group's accounting policies as well as with the consolidated financial statements for the first six months of 2005 that were released on the 16 August 2005.

Changes in accounting policy

In March 2004, the International Accounting Standards Board ('IASB') revised standards IAS 36, *Impairment of Assets* and IAS 38, *Intangible Assets*. The main effect to the Company is that amortisation of goodwill has ceased. Instead, the assets are tested for impairment annually or more frequently if events or changes in circumstances indicate a possible impairment. The Company has applied the revised provisions of IAS 36 and IAS 38 from 1 January 2005. As the standard is applicable prospectively, prior year comparatives have not been restated.

From 1 January 2005 the Company applied IFRS 2, *Share-Based Payments* that require compensation costs related to share based payments to be recognised in the financial statements. Under the standard, the compensation cost is determined, based on the grant date fair value of the equity or liability instrument issued. The standard is applicable to grants of shares, share options or any equity instruments granted after 7 November 2002 and have not yet vested at the effective date of the standard. The adoption of IFRS 2 results in the Company reflecting a charge to the income statement for share options. In addition, there is a change to the timing of the charge for stock appreciation rights. As a consequence, prior year comparatives have been revised. The effect on the comparative net results for the first half of 2004 is a decrease of €0.3 million and the effect on the full year comparative net results is a decrease of €0.7 million. The effect on the full year comparative is a decrease of €1.0 million on assets and equity. The total charge to the Company up to July 1, 2005 for existing share options is € 1,7 million.

With effect from 2004, the Company changed its policy of revaluing land and buildings in accordance with the allowed alternative treatment under IAS 16 *Property, Plant and Equipment*, to record land and buildings at cost. Prior to 2004, land and buildings were revalued by independent valuers every five years. Increases in the carrying amount of land and building arising on revaluation were credited to the revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset were charged against the revaluation reserve; all other decreases were charged to the income statement. The revaluation surplus included in equity was directly transferred to retained earnings when the

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surplus was realised. The change in accounting policy was undertaken to provide a more appropriate presentation of the results of the Company and in order to provide more consistency with other companies in the same or comparable industries, the majority of whom do not revalue their assets. In particular, our peer Company generally report under US GAAP where asset revaluation is not permitted. Further, the policy change brings our accounting treatment in line with our US reporting. Prior year comparatives for the first half of 2004 have been restated. The effect on the first half comparative net results is an increase of € 0.2 million and a reduction of net assets and total equity of €26,9 million

2. Taxation

The effective tax rate for the Company differs from the 2005 Greek statutory rate of 32% (2004: 35%) as a consequence of a number of factors, the most significant of which are the non-deductibility of certain expenses.

The effective tax rate for the Company varies on a quarterly basis as a result of the mix of taxable profits and deductible expenses and as a consequence of tax adjustments, including legislative and regulatory changes, arising during the year that are not necessarily referable to the current year's operations.

The effective tax rate is expected to be approximately 38% for the full year 2005.

3. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of shares in issue during the period (2005: 238,260,129 shares, 2004: 236,925,277 shares).

4. Tangible and intangible assets

	Property, plant and equipment	Intangible assets
	€ million	€ million
Opening net book value as at 1 January 2005	191.1	7.5
Additions	13.8	-
Disposals	(1.3)	-
Depreciation	(15.7)	-
Closing net book value as at 1 July 2005	187.9	7.5

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5. Net debt

	As at 1 July 2005	As at 31 December 2004
	€ million	€ million
Long-term borrowings	478.3	488.5
Short-term borrowings	15.5	19.9
Cash and cash equivalents	(0.5)	(7.5)
Net debt	493.3	500.9

6. Dividends

The shareholders approved a dividend of €0.28 per share (totaling €66.7 million) for the year ended 31 December 2004 at the Annual General Meeting held on 17 June 2005.

7. Contingencies

The European Commission announced on 22 June 2005 that it had adopted a Commitment Decision concerning the commercial practices of the Coca-Cola system in the European Economic Area as a basis for terminating its investigation over the past five years into various commercial practices of the Coca-Cola system in certain European countries. The Decision is based on an Undertaking that The Coca Cola Company, CCHBC and other major European bottlers originally filed with the Commission in October 2004, and follows consultation with the European Commission and the National Competition Authorities of the European Union's Member States. The Undertaking will apply across 27 countries in Europe, in those channels of distribution where the carbonated soft drinks of The Coca Cola Company account for over 40% of national sales and twice the nearest competitor's share.

On 29 June, 2005, the Greek Competition Authority requested us to provide information regarding our commercial practices as a result of a complaint by a third party regarding our level of compliance with its decision of 25 January, 2002. At this time we cannot predict if the Greek Competition Authority will take any further action.

Except for the issues mentioned above, there have been no significant changes in contingencies since December 31, 2004 (as described also in the 2004 Annual Report of the CCHBC group).

8. Employee numbers

The average number of full-time equivalent employees in the first six months of 2005 was 2,507 (2004: 2,540).

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Review report of the auditors

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

We have reviewed the accompanying condensed interim financial statements as presented in pages 2 to 9 of "Coca-Cola Hellenic Bottling Company S.A." for the six-month period ended 1 July 2005. These condensed interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these condensed interim financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400, as required by the Greek Standards on Auditing. This Standard requires that we plan and perform the review to obtain moderate assurance about whether the condensed interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements of the Company have not been properly prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

PRICEWATERHOUSECOOPERS 

5 September 2005

The certified auditor
Antonios Papageorgiou
Reg. No. 11691