Q4 ACCELERATION AND ANOTHER STRONG YEAR

Coca-Cola HBC AG, a leading bottler of The Coca-Cola Company, reports its financial results for the full year ended 31 December 2019.

Full-year highlights

- Solid full-year FX-neutral revenue growth of 4.4% (+3.7% excluding the Bambi acquisition[1]); Strong Q4 revenue growth (+7.4% FX-neutral, +6.0% excluding Bambi) partially offset the impact of poor weather in Q2 and Q3
- All market segments delivered full-year FX-neutral revenue growth:
  - Established: +1.3%; ongoing strong performance in Italy
  - Developing: +4.2%; broad-based acceleration in volumes in Q4
  - Emerging: + 7.1%; Nigerian share gains and +24% volumes in Q4
  - The discontinuation of Lavazza had a negative impact of 20bps on full-year growth
- Full year volume +3.3%; volume accelerated in all segments in Q4
- Sparkling volumes +3.5% with growth in all segments; low/no sugar +26.7% and Adult Sparkling +7.1%
- Innovation drove 4.2 percentage points of volume growth
- FX-neutral revenue per case +1.0%; +2.1% excluding Nigeria where we invested in pricing
- Comparable EBIT +11.5% (+9.5% excluding Bambi): Comparable EBIT margin +60 basis points to 10.8% (+50bps excluding Bambi)
- Comparable EPS +10.0% to €1.436; basic EPS +10.2% to €1.340
- Free cash flow +19.6% to €442.6million with capex at 6.9% of revenue
- The Board of Directors proposes an ordinary dividend of €0.62 per share, an 8.8% increase on 2018

	Full Year		Change
	2019	**2018**	
Volume[1] (m unit cases)	**2,264.5**	2,192.3	3.3%
Net sales revenue[1] (€ m)	**7,026.0**	6,657.1	5.5%
Net sales revenue per unit case[1] (€)	**3.10**	3.04	2.2%
FX-neutral net sales revenue[1,2] (€)	**7,026.0**	6,731.9	4.4%
FX-neutral net sales revenue per unit case[1,2] (€)	**3.10**	3.07	1.0%
Operating expenses/ Net sales revenue (%)	**27.5**	28.2	-70bps
Comparable operating expenses / Net sales revenue (%)	**26.9**	27.7	-80bps
Operating profit (EBIT)[3] (€ m)	**715.3**	639.4	11.9%
Comparable EBIT[2] (€ m)	**758.7**	680.7	11.5%
EBIT margin (%)	**10.2**	9.6	60bps
Comparable EBIT margin[2] (%)	**10.8**	10.2	60bps
Net profit[4] (€ m)	**487.5**	447.4	9.0%
Comparable net profit[2,4] (€ m)	**522.2**	480.4	8.7%
Basic earnings per share (EPS) (€)	**1.340**	1.216	10.2%
Comparable EPS[2] (€)	**1.436**	1.306	10.0%
Free cash flow[2] (€ m)	**442.6**	370.0	19.6%

[1] For performance excluding Bambi refer to 'Supplementary Information' section. Bambi is a Serbian confectionery business that we acquired in 2019.
[2] For details on APMs refer to 'Alternative Performance Measures' and 'Definitions and reconciliations of APMs' sections.
[3] Refer to the condensed consolidated income statement.
[4] Net Profit and comparable net profit refer to net profit and comparable net profit respectively after tax attributable to owners of the parent.

Zoran Bogdanovic, Chief Executive Officer of Coca-Cola HBC AG, commented:

"2019 was another year of strong growth with the business recording its highest ever volume and comparable EBIT. I am particularly pleased with how we finished the year, following the unseasonable weather we faced in Q2 and Q3. We drove growth across all three market segments as well as in our three largest markets of Russia, Italy and Nigeria. Our core sparkling category continues to grow, supported by momentum in low- and no-sugar variants and we continue to gain or maintain share in the majority of our markets. We were recognised by the Dow Jones Sustainability Index as Europe's most sustainable beverage company for the sixth time in seven years. We enter 2020 with considerable momentum and exciting plans that include the roll-out of Costa Coffee in at least 10 of our markets. We are confident that we are well on track to deliver our 2020 commitments and to make solid progress on our 2025 growth agenda."

Coca-Cola HBC Group

Coca-Cola HBC is a leading bottler of The Coca-Cola Company with an annual revenue in excess of €7 billion. It has a broad geographic footprint with operations in 28 countries serving a population of more than 600 million people. Coca-Cola HBC offers a diverse range of primarily non-alcoholic ready-to-drink beverages in the sparkling, juice, water, sport, energy, plant based beverages and ready-to-drink 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 is ranked among the top sustainability performers in ESG benchmarks such as the Dow Jones Sustainability Indices, CDP, MSCI ESG and FTSE4Good, among others.

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). 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 for financial analysts and investors to discuss the 2019 full-year financial results on 13 February 2020 at 10:30 am, Swiss time (9:30 am London, 11:30 am Athens, and 4:30 am New York time). Interested parties can access the live, audio webcast of the call through Coca-Cola HBC's website (http://coca-colahellenic.com/en/investors/).

Enquiries

Investors and analysts
Joanna Kennedy — Tel: +44 20 37 444 230
Investor Relations Director — joanna.kennedy@cchellenic.com

Carla Fabiano — Tel: +44 20 37 444 231
Investor Relations Manager — carla.fabiano@cchellenic.com

Media:
David Hart — Tel: +41 41 726 0143
Group External Communication Director — david.hart@cchellenic.com

International media contact:
Teneo — Tel: +44 7557 413 275
Rob Morgan — robert.morgan@teneo.com
Tom Davies — tom.davies@teneo.com

Greek media contact:
V+O Communications — Tel: +30 211 7501219
Argyro Oikonomou — ao@vando.gr

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").

Forward-Looking Statements

This document contains forward-looking statements that involve risks and uncertainties. These statements may generally, but not always, be identified by the use of words such as "believe", "outlook", "guidance", "intend", "expect", "anticipate", "plan", "target" and similar expressions to identify forward-looking statements. All statements other than statements of historical facts, including, among others, statements regarding our future financial position and results, our outlook for 2020 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. 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 2018 Integrated Annual Report for Coca-Cola HBC AG and its subsidiaries.

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.

Alternative Performance Measures

The Group uses certain Alternative Performance Measures ("APMs") in making financial, operating and planning decisions as well as in evaluating and reporting its performance. These APMs provide additional insights and understanding to the Group's underlying operating and financial performance, financial condition and cash flow. The APMs should be read in conjunction with and do not replace by any means the directly reconcilable IFRS line items. For more details on APMs please refer to 'Definitions and reconciliations of APMs' section.

Group Operational Review

On a full year basis, FX-neutral revenue grew by 4.4%, or 3.7% excluding the acquisition of Bambi. As anticipated, FX-neutral revenue growth was strong in Q4, up 7.4% or 6.0% excluding Bambi. These results are despite cycling a tough comparative of 6.7% FX-neutral revenue growth in Q4 2018, and include the impact from the discontinuation of Lavazza, which is a headwind on FX-neutral revenue growth of 20bps on full year and 70bps in Q4 2019.

Volume grew in all segments, up 3.3% for the year, or 2.6% excluding Bambi, showing strong acceleration in Q4, which was up 8.3% or 6.8% respectively. FX-neutral revenue per case expanded in all segments in 2019 up 1.0% or 1.1%, excluding Bambi. Excluding the impact of Nigeria where we have made targeted price investments, price/mix was up 2.1%. Group reported revenue grew by 5.5%, faster than FX-neutral revenue growth, due to favourable currency movements in the Russian Rouble and the Swiss Franc against the Euro.

Comparable EBIT grew by 11.5% or 9.5% excluding Bambi, and comparable EBIT margin improved by 60 basis points to 10.8% as comparable operating expenses as a percentage of revenue declined by 80 basis points. The operating leverage in the business and lower marketing expenses as we cycled the investments behind the FIFA World Cup in 2018 drove these improvements. On an operational basis, lower logistics and administration expenses as a percent of revenues drove 30 basis points of this improvement. On a reported basis, EBIT margin improved by 60 basis points to 10.2%.

We generated €442.6 million of free cash flow, a 19.6% increase compared to the prior year. This strong result was delivered through higher operational profitability and improved working capital which more than offset higher tax payments and capital expenditure which amounted to €483.6 million, up 50 basis points year on year at 6.9% of sales.

In June 2019 we acquired Bambi, a leading Serbian confectionary business and we are progressing well with its integration. More recently in December 2019 and in conjunction with The Coca-Cola Company, we acquired Acque Minerali S.r.l, owner and producer of Lurisia, an Italian premium Water and Sparkling business; we have begun work on the integration.

As we grow our business, we seek to ensure that our growth is sustainable over the long term and that the environment is sustained for future generations.

We are pleased to announce that we are well on track in achieving the annual goals of our Mission 2025 sustainability targets in the six pillars: reducing emissions; water use and stewardship; World Without Waste; ingredient sourcing; nutrition; and our people and communities.

In 2019 our efforts towards sustainability were again recognised globally and we topped the beverage industry at DJSI Europe, MSCI ESG, CDP Climate and FTSE Russel ESG.

Volume performance by segment

Volume grew in all three segments, with an acceleration in Q4. The Established segment grew by 0.8%, with Italy, Ireland and Greece growing volumes while Austria and Switzerland declined primarily due to poor weather. The Developing segment grew by 0.5% against tough comparators where volumes grew by 8.8% in 2018. The Emerging segment grew by 5.7%, or by 4.4% excluding Bambi, with broad-based volume growth across the markets in the segment.

Volume performance by category

Innovation continues to be central to our strategy and performance. In 2019 we sold 165 million cases of new product, flavour and package innovations, and 4.2 percentage points of our volume growth was attributable to these new launches. These innovations play an important role in maintaining excitement in the brands, meeting the evolving product and packaging preferences of our customers and consumers and delivering our revenue growth management objectives. 2019 was an exciting year for new launches including Coca-Cola Energy, Coca-Cola Plus Coffee, Predator, Cappy Lemonade, 100% recycled PET bottles in four Water brands and premium flavour variants in Schweppes.

Group Operational Review (continued)

We are well-advanced in our preparations for the launch of Costa Coffee which is planned to begin in Q2 this year. We plan to launch in a range of formats in at least 10 of our markets in 2020 and expanding into all of our markets over the following three years.

Sparkling beverages volume grew by 3.5%, with growth achieved across all three market segments. This strong result was despite cycling Sparkling growth of 4.3% in 2018 and the poor weather which impacted several of our markets in Q2 and Q3 of 2019. Within the category, the low- and no-calorie variants grew by 26.7%. Trademark Coke continues to have strong momentum with volume growth of 5.6%, spurred by 26.2% growth in Coke Zero. Fanta volumes grew due to strong double-digit growth in low-and no-sugar variants. Sprite volumes declined overall, while low- and no-sugar variants more than doubled. Our Adult Sparkling portfolio continues to deliver growth momentum, up 7.1% led by double-digit growth in the Established markets.

Energy volume grew by 28.3% with strong performance across all our brands and continued positive early signs from the recently launched Coke Energy and Predator.

Still volumes increased by 1.7%, with Water volume up 1.4% and Juice volume down 1.7% impacted by weaker category performance**.** Ready-to-drink tea (RTD tea) volumes declined by 8.4%, impacted by the final delisting of Nestea and heavy promotional activity by competitors in a few countries. FUZETEA volumes grew marginally, up 0.1%, with excellent growth of over 40% in Italy, where we doubled our market share.

Our Premium Spirits business generated volume growth of 4.9%. We now have Premium Spirits offerings in 19 of our markets, complementing our Adult Sparkling portfolio, helping to activate evening occasions and strengthening our customer proposition in the hotel, restaurant and café (HoReCa) channel.

Selling a larger proportion of high-value single-serve packages continues to be a priority. In the period, single-serve packages increased by 9.5%, leading to a 2.6 percentage point package mix improvement. All three segments improved their package mix. Sparkling and Water package mix improved by 2.5 and 1.3 percentage points respectively.

Key financials

Net sales revenue of €7,026.0 million was up by 5.5% on a reported basis, benefiting from a 1.1 percentage point positive impact from currency movements in the Russian Rouble and Swiss Franc against the Euro.

Input cost per case increased by a moderate 0.6% on a comparable and FX-neutral basis. We benefited from lower sugar and aluminium cost, which was offset by higher PET cost and the increased proportion of finished goods in the mix due to volume growth in Monster and Premium Spirits.

The adverse impact from foreign currency movements amounted to €7.0 million in the period, driven predominantly by the movement of the Russian Rouble and the Nigerian Naira against the US Dollar.

Comparable EBIT was €758.7 million, up 11.5% compared to the prior-year period, resulting in a 60 basis point expansion in comparable EBIT margin to 10.8%. Comparable EBIT margins expanded in all three segments, up 40 basis points in the Established segment to 10.2%, up 30 basis points in the Developing segment to 10.8%, and up 80 basis points to 11.3% in the Emerging segment. The Emerging segment was aided in particular by a relatively benign FX environment and the Established segment by the strengthening of the Swiss Franc. On a reported basis, we delivered €715.3 million of EBIT in the period, an 11.9% improvement on the prior year.

We implemented restructuring projects across all segments in the full-year period, incurring €37.8 million in pre-tax restructuring charges.

Finance costs, net amounted to €67.1 million, due to the raising of €1,800 million in Euro denominated bonds.

Comparable net profit of €522.2 million and comparable earnings per share of €1.436 were 8.7% and 10.0% higher than in the prior-year period, respectively. Reported net profit and reported basic earnings per share were €487.5 million and €1.340, respectively, in the period.

Operational Review by Reporting Segment

Established markets

	Full Year		Change
	2019	**2018**	
Volume (m unit cases)	**624.5**	619.5	0.8%
Net sales revenue (€ m)	**2,517.6**	2,470.1	1.9%
Net sales revenue per unit case (€)	**4.03**	3.99	1.1%
FX-neutral net sales revenue (€ m)	**2,517.6**	2,486.4	1.3%
FX-neutral net sales revenue per unit case (€)	**4.03**	4.01	0.4%
Operating profit (EBIT) (€ m)	**236.0**	232.0	1.7%
Comparable EBIT (€ m)	**256.2**	240.7	6.4%
EBIT margin (%)	**9.4**	9.4	—
Comparable EBIT margin (%)	**10.2**	9.7	40bps

- Established markets volume increased by 0.8% in the full year, driven mainly by Ireland and Italy. Volume growth in the segment recovered in the fourth quarter after being adversely impacted by the weather during the second and third quarter of the year. Sparkling was the key contributor, followed by Energy and RTD tea.
- Net sales revenue increased by 1.9% in the full year. Volume growth, price increases in several countries, as well as favourable package mix more than offset the unfavourable channel and category mix impact. Price/mix in the segment was also impacted by the discontinuation of Lavazza in Q4 2019. FX-neutral net sales revenue per case increased by 0.4% in the year.
- Volume in Italy was up 2.4%. Sparkling saw good progress this year with positive contribution from Coca-Cola Regular and Coca Cola Zero as well as market share improvement. We continue to benefit from the changes we have made to our pack/price architecture in Sparkling as well as the investments in our route-to-market to improve our out-of-home coverage. We are pleased to see the positive momentum in RTD tea continue, following the launch of FUZETEA in 2018. We also saw excellent growth in Energy, driven by Monster and supported by the launch of Coke Energy in the fourth quarter. The Water category saw a return to volume growth in the year.

  In conjunction with The Coca-Cola Company, we completed the acquisition of Acque Minerali S.r.l in December and have begun work on integration of our route-to-market as part of our plans to scale this business.
- Volume in Greece increased by 0.8% in the period, helped by the steady recovery of the local economy. We saw good growth in Sparkling, mainly driven by zero variants, particularly Coca-Cola Zero and Fanta Zero. Adult Sparkling grew double digits in the year, supported by the new flavour launches in Schweppes including Orange and Grapefruit. Strong performance in Energy was helped by Monster's new variants: Mango Loco and Tropical as well as the launch of Predator. Water delivered another year of growth while Juice and RTD tea declined.
- In Ireland, volume grew by 5.4%. We are particularly pleased with this result as we are cycling the implementation of a sugar tax that took place in the second quarter of 2018. Sparkling was the main growth driver, with good growth from Coca-Cola Regular, Coca-Cola Zero and Fanta. We also benefited from double digit growth in Energy, supported by the launch of Coke Energy.
- In Switzerland, volume declined by 5.2%, impacted by poor weather during the peak summer months that affected the whole NARTD industry. Our adjustments in pack/price architecture are successfully leading to underlying improvements in price/mix in the market.
- Volume in Austria declined by 2.2% impacted by the delisting of a local brand and poor weather during the Q2 and Q3 periods. Despite this, we are pleased with the market share increase in both Sparkling and NARTD as well as the volume acceleration we witnessed in Q4. We benefited from good performance in Energy, as well as growth in Coca-Cola Regular, Coca-Cola Zero and Fanta.
- Comparable operating profit in the Established segment increased by 6.4% to €256.2 million, resulting in a 40 basis-point expansion in comparable operating profit margin to 10.2%. Volume growth, favourable price and product mix, a positive FX impact and lower operating expenses led to this positive result. On a reported basis, operating profit increased by 1.7% to €236.0 million.

Operational Review by Reporting Segment (continued)

Developing markets

	Full Year		Change
	2019	**2018**	
Volume (m unit cases)	**431.1**	429.0	0.5%
Net sales revenue (€ m)	**1,352.1**	1,306.9	3.5%
Net sales revenue per unit case (€)	**3.14**	3.05	3.0%
FX-neutral net sales revenue (€ m)	**1,352.1**	1,298.0	4.2%
FX-neutral net sales revenue per unit case (€)	**3.14**	3.03	3.7%
Operating profit (EBIT) (€ m)	**139.0**	130.7	6.4%
Comparable EBIT (€ m)	**146.4**	137.0	6.9%
EBIT margin (%)	**10.3**	10.0	30bps
Comparable EBIT margin (%)	**10.8**	10.5	30bps

- Developing segment volume was up marginally in the year by 0.5%. Poor weather across our territory during the summer period as well as the cycling of very strong growth in the prior year weighed on volumes. The last quarter of the year saw a significant acceleration, fully offsetting the volume impact during the peak summer season. On a category basis, growth was driven primarily by Sparkling and Energy, partially offset by declines in Water and RTD tea.
- Net sales revenue increased by 3.5% in the year, driven by higher volume and pricing, favourable category and package mix partly offset by negative channel mix and foreign exchange impacts, mainly from weaker Polish Zloty and Hungarian Forint. On an FX-neutral basis, net sales revenue per unit case improved by 3.7% with strong acceleration compared to the previous year driven by our revenue growth initiatives.
- In Poland, volume grew by 1.4% over a high comparable of 9.9% in 2018. In Sparkling, volume was driven by good performance in Coca-Cola Regular and high single digit growth in Coca-Cola Zero following the launch of Coca-Cola Zero Peach. Kinley, our Adult Sparkling brand in the country, continues to deliver growth momentum, with volumes up double-digits. Energy maintained its robust performance driven by Monster and the launch of Coca-Cola Energy. In Water, volumes declined following the adverse summer weather coupled with the cycling of our Water acceleration plan in the first half of 2018.
- Volume in Hungary decreased by 1.8%. Coca-Cola trademark continued to grow year on year led by double-digit growth in Coca-Cola Zero, spurred by new flavour variants, as well as growth in Coca-Cola Regular in line with value share gains in Sparkling. Energy continued to perform well, and this year saw the addition of Coca-Cola Energy to the country portfolio. Water, being one of the categories most affected by the weather, has seen a decline in the year but we are pleased to see the advancement in our premiumisation efforts with GLACÉAU smartwater growing 68% in the year.
- In the Czech Republic, volume declined by 3.4%, with a strong fourth quarter regaining some of the volume lost during the summer mainly due to adverse weather. Good performance in Coca-Cola Zero and Fanta were offset by declines in the rest of the Sparkling portfolio. Water, RTD tea and Juice declined in the year, while Energy continued to grow, driven by Monster. Meanwhile, strong price/mix improvements drove a mid single digit expansion in currency neutral revenue per case growth in the year.
- Developing markets posted a comparable operating profit of €146.4 million, a 6.9% increase compared to prior year. Comparable operating profit margin for the segment recorded an expansion of 30 basis points to 10.8%. Improved volume combined with favourable pricing and mix more than offset the cycling of a bad debt provision reversal in Croatia. Reported operating profit increased by 6.4% to €139.0 million.

Operational Review by Reporting Segment (continued)

Emerging markets

	Full Year		Change
	2019	**2018**	
Volume (m unit cases)	**1,208.9**	1,143.8	5.7%
Net sales revenue (€ m)	**3,156.3**	2,880.1	9.6%
Net sales revenue per unit case (€)	**2.61**	2.52	3.7%
FX-neutral net sales revenue (€ m)	**3,156.3**	2,947.5	7.1%
FX-neutral net sales revenue per unit case (€)	**2.61**	2.58	1.3%
Operating profit (EBIT) (€ m)	**340.3**	276.7	23.0%
Comparable EBIT (€ m)	**356.1**	303.0	17.5%
EBIT margin (%)	**10.8**	9.6	120bps
Comparable EBIT margin (%)	**11.3**	10.5	80bps

- Emerging market segment volume increased by 5.7%, or 4.4% excluding Bambi, with broad-based growth across the segment.
- Net sales revenue increased by 9.6%. Volume growth throughout the year and a positive currency impact, mainly in Russia and Nigeria, together with positive package and product mix, more than offset the unfavorable channel mix. Currency-neutral revenue per case grew by 1.3%, or 1.2% excluding Bambi. Excluding the negative impact from Nigeria, FX-neutral revenue per case was up 3.6%.
- Volume in Russia was marginally up 0.1% compared to last year, with an acceleration in the fourth quarter. We were pleased to see a return to mid single digit growth after a summer that was impacted by cold and wet weather and that affected the entire industry. We had strong growth and market share gains in Sparkling fuelled by Coca-Cola Regular and Coca-Cola Zero. Schweppes saw double-digit growth in the year, helped by the continued excellent performance of the flavours we launched in the previous year, namely Bitter Lemon and Pomegranate. Energy grew by 31.3% in the full year with good performances from both Burn and Monster as well as the launch of Coca-Cola Energy.
- In Nigeria, volumes grew by 9.1% in the period. The competitive environment continues to be intense and we have taken some decisive actions to be better positioned in this market. Within the Sparkling beverages category, in addition to the price adjustments we implemented in glass in the fourth quarter of 2018, we adjusted prices down during October 2019 in our PET packs. As a result, the fourth quarter of the year saw an encouraging double-digit acceleration in volume growth. Outside Sparkling, the year saw excellent double-digit growth in both Water and Energy.
- Volume in Romania increased by 5.6% in the full year, with an acceleration during the second half. Sparkling saw good growth across the board and innovation supported this performance with new launches in flavours like Coca-Cola Peach and Baobab Lime Raspberry. Schweppes continued its double-digit growth helped by the new launch of the Herbal pineapple flavour.
- Ukraine delivered excellent volume growth of 10.5%, driven by Sparkling and Energy. In Sparkling, volumes increased by mid-teens supported by Trademark Coke and Fanta. Juice volumes were flat and RTD tea increased low single digits.
- The Emerging markets segment delivered comparable operating profit of €356.1 million, resulting in an 80 basis-point improvement in comparable operating margin to 11.3%. Excluding the impact of Bambi, the Emerging markets segment comparable operating profit margin was 11.0%. Operating leverage on revenue growth as well as a more benign currency environment contributed to this strong result. On a reported basis, operating profit was €340.3million, an increase of 23.0% compared to prior year.

Business Outlook

According to external forecasts for 2020, the economic outlook in our territories continues to be healthy and this we expect will support the final year of our 2020 plan and progress the business towards our 2025 targets.

Overall, we expect volume to continue to grow in all three segments. We expect a faster pace of volume growth across each of the three segments relative to what we have seen in 2019, and particularly so for the Established and Developing segment, which were primarily affected by poor summer weather in 2019.

We believe we can continue to deliver FX-neutral net sales revenue per case growth at a similar level to that achieved in 2019. We would expect slightly better expansion in the Established segment to be offset by slightly weaker expansion in the Developing segment, while the Emerging segment should be broadly similar.

We expect the impact on EBIT from foreign currency to be break-even in the year, considering current spot rates and hedging positions.

We have good visibility of our commodities costs and overall, we expect our input costs per case to increase by low single digits on an FX-neutral basis.

Finally, aided by the operating leverage of the anticipated growth in our revenue, we expect to deliver further reduction in operating expenses as a percentage of net sales revenue in the year.

In summary, we are now in the final year of our 2020 strategic plan and expect to deliver against its goals with another good year of FX-neutral revenue growth and profit margin expansion. Our vision is to become the Leading 24/7 Beverage Partner and we are looking forward, with confidence, to the next phase of our development, in line with our 2025 Growth Story.

Technical guidance

We are aware of the potential for discriminatory taxation impacting our Italian and Polish businesses during the course of 2020. Whilst the detail of these proposals is not yet final, with the benefit of our experience in Ireland we are currently working on appropriate plans including price and mix adjustments, efficiency measures and capex reallocation. In principle, if these taxes and the respective plans are implemented, we expect they would lead to an inflation in revenue with minimal net impact on Group EBIT.

We remain focused on continuously improving operational efficiencies in the business. For 2020, we have identified restructuring initiatives of approximately €15 million. We expect these initiatives to yield €7 million in annualised benefits from 2020 onwards, while the initiatives already taken in 2019 and those that will be taken in 2020 are expected to yield €32 million of total benefits in 2020.

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

Group Financial Review

Income statement	Full Year		
	2019 € million	**2018 € million**	**% Change**
Volume (m unit cases)	**2,264.5**	2,192.3	3.3%
Net sales revenue	**7,026.0**	6,657.1	5.5%
Net sales revenue per unit case (€)	**3.10**	3.04	2.2%
FX-neutral net sales revenue[1]	**7,026.0**	6,731.9	4.4%
FX-neutral net sales revenue per unit case (€)[1]	**3.10**	3.07	1.0%
Cost of goods sold	**(4,380.4)**	(4,141.8)	5.8%
Comparable cost of goods sold[1]	**(4,378.0)**	(4,133.8)	5.9%
Gross profit	**2,645.6**	2,515.3	5.2%
Comparable gross profit[1]	**2,648.0**	2,523.3	4.9%
Operating expenses	**(1,930.3)**	(1,875.9)	2.9%
Comparable operating expenses[1]	**(1,889.3)**	(1,842.6)	2.5%
Operating profit (EBIT)[2]	**715.3**	639.4	11.9%
Comparable operating profit (EBIT)[1]	**758.7**	680.7	11.5%
Adjusted EBITDA[1]	**1,110.7**	968.7	14.7%
Comparable adjusted EBITDA[1]	**1,152.9**	1,000.3	15.3%
Finance costs, net	**(67.1)**	(41.3)	62.5%
Share of results of equity method investments	**13.0**	12.8	1.6%
Tax	**(173.2)**	(162.8)	6.4%
Comparable tax[1]	**(181.9)**	(171.1)	6.3%
Net profit[3]	**487.5**	447.4	9.0%
Comparable net profit[1,3]	**522.2**	480.4	8.7%
Basic earnings per share (€)	**1.340**	1.216	10.2%
Comparable basic earnings per share (€)[1]	**1.436**	1.306	10.0%

[1] *Refer to the 'Definitions and reconciliations of APMs' section.*
[2] *Refer to the condensed consolidated income statement.*
[3] *Net Profit and comparable net profit refer to net profit and comparable net profit respectively after tax attributable to owners of the parent.*

Net sales revenue improved by 5.5% during 2019, compared to the prior-year period, driven by higher volume, pricing, favourable category and package mix, positive foreign currency movements and the positive contribution from Bambi acquisition. On a currency-neutral basis, net sales revenue improved by 4.4% during 2019, compared to the prior-year period.

Comparable cost of goods sold increased by 5.9% and cost of goods sold increased by 5.8% in 2019, compared to the prior year, mainly driven by higher volume and moderately higher input costs, as the lower cost of sugar and aluminium were more than offset by increases in the cost of PET.

Comparable operating expenses increased by 2.5% and operating expenses increased by 2.9% during 2019, compared to the prior-year period - at a lower rate than the increase in net sales revenue, which was mainly driven by the operating leverage effect of solid revenue growth as well as lower marketing expenses due to the cycling of the investment behind FIFA World Cup.

Comparable operating profit increased by 11.5% and operating profit increased by 11.9% during 2019, compared to the prior-year period, mainly reflecting the benefits from volume and revenue growth management initiatives as well as the positive contribution from the Bambi acquisition, which were only partially offset by higher input costs and operating expenses.

Net finance costs increased by €25.8 million in 2019, compared to the prior-year period, mainly due to the higher level of gross debt and the adoption of IFRS 16, the new standard on leases.

Group Financial Review (continued)

Income statement (continued)

On a comparable basis, the effective tax rate was 25.8% for 2019 and 26.2% for 2018. On a reported basis, the effective tax rate was 26.2% for 2019 and 26.6% for 2018. The Group's effective tax rate varies 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.

Comparable net profit increased by 8.7% and net profit by 9.0% in 2019 compared to the prior-year period, mainly driven by operating profitability, partially offset by increased net finance costs.

Balance Sheet

	As at 31 December		
	2019	**2018**	**Change**
Assets	**€ million**	**€ million**	**€ million**
Total non-current assets	**5,137.7**	4,416.1	721.6
Total current assets	**3,076.3**	2,438.2	638.1
Total assets	**8,214.0**	**6,854.3**	1,359.7
Liabilities			
Total current liabilities	**2,667.2**	2,018.6	648.6
Total non-current liabilities	**2,846.6**	1,719.3	1,127.3
Total liabilities	**5,513.8**	**3,737.9**	1,775.9
Equity			
Owners to the parent	**2,697.5**	3,111.1	-413.6
Non-controlling interests	**2.7**	5.3	-2.6
Total equity	**2,700.2**	**3,116.4**	-416.2
Total equity and liabilities	**8,214.0**	**6,854.3**	1,359.7
Net current assets	**409.1**	**419.6**	-10.5

Total non-current assets increased by €721.6 million in 2019, due to the Bambi acquisition; the recognition of right-of-use assets resulting from adoption of IFRS 16, additions to property, plant and equipment and foreign currency translation. Net current assets decreased by €10.5 million in 2019 mainly as a result of a reclassification of the bond maturing in June 2020 to short term which was almost fully offset by increased current assets – primarily investments in financial assets (money market funds) and cash and cash equivalents. Total non-current liabilities increased by €1,127.3 million due to the bonds issued in 2019.

Cash flow

	Full Year		
	2019	**2018**	**%**
	€ million	**€ million**	**Change**
Net cash from operating activities[1]	**926.2**	796.6	16.3%
Capital expenditure[1]	**(483.6)**	(426.6)	13.4%
Free cash flow[1]	**442.6**	370.0	19.6%

[1] *Refer to the 'Definitions and reconciliations of APMs' section.*

Net cash from operating activities increased by 16.3% or €129.6 million, in 2019, compared to the prior-year period, as the increase in Adjusted EBITDA and cash generated from changes in working capital were only partially offset by increased taxes paid.

Group Financial Review (continued)

Cash flow (continued)

Capital expenditure increased by 13.4% in 2019, compared to the prior-year period. In 2019, capital expenditure amounted to €483.6 million of which 53% was related to investment in production equipment and facilities and 27% to the acquisition of marketing equipment. In 2018, capital expenditure amounted to €426.6 million of which 51% was related to investment in production equipment and facilities and 33% to the acquisition of marketing equipment.

In 2019, free cash flow increased by 19.6% or €72.6 million, compared to the prior-year period, as the increased cash from operating activities more than offset the increased capital expenditure.

Supplementary Information

Bambi has been included in the Group's consolidated financial statements since 18 June 2019. The tables below depict the impact of this acquisition to the Group's growth compared to prior year:

2019 vs 2018 growth (%)	Volume		Net sales revenue per unit case			
			FX-neutral		Reported	
	Total CCH	Excl. Bambi	Total CCH	Excl. Bambi	Total CCH	Excl. Bambi
Total Group	**3.3**	**2.6**	**1.0**	**1.1**	**2.2**	**2.2**
Established	0.8	0.8	0.4	0.4	1.1	1.1
Developing	0.5	0.5	3.7	3.7	3.0	3.0
Emerging	5.7	4.4	1.3	1.2	3.7	3.5

2019 vs 2018 growth (%)	Net sales revenue			
	FX-neutral		Reported	
	Total CCH	Excl. Bambi	Total CCH	Excl. Bambi
Total Group	**4.4**	**3.7**	**5.5**	**4.9**
Established	1.3	1.3	1.9	1.9
Developing	4.2	4.2	3.5	3.5
Emerging	7.1	5.6	9.6	8.1

Supplementary Information (continued)

The volume, net sales revenue and net sales revenue per unit case on a reported and currency-neutral base, are provided for NARTD and Premium Spirits, as set out below:

	Full Year		%
NARTD	**2019**	**2018**	**Change**
Volume (m in unit cases)[1]	**2,261.8**	2,189.7	3.3%
Net sales revenue (€ m)	**6,845.7**	6,471.8	5.8%
Net sales revenue per unit case (€)	**3.03**	2.96	2.4%
FX-neutral net sales revenue (€ m)	**6,845.7**	6,544.4	4.6%
FX-neutral net sales revenue per unit case (€)	**3.03**	2.99	1.3%

	Full Year		%
Premium Spirits	**2019**	**2018**	**Change**
Volume (m in unit cases)[1]	**2.722**	2.594	4.9%
Net sales revenue (€ m)	**180.3**	185.3	-2.7%
Net sales revenue per unit case (€)	**66.24**	71.43	-7.3%
FX-neutral net sales revenue (€ m)	**180.3**	187.5	-3.8%
FX-neutral net sales revenue per unit case (€)	**66.24**	72.28	-8.4%

	Full Year		%
Total	**2019**	**2018**	**Change**
Volume (m in unit cases)[1]	**2,264.5**	2,192.3	3.3%
Net sales revenue (€ m)	**7,026.0**	6,657.1	5.5%
Net sales revenue per unit case (€)	**3.10**	3.04	2.2%
FX-neutral net sales revenue (€ m)	**7,026.0**	6,731.9	4.4%
FX-neutral net sales revenue per unit case (€)	**3.10**	3.07	1.0%

[1] For NARTD volume, one unit case corresponds to approximately 5.678 litres or 24 servings, being a typically used measure of volume. For Premium Spirits volume, one unit case also corresponds to 5.678 litres. For biscuits volume, one unit case corresponds to 1 kilogram.

Definitions and reconciliations of Alternative Performance Measures ("APMs")

1. Comparable APMs[1]

In discussing the performance of the Group, "comparable" measures are used, which are calculated by deducting from the directly reconcilable IFRS measures the impact of the Group's restructuring costs, the mark-to-market valuation of the commodity hedging activity, acquisition costs and certain other tax items, which are collectively considered as items impacting comparability, due to their nature. More specifically the following items are considered as items that impact comparability:

1) *Restructuring costs*
   Restructuring costs comprise costs arising from significant changes in the way the Group conducts business, such as significant supply chain infrastructure changes, outsourcing of activities and centralisation of processes. These costs are included within the income statement line "Operating expenses". However, they are excluded from the comparable results in order for the user to obtain a better understanding of the Group's operating and financial performance achieved from underlying activity.
2) *Commodity hedging*
   The Group has entered into certain commodity derivative transactions in order to hedge its exposure to commodity price risk. Although these transactions are economic hedging activities that aim to manage our exposure to sugar, aluminium, gas oil and PET price volatility, hedge accounting has not been applied in all cases. In addition, the Group recognises certain derivatives embedded within commodity purchase contracts that have been accounted for as stand-alone derivatives and do not qualify for hedge accounting. The fair value gains and losses on the derivatives and embedded derivatives are immediately recognised in the income statement in the cost of goods sold and operating expenses line items. The Group's comparable results exclude the gains or losses resulting from the mark-to-market valuation of these derivatives to which hedge accounting has not been applied (primarily PET) and embedded derivatives. These gains or losses are reflected in the comparable results in the period when the underlying transactions occur, to match the profit or loss to that of the corresponding underlying transactions. We believe this adjustment provides useful information related to the impact of our economic risk management activities.
3) *Acquisition costs*
   Acquisition costs comprise costs incurred to effect a business combination such as finder's fees, advisory, legal, accounting, valuation and other professional or consulting fees. These costs are included within the income statement line "Operating expenses". However, to the extent that they relate to business combinations that have completed or are expected to be completed, they are excluded from the comparable results in order for the user to obtain a better understanding of the Group's operating and financial performance achieved from underlying activity.
4) *Other tax items*
   Other tax items represent the tax impact of changes in income tax rates affecting the opening balance of deferred tax arising during the year, included in the Tax line item of the income statement. These are excluded from comparable after-tax results in order for the user to obtain a better understanding of the Group's underlying financial performance.

The Group discloses comparable performance measures to enable users to focus on the underlying performance of the business on a basis which is common to both periods for which these measures are presented.

The reconciliation of comparable measures to the directly related measures calculated in accordance with IFRS is as follows:

[1] Comparable APMs refer to comparable COGS, comparable Gross Profit, comparable Operating expenses, comparable EBIT, comparable EBIT margin, comparable Adjusted EBITDA, comparable tax, comparable net profit and comparable EPS.

Definitions and reconciliations of Alternative Performance Measures ("APMs") (continued)

Reconciliation of comparable financial indicators *(numbers in € million except per share data)*

	Full Year 2019							
	COGS	Gross Profit	Operating expenses	EBIT	Adjusted EBITDA	Tax	Net Profit[1]	EPS (€)
As reported	**(4,380.4)**	**2,645.6**	**(1,930.3)**	**715.3**	**1,110.7**	**(173.2)**	**487.5**	**1.340**
Restructuring costs	**—**	**—**	**37.8**	**37.8**	**36.6**	**(8.6)**	**29.2**	**0.080**
Commodity hedging	**2.4**	**2.4**	**—**	**2.4**	**2.4**	**(0.5)**	**1.9**	**0.005**
Acquisition costs	**—**	**—**	**3.2**	**3.2**	**3.2**	**(0.5)**	**2.7**	**0.008**
Other tax items	**—**	**—**	**—**	**—**	**—**	**0.9**	**0.9**	**0.003**
Comparable	**(4,378.0)**	**2,648.0**	**(1,889.3)**	**758.7**	**1,152.9**	**(181.9)**	**522.2**	**1.436**
	Full Year 2018							
	COGS	Gross Profit	Operating expenses	EBIT	Adjusted EBITDA	Tax	Net Profit[1]	EPS (€)
As reported	(4,141.8)	2,515.3	(1,875.9)	639.4	968.7	(162.8)	447.4	1.216
Restructuring costs	—	—	32.8	32.8	23.1	(7.8)	25.0	0.068
Commodity hedging	8.0	8.0	0.5	8.5	8.5	(1.9)	6.6	0.018
Other tax items	—	—	—	—	—	1.4	1.4	0.004
Comparable	(4,133.8)	2,523.3	(1,842.6)	680.7	1,000.3	(171.1)	480.4	1.306

[1] Net Profit and comparable net profit refer to net profit and comparable net profit respectively after tax attributable to owners of the parent.

Reconciliation of comparable EBIT per reportable segment *(numbers in € million)*

	Full Year 2019			
	Established	Developing	Emerging	Consolidated
EBIT	**236.0**	**139.0**	**340.3**	**715.3**
Restructuring costs	**20.0**	**6.7**	**11.1**	**37.8**
Commodity hedging	**0.2**	**0.5**	**1.7**	**2.4**
Acquisition costs	**—**	**0.2**	**3.0**	**3.2**
Comparable EBIT	**256.2**	**146.4**	**356.1**	**758.7**
	Full Year 2018			
	Established	Developing	Emerging	Consolidated
EBIT	232.0	130.7	276.7	639.4
Restructuring costs	4.9	4.0	23.9	32.8
Commodity hedging	3.8	2.3	2.4	8.5
Comparable EBIT	240.7	137.0	303.0	680.7

2. FX-neutral APMs

The Group also evaluates its operating and financial performance on an FX-neutral basis (i.e. without giving effect to the impact of variation of foreign currency exchange rates from year to year). FX-neutral APMs are calculated by adjusting prior period amounts for the impact of exchange rates applicable to the current year. FX-neutral measures enable users to focus on the performance of the business on a basis which is not affected by changes in foreign currency exchange rates applicable to the Group's operating activities from year to year. The most common FX-neutral measures used by the Group are:

Definitions and reconciliations of Alternative Performance Measures ("APMs") (continued)

1) *FX-neutral net sales revenue and FX-neutral net sales revenue per unit case*
FX-neutral net sales revenue and FX-neutral net sales revenue per unit case are calculated by adjusting prior year net sales revenue for the impact of changes in exchange rates applicable in the current year.

2) *FX-neutral comparable input costs per unit case*
FX-neutral comparable input costs per unit case is calculated by adjusting prior year commodity costs and more specifically, sugar, resin, aluminium and fuel commodity costs, excluding commodity hedging as described above; and other raw materials costs for the impact of changes in exchange rates applicable in the current year.

The calculations of the FX-neutral APMs and the reconciliation to the most directly related measures calculated in accordance with IFRS is as follows:

Reconciliation of FX-neutral net sales revenue per unit case *(numbers in € million otherwise stated)*

	Full Year 2019			
	Established	**Developing**	**Emerging**	**Consolidated**
Net sales revenue	**2,517.6**	**1,352.1**	**3,156.3**	**7,026.0**
Currency impact	**—**	**—**	**—**	**—**
FX-neutral net sales revenue	**2,517.6**	**1,352.1**	**3,156.3**	**7,026.0**
Volume (m unit cases)	**624.5**	**431.1**	**1,208.9**	**2,264.5**
FX-neutral net sales revenue per unit case (€)	**4.03**	**3.14**	**2.61**	**3.10**

	Full Year 2018			
	Established	**Developing**	**Emerging**	**Consolidated**
Net sales revenue	2,470.1	1,306.9	2,880.1	6,657.1
Currency impact	16.3	(8.9)	67.4	74.8
FX-neutral net sales revenue	2,486.4	1,298.0	2,947.5	6,731.9
Volume (m unit cases)	619.5	429.0	1,143.8	2,192.3
FX-neutral net sales revenue per unit case (€)	4.01	3.03	2.58	3.07

Reconciliation of FX-neutral input costs per unit case *(numbers in € million unless otherwise stated)*

	Full Year 2019	**Full Year 2018**
Input costs	**1,824.4**	1,726.5
Commodity hedging	**(2.4)**	(8.0)
Comparable input costs	**1,822.0**	1,718.5
Currency impact	**—**	34.5
FX-neutral comparable input costs (€)	**1,822.0**	1,753.0
Volume (m unit cases)	**2,264.5**	2,192.3
FX-neutral comparable input costs per unit case (€)	**0.80**	0.80

Definitions and reconciliations of Alternative Performance Measures ("APMs") (continued)

3. Other APMs

Adjusted EBITDA

Adjusted EBITDA is calculated by adding back to operating profit the depreciation and impairment of property, plant and equipment, the amortisation and impairment of intangible assets, the employee share option and performance share costs and items, if any, reported in line "Other non-cash items" of the consolidated cash flow statement. Adjusted EBITDA is intended to provide useful information to analyse the Group's operating performance excluding the impact of operating non-cash items as defined above. It is also intended to measure the level of financial leverage of the Group by comparing Adjusted EBITDA to Net debt.

Adjusted EBITDA is not a measure of profitability and liquidity under IFRS and has limitations, some of which are as follows: Adjusted EBITDA does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments; Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs; although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements. Because of these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to us and should be used only as a supplementary APM.

As a result of IFRS 16 adoption, Adjusted EBITDA and comparable Adjusted EBITDA have increased by approximately 5% respectively, in 2019 as the lease expense of operating leases (under IAS 17) is replaced with depreciation and interest.

Free cash flow

Free cash flow is an APM used by the Group and defined as cash generated by operating activities after payments for purchases of property, plant and equipment net of proceeds from sales of property, plant and equipment and including principal repayments of lease obligations. Free cash flow is intended to measure the cash generation from the Group's business, based on operating activities, including the efficient use of working capital and taking into account its net payments for purchases of property, plant and equipment. The Group considers the purchase and disposal of property, plant and equipment as ultimately non-discretionary since ongoing investment in plant, machinery, technology and marketing equipment, including coolers, is required to support the day-to-day operations and the Group's growth prospects. The Group presents free cash flow because it believes the measure assists users of the financial statements in understanding the Group's cash generating performance as well as availability for interest payment, dividend distribution and own retention. The free cash flow measure is used by management for its own planning and reporting purposes since it provides information on operating cash flows, working capital changes and net capital expenditure that local managers are most directly able to influence.

Free cash flow is not a measure of cash generation under IFRS and has limitations, some of which are as follows: Free cash flow does not represent the Group's residual cash flow available for discretionary expenditures since the Group has debt payment obligations that are not deducted from the measure; free cash flow does not deduct cash flows used by the Group in other investing and financing activities and free cash flow does not deduct certain items settled in cash. Other companies in the industry in which the Group operates may calculate free cash flow differently, limiting its usefulness as a comparative measure.

Capital expenditure

The Group uses capital expenditure as an APM to ensure that the cash spending is in line with its overall strategy for the use of cash. Capital expenditure is defined as payments for purchases of property, plant and equipment plus principal repayments of lease obligations less proceeds from sale of property, plant and equipment.

The adoption on IFRS 16 did not have a significant impact on the free cash flow, as the increased capital expenditure was offset by the increase in Adjusted EBITDA. The following table illustrates how Adjusted EBITDA, Free Cash Flow and Capital Expenditure are calculated:

Definitions and reconciliations of Alternative Performance Measures ("APMs") (continued)

	Full Year 2019 € million	Full Year 2018 € million
Operating profit (EBIT)	**715.3**	**639.4**
Depreciation and impairment of property, plant and equipment	**384.8**	318.7
Amortisation of intangible assets	**0.7**	0.5
Employee performance shares	**9.9**	10.1
Adjusted EBITDA	**1,110.7**	**968.7**
Gain on disposals of non-current assets	**(6.2)**	(10.2)
Cash generated / (consumed) from working capital movements	**33.2**	(45.5)
Tax paid	**(211.5)**	(116.4)
Net cash from operating activities	**926.2**	**796.6**
Payments for purchases of property, plant and equipment	**(473.2)**	(437.2)
Principal repayments of lease obligations	**(45.5)**	(7.7)
Proceeds from sales of property, plant and equipment	**35.1**	18.3
Capital expenditure	**(483.6)**	**(426.6)**
Free cash flow	**442.6**	**370.0**

Net debt

Net debt is an APM used by management to evaluate the Group's capital structure and leverage. Net debt is defined as current borrowings plus non-current borrowings less cash and cash equivalents and financial assets (time deposits, treasury bills and money market funds), as illustrated below:

	As at 31 December 2019 € million	31 December 2018 € million
Current borrowings	**761.8**	136.4
Non-current borrowings	**2,562.9**	1,468.0
Other financial assets	**(728.8)**	(278.8)
Cash and cash equivalents	**(823.0)**	(712.3)
Net debt	**1,772.9**	**613.3**

Condensed consolidated financial statements for the six months and the year ended 31 December 2019

Condensed consolidated income statement (unaudited)

		Six months ended 31 December	
		2019	2018
	Note	**€ million**	€ million
Net sales revenue	3	**3,673.6**	3,428.8
Cost of goods sold		**(2,272.0)**	(2,126.0)
Gross profit		**1,401.6**	**1,302.8**
Operating expenses	4	**(975.2)**	(967.3)
Operating profit	3	**426.4**	**335.5**
Finance costs, net	5	**(34.3)**	(22.2)
Share of results of equity method investments		**8.3**	7.5
Profit before tax		**400.4**	**320.8**
Tax	6	**(107.6)**	(89.8)
Profit after tax		**292.8**	**231.0**
Attributable to:			
Owners of the parent		**292.4**	230.5
Non-controlling interests		**0.4**	0.5
		292.8	**231.0**
Basic earnings per share (€)	7	**0.81**	0.63
Diluted earnings per share (€)	7	**0.80**	0.62

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

Condensed consolidated statement of comprehensive income (unaudited)

	Six months ended 31 December	
	2019	2018
	€ million	€ million
Profit after tax	**292.8**	**231.0**
Other comprehensive income:		
Items that may be subsequently reclassified to income statement:		
Cost of hedging	**(2.2)**	(3.1)
Net gain / (loss) of cash flow hedges	**3.2**	(3.2)
Foreign currency translation	**45.7**	(39.1)
Share of other comprehensive income of equity method investments	**0.3**	—
Income tax relating to items that may be subsequently reclassified to income statement	**0.6**	1.7
	47.6	**(43.7)**
Items that will not be subsequently reclassified to income statement:		
Valuation loss on equity investments at fair value through other comprehensive income	**—**	(0.2)
Actuarial gains	**6.6**	15.7
Income tax relating to items that will not be subsequently reclassified to income statement	**(2.1)**	(2.2)
	4.5	**13.3**
Other comprehensive income / (loss) for the period, net of tax	**52.1**	**(30.4)**
Total comprehensive income for the period	**344.9**	**200.6**
Total comprehensive income attributable to:		
Owners of the parent	**344.5**	200.1
Non-controlling interests	**0.4**	0.5
	344.9	**200.6**

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

Condensed consolidated income statement (unaudited)

	Note	**Year ended 31 December** **2019** **€ million**	2018 € million
Net sales revenue	3	**7,026.0**	6,657.1
Cost of goods sold		**(4,380.4)**	(4,141.8)
Gross profit		**2,645.6**	**2,515.3**
Operating expenses	4	**(1,930.3)**	(1,875.9)
Operating profit	3	**715.3**	**639.4**
Finance costs, net	5	**(67.1)**	(41.3)
Share of results of equity method investments		**13.0**	12.8
Profit before tax		**661.2**	**610.9**
Tax	6	**(173.2)**	(162.8)
Profit after tax		**488.0**	**448.1**
Attributable to:			
Owners of the parent		**487.5**	447.4
Non-controlling interests		**0.5**	0.7
		488.0	**448.1**
Basic earnings per share (€)	7	**1.34**	1.22
Diluted earnings per share (€)	7	**1.33**	1.21

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

Condensed consolidated statement of comprehensive income (unaudited)

	Year ended 31 December	
	2019	2018
	€ million	€ million
Profit after tax	**488.0**	**448.1**
Other comprehensive income:		
Items that may be subsequently reclassified to income statement:		
Cost of hedging	**(11.1)**	(5.3)
Net gain of cash flow hedges	**2.5**	6.3
Foreign currency translation	**123.4**	(63.1)
Share of other comprehensive income of equity method investments	**0.7**	0.6
Income tax relating to items that may be subsequently reclassified to income statement	**1.4**	1.0
	116.9	**(60.5)**
Items that will not be subsequently reclassified to income statement:		
Valuation gain / (loss) on equity investments at fair value through other comprehensive income	**0.2**	(0.3)
Actuarial (losses) / gains	**(17.0)**	20.8
Income tax relating to items that will not be subsequently reclassified to income statement	**1.8**	(3.3)
	(15.0)	**17.2**
Other comprehensive income / (loss) for the year, net of tax	**101.9**	**(43.3)**
Total comprehensive income for the year	**589.9**	**404.8**
Total comprehensive income attributable to:		
Owners of the parent	**589.4**	404.1
Non-controlling interests	**0.5**	0.7
	589.9	**404.8**

Condensed consolidated balance sheet (unaudited)

		As at 31 December	
		2019	2018
	Note	**€ million**	€ million
Assets			
Intangible assets	8	**2,105.4**	1,825.8
Property, plant and equipment	8	**2,742.2**	2,391.6
Other non-current assets		**290.1**	198.7
Total non-current assets		**5,137.7**	**4,416.1**
Inventories		**488.1**	463.2
Trade, other receivables and assets		**1,029.7**	969.7
Other financial assets	10	**734.9**	290.0
Cash and cash equivalents	10	**823.0**	712.3
		3,075.7	**2,435.2**
Assets classified as held for sale		**0.6**	3.0
Total current assets		**3,076.3**	**2,438.2**
Total assets		**8,214.0**	**6,854.3**
Liabilities			
Borrowings	10	**761.8**	136.4
Other current liabilities		**1,905.4**	1,882.2
Total current liabilities		**2,667.2**	**2,018.6**
Borrowings	10	**2,562.9**	1,468.0
Other non-current liabilities		**283.7**	251.3
Total non-current liabilities		**2,846.6**	**1,719.3**
Total liabilities		**5,513.8**	**3,737.9**
Equity			
Owners of the parent		**2,697.5**	3,111.1
Non-controlling interests		**2.7**	5.3
Total equity		**2,700.2**	**3,116.4**
Total equity and liabilities		**8,214.0**	**6,854.3**

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

Condensed consolidated statement of changes in equity (unaudited)

	Attributable to owners of the parent									
	Share capital € million	Share premium € million	Group Reorganisation reserve € million	Treasury shares € million	Exchange equalisation reserve € million	Other reserves € million	Retained earnings € million	**Total € million**	Non-controlling interests € million	**Total equity € million**
Balance as at 1 January 2018	**2,015.1**	**4,739.3**	**(6,472.1)**	**(71.3)**	**(1,026.3)**	**271.2**	**3,551.5**	**3,007.4**	**4.8**	**3,012.2**
Shares issued to employees exercising stock options (note 11)	6.1	9.2	—	—	—	—	—	**15.3**	—	**15.3**
Share-based compensation:										
Performance shares	—	—	—	—	—	(1.5)	—	**(1.5)**	—	**(1.5)**
Movement in shares held for equity compensation plan	—	—	—	(0.1)	—	1.8	—	**1.7**	—	**1.7**
Sale of own shares	—	—	—	0.8	—	—	—	**0.8**	—	**0.8**
Appropriation of reserves	—	—	—	(0.2)	—	0.3	(0.1)	**—**	—	**—**
Movement of treasury shares (note 11)	—	—	—	(113.3)	—	—	—	**(113.3)**	—	**(113.3)**
Dividends (note 13)	—	(200.6)	—	—	—	—	1.8	**(198.8)**	(0.2)	**(199.0)**
Transfer of cash flow hedge reserve, including cost of hedging to inventories, net of tax [1]	—	—	—	—	—	(4.6)	—	**(4.6)**	—	**(4.6)**
	2,021.2	**4,547.9**	**(6,472.1)**	**(184.1)**	**(1,026.3)**	**267.2**	**3,553.2**	**2,707.0**	**4.6**	**2,711.6**
Profit for the year, net of tax	—	—	—	—	—	—	447.4	**447.4**	0.7	**448.1**
Other comprehensive loss for the year, net of tax	—	—	—	—	(62.5)	1.8	17.4	**(43.3)**	—	**(43.3)**
Total comprehensive income for the year, net of tax[2]	—	—	—	—	(62.5)	1.8	464.8	**404.1**	0.7	**404.8**
Balance as at 31 December 2018	**2,021.2**	**4,547.9**	**(6,472.1)**	**(184.1)**	**(1,088.8)**	**269.0**	**4,018.0**	**3,111.1**	**5.3**	**3,116.4**

[1] The amount included in other reserves of €4.6 million gain for 2018 represents the cash flow hedge reserve, including cost of hedging, transferred to inventory of €5.9 million gain, and the deferred tax expense thereof amounting to €1.3 million.

[2] The amount included in the exchange equalisation reserve of €62.5 million loss for 2018 represents the exchange loss attributed to the owners of the parent, mainly related to the Russian rouble, including €0.6 million gain relating to share of other comprehensive income of equity method investments.

The amount of other comprehensive loss net of tax included in other reserves of €1.8 million gain for 2018 consists of loss on valuation of equity investments at fair value through other comprehensive income of €0.3 million, cash flow hedges gains of €1.0 million, and the deferred tax income thereof amounting to €1.1 million.

The amount of €464.8 million gain attributable to owners of the parent comprises profit for the year of €447.4 million plus actuarial gains of €20.8 million, minus deferred tax expense of €3.4 million.

The amount of €0.7 million gain included in non-controlling interests for 2018 represents the share of non-controlling interests in profit for the year.

Condensed consolidated statement of changes in equity (unaudited)

	Attributable to owners of the parent									
	Share capital € million	Share premium € million	Group Reorganisation reserve € million	Treasury shares € million	Exchange equalisation reserve € million	Other reserves € million	Retained earnings € million	**Total € million**	Non-controlling interests € million	**Total equity € million**
Balance as at 1 January 2019	**2,021.2**	**4,547.9**	**(6,472.1)**	**(184.1)**	**(1,088.8)**	**269.0**	**4,018.0**	**3,111.1**	**5.3**	**3,116.4**
Shares issued to employees exercising stock options (note 11)	8.0	13.4	—	—	—	—	—	**21.4**	—	**21.4**
Share-based compensation:										
Performance shares	—	—	—	—	—	9.9	—	**9.9**	—	**9.9**
Cancellation of shares	(18.4)	(74.1)	—	92.5	—	—	—	**—**	—	**—**
Appropriation of reserves	—	—	—	27.9	—	(27.5)	(0.4)	**—**	—	**—**
Movement of treasury shares (note 11)	—	—	—	(106.1)	—	—	—	**(106.1)**	—	**(106.1)**
Acquisition of shares held by non-controlling interests (note 14)	—	—	—	—	—	—	(7.0)	**(7.0)**	(2.5)	**(9.5)**
Dividends (note 13)	—	(941.9)	—	—	—	—	8.8	**(933.1)**	(0.6)	**(933.7)**
Transfer of cash flow hedge reserve, including cost of hedging to inventories, net of tax[3]	—	—	—	—	—	11.9	—	**11.9**	—	**11.9**
	2,010.8	**3,545.3**	**(6,472.1)**	**(169.8)**	**(1,088.8)**	**263.3**	**4,019.4**	**2,108.1**	**2.2**	**2,110.3**
Profit for the year net of tax	—	—	—	—	—	—	487.5	**487.5**	0.5	**488.0**
Other comprehensive income for the year, net of tax	—	—	—	—	124.1	(7.0)	(15.2)	**101.9**	—	**101.9**
Total comprehensive income for the year, net of tax[4]	—	—	—	—	124.1	(7.0)	472.3	**589.4**	0.5	**589.9**
Balance as at 31 December 2019	**2,010.8**	**3,545.3**	**(6,472.1)**	**(169.8)**	**(964.7)**	**256.3**	**4,491.7**	**2,697.5**	**2.7**	**2,700.2**

[3] *The amount included in other reserves of €11.9 million loss for 2019 represents the cash flow hedge reserve, including cost of hedging, transferred to inventory of €15.1 million loss, and the deferred tax income thereof amounting to €3.2 million.*

[4] *The amount included in the exchange equalisation reserve of €124.1 million gain for 2019 represents the exchange gain attributed to the owners of the parent, primarily related to the Russian rouble but also the Swiss franc and Ukrainian hryvnia, including €0.7 million gain relating to share of other comprehensive income of equity method investments.*

The amount of other comprehensive income net of tax included in other reserves of €7.0 million loss for 2019 consists of gain on valuation of equity investments at fair value through other comprehensive income of €0.2 million, cash flow hedges loss of €8.6 million, and the deferred tax income thereof amounting to €1.4 million.

The amount of €472.3 million gain attributable to owners of the parent comprises profit for the year of €487.5 million plus actuarial losses of €17.0 million, minus deferred tax income of €1.8 million.

The amount of €0.5 million gain included in non-controlling interests for 2019 represents the share of non-controlling interests in profit for the year.

Condensed consolidated cash flow statement (unaudited)

	Note	Year ended 31 December 2019 € million	2018 € million
Operating activities			
Profit after tax		**488.0**	448.1
Finance costs, net	5	**67.1**	41.3
Share of results of equity method investments		**(13.0)**	(12.8)
Tax charged to the income statement		**173.2**	162.8
Depreciation and impairment of property, plant and equipment	8	**384.8**	318.7
Employee performance shares		**9.9**	10.1
Amortisation of intangible assets	8	**0.7**	0.5
		1,110.7	**968.7**
Gain on disposals of non-current assets		**(6.2)**	(10.2)
Decrease / (increase) in inventories		**14.2**	(62.4)
Increase in trade and other receivables		**(18.0)**	(23.3)
Increase in trade and other payables		**37.0**	40.2
Tax paid		**(211.5)**	(116.4)
Net cash inflow from operating activities		**926.2**	**796.6**
Investing activities			
Payments for purchases of property, plant and equipment		**(473.2)**	(437.2)
Payments for purchases of intangible assets		**—**	(1.5)
Proceeds from sales of property, plant and equipment		**35.1**	18.3
Payments for business combinations, net of cash acquired	14	**(138.2)**	—
Payment for acquisition of equity method investment	14	**(42.5)**	—
Net receipts from equity investments		**8.9**	12.0
Net payments for investments in financial assets at amortised cost		**(113.4)**	(92.7)
Net payments for investments in financial assets at fair value through profit or loss		**(337.3)**	(35.0)
Interest received		**5.9**	7.8
Proceeds from loans		**5.8**	0.2
Net cash outflow from investing activities		**(1,048.9)**	**(528.1)**
Financing activities			
Proceeds from shares issued to employees, exercising stock options	11	**21.4**	15.3
Purchase of shares from non-controlling interests	14	**(9.5)**	(0.2)
Purchase of own shares	11	**(192.8)**	(27.8)
Proceeds from sale of own shares		**—**	0.8
Proceeds from borrowings		**1,840.0**	52.4
Repayments of borrowings		**(372.2)**	(69.6)
Principal repayments of lease obligations (2018: Principal repayments of finance lease obligations)		**(45.5)**	(7.7)
Dividends paid to owners of the parent		**(933.1)**	(198.8)
Dividends paid to non-controlling interests		**(0.6)**	(0.2)
(Payments for) / proceeds from settlement of derivatives regarding financing activities		**(8.3)**	1.4
Interest paid		**(71.8)**	(40.4)
Net cash inflow / (outflow) from financing activities		**227.6**	**(274.8)**
Net increase / (decrease) in cash and cash equivalents		**104.9**	**(6.3)**
Movement in cash and cash equivalents			
Cash and cash equivalents at 1 January		**712.3**	723.5
Net increase / (decrease) in cash and cash equivalents		**104.9**	(6.3)
Effect of changes in exchange rates		**5.8**	(4.9)
Cash and cash equivalents at the end of the year		**823.0**	**712.3**

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

Selected explanatory notes to the condensed consolidated financial statements (unaudited)

1. Accounting policies and basis of preparation

Basis of preparation

These condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') applicable to Financial Reporting ('IAS 34'). These condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2018.

Comparative figures

Comparative figures have been adjusted and reclassified where necessary to conform with changes in presentation in the current period. More specifically, in the condensed consolidated balance sheet, related party loan receivables of €3.5 million have been reclassified from 'Trade, other receivables and assets' to 'Other financial assets'.

Accounting policies

The accounting policies used in the preparation of the condensed consolidated financial statements of Coca-Cola HBC AG ('Coca-Cola HBC', the 'Company' or the 'Group') are consistent with those used in the 2018 annual financial statements, except for the adoption of new and amended accounting standards effective as of 1 January 2019.

New and amended standards adopted by the Group

A number of new or amended standards became effective as of 1 January 2019 and were adopted by the Group, none of these however, other than the adoption of IFRS 16, had a significant impact on the Group's accounting policies or the condensed consolidated financial statements.

The Group adopted IFRS 16 'Leases' retrospectively from 1 January 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the adoption of the new leasing standard are therefore recognised in the opening balance sheet on 1 January 2019. Refer to Note 12 for more details on the impact of the transition to IFRS 16.

From 1 January 2019, leases, from a lessee's perspective, are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a net present value basis and are recognised as part of 'Property, plant and equipment', 'Current borrowings' and 'Non-current borrowings' within the condensed consolidated balance sheet, respectively.

Lease liabilities include the net present value of the following lease payments:

a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;

b) variable lease payments that are based on an index or a rate;

c) amounts expected to be payable by the lessee under residual value guarantees;

d) the exercise price of a purchase option if the Group is reasonably certain it will exercise that option; and

e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The measurement of the liability includes the lease payments to be made for the periods after the extension options (or periods after termination options) only if the lease contract is reasonably certain to be extended (or not terminated). When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

The lease payments are discounted using the interest rate implicit in the lease (if that rate can be determined), or the incremental borrowing rate of the lease, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and

Selected explanatory notes to the condensed consolidated financial statements (unaudited)

1. Accounting policies and basis of preparation (continued)

conditions. In determining the incremental borrowing rate to be used, the Group applies judgement to establish the suitable reference rate and credit spread.

Each lease payment is allocated between the liability and finance cost.

Right-of-use assets are measured at cost comprising the following:

a) the amount of the initial measurement of lease liability;

b) any lease payments made at or before the commencement date less any lease incentives received;

c) any initial direct costs; and

d) any restoration costs.

The right-of-use assets are depreciated over the shorter of the assets' useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Group utilises a number of practical expedients permitted by the standard, namely:

1) applying the recognition exemption to short-term leases that do not contain a purchase option; and

2) applying the recognition exemption to leases of underlying assets with a low value.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the condensed consolidated income statement.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Other amendments and interpretations

The Group has adopted the amendments which were issued by the IASB, that are relevant to its operations and effective for accounting periods beginning on 1 January 2019:

- Prepayment Features with Negative Compensation – Amendments to IFRS 9;
- Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28;
- Annual Improvements to IFRS Standards 2015 – 2017 Cycle;
- Plan Amendment, Curtailment or Settlement – Amendments to IAS 19; and
- IFRIC 23- Uncertainty over Income Tax Treatments.

The above amendments did not have a material impact on the consolidated financial statements of the Group.

Other amendments issued but not yet adopted by the Group

- References to the Conceptual Framework in IFRS Standards – Conceptual Framework;
- Definition of a Business – Amendment to IFRS 3;
- Definition of Material - Amendments to IAS 1 and IAS 28;
- Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7; and
- Classification of Liabilities as Current or Non-current – Amendment to IAS 1.

The Group is still assessing the impact that the above amendments will have on the consolidated financial statements of the Group.

Selected explanatory notes to the condensed consolidated financial statements (unaudited)

2. Foreign currency and translation

The Group's reporting currency is the Euro (€). Coca-Cola HBC translates the income statements of foreign operations to the Euro at average exchange rates and the balance sheets at the closing exchange rates at 31 December. The principal exchange rates used for translation purposes in respect of one Euro are:

	Average rate for the year ended		Closing rate as at	
	31 December 2019	31 December 2018	**31 December 2019**	31 December 2018
US dollar	**1.12**	1.18	**1.12**	1.14
UK sterling	**0.88**	0.88	**0.85**	0.90
Polish zloty	**4.30**	4.26	**4.26**	4.29
Nigerian naira	**405.07**	427.39	**406.66**	416.55
Hungarian forint	**325.10**	318.51	**330.46**	321.07
Swiss franc	**1.11**	1.16	**1.09**	1.13
Russian rouble	**72.54**	73.94	**69.43**	79.46
Romanian leu	**4.74**	4.65	**4.79**	4.66
Ukrainian hryvnia	**29.03**	32.14	**25.81**	31.11
Czech koruna	**25.67**	25.65	**25.46**	25.83
Serbian dinar	**117.87**	118.28	**117.55**	118.21

3. Segmental analysis

The Group has essentially one business, being the production, sale and distribution of ready-to-drink, primarily non-alcoholic, beverages. The Group operates in 28 countries which are aggregated in reportable segments as follows:

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

a) Volume and net sales revenue

The Group sales volume in million unit cases[1] was as follows:

	Six months ended 31 December		Year ended 31 December	
	2019	2018	**2019**	2018
Established	**321.5**	317.6	**624.5**	619.5
Developing	**222.9**	223.6	**431.1**	429.0
Emerging	**629.7**	583.7	**1,208.9**	1,143.8
Total volume	**1,174.1**	**1,124.9**	**2,264.5**	**2,192.3**

[1] *One unit case corresponds to approximately 5.678 litres or 24 servings, being a typically used measure of volume. For biscuits volume, one unit case corresponds to 1 kilogram. Volume data is derived from unaudited operational data.*

Selected explanatory notes to the condensed consolidated financial statements (unaudited)

3. Segmental analysis (continued)

a) Volume and net sales revenue (continued)

Net sales revenue per reportable segment for the six months and the years ended 31 December is presented below:

	Six months ended 31 December		Year ended 31 December	
	2019	2018	**2019**	2018
	€ million	€ million	**€ million**	€ million
Established	**1,279.9**	1,262.7	**2,517.6**	2,470.1
Developing	**710.4**	690.9	**1,352.1**	1,306.9
Emerging	**1,683.3**	1,475.2	**3,156.3**	2,880.1
Total net sales revenue	**3,673.6**	**3,428.8**	**7,026.0**	**6,657.1**

In addition to non-alcoholic ready-to-drink beverages ("NARTD"), the Group sells and distributes Premium Spirits. An analysis of volume and net sales revenue per product type for the six months and the years ended 31 December is presented below:

	Six months ended 31 December		Year ended 31 December	
	2019	2018	**2019**	2018
Volume in million unit cases[1]				
NARTD[2]	**1,172.6**	1,123.4	**2,261.8**	2,189.7
Premium spirits[1]	**1.5**	1.5	**2.7**	2.6
Total volume	**1,174.1**	**1,124.9**	**2,264.5**	**2,192.3**
Net sales revenue (€ million)				
NARTD	**3,569.7**	3,321.9	**6,845.7**	6,471.8
Premium spirits	**103.9**	106.9	**180.3**	185.3
Total net sales revenue	**3,673.6**	**3,428.8**	**7,026.0**	**6,657.1**

[1] *One unit case corresponds to approximately 5.678 litres or 24 servings, being a typically used measure of volume. For Premium Spirits volume, one unit case also corresponds to 5.678 litres. For biscuits volume, one unit case corresponds to 1 kilogram. Volume data is derived from unaudited operational data.*
[2] *NARTD: non-alcoholic, ready-to-drink beverages.*

b) Other income statement items

	Six months ended 31 December		Year ended 31 December	
	2019	2018	**2019**	2018
	€ million	€ million	**€ million**	€ million
Operating profit				
Established	**143.8**	123.7	**236.0**	232.0
Developing	**89.5**	75.3	**139.0**	130.7
Emerging	**193.1**	136.5	**340.3**	276.7
Total operating profit	**426.4**	**335.5**	**715.3**	**639.4**
Reconciling items				
Finance costs, net	**(34.3)**	(22.2)	**(67.1)**	(41.3)
Tax	**(107.6)**	(89.8)	**(173.2)**	(162.8)
Share of results of equity method investments	**8.3**	7.5	**13.0**	12.8
Non-controlling interests	**(0.4)**	(0.5)	**(0.5)**	(0.7)
Profit after tax attributable to owners of the parent	**292.4**	**230.5**	**487.5**	**447.4**

Selected explanatory notes to the condensed consolidated financial statements (unaudited)

c) Other items

The Group continues to monitor the situation in Nigeria in order to ensure that timely actions and initiatives are undertaken to minimise potential adverse impact on its performance, particularly in relation to potential currency volatility. During 2019, revenue from our operations in Nigeria amounted to 7% of consolidated net sales revenue; as at 31 December 2019 non-current assets of our operations in Nigeria amounted to 11% of the consolidated non-current assets.

4. Restructuring expenses

As part of the effort to optimise its cost base and sustain competitiveness in the marketplace, the Company undertakes restructuring initiatives. Restructuring concerns mainly employee costs and impairment of property, plant and equipment, which are included within operating expenses. Restructuring expenses per reportable segment for the six months and years ended 31 December are presented below:

	Six months ended 31 December		**Year ended 31 December**	
	2019	2018	**2019**	2018
	€ million	€ million	**€ million**	€ million
Established	**0.4**	3.8	**20.0**	4.9
Developing	**3.3**	3.5	**6.7**	4.0
Emerging	**3.9**	21.5	**11.1**	23.9
Total restructuring costs	**7.6**	**28.8**	**37.8**	**32.8**

5. Finance costs, net

	Six months ended 31 December		**Year ended 31 December**	
	2019	2018	**2019**	2018
	€ million	€ million	**€ million**	€ million
Interest income	**(3.2)**	(2.5)	**(6.3)**	(6.1)
Finance costs	**37.7**	24.9	**73.9**	47.8
Net foreign exchange gains	**(0.2)**	(0.2)	**(0.5)**	(0.4)
Finance costs, net	**34.3**	**22.2**	**67.1**	**41.3**

Refer to note 10 for a summary of the bonds issued in 2019.

6. Tax

	Six months ended 31 December		**Year ended 31 December**	
	2019	2018	**2019**	2018
	€ million	€ million	**€ million**	€ million
Profit before tax	**400.4**	320.8	**661.2**	610.9
Tax	**(107.6)**	(89.8)	**(173.2)**	(162.8)
Effective tax rate	**26.9%**	**28.0%**	**26.2%**	**26.6%**

The Group's effective tax rate for 2019 may differ from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities. This difference can be a consequence of a number of factors, the most significant of which are the application of statutory tax rates of the countries in which the Group operates, the non-deductibility of certain expenses, the non-taxable income and one-off tax items.

7. 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 (full year of 2019: 363,711,686, full year of 2018: 367,933,949, six months ended 31 December 2019: 363,159,314, six months ended 31 December 2018: 368,124,700). 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.

8. Intangible assets and property, plant and equipment

	Intangible assets € million	Property, plant and equipment € million
Net book value as at 31 December 2018	1,825.8	2,391.6
Adjustment for change in accounting policy (note 12)	—	144.7
Additions	—	527.3
Arising from business combinations (note 14)	237.4	25.0
Reclassified to assets held for sale	—	(12.8)
Disposals	—	(32.7)
Amortisation, depreciation and impairment	(0.7)	(384.8)
Foreign currency translation	42.9	83.9
Net book value as at 31 December 2019	**2,105.4**	**2,742.2**

Disposals include also terminations of lease contracts.

9. Financial risk management and financial instruments

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 previous year end. The Group's financial instruments recorded at fair value are included in Level 1, Level 2 and Level 3 within the fair value hierarchy as described in the 2018 Integrated Annual Report.

The money market funds recorded at fair value are included in Level 1 within the fair value hierarchy. As at 31 December 2019, the fair value of the money market funds amounted to €371.5 million (31 December 2018: €34.9 million).

As at 31 December 2019, the total derivatives included in Level 2 were financial assets of €3.7 million and financial liabilities of €8.0 million. Included in total derivatives are embedded derivatives whose risks and economic characteristics were not considered to be closely related to the commodity contract in which they were embedded. The valuation techniques used to determine their fair value maximised the use of observable market data. The fair value of the embedded derivatives as at 31 December 2019 amounted to a financial asset of €0.5 million and are classified within Level 2.

The Group has entered into derivatives to mitigate the commodity price risk related to PET. As the valuation of these derivatives uses prices not observable in the market, it is classified within Level 3. The fair value of the PET derivatives as at 31 December 2019 amounted to a financial liability of €3.7 million.

There were no transfers between Level 1, 2 and 3 during 2019. The fair value of bonds and notes payable applying the clean market price, as at 31 December 2019, was €3,073.5 million compared to their book value of €2,944.1 million, as at the same date.

Selected explanatory notes to the condensed consolidated financial statements (unaudited)

10. Net debt

	As at 31 December	
	2019	2018
	€ million	€ million
Current borrowings	**761.8**	136.4
Non-current borrowings	**2,562.9**	1,468.0
Less: Cash and cash equivalents	**(823.0)**	(712.3)
- Financial assets at amortised cost	**(357.3)**	(243.9)
- Financial assets at fair value through profit or loss	**(371.5)**	(34.9)
Less: Other financial assets	**(728.8)**	(278.8)
Net debt	**1,772.9**	**613.3**

In May 2019 the Group completed the issue of a €700 million Euro-denominated fixed rate bond maturing in May 2027 with a coupon rate of 1% and the issue of a €600 million Euro-denominated fixed rate bond maturing in May 2031 with a coupon rate of 1.625%. The net proceeds of the new issue were used to partially repay €236.6 million of the 2.375%, 7-year fixed rate bond maturing in June 2020. In November 2019 the Group completed the issue of a €500 million Euro-denominated fixed rate bond maturing in November 2029 with a coupon rate of 0.625%. The new tranches were issued under the Group's €5 billion Euro Medium Term Note Programme, which was updated in April 2019.

Cash and cash equivalents include an amount of €33.1 million equivalent in Nigerian naira. This includes an amount of €6.4 million equivalent in Nigerian naira, which relates to the outstanding balance held for the repayment of Nigerian Bottling Company Ltd's former minority shareholders, following the 2011 acquisition of non-controlling interests.

The financial assets at amortised cost comprise of time deposits amounting to €349.8 million (31 December 2018: €243.9 million) and also include an amount of €7.5 million (31 December 2018: €nil) equivalent in Nigerian Naira invested in Treasury Bills, which relates to the outstanding balance of the bank account held for the repayment of Nigerian Bottling Company Ltd's former minority shareholders as described above. The financial assets at fair value through profit or loss relate to money market funds. Included in 'Other financial assets' of the condensed consolidated balance sheet are derivative financial instruments of €2.5 million (31 December 2018: €7.7 million) and related party loans receivable of €3.6 million (31 December 2018: €3.5 million).

In December 2019 the Group established a loan facility of US dollar 85 million to finance the purchase of production equipment by the Group's subsidiary in Nigeria. The facility will be drawn down by Nigerian Bottling Company Ltd (NBC) over the course of 2020 and 2021 and has a term of 8 years. The obligations under this facility are guaranteed by Coca-Cola HBC AG.

Selected explanatory notes to the condensed consolidated financial statements (unaudited)

11. Share capital, share premium and treasury shares

	Number of shares (authorised and issued)	Share capital € million	Share premium € million
Balance as at 1 January 2018	**370,763,039**	**2,015.1**	**4,739.3**
Shares issued to employees exercising stock options	1,064,190	6.1	9.2
Dividends (note 13)	—	—	(200.6)
Balance as at 31 December 2018	**371,827,229**	**2,021.2**	**4,547.9**
Shares issued to employees exercising stock options	1,352,731	8.0	13.4
Cancellation of shares	(3,249,803)	(18.4)	(74.1)
Dividends (note 13)	—	—	(208.9)
Special dividend (note 13)	—	—	(733.0)
Balance as at 31 December 2019	**369,930,157**	**2,010.8**	**3,545.3**

In 2019, the share capital of Coca-Cola HBC increased by the issue of 1,352,731 (2018: 1,064,190) 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 €21.4 million (2018: €15.3 million).

On 11 June 2018, the Annual General Meeting adopted a proposal for share buy-back of up to 7,500,000 ordinary shares of Coca-Cola HBC for the purpose of neutralising the dilution resulting from shares issued under Coca-Cola HBC's equity compensation plans and meeting the requirements of the Company's employee incentive scheme. The programme was partially completed during 2018 for a consideration of €27.8 million. As a result of an irrevocable share purchase agreement entered into in December 2018, the Group recognised a UK sterling denominated liability of €85.5 million with a corresponding deduction in treasury shares. This resulted in a movement to treasury shares within the condensed consolidated statement of changes in equity of €113.3 million for 2018.

The program was completed in full in May 2019 for a total consideration of €220.6 million. This resulted in a movement to treasury shares within the condensed consolidated statement of changes in equity of €106.1 million, being the consideration paid in 2019 of €192.8 million adjusted for the impact from the €85.5 million UK sterling denominated liability recognised as at 31 December 2018, further adjusted by €1.2 million recorded on settlement of the arrangement.

On 18 June 2019, the Annual General Meeting approved the proposal to reduce the share capital of Coca-Cola HBC AG by cancelling the 3,249,803 treasury shares acquired as part of the share buy-back programme described above. The respective reduction of the share capital was completed in August 2019.

An amount of €27.9 million relates to treasury shares provided to employees during 2019 in connection with vested performance share awards under the Company's employee incentive scheme, which was reflected as an appropriation of reserves between 'Treasury shares' and 'Other reserves' in the condensed consolidated statement of changes in equity.

Following the above changes, on 31 December 2019 the share capital of the Group amounted to €2,010.8 million and comprised 369,930,157 shares with a nominal value of CHF 6.70 each.

12. Leases

a) Adoption of IFRS 16

The Group has applied the modified retrospective transition approach on adoption of IFRS 16 and has recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 'Leases'. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.7%.

In line with IFRS 16 transition options, the associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of accrued lease incentives relating to those leases, recognised in the consolidated balance sheet as at 31 December 2018. For leases previously classified as finance leases under the principles of IAS 17 'Leases', the Group recognised the carrying amount of the lease assets and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application.

The table below shows the reconciliation of operating lease commitments previously recognised under IAS 17 and lease liabilities initially recognised under IFRS 16 including the lease liability for leases previously classified as finance leases:

	€ million
Total operating lease commitments disclosed as at 31 December 2018	183.3
Discounted using the lessee's incremental borrowing rate at the date of initial application	161.2
(Less): Short-term leases recognised on a straight-line basis as expense	(8.9)
(Less): Low value leases recognised on a straight-line basis as expense	(0.3)
(Less): Contracts committed in 2018 with commencement date January 2019	(6.6)
Lease liability recognised for operating leases	**145.4**
Add: Finance lease liabilities recognised as at 31 December 2018	66.0
Total lease liability recognised as at 1 January 2019	**211.4**
Of which are:	
Current lease liabilities	46.4
Non-current lease liabilities	165.0
	211.4

The recognised right-of-use assets on adoption were as follows:

	1 January 2019 **€ million**
Lease liability recognised for operating leases	145.4
(Less): Lease incentives accrued at 31 December 2018	(0.7)
Right-of-use assets recognised for operating leases at 1 January 2019	**144.7**
Add: Net book value of assets held under finance leases at 31 December 2018	70.5
Total right-of-use assets recognised at 1 January 2019	**215.2**
Of which are:	
Land and buildings	83.1
Plant and equipment	132.1
	215.2

12. Leases (continued)

The change in accounting policy affected the following lines of the condensed consolidated balance sheet on 1 January 2019:

Property, plant and equipment – increase by €144.7 million
Current borrowings – increase by €39.9 million
Non – current borrowings – increase by €105.5 million
Other current liabilities – decrease by €0.7 million.

On transition the Group:

a) excluded all leases that expire within 2019;

b) excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application;

c) applied the new guidance regarding definition of a lease only to contracts entered into or changed on or after 1 January 2019; and

d) applied the recognition exemption to leases of underlying assets with a low value.

b) Leasing activities

The leases which are recorded on the consolidated balance sheet following implementation of IFRS 16 are principally in respect of vehicles and buildings. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

The Group's right-of-use assets and lease liability are presented below:

	2019	2018[1]
	€ million	€ million
Land and buildings	84.0	16.3
Plant and equipment	120.2	54.2
Total right-of-use assets	**204.2**	**70.5**
Current lease liabilities	56.3	6.5
Non-current lease liabilities	154.7	59.5
Total lease liability	**211.0**	**66.0**

[1] In the previous year the Group only recognised lease assets and lease liabilities in relation to leases that were classified as finance leases under IAS 17 'Leases'. The assets were presented in property, plant and equipment and the liabilities as part of Group's borrowings.

13. Dividends

On 11 June 2018, the shareholders of Coca-Cola HBC AG at the Annual General Meeting approved the dividend distribution of 0.54 euro cents per share. The total dividend amounted to €200.6 million and was paid on 24 July 2018. Of this an amount of €1.8 million related to shares held by the Group.

The shareholders of Coca-Cola HBC AG approved a dividend distribution of 0.57 euro cents per share as well as a special dividend of 2.00 euro per share at the Annual General Meeting held on 18 June 2019. The total dividend amounted to €941.9 million and was paid on 30 July 2019. Of this an amount of €8.8 million related to shares held by the Group.

The Board of Directors of Coca-Cola HBC AG has proposed a 0.62 euro cents dividend per share in respect of 2019. If approved by the shareholders of Coca-Cola HBC AG, this dividend will be paid in 2020.

Selected explanatory notes to the condensed consolidated financial statements (unaudited)

14. Business combinations, acquisition of non-controlling interest and equity method investment

On 18 June 2019, the Group acquired 100% of the issued shares of Koncern Bambi a.d. Požarevac ("Bambi"), Serbia's leading confectionery business, for a consideration of €148.8 million net of borrowings of €125.9 million. The acquisition adds a relevant, adjacent category to the Group's portfolio in Serbia and Western Balkans which are among its fastest growing territories. Details of the acquisition with regards to the net assets acquired and goodwill are as follows:

	Fair value €million
Trademarks	121.1
Property, plant and equipment	19.3
Other non-current assets	0.1
Inventories	5.9
Other current assets	25.7
Cash and cash equivalents	18.3
Current borrowings	(125.9)
Other current liabilities	(10.3)
Non-current borrowings	(0.3)
Deferred tax liabilities	(17.5)
Other non-current liabilities	(2.2)
Net identifiable assets acquired	**34.2**
Goodwill arising on acquisition	114.6
Cash paid to former shareholders	**148.8**

The acquisition resulted in the Group recording €114.6 million of goodwill and €121.1 million of trademarks in its emerging markets segment. The goodwill arising is attributable to Bambi's strong operating profitability and strong market position.

Net sales revenue and net profit after tax contributed by the acquired business to the Group for the period from 18 June 2019 to 31 December 2019 amounted to €43.6 million and €11.2 million respectively. If the acquisition had occurred on 1 January 2019, consolidated Group revenue and consolidated Group profit after tax for the year ended 31 December 2019 would have been higher by €38.6 million and €7.0 million respectively.

Acquisition-related costs of €2.9 million were included in 2019 operating expenses, as a result of the above acquisition.

On 1 September 2019, the Group acquired a water business in the Czech Republic for a cash consideration of €7.7 million. The acquisition was of a group of assets that constituted a business, and which have been integrated into the Group's operations in the Czech Republic. The acquisition did not have a material effect to the Group's 2019 financial position and income statement. As a result of the acquisition, water rights of €1.3 million and goodwill of €0.4 million were recorded in the Group's developing segment. Acquisition-related costs of €0.3 million were included in 2019 operating expenses, as a result of the above acquisition.

On 12 November 2019, the Group acquired all of the remaining shares of the non-controlling interest in its subsidiary Softbev Investments Limited, through which the Group controls its operation in Armenia. The consideration paid for the acquisition of the non-controlling interests amounted to €9.5 million.

On 6 December 2019, the Group acquired, in conjunction with The Coca-Cola Company, Acque Minerali S.r.l, a mineral water and adult sparkling beverages business in Italy. The transaction resulted in the Group holding a 50% effective interest in Acque Minerali S.r.l. The relevant investment of €44.5 million which includes acquisition costs of €0.7 million was classified in accordance with the requirements of IFRS 11 'Joint arrangements' as an investment in a joint venture and provides the Group and The Coca-Cola Company with rights to the entity's net assets. Consideration of €1.8 million and acquisition costs of €0.2 million were not yet paid as at 31 December 2019.

Selected explanatory notes to the condensed consolidated financial statements (unaudited)

15. Related party transactions

a) The Coca-Cola Company

As at 31 December 2019, The Coca-Cola Company and its subsidiaries (collectively, "TCCC") indirectly owned 23.0% (31 December 2018: 22.9%) of the issued share capital of Coca-Cola HBC. The below table summarises transactions with The Coca-Cola Company and its subsidiaries:

	Six months ended 31 December		**Year ended 31 December**	
	2019	2018	**2019**	2018
	€ million	€ million	**€ million**	€ million
Purchases of concentrate, finished products and other items	**764.5**	685.6	**1,596.5**	1,525.3
Net contributions received for marketing and promotional incentives	**61.4**	41.3	**119.2**	110.8
Sales of finished goods and raw materials	**6.7**	8.4	**15.7**	17.6
Other income	**2.1**	6.3	**3.3**	8.3
Other expenses	**2.9**	3.1	**5.6**	3.8

As at 31 December 2019, the Group was owed €61.4 million (€76.7 million as at 31 December 2018) by TCCC and owed €309.4 million including loan payable of €43.3 million (€256.1 million including loan payable of €13.3 million as at 31 December 2018) to TCCC.

b) Frigoglass S.A. ('Frigoglass'), Kar-Tess Holding and AG Leventis (Nigeria) Plc

Frigoglass, a company listed on the Athens Exchange, is a manufacturer of coolers, cooler parts, glass bottles, crowns and plastics. Truad Verwaltungs AG currently indirectly owns 48.6% of Frigoglass and 50.7% of AG Leventis (Nigeria) Plc and also indirectly controls Kar Tess Holding, which holds approximately 23.1% (31 December 2018: 23.0%) of Coca-Cola HBC's total issued capital. Frigoglass has a controlling interest in Frigoglass Industries (Nigeria) Limited, in which Coca-Cola HBC has a 23.9% effective interest, through its investment in Nigerian Bottling Company Ltd (NBC).

The table below summarises transactions with Frigoglass, Kar-Tess Holding and AG Leventis (Nigeria) Plc:

	Six months ended 31 December		**Year ended 31 December**	
	2019	2018	**2019**	2018
	€ million	€ million	**€ million**	€ million
Purchases of coolers and other equipment, raw and other materials	**38.9**	41.8	**138.7**	143.8
Maintenance, rent and other expenses	**13.9**	10.0	**24.3**	21.8

As at 31 December 2019, Coca-Cola HBC owed €16.4 million (€18.3 million as at 31 December 2018) to and was owed €0.9 million (€0.3 million as at 31 December 2018) from Frigoglass and its subsidiaries. As at 31 December 2019, Coca-Cola HBC owed €1.9 million (€1.4 million as at 31 December 2018) to and was owed €nil (€0.1 million as at 31 December 2018) from AG Leventis (Nigeria) Plc. Capital commitments to Frigoglass and its subsidiaries as at 31 December 2019, amounted to €32.4 million (€28.1 million as at 31 December 2018) including the Group's share of its joint ventures' capital commitments to Frigoglass.

In 2019, Frigoglass West Africa Ltd. merged with Frigoglass Industries (Nigeria) Limited. Frigoglass Industries (Nigeria) Limited, associate in which the Group holds an effective interest of 23.9% through its subsidiary Nigerian Bottling Company Ltd, is guarantor under the amended banking facilities and notes issued by the Frigoglass Group, as part of the debt restructuring of the latter. The Group has no direct exposure arising from this guarantee arrangement, but the Group's investment in this associate, which stood at €25.2 million as at 31 December 2019 (31 December 2018: €21.2 million), would be at potential risk if there was a default under the

Selected explanatory notes to the condensed consolidated financial statements (unaudited)

15. Related party transactions (continued)

b) Frigoglass S.A. ('Frigoglass'), Kar-Tess Holding and AG Leventis (Nigeria) Plc (continued)

terms of the amended banking facilities or the notes and the Frigoglass Group (including the guarantor) were unable to meet their obligations thereunder.

c) Other related parties

Other

During the six months and the full year ended 31 December 2019, the Group incurred other expenses of €9.1 million and €17.5 million (€8.2 million and €18.7 million in the respective prior-year periods) mainly related to maintenance services for cold drink equipment and installations of coolers, fountains, vending and merchandising equipment as well as subsequent expenditure for fixed assets of €1.0 million and €2.1 million (€1.1 million and €2.4 million in the respective prior-year periods) from other related parties. As at 31 December 2019, the Group owed €1.2 million (€2.7 million as at 31 December 2018) to and was owed €0.1 million (€0.1 million as at 31 December 2018) by other related parties.

d) Joint ventures

The below table summarises transactions with joint ventures:

	Six months ended 31 December		**Year ended 31 December**	
	2019	2018	**2019**	2018
	€ million	€ million	**€ million**	€ million
Purchases of inventory	**8.6**	7.5	**18.3**	10.6
Sales of finished goods and raw materials	**2.2**	1.6	**3.8**	2.7
Other income	**2.0**	2.9	**4.2**	4.2
Other expenses	**3.9**	2.1	**3.9**	2.1

As at 31 December 2019, the Group owed €9.6 million including loans payable of €4.0 million (€9.6 million as at 31 December 2018 including loans payable of €4.0 million) to and was owed €6.8 million including loans receivable of €3.6 million (€7.4 million as at 31 December 2018 including loans receivable of €3.5 million) by joint ventures. During the six months and the full year ended 31 December 2019, the Group received dividends and capital returns of €7.7 million (€7.2 million and €7.4 million in the respective prior-year periods) from Brewinvest S.A. Group of companies, which are included in line "Net receipts from equity investments" of the condensed consolidated cash flow statement.

e) Directors

Alfredo Rivera has been elected to the Board of Coca-Cola HBC following a proposal by TCCC. There have been no transactions between Coca-Cola HBC and the Directors and senior management except for remuneration for both the six months and years ended 31 December 2019 and 2018.

There were no other significant transactions with other related parties for the year ended 31 December 2019.

16. Contingencies

In relation to the Greek Competition Authority's decision of 25 January 2002, one of Coca-Cola Hellenic Bottling Company S.A.'s competitors had filed a lawsuit against Coca-Cola Hellenic Bottling Company S.A. claiming damages in an amount of €7.7 million. The court of first instance heard the case on 21 January 2009 and subsequently rejected the lawsuit. The plaintiff appealed the judgement and on 9 December 2013 the Athens Court of Appeals rejected the plaintiff's appeal. Following the spin-off, Coca-Cola HBC Greece S.A.I.C. substituted Coca-Cola Hellenic Bottling Company S.A. as defendant in this lawsuit. The 2013 Court of Appeals decision has been rendered final and irrecoverable and the case was closed. On 19 April 2014, the same plaintiff filed a new lawsuit against Coca-Cola Hellenic Bottling Company S.A. (following the spin-off, Coca-Cola HBC Greece S.A.I.C.) claiming payment of €7.5 million as compensation for losses and moral damages for alleged anti-competitive commercial practices of Coca-Cola Hellenic Bottling Company S.A. between 1994 and 2013. The two lawsuits partially overlap in the time period for which damages are sought by the plaintiff. The hearing of the new lawsuit was scheduled for 17 January 2019. On 21 December 2018 the plaintiff served their withdrawal from the lawsuit. However, on 20 June 2019, the same plaintiff filed another new lawsuit against Coca-Cola HBC Greece S.A.I.C. claiming payment of €10.1 million as compensation for losses and moral damages again for alleged anti-competitive commercial practices of Coca-Cola Hellenic Bottling Company S.A. for the same period between 1994 and 2013. The parties filed their briefs and exhibits with the Court and the hearing date of the case has been scheduled for April 1st 2020. Coca-Cola HBC Greece S.A.I.C. has not provided for any losses related to this case.

With respect to the ongoing investigation of the Greek Competition Commission initiated on 6 September 2016, regarding Coca-Cola HBC Greece S.A.I.C.'s operations into certain commercial practices in the sparkling, juice and water categories, on 29 May 2019, the Greek Competition Commission issued a Statement of Objections to the company and certain former and current employees, for obstruction of its on-site investigation. The company is collaborating fully with the Commission. The hearing took place on 24 July 2019 and the company is currently expecting the decision.

Other than the above, there have been no significant adverse changes in contingencies since 31 December 2018 (as described in our 2018 Integrated Annual Report available on the Coca-Cola HBC's web site: www.coca-colahellenic.com).

17. Commitments

As at 31 December 2019 the Group had capital commitments including commitments for leases and the share of its joint ventures' capital commitments of €221.7 million (31 December 2018: €131.7 million), which mainly relate to plant and machinery equipment.

18. Number of employees

The average number of full-time equivalent employees in 2019 was 28,389 (2018: 28,884).

19. Subsequent events

There were no subsequent events following 31 December 2019.

Volume by country for 2019 and 2018

Unit cases (million)[1]	2019	2018	% change 2019 vs 2018
Established Markets			
Austria	**85.1**	87.0	-2%
Cyprus	**17.3**	17.5	-1%
Greece	**112.6**	111.6	1%
Italy	**261.1**	255.0	2%
Republic of Ireland and Northern Ireland	**77.0**	73.0	5%
Switzerland	**71.4**	75.4	-5%
Total	**624.5**	619.5	**1%**
Developing Markets			
Baltics	**33.3**	32.0	4%
Croatia	**28.6**	28.7	-
Czech Republic	**53.9**	55.9	-4%
Hungary	**94.9**	96.6	-2%
Poland	**189.6**	187.0	1%
Slovakia	**23.5**	21.9	7%
Slovenia	**7.3**	6.9	6%
Total	**431.1**	429.0	**-**
Emerging Markets			
Armenia	**11.6**	11.3	3%
Belarus	**39.3**	37.7	4%
Bosnia and Herzegovina	**21.4**	19.9	8%
Bulgaria	**64.1**	65.8	-3%
Moldova	**8.0**	7.3	10%
Nigeria	**272.5**	249.9	9%
Romania	**203.5**	192.7	6%
Russian Federation	**352.2**	352.0	-
Serbia(including the Republic of Kosovo) and Montenegro	**122.5**	104.3	17%
Ukraine	**113.8**	102.9	11%
Total	**1,208.9**	1,143.8	**6%**
Total Coca-Cola HBC	**2,264.5**	2,192.3	**3%**

[1] *One unit case corresponds to approximately 5.678 litres or 24 servings, being a typically used measure of volume. For biscuits volume, one unit case corresponds to 1 kilogram. Volume data is derived from unaudited operational data.*
- Our joint venture with Heineken in North Macedonia generated volume of 23.2 million unit cases in 2019 (2018: 21.1 million unit cases), up 10% compared to the prior year.