UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended: December 31, 2011

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report:

Commission file number: 1-31466

COCA-COLA ΕΛΛΗΝΙΚΗ ΕΤΑΙΡΕΙΑ ΕΜΦΙΑΛΩΣΕΩΣ ΑΝΩΝΥΜΟΣ ΕΤΑΙΡΕΙΑ

(Exact name of Registrant as specified in its charter)

COCA-COLA HELLENIC BOTTLING COMPANY S.A.
(Translation of Registrant's name into English)

THE HELLENIC REPUBLIC
(Jurisdiction of incorporation or organization)

9, Fragoklissias Street
151 25 Maroussi Athens, Greece
(Address of principal executive offices)

Jan Gustavsson, +30 (210) 618-3100, jan.gustavsson@cchellenic.com,
9, Fragoklissias Street, 151 25 Maroussi Athens, Greece
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Ordinary shares of nominal value €1.50 per ordinary share	**New York Stock Exchange***
American Depositary Shares (ADSs), each ADS representing one ordinary share	**New York Stock Exchange**

* **Not for trading, but only in connection with the listing of the ADSs, pursuant to the requirements of the New York Stock Exchange**

Securities registered or to be registered pursuant to Section 12(g) of the Securities Exchange Act of 1934: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Securities Exchange Act of 1934: **None**

Indicate the number of outstanding shares of each of the Registrant's classes of capital or common stock as at December 31, 2011, the close of the period covered by the annual report: **366,542,008 ordinary shares of nominal value €1.50 per ordinary share**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act Yes ☒ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).* Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in the filing.

US GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

* This requirement does not apply to the registrant until its fiscal year ending December 31, 2011.

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SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This annual report contains forward-looking statements that involve risks and uncertainties, in particular under Item 3, "Key Information—Risk Factors", Item 4, "Information on the Company" and Item 5, "Operating and Financial Review and Prospects". 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 2012 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 and plans and objectives of management for future operations, are forward-looking statements. You should not place undue reliance on such forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they reflect our current expectations and assumptions as to future events and circumstances that may not prove accurate. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons, including the risks described under Item 3, "Key Information—Risk Factors" included elsewhere in this annual report.

Although we believe that, as of the date of this annual report, the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. After the date of this annual report, unless we are required by law 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.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Our financial year is January 1 to December 31. We prepare our financial statements in accordance with the International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. Our financial statements are also in compliance with IFRS as adopted by the European Union, or EU. This annual report includes our audited consolidated balance sheets as at December 31, 2011 and 2010, and the related consolidated statements of income, of other comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2011.

In 2002, the European Council adopted a regulation requiring EU publicly traded companies to prepare financial statements under IFRS effective for the fiscal year commencing January 1, 2005. In line with such EU regulation, Greek legislation has provided that Greek publicly traded companies prepare their statutory financial statements in accordance with IFRS as adopted by the EU, with effect from January 1, 2005.

In this annual report, references to "euro" and "€" are to the official currency of the member states of the EU that adopted the single currency in accordance with the Treaty Establishing the European Economic Community (signed in Rome on March 25, 1957), as amended by the Treaty of European Union signed in Maastricht on February 7, 1992. Greece adopted the euro as its official currency as of January 1, 2001, at the irrevocably fixed exchange rate of €1.00 = 340.75 Greek drachmas. The following countries in which we operate have also adopted the euro as their official currency: Austria, Cyprus, Italy, Montenegro, the Republic of Ireland, Slovakia, Slovenia and, effective January 1, 2011, Estonia. Additionally, the currencies of six countries in which we operate are pegged to the euro. The euro-pegged currencies of Latvia, Lithuania, the Former Yugoslav Republic of Macedonia, and prior to January 1, 2011, Estonia, are permitted to fluctuate within certain parameters whereas the currencies of Bosnia and Herzegovina and Bulgaria are not permitted to fluctuate.

All references to "US dollar" and "$" are to the lawful currency of the United States. You should read Item 3, "Key Information—Selected Financial Data—Exchange rate information" for historical information regarding the exchange rates between the euro and the US dollar based on the Noon Buying Rate for cable transfers as certified by the Federal Reserve Board of New York (the "Noon Buying Rate"). No representation is made that euro or US dollar amounts referred to in this annual report have been, could have been or could be converted into US dollars or euro at these particular rates or at any rates at all. Solely for convenience, this annual report contains translations of certain euro balances into US dollars at specified rates. These are simply translations, and you should not expect that a euro amount actually represents a stated US dollar amount or that it could be converted into US dollars at specified rates. In this annual report, unless otherwise specified, the translations of euro into US dollars have been made at a rate of €1.00 = $1.3070, being the Noon Buying Rate between the euro and the US dollar on March 15, 2012.

Unless otherwise specified, sales volume is measured in terms of unit cases sold. A unit case equals 5.678 liters or 24 servings of 8 US fluid ounces each. The unit case is the typical volume measure used in our industry.

Unless the context requires otherwise, references to "we", "us", "our" or "the group" refer to the Coca-Cola Hellenic Bottling Company S.A. and its subsidiaries, references to the "parent" refer to Coca-Cola Hellenic Bottling Company S.A., and references to "owners of the parent" refer to its shareholders.

Information on or accessible through our corporate website, www.coca-colahellenic.com, does not form part of and is not incorporated into this document.

PART I

ITEM 1 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

A. Directors and Senior Management

Not applicable.

B. Advisors

Not applicable.

C. Auditors

Not applicable.

ITEM 2 OFFER STATISTICS AND EXPECTED TIMETABLE

A. Offer Statistics

Not applicable.

B. Method and Expected Timetable

Not applicable.

ITEM 3 KEY INFORMATION

A. Selected Financial Data

The summary financial information (statement of operations, cash flow, balance sheet, and share and per share data, adjusted EBITDA and reconciliation of profit after tax attributable to owners of the parent to adjusted EBITDA) set forth below for the five year period ended December 31, 2011 has been derived from our audited consolidated financial statements prepared in accordance with IFRS. Our consolidated balance sheets as at December 31, 2011 and 2010, and the related consolidated statements of income, comprehensive income, changes in equity and cash flow for each of the three years in the period ended December 31, 2011, are included elsewhere in this annual report and the historical information for the years ended December 31, 2008 and 2007 is derived from the audited financial statements which are not included in this 20-F but are included in our 2008 20-F form filled on June 30, 2009. Historical information has been presented as if it was restated for the change in accounting policy (as detailed in Item 18, "Financial Statements—Notes to Consolidated Financial Statements—Changes in accounting policy") so as to be comparable with the corresponding figures of the fiscal years ended December 31, 2011, 2010 and 2009.

We define adjusted EBITDA as operating profit before deductions for depreciation (included both in cost of goods sold and in selling, delivery and administrative expenses), impairment of property, plant and equipment, stock option compensation, impairment of intangible assets, amortization of and adjustments to intangible assets and other non-cash items. Adjusted EBITDA serves as an additional indicator of our operating performance and not as a replacement for measures such as cash flows from operating activities and operating profit as defined and required under IFRS. We believe that adjusted EBITDA is useful to investors as a measure of our operating performance because it reflects the underlying operating cash costs by eliminating the non-cash items listed above. In addition, we believe that although EBITDA is a measure commonly used by analysts and investors in our industry, our current shareholders and potential investors in our company use multiples of our adjusted EBITDA in making investment decisions about our company. Accordingly, we have disclosed this information to permit a more complete analysis of our operating performance. Adjusted EBITDA, as we calculate it, may not be comparable to similarly titled measures reported by other companies.

You should read the following summarized financial information together with Item 5, “Operating and Financial Review and Prospects” and our audited consolidated financial statements and the related notes included in this annual report.

	As at and for the year ended					
	December 31, 2011[1]	December 31, 2011	December 31, 2010[7]	December 31, 2009[7]	December 31, 2008[8]	December 31, 2007[8]
	(amounts in millions of euro or US dollars, as indicated, except for sales volume data in millions of unit cases, per share data in euro or US dollars, as indicated, number of ordinary shares outstanding and ratio of earnings to fixed charges)					
Statement of operations data:						
Net sales revenue	$ 8,958.6	€ 6,854.3	€ 6,793.6	€ 6,543.6	€ 6,980.7	€ 6,461.9
Cost of goods sold	(5,566.3)	(4,258.8)	(4,048.6)	(3,904.7)	(4,168.7)	(3,807.7)
Gross profit	3,392.3	2,595.5	2,745.0	2,638.9	2,812.0	2,654.2
Total operating expenses	(2,780.1)	(2,127.1)	(2,095.1)	(1,996.3)	(2,352.9)	(1,953.8)
Operating profit	612.2	468.4	649.9	642.6	459.1	700.4
Profit after tax attributable to owners of the parent	351.5	268.9	426.6	402.6	230.2	470.7
Cash flow data:						
Net cash provided by operating activities	1,105.3	845.7	987.9	997.2	877.3	859.8
Net cash used in investing activities	(439.7)	(336.4)	(365.5)	(342.9)	(760.5)	(709.6)
Net cash (used in) provided by financing activities	(461.8)	(353.3)	(527.7)	(1,143.3)	422.8	(256.2)
Balance sheet data:						
Intangible assets	$ 2,545.6	€ 1,947.7	€ 1,966.9	€ 1,874.1	€ 1,918.0	€ 1,913.0
Share capital	718.6	549.8	183.1	182.8	182.7	181.9
Total assets	9,456.3	7,235.1	7,210.7	6,787.8	7,520.3	6,632.3
Net assets	3,807.5	2,913.2	3,060.8	2,554.9	2,882.4	3,035.9
Long-term borrowings, less current portion	2,528.4	1,934.5	1,656.4	2,101.7	2,284.9	1,585.5
Share and per share data:						
Average ordinary shares outstanding[2][3]	363,010,078	363,010,078	363,320,142	364,868,713	364,848,049	363,135,006
Cumulative shares repurchased	3,430,135	3,430,135	3,430,135	1,111,781	—	—
Profit after tax attributable to owners of the parent per ordinary share: basic[2][3]	$ 0.97	€ 0.74	€ 1.17	€ 1.10	€ 0.63	€ 1.30
Profit after tax attributable to owners of the parent per ordinary share: diluted[2][3]	0.97	0.74	1.17	1.10	0.63	1.29
Cash dividends declared per ordinary share[4]	—	—	—	0.30	0.28	0.25
Capital return per ordinary share[5]	0.65	0.50	—	1.50	—	—
Other operating data:						
Unit cases volume	2,083.4	2,083.4	2,100.0	2,069.3	2,115.5	2,018.8
Adjusted EBITDA	$ 1,145.9	€ 876.7	€ 1,051.5	€ 1,023.1	€ 1,043.5	€ 1,064.4
Ratio of earnings to fixed charges[6]	3.7	3.7	5.9	5.9	3.2	5.7
Reconciliation of profit after tax attributable to owners of the parent to adjusted EBITDA:						
Profit after tax attributable to owners of the parent	351.5	€ 268.9	€ 426.6	€ 402.6	€ 230.2	€ 470.7
Non-controlling interests	5.1	3.9	12.1	22.4	13.3	14.6
Tax	134.2	102.7	138.0	142.9	107.3	127.7
Share of results of equity method investments	(1.6)	(1.2)	(2.5)	1.9	(0.1)	1.6
Finance income	(12.8)	(9.8)	(7.4)	(9.4)	(16.9)	(11.7)
Finance costs[9]	135.8	103.9	83.1	82.2	125.3	97.5
Operating profit	$ 612.2	€ 468.4	€ 649.9	€ 642.6	€ 459.1	€ 700.4
Plus:						
Depreciation and impairment of property, plant and equipment	517.2	395.7	387.8	360.7	365.4	354.0
Amortization of and adjustments to intangible assets	4.2	3.2	7.1	6.9	4.9	4.2
Impairment of intangible assets	—	—	—	—	189.0	—
Stock option compensation	10.6	8.1	6.7	6.4	9.3	5.8
Other non-cash items	1.7	1.3	—	6.5	15.8	—
Adjusted EBITDA	$ 1,145.9	€ 876.7	€ 1,051.5	€ 1,023.1	€ 1,043.5	€ 1,064.4

(1) Convenience translation figures are translated at the March 15, 2012 Noon Buying Rate for euro of €1.00 = $1.3070. The translation to US dollars has been provided solely for the purposes of convenience and should not be construed as a representation that the amounts represent, or have been or could be converted into US dollars at that or any other rate.

(2) As adjusted for the bonus share issuance. Our shareholders approved on October 15, 2007 a share capital increase of €60.6 million through the partial capitalization of share premium reserve and the issuance of 121,033,958 new ordinary bearer shares. The new shares were delivered to our shareholders in a ratio of one (1) new share for every two (2) existing shares. Following the completion of the above share capital increase, our share capital amounted to €181.6 million, divided into 363,101,874 shares of a nominal value of €0.50 each. On October 24, 2007, the Greek Ministry of Development approved the share capital increase and we filed the required documents with the Hellenic Capital Markets Commission and the Athens Exchange. On November 8, 2007, the Athens Exchange approved the bonus issuance. According to Greek capital markets legislation, shareholders entitled to receive the bonus shares were those holding our shares at the closing of trading on November 13, 2007. Our shares opened for trading on an adjusted basis on November 14, 2007. The new shares were credited to the Dematerialized Securities System or SAT accounts of the shareholders and began trading on November 20, 2007. We retroactively reflected the stock split in our historical basic and diluted earnings per share when the stock split was effected.

(3) As adjusted for the shares repurchased. On April 30, 2009, we resolved to buy back a maximum of 5% of our paid-in share capital during the period that is 24 months from the date of the extraordinary general meeting of April 27, 2009 which approved a share buy-back program pursuant to Article 16 of Codified Law 2190/1920 (i.e. until April 26, 2011). Based on our capitalization at that time, the maximum amount that might have been bought back pursuant to the program is 18,270,104 shares. Purchases under the program were subject to a minimum purchase price of €1.00 per share and a maximum purchase price of €20.00 per share. Applicable law does not specify the extent of implementation of such approved share buy-back programs. The buy-back program expired on April 26, 2011. During the period from April 30, 2009 to April 26, 2011, the Company purchased 3,430,135 ordinary shares pursuant to the share buy-back program, with a value of €55.5 million.

(4) Under Greek corporate legislation, companies are required to declare dividends annually of at least 35% of unconsolidated adjusted after-tax IFRS profits. The proposed dividends for the years ended December 31, 2007 to December 31, 2009 were declared and paid in the subsequent year. For the years ended December 31, 2011 and 2010, we were not required to pay a statutory minimum 2011 and 2010 annual dividend since we reported a net loss in our unconsolidated financial statements.

(5) On September 18, 2009, we announced a proposal for a re-capitalization, which resulted in a capital return of €548.1 million to our shareholders (i.e. €1.50 per share). At the extraordinary general meeting held on October 16, 2009, our shareholders approved an increase of our share capital by €548.1 million, through capitalization of share premium and an increase in the nominal value of each share by €1.50 per share. At the same extraordinary general meeting, our shareholders also approved the decrease of our share capital by € 548.1 million, through a reduction of the nominal value of the shares by €1.50 per share and an equal amount of capital was returned to the shareholders in cash. Following shareholder and regulatory approval, we realized the capital return on December 2, 2009. The capital return was financed through a combination of accumulated cash and a new €300 million 7-year bond issue. We issued this bond in November 2009, through our 100% owned subsidiary Coca-Cola HBC Finance B.V. in an aggregate principal amount of €300 million due in 2016.

On May 6, 2011, our shareholders at the Annual General Meeting of shareholders resolved to reorganize our share capital. Our share capital increased by an amount equal to €549.7 million. The increase was performed by capitalizing share premium reserves and increasing the nominal value of each share from €0.50 to €2.00. Our share capital was subsequently decreased by an amount equal to €183.2 million by decreasing the nominal value of each share from €2.00 to €1.50, and distributing such €0.50 per share difference to shareholders in cash.

(6) See Exhibit 7.1, Statement re Computations of Ratios—"Ratio of Earnings to Fixed Charges".

(7) Comparative figures have been restated where necessary to reflect changes in accounting policy as detailed in Item 18, "Financial Statements—Notes to Consolidated Financial Statements—Changes in accounting policy".

(8) Numbers presented as if they were restated for the change in the pension accounting policy (as detailed in Item 18, "Financial Statements—Notes to Consolidated Financial Statements—Changes in accounting policy") so as to be comparable with the corresponding figures of the fiscal years ended December 31, 2011, 2010 and 2009.

(9) Finance costs for the year ended December 31, 2011 include a loss on net monetary position amounting to €7.8 million arising from our Belarusian operation. In the fourth quarter of 2011, Belarus was considered to be a hyperinflation economy.

Exchange rate information

The table below shows the low, high, average and period-end Noon euro/US dollar Buying Rates Rate for the years 2007 to 2011. The average is computed using the Noon Buying Rate on the last business day of each month during the period indicated.

Year ended December 31,	Low	High	Average*	End of period
2007	1.29	1.49	1.38	1.46
2008	1.24	1.60	1.47	1.39
2009	1.25	1.51	1.40	1.43
2010	1.20	1.45	1.32	1.33
2011	1.29	1.49	1.39	1.30

The table below shows the low, high, average and period-end exchange rates for euro for each month during the six months prior to the date of this annual report, using the Noon euro/US dollar Buying Rate. The Noon euro/US dollar Buying Rate between the euro and the US dollar on March 15, 2012 was €1.00 = $1.3070.

Month	Low	High	Average*	End of Period
September 2011	1.34	1.43	1.37	1.34
October 2011	1.33	1.42	1.37	1.42
November 2011	1.32	1.38	1.36	1.35
December 2011	1.29	1.35	1.32	1.30
January 2012	1.27	1.32	1.29	1.31
February 2012	1.31	1.35	1.32	1.34
March 2012 (through March 15, 2012)	1.30	1.33	1.32	1.31

* The average of the US dollar/euro exchange rate on the last day of each month during the period or in case of monthly averages, the average of all days in the month.

Dividends and dividend policy

Our articles of association and Greek corporate law govern the payment of dividends. Dividends are paid to our shareholders out of profit after tax. The relevant amounts are calculated based on our unconsolidated financial statements. Dividends may only be distributed after an amount between 5% and 30% of our adjusted after-tax profit has been deducted for the formation of a reserve account. We make deductions until the amount of the reserve equals one-third of our authorized share capital. After we have made the relevant deductions, we are required to pay dividends which must be at least 35% of our adjusted after-tax profit (on an unconsolidated basis) after subtracting any allocation to the abovementioned statutory reserve account and any gains arising from the disposal of a 20% or more shareholding in a subsidiary held by us for a period exceeding 10 years. This statutory provision may be overridden in certain circumstances, subject to obtaining the necessary supermajority approval by our shareholders.

We are required by Greek law to convene our annual general meeting within six months after the end of our fiscal year for our shareholders to approve our financial statements and any distribution of a dividend for the previous fiscal year. We are required to commence payment of any dividend approved for distribution to our shareholders within seven working days of the recorded date for the payment of dividends, as determined and published by our company. You should read Item 10, "Additional Information—Memorandum and Articles of Association—Dividends" for additional information on the requirements of Greek law and our articles of association for the allocation of dividends.

Since we reported a net loss in our unconsolidated financial statements, we are not required to pay a statutory minimum 2011 annual dividend. We did not pay a dividend for 2010 and we do not intend to propose the payment of a dividend for 2011. Our Annual General Meeting held on May 6, 2011 resolved on an increase of our share capital by an amount equal to €549.7 million through the capitalization of share premium reserve and an increase in the nominal value of each share from €0.50 to €2.00. The Company's share capital was subsequently decreased by an amount equal to €183.2 million by decreasing the nominal value of each share from €2.00 to €1.50, and distributing such €0.50 per share difference to shareholders in cash. The capital return was financed through accumulated cash.

The following table shows the dividend amounts paid to the holders of our ordinary shares both on a per share basis and in the aggregate for each of the past five fiscal years. Dividends paid historically are not necessarily representative of dividends to be paid in the future.

Year	Per ordinary share		Total[(1)]	
	€	$[(2)]	€	$[(2)]
			(in millions)	
2007	0.25	0.33	91.3	119.3
2008	0.28	0.37	102.3	133.7
2009	0.30	0.39	109.7	143.4
2010	—	—	—	—
2011	—	—	—	—

(1) Based on the number of ordinary shares in issue as of the dividend record date.

(2) The US dollar amounts are based on the Noon Buying Rate for euro on March 15, 2012, which was €1.00 = $1.3070.

In November 2007, we made a share capital increase of €60.6 million through the partial capitalization of share premium reserve and the issuance of 121,033,958 new ordinary bearer shares in a ratio of one (1) new share for every two (2) existing shares. Following the completion of the above share capital increase our share capital amounted to €181.6 million, divided into 363,101,874 shares of a nominal value of €0.50 each.

In October 2009, we increased our share capital by €548.1 million through the partial capitalization of share premium and an increase in the nominal value of each share by €1.50 per share. At the same time, we decreased our share capital by €548.1 million, through a reduction of the nominal value of the shares by €1.50 per share and an equal amount of capital was returned to the shareholders in cash. Following the completion of the above, our share capital amounted to €182.7 million, divided into 365,407,848 shares of a nominal value of €0.50 each.

In May 2011, we increased our share capital by €549.7 million through the partial capitalization of share premium and an increase in the nominal value of each share by €1.50 per share. Our share capital was subsequently decreased by an amount equal to €183.2 million through the reduction of the nominal value of the shares by €0.50 per share and an equal amount of capital was returned to the shareholders in cash. Following the completion of the above, our share capital amounted to €549.7 million, divided into 366,490,952 shares of a nominal value of €1.50 each.

For additional information on the share capital changes, see “Selected Financial Data” above, as well as Item 5, “Operating and Financial Review and Prospects—Major recent transactions”.

We pay dividends solely in euro. Citibank N.A., as Depositary, will convert any dividends on ordinary shares represented by ADSs into US dollars if it can do so on a reasonable basis and can transfer the proceeds to the United States. Fluctuations in the exchange rate between the euro and the US dollar will affect the US dollar amounts received by holders of ADSs upon conversion by the Depositary of cash dividends paid in euro on the ordinary shares represented by the ADSs.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

You should carefully consider the risks and uncertainties described below. You should also refer to the other information set out in this annual report, including our audited consolidated financial statements and the related notes. The risks and uncertainties described below may materially affect our company and any investment you make in our company. If these events occur, the trading price of our ordinary shares and ADSs could decline. Additional risks and uncertainties that do not currently exist, or that we are unaware of, may also become important factors that adversely affect our company and your investment.

Risks relating to our relationship with The Coca-Cola Company, Kar-Tess Holding and Nestle S.A.

If The Coca-Cola Company exercises its right to terminate our bottlers' agreements, upon the occurrence of certain events, or is unwilling to renew these agreements, our net sales revenue may decline dramatically. In addition, if The Coca-Cola Company is unwilling to renew our bottlers' agreements on terms at least as favorable to us as the current terms, our net sales revenue could also be adversely affected.

Our bottlers' agreements with The Coca-Cola Company are fundamental to our business. The trademarked beverages of The Coca-Cola Company represented approximately 96% of our total sales volume in 2011. We produce, sell and distribute The Coca-Cola Company's trademarked beverages pursuant to standard bottlers' agreements with The Coca-Cola Company covering each of our territories. The bottlers' agreements include limitations on our degree of exclusivity in our territories and, to the extent permitted by law, on our ability to market competing brands not owned by The Coca-Cola Company in our countries outside the European Economic Area. The European Economic Area comprises the member states of the EU as well as Norway, Iceland and Liechtenstein.

We enter into bottlers' agreements with The Coca-Cola Company for each of our territories. Each of our bottlers' agreements has a fixed initial term. These agreements, the terms of which were extended with effect as of January 1, 2004 and most of which expire in December 2013, may be renewed, at The Coca-Cola Company's discretion, until 2023. Accordingly, our business is dependent on The Coca-Cola Company's willingness to renew our bottlers' agreements when they expire. In addition, The Coca-Cola Company has the right to terminate our bottlers' agreements upon the occurrence of certain events. You should read Item 7, "Major Shareholders and Related Party Transactions—Related Party Transactions—Our relationship with The Coca-Cola Company" for a description of the circumstances under which The Coca-Cola Company may terminate its bottlers' agreements with us. If The Coca-Cola Company exercises its right to terminate the bottlers' agreements upon the occurrence of certain events, or, if upon expiration of their initial term, The Coca-Cola Company is unwilling to renew these agreements, our net sales revenue will decline dramatically. In addition, if The Coca-Cola Company is unwilling to renew our bottlers' agreements on terms at least as favorable to us as the current terms, our business could also be adversely affected.

The Coca-Cola Company could exercise its rights under the bottlers' agreements in a manner that would make it difficult for us to achieve our financial goals.

Our bottlers' agreements govern our purchases of concentrate, which represents our most significant raw materials cost. The Coca-Cola Company determines the price we pay for concentrate at its discretion. The Coca-Cola Company normally sets concentrate prices after discussions with us so as to reflect trading conditions in the relevant country. The Coca-Cola Company has other important rights under the bottlers' agreements, including the right, to the extent permitted by local law, to set the maximum price we may charge to our customers and the right to approve our suppliers of certain packaging and other raw materials. The combination of The Coca-Cola Company's right to set our concentrate prices and its right to limit our selling prices could give The Coca-Cola Company considerable influence over our profit margins, business, results of operations and financial condition.

There can be no assurance that The Coca-Cola Company's objectives with the exercise of its rights under the bottlers' agreements will in all cases be fully aligned with our objective to realize profitable volume growth. It is thus possible that The Coca-Cola Company could exercise its rights under the bottlers' agreements to determine concentrate prices, to set maximum prices we may charge to customers and to approve only certain of our suppliers, in a manner that would make it difficult for us to achieve our financial goals.

Kar-Tess Holding and The Coca-Cola Company have substantial influence over the conduct of our business and their interests may differ from the interests of other shareholders.

Kar-Tess Holding currently owns approximately 23% and The Coca-Cola Company currently indirectly owns approximately 23% of our outstanding share capital. The Coca-Cola Company holds its shares through five companies which constitute The Coca-Cola Company Entities: Coca-Cola Overseas Parent Limited, The Coca-Cola Export Corporation, Barlan, Inc. and Refreshment Product Services, Inc., each a company incorporated in Delaware, and Atlantic Industries, a company incorporated in the Cayman Islands. On December 6, 2010, Kar-Tess Holding transferred 22,453,254 shares representing 6.13% of our outstanding shares by transferring its wholly owned subsidiaries under the trade names "Sammy LLC", "Lucky 70 LLC", "Zoe 20 LLC", "Kooky LLC", "Utopia Business Company Ltd.", "Harmonia Commercial S.A.", "Ice Cold Holdings Limited" and "Red & White Holdings Limited", to entities and individuals, who were either ultimate beneficial owners of Kar-Tess Holding or who were nominated by such ultimate beneficial owners of Kar-Tess Holding. No such entity or individual owns individually more than 2% of our outstanding share capital. In connection with the acquisition of Coca-Cola Beverages plc in August 2000, Kar-Tess Group, of which Kar-Tess Holding is the sole remaining member, and The Coca-Cola Company Entities, entered into a shareholders' agreement that governs certain aspects of their relationship. Kar-Tess Holding and The Coca-Cola Company Entities have agreed to maintain their combined shareholdings until January 2014 at no less than 44% of our outstanding share capital (and at no less than 40% of our outstanding share capital thereafter, until expiration of the shareholders' agreement in December 31, 2018). Kar-Tess Holding and The Coca-Cola Company Entities have also agreed to maintain their individual shareholdings until January 2014 at no less than 22% of our outstanding share capital (and at no less than 20% of our outstanding share capital thereafter until expiration of the shareholders' agreement). Under their shareholders' agreement, Kar-Tess Holding and The Coca-Cola Company Entities have also agreed that, based on a twelve member board of directors, The Coca-Cola Company would be represented by two directors and Kar-Tess Holding would be represented by four directors. Kar-Tess Holding and The Coca-Cola Company Entities have also agreed that they will each vote their shares so as to maintain their respective proportional representation on our board of directors in the event that the number of directors increases or decreases. Kar-Tess Holding and The Coca-Cola Company Entities have agreed to nominate the remaining directors jointly. Our board of directors currently consists of twelve members. No party or group of parties may unilaterally terminate the shareholders' agreement prior to December 2018. However, the parties may jointly agree to terminate the shareholders' agreement at any time, which would also be terminated if we cease to exist or if one group of parties elects to terminate it upon breach of the agreement by the other group of parties. After December 2018, the shareholders' agreement will remain in force unless terminated by either group of parties upon three months written notice.

These arrangements give Kar-Tess Holding and The Coca-Cola Company substantial influence over our business and enables them, together, to determine the outcome of all actions requiring approval by our board of directors and the outcome of corporate actions that require shareholder approval, with the exception of matters requiring an extraordinary quorum and supermajority approval. You should read Item 7, "Major Shareholders and Related Party Transactions—Related Party Transactions—The shareholders' agreement between Kar-Tess Holding and The Coca-Cola Company Entities" for a description of the shareholders' agreement and Item 10, "Additional Information—Memorandum and Articles of Association—Matters requiring extraordinary quorum and supermajority approval" for additional information on the matters requiring extraordinary quorum and supermajority approval (consisting of at least 67% of paid-in share capital).

The interests of Kar-Tess Holding and The Coca-Cola Company may differ from those of other shareholders. As a result of their influence on our business, Kar-Tess Holding and The Coca-Cola Company could prevent us from making certain decisions or taking certain actions that would protect the interests of shareholders other than The Coca-Cola Company and Kar-Tess Holding or which would otherwise benefit us. For example, they might vote against an acquisition of us by a third party, meaning our other shareholders would not receive the premium over the then-current market price of our ordinary shares that they might otherwise receive upon such an acquisition. You should read Item 7, "Major Shareholders and Related Party Transactions" for additional information on our relationship with Kar-Tess Holding and The Coca-Cola Company and Item 10, "Additional Information—Memorandum and Articles of Association—Matters requiring extraordinary quorum and supermajority approval" for information on the rights of majority and minority shareholders pursuant to our articles of association and under Greek law.

Our success depends in part on The Coca-Cola Company's success in marketing and product development activities.

We derive the majority of our revenues from the production, sale and distribution of the trademarked beverages of The Coca-Cola Company. The Coca-Cola Company owns the trademarks of these products and has primary responsibility for consumer marketing and brand promotion. The profitable growth of our existing brands depends in part on The Coca-Cola Company's consumer marketing activities, including The Coca-Cola Company's discretionary contributions to our annual marketing plan. The expansion of our family of brands depends to a considerable extent on The Coca-Cola Company's product expansion strategy, particularly with respect to new brands. If The Coca-Cola Company were to reduce its marketing activities, the level of its contributions to our annual marketing plan or its commitment to the development or acquisition of new products, particularly new still and water beverages, these reductions could lead to decreased consumption of trademarked beverages of The Coca-Cola Company in the countries in which we operate. This would, in turn, lead to a decline in our share of the non-alcoholic ready-to-drink beverages market and sales volume and adversely affect our growth prospects.

We depend on The Coca-Cola Company to protect its trademarks.

Brand recognition is critical in attracting consumers to our products. In each country in which we operate, The Coca-Cola Company owns the trademarks of all of its products which we produce, distribute and sell. We rely on The Coca-Cola Company to protect its trademarks in the countries where we operate, which include some countries that offer less comprehensive intellectual property protection than the United States and the EU. The trademarked beverages of The Coca-Cola Company represented approximately 96% of our total sales volume in 2011. If The Coca-Cola Company fails to protect its proprietary rights against infringement or misappropriation, this could undermine the competitive position of the products of The Coca-Cola Company and lead to a significant decrease in the volume of our sales of trademarked beverages of The Coca-Cola Company, which would materially and adversely affect our results of operations.

The Beverage Partners Worldwide joint venture between The Coca-Cola Company and Nestlé S.A. could be dissolved or altered in a manner that adversely affects our business.

Beverage Partners Worldwide is a joint venture between The Coca-Cola Company and Nestlé S.A. Our efforts to expand our presence in the combined still and water beverages category have focused, in part, on products for which Beverage Partners Worldwide owns the trademarks. Sales of our Nestea ready-to-drink tea products comprised approximately 5% of our total sales volume in 2011. We depend on The Coca-Cola Company to protect our interests associated with Beverage Partners Worldwide. If Beverage Partners Worldwide is dissolved or altered in a manner that adversely affects our business, then our net sales revenue may decline dramatically. There can be no assurance that we would be able to replace any Beverage Partners Worldwide products that are removed from our product portfolio as a result of such dissolution or alteration.

Risks relating to the non-alcoholic ready-to-drink beverages industry

Weaker consumer demand for sparkling beverages could harm our revenues and profitability.

At the present time, our revenues and profitability remain substantially dependent upon sales of our core sparkling beverages, particularly in our established countries that have witnessed a decrease in per capita consumption in recent years. This weakening of consumer demand for sparkling beverages can be explained, in part, by demographic trends. Teenagers and young people account for the majority of sparkling beverages consumption in our established countries. Currently these countries are experiencing declining birth rates and ageing populations, which reduce the number of people in those age groups that traditionally are most likely to consume sparkling beverages.

Another trend adversely affecting growth in sparkling beverages consumption in our established countries is the increased consumer focus on well-being, health and fitness, as well as concerns about obesity. Some consumers perceive still and water beverages such as juices, waters, ready-to-drink teas, sports and energy drinks to be more closely associated with a healthier life style. Consequently, consumption of some of these alternative beverages is growing at a faster rate than consumption of sparkling beverages. While this trend is most pronounced in our established countries, it also exists to some extent in our developing and emerging countries. If this trend toward alternative beverages becomes more prevalent in our developing and emerging countries, it could materially and adversely affect our prospects for future profitable growth in the sparkling beverages category.

If any of these trends impedes profitable growth in consumption of our core sparkling beverages brands, our business and prospects would be severely impacted.

Our growth prospects may be harmed if we are unable to expand successfully in the combined still and water beverages category.

We believe that the combined still and water beverages category offers significant growth potential. We intend, together with The Coca-Cola Company, to continue to expand our product offerings in this category, which includes juices, waters, sports and energy drinks and other ready-to-drink beverages, such as teas or coffees. Expanding our presence in this highly competitive category will require The Coca-Cola Company to invest significantly on consumer marketing, brand promotion and/or brand acquisition and us to invest significantly in production, sales, distribution development and/or business acquisitions. There is no assurance that The Coca-Cola Company will successfully develop and promote new still and water beverage brands or that we will be able to increase our sales of new still and water products. If we are unable to continue to expand in the combined still and water beverages category, then our growth prospects may be materially and adversely affected.

Risks relating to emerging and developing countries

The lack of institutional continuity and safeguards in our emerging and developing countries could adversely affect our competitive position, increase our cost of regulatory compliance and/or expose us to a heightened risk of loss due to fraud and criminal activity.

Whilst some of our emerging and developing countries are in the process of transitioning to market economies, stable political institutions and comprehensive regulatory systems, some of them lack the institutional continuity and strong procedural and regulatory safeguards typical in our established countries. As a result, in these countries we are exposed to regulatory uncertainty in certain areas, which could increase our cost of regulatory compliance, and we enjoy less comprehensive protection for some of our rights, including intellectual property rights, which could undermine our competitive position.

The lack of institutional continuity also exacerbates the effect of political uncertainty in our emerging and developing countries and could adversely affect the orderly operation of markets and consumer purchasing power. In addition, in countries with a large and complicated structure of government and administration, such as the Russian Federation, national, regional, local and other governmental bodies may issue inconsistent decisions and opinions that could increase our cost of regulatory compliance.

Finally, we operate in some countries where corruption has historically been a problem. It is our policy to comply with the US Foreign Corrupt Practices Act and similar regulations. This may put us at a competitive disadvantage against competitors that are not subject to, or do not comply with, the same regulations. In addition, in some of the environments in which we operate, businesses like ours are exposed to a heightened risk of loss due to fraud and criminal activity, even though we review our financial systems regularly in order to minimize such losses.

We are exposed to emerging and developing countries' risks.

A substantial proportion of our operations, representing approximately 59% of 2011 net sales revenue, is carried out in emerging and developing countries. Operations in these markets are subject to the customary risks of operating in emerging and developing countries, which include potential political and economic uncertainty, application of exchange controls, reliance on foreign investment, nationalization or expropriation, crime and lack of law enforcement, political insurrection, external interference, currency fluctuations and changes in government policy. Such factors could affect our results by causing interruptions to operations or by increasing the costs of operating in those countries or by limiting the ability to repatriate profits from those countries. Financial risks of operating in emerging and developing countries also include risks of liquidity, inflation, devaluation, price volatility, currency convertibility and country default resulting from significant deficits as well as other factors. These circumstances could adversely impact our business, results of operations and financial condition. Currency volatility resulting from financial and political instability in certain of our emerging and developing countries materially impacted our results over the past years. Due to our specific exposure, these factors could affect us more than our competitors with less exposure to emerging and developing countries, and any general decline in emerging and developing countries as a whole could impact us disproportionately compared to our competitors.

The sustainability of our growth in our developing and emerging countries depends partly on our ability to attract and retain sufficient number of qualified and experienced personnel for which there is strong demand.

In recent years, we have been experiencing significant growth in a number of our developing and emerging countries. As our business continues to grow and the level of our investment in such countries increases, we are faced with the challenge of being able to attract and retain a sufficient number of qualified and experienced personnel in an increasingly competitive labor market. Our ability to sustain our growth in these countries may be hindered if we are unable to successfully meet this challenge.

Risks relating to competition

Competition law enforcement by the EU and national authorities may have a significant adverse effect on our competitiveness and results of operations.

Our business is subject to the competition laws of the countries in which we operate and, with respect to our activities affecting the EU, is also subject to EU competition law. The admission in 2004 and 2007 to the EU of eleven of the European countries in which we operate has increased the impact of EU competition law on our business.

We cannot predict if competition law enforcement by the EU or national competition authorities will result in significant fines being imposed upon us or result in adverse publicity, or require us to change our commercial practices or whether related private lawsuits could require us to pay significant amounts in damages. Any of these outcomes could limit our competitiveness and adversely affect our operating results.

You should read Item 8, "Financial Information—Consolidated Statements and Other Financial Information—Legal proceedings" for additional information.

We are engaged in a highly competitive business. Adverse actions by our competitors or other changes in the competitive environment may adversely affect our results of operations.

The non-alcoholic ready-to-drink beverages market is highly competitive in each of our countries. We compete with, among others, bottlers of other international or regional brands of non-alcoholic ready-to-drink beverages, some of which are aggressively expanding in some of our territories. We also face significant competition from private label brands of large retail groups. A change in the number of competitors, the level of marketing or investment undertaken by our competitors, or other changes in the competitive environment in our markets may cause a reduction in the consumption of our products and in our market share, and may lead to a decline in our revenues and/or an increase in our marketing or investment expenditures, which may materially and adversely affect our results of operations. Competitive pressure may also cause channel and product mix to shift away from our more profitable packages and channels, for example the immediate consumption channel.

In particular, we face intense price competition, especially in our emerging and developing countries, from producers of local non-premium non-alcoholic, ready-to-drink beverage brands, which are typically sold at prices lower than ours. In addition, we face increasing price competition from certain large retailers that sell private label products in their outlets at prices that are lower than ours, especially in countries with a highly concentrated retail sector. In some of our countries, we are also exposed to the effect of imports from adjacent countries of lower priced products, including, in some cases, trademarked products of The Coca-Cola Company bottled by other bottlers in the Coca-Cola bottling system. The entry into the EU of all but one of our developing countries, as well as that of Romania and Bulgaria, has increased the exposure of such countries to such imports from other EU countries. In addition, the enlargement of the EU could lead to increased imports by wholesalers and large retailers of products produced and sold by us in any of these countries for resale at lower prices in our other territories, particularly our established countries, where the prices of our products are generally higher than in most of our developing countries. While this practice would not affect our sales volume overall, it could put pressure on our pricing in the countries that receive such imports of lower priced products.

If there is a change in our competitors' pricing policies, an increase in the volume of cheaper competing products imported into our countries or the introduction of new competing products or brands, including private label brands, and if we fail to effectively respond to such actions, we may lose customers and market share and/or the implementation of our pricing strategy may be restricted, in which case our results of operations will be adversely affected.

The increasing concentration of retailers and independent wholesalers, on which we depend to distribute our products in certain countries, could lower our profitability and harm our ability to compete.

We derive, particularly in our established countries, a large and increasing proportion of our revenues from sales of our products either directly to large retailers, including supermarkets and hypermarkets, or to wholesalers for resale to smaller retail outlets. We expect such sales to continue to represent a significant portion of our revenues. Most of our countries are experiencing increased concentration in the retail and wholesale sectors, either because large retailers and wholesalers are expanding their share in the relevant market, or as a result of increased consolidation among large retailers and wholesalers.

We believe that such concentration increases the bargaining power of large retailers and wholesalers. Our products compete with other non-alcoholic ready-to-drink beverage brands for shelf space in retail stores and with other fast-moving consumer goods for preferential in-store placement. Our retailer and wholesaler customers also offer other products, sometimes including their own brands that compete directly with our products. These large retailers and wholesalers could use their increasing market power in a way that could lower our profitability and harm our ability to compete.

Changes in how significant customers market or promote our products could reduce sales volumes.

Our revenue is impacted by how large retailers, such as supermarket, hypermarket chains and independent wholesalers, market or promote our products. Revenue may, for example, be negatively impacted by unfavorable product placement at points of sale or less aggressive price promotions by large retailers or independent wholesalers, particularly in future consumption channels. Brand image may be negatively affected by aggressive price positioning close to that of non-premium products and private labels. Although we seek to engage our large retail and independent wholesale customers to achieve favorable product placement and in the development and implementation of marketing and promotional programs, our sales volumes, revenues and profitability may be adversely impacted by the manner in which large retailers or independent wholesalers engage in the marketing or promotion of our products. In addition, there can be no assurance that our large retailer and independent wholesaler customers, who often act for us, our competitors and themselves, will not give our competitors, or their products, higher priority, thereby reducing their efforts to sell our products.

Risks relating to prevailing economic conditions

The Greek government debt crisis and the associated impact on the economic and fiscal prospects of Greece and other EU countries in which we operate could have a material adverse effect on our business.

Greece, which accounted for approximately 6% of our unit case sales volume and approximately 8% of our net sales revenue in 2011, is currently facing a severe economic crisis resulting from significant government fiscal deficits and high levels of government borrowing. The current political, economic and budgetary challenges that the Greek government faces with respect to its high public debt burden and Greece's weakening economic prospects have led to sequential downgrades during 2010, 2011 and 2012 by Standard & Poor's Ratings Services of Greece's sovereign credit ratings to SD. Additionally, in March 2012, Moody's Ratings Services downgraded Greece's sovereign credit rating to C. As a condition of the second European Monetary Union / International Monetary Fund rescue package announced on February 20, 2012, Greece has committed to further aggressive and wide-ranging fiscal retrenchment during 2012, including increases in taxation. The magnitude of fiscal adjustments to which Greece has agreed, and any further measures which may be required, are likely to continue having a significant negative effect on economic activity in Greece. The Greek economy contracted by 7.5% in 2011, the fifth consecutive year that the economy has been in recession. Greek GDP has declined by a sixth since 2006, unemployment has tripled over that period to 20.7%, and these negative trends are expected to continue during 2012, taking a heavy toll on disposable income, spending and debt repayment capacity for the Greek private sector, which has had and will continue to have a material adverse effect on our business. In addition, the possibility that Greece could default on its sovereign obligations, and the consequent effect on its ability to remain part of the eurozone, cannot be entirely ruled out. Such an event could have severe adverse consequences for the Greek economy and our company, the magnitude of which is difficult to predict.

Other countries in which we operate also face difficult economic conditions as a result of restrictive fiscal measures imposed in response to the sovereign debt crisis. Italy accounted for approximately 15% of our unit case sales volume in 2011. In May 2010 and 2011, the Italian government announced significant reductions in public expenditure, designed to reduce the fiscal deficit to 3% or less of gross domestic product by 2012. The Republic of Ireland accounted for approximately 2% of our unit case sales volume in 2011. In November 2010, the Irish government agreed a rescue package with the European Union and International Monetary Fund that continues to require severe fiscal austerity. Such measures are likely to negatively impact GDP and employment. The sovereign debt crisis, the measures aimed at addressing such crisis and the consequences thereof could adversely affect the results of our local operations and on a consolidated basis.

These measures are likely to reduce disposable income and discretionary spending by customers in our countries of operation located within the EU, and adversely affect the tourism industry. This has resulted and may continue to result in reduced demand for our products. Further, the governments' fiscal measures have resulted and may continue to result in increased taxation on our business, which would reduce our profits. Finally, the European sovereign debt crisis has created a downward pressure on the euro, resulting in an increase in the prices we must pay for certain raw and packaging materials which are priced in other currencies (principally US dollars), which will further depress our profit margins if we are unable to recover these additional operating costs from our customers through market-based activities. Any one or a combination of these factors may have a material adverse effect on our results of operations and final condition.

Negative financial and economic conditions could lead to reduced demand for our products.

Negative financial and economic conditions in many countries in which we operate has led and could continue to lead to reduced demand for our products, or an increase in price discount activity, or both, which would have a negative impact on our financial position, results of operations and cash flows. Governments have been facing greater pressure on public finances, leading to risk of increased taxation. These factors may also lead to intensified competition for market share and available margin as well as reduced tourist activity, with consequential potential adverse effects on volumes. Negative financial and economic conditions may have a negative impact on our customers and other parties with whom we do, or may do, business.

Consumers' disposable income have come under pressure in several of our key markets as a result of price increases for fuel and food, among other things. Such price increases, along with local economic disruptions and economic uncertainty more generally, have also adversely affected consumer sentiment, which may further dampen discretionary spending over time. To the extent that this proves to be the case, sales volumes and pricing strategies in certain of our key markets may be adversely affected for an indeterminate period of time.

Increased taxation on our business may reduce our profitability.

We are subject to a myriad of taxes across each of the jurisdictions in which we operate. The imposition of new taxes, or increases in taxes on our products, may have a material adverse effect on our business, financial condition, prospects and results of operations. The severe fiscal crises currently impacting many of our countries have resulted in increased taxation on our business. In particular, pursuant to Article 5 of Law 3845/2010, on May 6, 2010, the Greek government imposed an 'Extraordinary Contribution of Social Responsibility' on net income for the fiscal year ended December 31, 2009. The amount of the 'Extraordinary Contribution of Social Responsibility' assessed for 2009 was €21.2 million, which we recorded as a tax charge in 2010.

Further fiscal measures may continue to result in increased taxation on our business, which would reduce our profits. Governments may also enact or increase taxes that apply to the sale, or production, of our products. In Greece, effective from September 1, 2011 value added tax in non-alcoholic beverages and juices, except for the mineral water, increased from 13% to 23%. At the end of 2011, in Italy value added tax increased by 2% and an additional increase of 2% is scheduled for September 2012 bringing value added tax to 23%. In 2011, Hungary introduced a tax on consumption of beverages with sugar and caffeine content higher than a specific amount, which affects the cost to consumers for some of our products. In addition, in Ireland effective from January 2012, value added tax increased by 2% to 23%, and in Czech Republic value added tax increased by 4%, effective from January 2012, and a further 3.5% increase is scheduled for January 2013. Higher taxes on the sale of our products, in the form of excise or other consumption taxes, could lead to increased prices, which in turn may adversely affect the sale and consumption of our products and reduce our revenues and profitability. Government imposed deposits or taxes on glass and/or metal packaging material, and/or other materials used in our business, would also reduce our profitability.

The global financial and credit crisis and the Greek government debt crisis may have impacts on our liquidity that currently cannot be predicted, and increasing interest rates may affect our ability to obtain credit.

The credit crisis and related turmoil in the global financial systems as well as, the Greek government debt crisis, may have a material impact on our liquidity and financial condition, and we may ultimately face major challenges if conditions do not improve. If the capital and credit markets experience volatility and the availability of funds becomes limited to us, then we may face increased interest rates and incur other costs associated with debt financings and our ability to access the capital markets or borrow money may become restricted at a time when we would like, or need, to raise capital, which could have an adverse impact on our flexibility to react to changing economic and business conditions, as well as on our ability to fund our operations and capital expenditures in the future, on our growth rate and shareholder returns. Decreases in the funded levels of our pension plans may also increase pension funding requirements. In this context, changes in our credit rating could have a material adverse effect on our interest costs and financing sources. Our credit rating can be materially influenced by a number of factors including, but not limited to, acquisitions, investment decisions, and capital management activities. While the ultimate outcome and impact of the current crises cannot be predicted, they may have a material adverse effect on our future liquidity.

Risks relating to our business

We rely on the reputation of our brands.

Our success depends on our ability to maintain and enhance the image and reputation of our existing products and to develop a favorable image and reputation for new products. An event, or series of events, that materially damages the reputation of one or more of our brands could have an adverse effect on the value of that brand and subsequent revenues from that brand or business.

Contamination or deterioration of our products could hurt our reputation and depress our revenues.

The contamination or deterioration of our products, whether actual or alleged, deliberate or accidental, could harm our reputation and business. A risk of contamination or deterioration exists during each stage of the production cycle, including during the production and delivery of raw materials, the bottling and packaging of our products, the stocking and delivery of our products to retailers and wholesalers, and the storage and shelving of our products at the final points of sale. Any such contamination or deterioration could result in a recall of our products and/or criminal or civil liability could restrict our ability to sell our products which, in turn, could have a material adverse effect on our business and prospects. These events, including incidents involving other bottlers of The Coca-Cola Company's products, could also materially and adversely impact our competitiveness and revenues by harming the reputation of The Coca-Cola Company's brands.

Adverse weather conditions and reduced tourist activity could reduce demand for our products.

Demand for our products is affected by weather conditions in the countries in which we operate. Consumption is particularly strong during the second and third quarters when demand rises due to warmer weather and, in some of our countries, increased tourist activity. As a result, unseasonably cool temperatures in our countries or reduced tourist activity in certain countries during the summer season could adversely affect our sales volume and the results of our operations for the year.

Climate change may negatively affect our business.

There is increasing concern that a gradual increase in global average temperatures due to increased concentration of carbon dioxide and other greenhouse gases in the atmosphere will cause significant changes in weather patterns around the globe and an increase in the frequency and severity of natural disasters. Decreased agricultural productivity in certain regions as a result of changing weather patterns may limit availability or increase the cost of key agricultural commodities, such as sugarcane, corn, beets, citrus, coffee and tea, which are important ingredients for our products. Increased frequency or duration of extreme weather conditions could also impair production capabilities, disrupt our supply chain or impact demand for our products. Climate change may also exacerbate water scarcity and cause a further deterioration of water quality in affected regions, which could limit water availability for our operations. In addition, public expectations for reductions in greenhouse gas emissions could result in increased energy, transportation and raw material costs and may require us to make additional investments in facilities and equipment. As a result, the effects of climate change could have a long-term adverse impact on our business and results of operations.

Miscalculation of infrastructure investment needs could impact our financial results.

Our projected requirements for infrastructure investments may differ from actual levels if anticipated sales volume growth does not materialize. We have, in the past, invested substantially in production capacity and sales and distribution infrastructure, particularly in our key emerging countries. Such infrastructure investments are generally long-term in nature and it is possible that investments may not generate expected returns due to changes in the marketplace. Significant changes from our expected returns on cold drink equipment, fleet, technology and supply chain infrastructure investments could adversely affect our financial results.

Technology failures could disrupt our operations and negatively impact our business.

We increasingly rely on information technology, or IT, systems to process, transmit and store electronic information. For example, our production and distribution facilities and inventory management all utilize IT to maximize efficiencies and minimize costs. Furthermore, a significant portion of the communication between personnel, customers and suppliers depends on IT. We also rely on IT services provided by third party providers for some of our IT needs.

If we do not allocate and effectively manage the resources necessary to build and sustain the proper IT infrastructure, we could be subject to transaction errors, processing inefficiencies, customer service disruptions and, in some instances, loss of customers. Challenges relating to the building of new IT structures can also subject us to certain errors, inefficiencies, disruptions and, in some instances, loss of customers. Our IT systems, and the systems of our third party IT service providers may also be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. Although we have security initiatives and disaster recovery plans in place to mitigate our risk to these vulnerabilities, such measures may not have been effectively implemented or may not be adequate to ensure that our operations are not disrupted.

Disruptions to our supply or distribution infrastructure could adversely affect our business.

We depend on effective supply and distribution networks to obtain necessary inputs for our production processes and to deliver our products to our customers. Damage or disruption to our supply or distribution capabilities due to weather, natural disaster, fire, loss of water or power supply, terrorism, political instability, military conflict, pandemic, strikes, the financial and/or operational instability of key suppliers, distributors, warehousing and transportation providers or brokers, or other reasons, could impair our ability to manufacture or sell our products.

Although the risk of such disruptions is particularly acute in our emerging countries, where distribution infrastructure is relatively undeveloped, our developed and established country operations are also subject to such risks. In Greece, for example, which is one of our key markets, general transportation strikes in 2010 limited our ability to fulfill customer orders for several weeks, particularly in our higher margin immediate consumption channels. The current economic crisis in Greece may result in similar events.

To the extent we are unable to effectively manage such events if they occur, or cannot financially mitigate the likelihood or potential impact of such events, there could be a materially adverse effect on our business and results of operations.

Price increases in, and shortages of, raw materials and packaging materials could materially and adversely affect our results of operations.

Our results of operations may be affected by the availability and pricing of raw materials and packaging materials, including water, sugar and other sweeteners, juice concentrates, glass, labels, plastic resin, closures, plastic crates, aluminum, aseptic packages and other packaging products and ingredients, some of which are priced in currencies other than the functional currencies of our operating companies.

Water, in particular, is the main ingredient in substantially all of our products. As demand for water continues to increase around the world and as the quality of available water deteriorates, we may incur increasing production costs or face capacity constraints. Sugar is also a primary ingredient in many of our products and has recently experienced significant price increases and volatility.

The supply and price of raw materials and packaging materials used for the production of our products can be affected by a number of factors beyond our control, including the level of crop production around the world, global supply and demand, export demand, market fluctuations, speculative movements in the raw materials or commodities markets, exchange rates, currency controls, government regulations and legislation affecting agriculture, adverse weather conditions, economic factors affecting growth decisions, various plant diseases and pests.

We cannot predict future availability, or prices, of the raw materials or commodities required for our products. The markets for certain raw materials or commodities have experienced, and will continue to experience, shortages and significant price fluctuations. The foregoing may affect the price and availability of ingredients that we use to manufacture our products, as well as the cans and bottles in which our products are packaged.

In addition, changes in global supply and demand, market fluctuations, weather conditions, government controls, exchange rates, currency controls and other factors may substantially affect the price of both raw and packaging materials. A substantial increase in the prices of these materials will increase our operating costs, which will depress our profit margins if we are unable to recover these additional operating costs from our customers. Although supply agreements and derivative financial instruments can protect against increases in raw material and commodities costs, they cannot provide complete protection over the longer term. Moreover, since hedging instruments establish a purchase price for the applicable commodities in advance of the time of delivery, it is possible that we may become locked into prices that are ultimately higher than the actual market price at the time of delivery.

A sustained interruption in the supply of raw materials and packaging materials could also lead to a significant increase in the price of such materials or could impede our production process if we are unable to find suitable substitutes. In each case, this could have a materially adverse effect on our results of operations. You should read Item 4, "Information on the Company—Business Overview—Raw materials" and Item 5, "Operating and Financial Review and Prospects—Principal factors affecting the results of our operations—Raw material costs" for additional information on our procurement of packaging and raw materials and the cost of raw materials.

Increases in the cost of energy could affect our profitability.

We use a significant amount of electricity, natural gas and other energy sources to operate our bottling plants and, in some of our countries, to operate fleets of motor vehicles. A substantial increase in the price of fuel and other energy sources would increase our costs and, therefore, could negatively impact our profitability. We are particularly reliant on natural gas exports from the Russian Federation and would be particularly affected by any restriction of natural gas exports from that country.

Fluctuations in exchange rates may adversely affect the results of our operations and financial condition.

We derive a portion of our revenues from countries that have functional currencies other than our reporting currency, the euro. As a result, any fluctuations in the values of these currencies against the euro impact our income statement and balance sheet when results are translated into euro. If the euro appreciates in relation to these currencies, then the euro value of the contribution of these operating companies to our consolidated results and financial position will decrease.

We incur currency transaction risks whenever one of our operating companies enters into either a purchase or sale transaction using a currency other than its functional currency. In particular, we purchase raw materials which are priced predominantly in euro and US dollars, while we currently sell our products in countries other than Austria, Cyprus, Estonia, Greece, Italy, Montenegro, the Republic of Ireland, Slovakia and Slovenia, in local currencies. Although we do use financial instruments to attempt to reduce our net exposure to currency fluctuations, there can be no assurance that we will be able to successfully hedge against the effects of this foreign exchange exposure, particularly over the long term. We attempt to reduce our currency transaction risk, where possible, by matching currency sales revenue and operating costs. Given the volatility of currency exchange rates, we cannot assure that we will be able to manage our currency transaction risks effectively or that any volatility in currency exchange rates will not have a material and adverse effect on our financial condition or results of operations.

We are exposed to the impact of exchange controls, which may adversely affect our profitability or our ability to repatriate profits.

The currencies of Nigeria, Ukraine, Belarus and Moldova can only be converted in limited amounts or for specified purposes established by their governments. These countries represented approximately 12% of our net sales revenue in 2011. In countries where the local currency is convertible only within prescribed limits or for specified purposes, it may be necessary for us to comply with exchange control formalities and to ensure that all relevant permits are obtained before we can repatriate profits of our subsidiaries in these countries. Such controls may have a material adverse effect on our profitability or on our ability to repatriate profits that we earn out of these countries.

Our operations are subject to extensive regulation, including resource recovery, environmental and health and safety standards. Changes in the regulatory environment may cause us to incur liabilities or additional costs or limit our business activities.

Our production, sales and distribution operations are subject to a broad range of regulations, including environmental, trade, labor, production, food safety, advertising and other regulations. Governments may also enact or increase taxes that apply to the sale of our products. More restrictive regulations or higher taxes could lead to increasing prices, which in turn may adversely affect the sale and consumption of our products and reduce our revenues and profitability. You should read Item 4, "Information on the Company—Business Overview—Regulation" for additional information on the regulations to which we are subject.

Some environmental laws and regulations may result in significant additional costs or diminish our ability to formulate and implement marketing strategies that we believe could be more effective, such as the use of a particular packaging material or method. A number of governmental authorities in the countries in which we operate have adopted, considered or are expected to consider legislation aimed at reducing the amount of discarded waste. Such programs have included, for example, requiring the attainment of certain quotas for recycling and/or the use of recycled materials, imposing deposits or taxes on plastic, glass or metal packaging material and/or requiring retailers or manufacturers to take back packaging used for their products. Such legislation, as well as voluntary initiatives similarly aimed at reducing the level of waste, could require us to incur greater costs for packaging and set higher wholesale prices to cover these incremental costs, which could be passed on to consumers and hurt our sales. In addition, such legislation could prevent us from promoting certain forms of profitable non-returnable packages or could otherwise adversely impact our business and prospects. For additional information, see Item 4, "Information on the Company—Business Overview—Environmental matters".

We are subject to a broad range of environmental, health and safety laws and regulations in each of the countries in which we operate. They relate to, among other things, waste water discharges, air emissions from solvents used in coatings, inks and compounds, the use and handling of hazardous materials and waste disposal practices. If we fail to comply with applicable environmental standards, we may face liabilities. In the event of gradual pollution, potential liabilities could be greater for which insurance policies are not readily available in the insurance market. However, we do hold insurance coverage restricted to third party bodily injury and/or property damage in respect of sudden, identifiable, unintended and unexpected incidents.

Environmental regulations are becoming more stringent in many of the countries in which we operate. In particular, governments and public interest groups are becoming increasingly aware of and concerned about the public health and environmental consequences of carbon dioxide emissions. The introduction of regulation seeking to restrict carbon dioxide emissions, as well as our own commitment to social and environmental responsibility, might require increased investment in energy conservation and emissions reduction technologies, both at the production stage and with respect to our cooler infrastructure, which may result in increased capital expenditure, greater operating costs, or both.

In addition, the trend toward increased consumer focus on health and fitness, as well as public concerns about obesity, have in recent years led to the consideration by governments of new taxes on certain food and beverage products, including sugar-sweetened beverages. In 2011, Hungary introduced a tax on the consumption of beverages with sugar or caffeine content higher than a specific amount, which increased the cost to consumers for some of our products. Possible new taxes on sugar-sweetened or caffeinated beverages in the countries in which we operate may reduce demand for our products, which could affect our profitability.

Other risks relating to an investment in our ordinary shares or ADSs

You may not be able to enforce judgments against us or some of our directors or officers.

We are incorporated under the laws of Greece. Substantially all of our assets are located outside the United States. In addition, the majority of our officers and directors are residents of countries other than the United States. As a result, you may not be able to effect service of process within the United States upon these persons or enforce a US court judgment based on civil liabilities under the US federal securities laws against us or these persons. Courts outside the United States, including in Greece, may decide not to impose civil liability on us, our directors or our officers for a violation of the federal securities laws of the United States. In addition, there is uncertainty as to the enforceability in Greece of judgments of United States courts because such enforcement is subject to ascertainment by the Greek courts of a number of conditions, including that the foreign court has jurisdiction under Greek law and that the judgment is not contrary to good morals and public policy, as determined by Greek courts. In addition, it is uncertain if a Greek court would apply the federal laws of the United States in any action brought before such court. You may therefore not be able to enforce certain US judgments in civil and commercial matters against us or some of our officers or directors.

Sales of substantial amounts of our ordinary shares by Kar-Tess Holding or The Coca-Cola Company Entities or the perception that such sales could occur, could adversely affect the market value of our ordinary shares or ADSs.

Kar-Tess Holding and The Coca-Cola Company Entities have agreed among themselves to maintain their combined shareholding until January 2014 at no less than 44% of our outstanding share capital (and at no less than 40% of our outstanding share capital thereafter, until expiration of the shareholders' agreement). The current term of the shareholders' agreement extends to December 2018, after which either group of parties may terminate it on three months' written notice. Kar-Tess Holding and The Coca-Cola Company Entities have also agreed to maintain their individual shareholdings until January 2014 at no less than 22% of our outstanding share capital (and at no less than 20% of our outstanding share capital thereafter until expiration of the shareholders' agreement). However, Kar-Tess Holding and The Coca-Cola Company Entities may sell additional ordinary shares in our company, subject only to the limitations set forth in their shareholders' agreement. Under the shareholders' agreement, Kar-Tess Holding or The Coca-Cola Company Entities may consent to sales of ordinary shares by the other party at any time. Sales of substantial amounts of our ordinary shares or ADSs in the public market by Kar-Tess Holding or The Coca-Cola Company Entities, or the perception that such sales could occur, could adversely affect the market price of our ordinary shares or ADSs and could adversely affect our ability to raise capital through future capital increases.

The euro/US dollar exchange rate could adversely affect the market price of our ordinary shares and the US dollar value of dividends we pay in respect of our ordinary shares and ADSs.

The price of our ordinary shares is quoted in euro. Movements in the euro/US dollar exchange rate may affect the US dollar price of our ADSs and the US dollar equivalent of the price of our ordinary shares. We will calculate and pay any cash dividends in euro. As a result, exchange rate movements will affect the US dollar amount of dividends that you will receive from the Depositary if you hold ADSs.

Pre-emptive rights may not be available to you and, as a result, your investment could be diluted.

Under Greek law, prior to the issue of any class of shares, a company incorporated in Greece is required to offer existing holders of such class of shares pre-emptive rights to subscribe and pay for sufficient new shares to maintain their existing ownership percentages. US holders of our ADSs or ordinary shares may not be able to exercise pre-emptive rights for new ordinary shares unless a registration statement under the US Securities Act of 1933 is effective with respect to such rights and new ordinary shares, or an exemption from the registration requirements is available. Our decision to file a registration statement will depend on the costs and potential liabilities associated with any such registration statement, the perceived benefits to us of enabling US holders of our ADSs or ordinary shares to exercise their pre-emptive rights and any other facts, which we consider appropriate at the time. To the extent that US holders of our ADSs or ordinary shares are not able to exercise pre-emptive rights granted in connection with an issue of our ordinary shares, their proportional shareholding in our company would be diluted.

The Athens Exchange may be less liquid than other major exchanges, and may exhibit volatility, which may adversely affect your ability to trade our ordinary shares.

The principal trading market for our ordinary shares is the Athens Exchange. The Athens Exchange may be less liquid than major markets in Western Europe and the United States. As a result, shareholders may have difficulty buying and selling our ordinary shares, especially in large numbers. In 2011, the average daily trading volume on the Athens Exchange was approximately €80.9 million and the average daily trading volume of our ordinary shares on the Athens Exchange was approximately €5.4 million. By comparison, in 2010, the average daily trading volume on the Athens Exchange was approximately €139.4 million and the average daily trading volume of our ordinary shares on the Athens Exchange was approximately €6.2 million.

In addition, stock markets in general, including the Athens Exchange, can be highly volatile. You may not be able to trade large amounts of our ordinary shares or ADSs during or following periods of volatility. You should read Item 9, "The Offer and Listing—Offer and Listing Details" for additional information on the Athens Exchange.

Greek corporate law and our articles of association may not grant you certain of the rights and protections generally afforded to shareholders of US companies under US federal and state laws.

The rights provided to our shareholders under Greek corporate law and our articles of association differ in certain respects from the rights that you would typically enjoy as a shareholder of a US company under applicable US federal and/or state laws. For example, only shareholders holding a minimum of 5% of our share capital may ask for an inspection of our corporate records, while under Delaware corporate law any shareholder, irrespective of the size of his or her shareholdings, may do so. Furthermore, we will generally be exempt from the US Securities Exchange Act of 1934 rules regarding the content and furnishing of proxy statements to our shareholders. Under Greek corporate law, shareholders are also unable to initiate a derivative action, a remedy typically available to shareholders of US companies, in order to enforce a right of our company, in case we fail to enforce such right ourselves. In addition, a majority of more than 80% of our shareholders may release a director from any liability, including if he or she has acted in bad faith or has breached his or her duty of loyalty, provided that two years have lapsed since the cause of action arose against such director. In contrast, most US federal and state laws prohibit a company from releasing a director from liability if he or she has acted in bad faith or has breached his or her duty of loyalty. Our directors, officers and principal shareholders will also be exempt from the reporting and the short-swing profit recovery provisions contained in Section 16 of the US Securities Exchange Act of 1934. However, these persons are and will continue to be required to comply with applicable Greek legislation prohibiting insider dealing. Finally, Greek corporate law imposes a particular set of restrictions on the ability of a Greek company to repurchase its own shares, which could be more restrictive than the share repurchase regime applicable to US companies, and does not provide for any kind of appraisal rights in the case of a business combination.

For additional information on these and other aspects of Greek corporate law and our articles of association, you should read Item 9, "The Offer and Listing—Markets—Market regulation," Item 10, "Additional Information—Share Capital" and Item 10, "Additional Information—Memorandum and Articles of Association". As a result of these differences between Greek corporate law and our articles of association, and US federal and state laws, in certain instances you could receive less protection as a shareholder of our company than you would as a shareholder of a US company.

ADS holders may not be able to exercise voting rights or receive distributions as readily as holders of ordinary shares.

Holders of ADSs who would like to vote their underlying shares at our general meetings must instruct Citibank N.A. as Depositary on how to vote these underlying shares. Neither we nor Citibank N.A. as Depositary can guarantee that you will receive the notice for the general meeting or any voting materials provided by Citibank N.A. in time to ensure that you instruct Citibank N.A. to vote the ordinary shares underlying your ADSs. In addition, Citibank N.A. and its agents are not responsible for failure to carry out voting instructions or for the manner of carrying out voting instructions. Therefore, there is a risk that your vote may not be carried out in the manner intended and, in such instance, there is no recourse. In addition, you may not receive the distributions we make on our ordinary shares or any value for them if it is illegal or impracticable for Citibank N.A. to make them available to you.

ITEM 4 INFORMATION ON THE COMPANY

A. History and Development of the Company

We were formed through the combination of Hellenic Bottling Company S.A. and Coca-Cola Beverages plc on August 9, 2000.

Hellenic Bottling Company S.A., a corporation incorporated under the laws of Greece in 1969, was headquartered in Athens. In 1981, Kar-Tess Holding acquired a 99.9% interest in Hellenic Bottling Company S.A. The shares of Hellenic Bottling Company S.A. were listed on the Athens Exchange in July 1991 and it became the largest non-financial company listed on the Athens Exchange. Kar-Tess Group held an interest of approximately 68.6% in Hellenic Bottling Company S.A. immediately prior to its acquisition of Coca-Cola Beverages plc in August 2000.

Hellenic Bottling Company S.A.'s original territory was Greece, where The Coca-Cola Company granted it bottling rights in 1969. After 1981, Hellenic Bottling Company S.A. expanded its business through acquisitions and, immediately prior to the acquisition of Coca-Cola Beverages plc, operated bottling plants in 11 countries having an aggregate population of approximately 200 million. Hellenic Bottling Company S.A. had operations in Greece, Bulgaria, Armenia, the Former Yugoslav Republic of Macedonia (through an equity investment), Serbia, Montenegro, Northern Ireland, the Republic of Ireland, Nigeria, part of Romania, Moldova and part of the Russian Federation (through an equity investment).

In July 1998, Coca-Cola Amatil Limited, an Australian-based bottler of the products of The Coca-Cola Company, de-merged its European operations, resulting in the formation of Coca-Cola Beverages plc. These territories consisted of Austria, Switzerland, Croatia, the Czech Republic, Hungary, Poland, Slovakia, Slovenia, Belarus, Bosnia and Herzegovina, part of Romania and Ukraine. Coca-Cola Beverages plc also acquired the Northern and Central Italian bottling operations of The Coca-Cola Company. As a result, immediately prior to its acquisition by Hellenic Bottling Company S.A., Coca-Cola Beverages plc had bottling operations in 13 countries with an aggregate population of approximately 200 million. Coca-Cola Beverages plc was incorporated under the laws of England and Wales and was listed on the London Stock Exchange, with a secondary listing on the Australian Stock Exchange. Immediately prior to Coca-Cola Beverages plc's acquisition by Hellenic Bottling Company S.A., The Coca-Cola Company held, directly and indirectly, a 50.5% interest in Coca-Cola Beverages plc, The Olayan Group, a diversified multinational Saudi Arabian group which holds an interest in the bottler of products of The Coca-Cola Company for Saudi Arabia, held a 10.8% interest, while the remainder of Coca-Cola Beverages plc's shares were publicly held.

Following the acquisition of Coca-Cola Beverages plc, Hellenic Bottling Company S.A. was renamed Coca-Cola Hellenic Bottling Company S.A. and became the second largest bottler of products of The Coca-Cola Company in the world at that time, based on sales volume. We retained our headquarters in Athens and our shares were listed on the Athens Exchange, with secondary listings on the London Stock Exchange and the Australian Stock Exchange.

On November 23, 2001, we purchased from The Coca-Cola Company all of its wholly owned and majority owned bottling operations in the Russian Federation through the purchase of the Cyprus holding company, Star Bottling Limited and LLC Coca-Cola Stavropolye Bottlers. The Russian operating subsidiary of Star Bottling Limited is LLC Coca-Cola HBC Eurasia following the merger of LLC Coca-Cola Vladivostok Bottlers in 2005. In addition, on the same date we also purchased The Coca-Cola Company's 40% interest in Coca-Cola Molino Beverages Limited, a company in which we already held the remaining 60%. As a result of this acquisition, we gained the exclusive rights to sell and distribute products of The Coca-Cola Company throughout the Russian Federation. On January 2, 2002, we completed the acquisition from The Coca-Cola Company of its bottling operations in the Baltic countries of Lithuania, Estonia and Latvia.

On April 5, 2006, we successfully completed the tender offer for the outstanding share capital of Lanitis Bros Public Limited (subsequently renamed Lanitis Bros Limited), a beverage company in Cyprus, with a strong portfolio of products, including those of The Coca-Cola Company, as well as its own juice and dairy products. Following completion of the tender offer, we acquired 95.43% of the share capital of Lanitis Bros Limited. The total consideration paid for these shares was €71.5 million (excluding acquisition costs) with the assumption of debt of an additional €5.6 million. Following completion of the tender offer, we initiated a mandatory buy-out process in accordance with Cypriot law for the purposes of acquiring the remaining shares in Lanitis Bros Limited. Lanitis Bros Limited was subsequently delisted from the Cyprus Stock Exchange. Subsequent to the date of acquisition and up to December 31, 2006, we acquired an additional 11,218,735 shares representing 4.48% of the share capital of Lanitis Bros Limited for a total consideration of €3.4 million, bringing our equity ownership to 99.91%. Effective March 28, 2008, we sold the "Lanitis" juice trademarks to The Coca-Cola Company. In December 2008, we acquired the remaining share capital of Lanitis Bros Limited, bringing our equity ownership to 100%.

On December 11, 2008, we acquired 100% of Socib S.p.A. and related entities, the second largest Coca-Cola franchise bottler in Italy. The franchise territory of Socib S.p.A. covered the southern Italian mainland plus Sardinia. The total consideration for the transaction was €209.3 million (excluding acquisition costs), which included the assumption of debt of €38.9 million.

We listed our ADSs on the New York Stock Exchange on October 10, 2002. We believe that this listing has increased our visibility to the international investment community and enhanced our comparability with our international peer group.

Since 2002, we have expanded our presence in the combined still and water beverages category. We acquired Römerquelle GmbH, an Austrian mineral water company (December 2003), Gotalka d.o.o., a Croatian mineral water company (January 2004), Bankya Mineral Waters Bottling Company EOOD, a Bulgarian mineral water company (June 2005), and we developed the NaturAqua mineral water brand in Hungary (November 2002) and the Olimpja water brand in Bosnia (August 2004).

We acquired jointly with The Coca-Cola Company, Valser Mineralquellen AG, a Swiss mineral water bottler (September 2002), Dorna Apemin S.A., Romania's premier sparkling mineral water company (December 2002), Multivita sp. z o.o., a Polish mineral water company (October 2003), Vlasinka d.o.o., a Serbian mineral water company (April 2005), the Multon Z.A.O. group, a leading Russian fruit juice producer (April 2005), Fresh & Co, a leading juice company in Serbia (March 2006) and Fonti del Vulture S.r.l., a producer of high quality mineral water in Italy with significant water reserves (July 2006).

We also acquired a hot beverages vending operator in Hungary, Yoppi Kft. (August 2006), a direct full service vending company in Italy, Eurmatik S.r.l. (May 2007) and a company owning a newly constructed production facility in the Russian Federation, OOO Aqua Vision (September 2007). Eurmatik S.r.l. was subsequently sold in February 2011.

During 2011, we acquired the remaining non-controlling interests in Nigerian Bottling Company plc and Coca-Cola HBC—Srbija d.o.o., bringing our interest in these subsidiaries to 100%. In addition, during 2011 we increased our share in A.D. Pivara Skopje, which we jointly control with Heineken, by acquiring together with Heineken 41.2% of the remaining non-controlling interests. After the acquisition we own 48.24% of the voting rights of A.D. Pivara Skopje and control jointly with Heineken 96.48% of voting rights in A.D. Pivara Skopje.

Our address is: 9 Fragoklissias Street, 151 25 Maroussi, Athens, Greece. Our telephone number is (011) 30 210 618 3100. We have appointed CT Corporation System, located at 111 Eighth Avenue, 13th Floor, New York, NY 10011, USA, as our agent for service of process in any suit, action or proceeding with respect to our ordinary shares or ADSs and for actions under US federal or state securities laws brought in any US federal or state court located in The City of New York, Borough of Manhattan, and we have submitted to the jurisdiction of such courts. Our authorized representative in the United States is Puglisi & Associates.

B. Business Overview

Overview

Our business and our products

Our business is principally engaged in producing, selling and distributing non-alcoholic ready-to-drink beverages under franchise from The Coca-Cola Company. In addition we bottle and distribute beer in Bulgaria and the Former Yugoslav Republic of Macedonia and we distribute a selected number of premium spirit brands in certain central and eastern European operations (refer to Item 4, "Business Overview—Our products" for details). We are one of the largest bottlers of non-alcoholic ready-to-drink beverages in Europe, operating in 28 countries with a total population of approximately 575 million people (including our equity investment in Brewinvest S.A., a business engaged in the bottling and distribution of beer and non-alcoholic ready-to-drink beverages in Bulgaria and the Former Yugoslav Republic of Macedonia). In 2011, we sold approximately 2.1 billion unit cases, generating net sales revenue of €6.9 billion.

Our products include sparkling and still beverages and water. The combined still and water beverages category includes juices, waters, sports and energy drinks and other ready-to-drink beverages such as teas and coffees. In 2011, the sparkling beverages category accounted for 68% and the combined still and water beverages category accounted for 32% of our sales volume, as compared, respectively, to 66% and 34% in 2010. We offer our products in a range of flavors and package combinations which vary from country to country.

We are one of The Coca-Cola Company's key bottlers, that is, bottlers in which The Coca-Cola Company has a significant equity interest and which The Coca-Cola Company regards as strategic partners based on factors such as size, geographical diversification and financial and management resources. We believe that our success and the success of the products of The Coca-Cola Company in our markets, relies in large part upon the alignment of strategic objectives between us and The Coca-Cola Company, with the two companies working together and combining their respective skills and assets to maximize opportunities to increase sales and profits in the countries in which we operate. As part of this relationship, we work together with The Coca-Cola Company such that The Coca-Cola Company has primary responsibility for consumer marketing and brand promotion, while we produce, sell and distribute the products of The Coca-Cola Company and execute customer marketing at the points of sale.

Under our bottlers' agreements with The Coca-Cola Company, we have the right to produce and the exclusive right, subject to certain limitations, to sell and distribute products of The Coca-Cola Company in each of our territories. Sales of products of The Coca-Cola Company represented approximately 96% of our total sales volume in 2011, with sales of products under the Coca-Cola brand, the world's most recognized brand, representing approximately 40% of our total sales volume. In addition to Coca-Cola, our other core brands include Fanta, Sprite, Coca-Cola light (which we sell in some of our countries under the Diet Coke trademark) and Coca-Cola Zero. Our core brands together accounted for approximately 62% of our total sales volume in 2011. We also produce, sell and distribute a broad family of brands of other sparkling, still and water beverages which varies from country to country. Together with The Coca-Cola Company, we are committed to exploring new growth opportunities by introducing new products and packages that satisfy the changing demands and preferences of consumers in our markets.

Our markets

We group our countries into three reporting segments. The countries included in each segment share similar levels of political and economic stability and development, regulatory environments, growth opportunities, customers and distribution infrastructures. Our three reporting segments are as follows:

- *established countries*, which are Italy, Greece, Austria, the Republic of Ireland, Northern Ireland, Switzerland and Cyprus;
- *developing countries*, which are Poland, Hungary, the Czech Republic, Croatia, Lithuania, Latvia, Estonia, Slovakia and Slovenia; and
- *emerging countries*, which are the Russian Federation, Romania, Nigeria, Ukraine, Bulgaria, Serbia (including the Republic of Kosovo), Montenegro, Belarus, Bosnia and Herzegovina, Armenia, Moldova and the Former Yugoslav Republic of Macedonia (through an equity investment).

Our strengths

World's leading brands

We produce, sell and distribute Coca-Cola, the world's leading brand of non-alcoholic ready-to-drink beverages in terms of sales volume and the world's most recognized brand. The other brands licensed to us by The Coca-Cola Company are also among the leading brands in their market categories. In particular, Coca-Cola light (Diet Coke), Sprite and Fanta, together with Coca-Cola, are four of the world's five best selling non-alcoholic ready-to-drink beverages in terms of sales volume.

Substantial scale benefits

We are the second largest independent bottler of products of The Coca-Cola Company in the world in terms of net sales revenue and the second largest in terms of volume. We operate in 28 countries with a total population of approximately 575 million. Our scale offers significant opportunities arising from the sharing of knowledge and best practices across our countries, procurement savings, and coordination and optimization of investment planning, including capital expenditure.

Key bottler of The Coca-Cola Company

We are one of The Coca-Cola Company's key bottlers, reflecting our strategic importance within the Coca-Cola bottling system. We work closely with The Coca-Cola Company, utilizing our respective skills and assets to maximize the opportunities to increase sales in our countries and, ultimately, increase value to our shareholders over the long-term.

Balanced portfolio of markets

Our established and emerging countries provide us with a stable source of revenues and cash flow, while our developing and emerging countries provide us with significant growth opportunities. This balance allows us to minimize external financing of our long-term growth and limit our exposure to the effects of potential economic or political instability in some of our countries.

Significant markets with high growth potential

We believe that many of our developing and emerging countries are underdeveloped in terms of sparkling and still beverages and water consumption. As the beverage of choice in our emerging and developing countries continues to evolve from tap water and homemade drinks towards branded sparkling and still beverages and water, we believe that we are well positioned to capture a substantial share of this market growth. Not only is there an opportunity for sales revenue growth in these countries through increased market penetration, but countries such as Nigeria generally have a more favorable demographic profile for sparkling beverages consumption since there are larger numbers of young people who generally consume more sparkling beverages and the population growth rate in Nigeria is much higher than in our established and developing countries.

Modern business infrastructure

Since 2001, we have invested approximately €4.5 billion in property, plant and equipment, to modernize our plant infrastructure and to expand the availability of cold drink equipment such as coolers. As a result, we believe that we have the production capacity and distribution infrastructure to meet volume growth at a relatively low incremental capital cost and to expand the availability of our products, especially the more profitable single-serve packages.

We plan to build 20 combined heat and power units across our Group. In cooperation with third-party developers with worldwide expertise on combined heat and power generation, we are rolling out this initiative to enhance our CO2 emissions profile and increase our plants' energy efficiency. Seven cogeneration plants are currently in operation in Italy, Hungary, Northern Ireland, Romania and Nigeria, achieving CO2 emission reductions of 75,000 tons per annum. Another three plants will become operational within 2012. Once the project is completed, CO2 emission reduction is expected to reach approximately 200,000 tons per annum.

Large and skilled sales force

We believe that we have one of the largest and best-trained sales forces in the non-alcoholic ready-to-drink beverages industry in each of our countries. This allows us to work closely and develop strong relationships with our customers.

Experienced management

Our senior management team has extensive experience in the non-alcoholic ready-to-drink beverages industry. This provides us with strong knowledge of the industry, familiarity with our customers, and understanding of the development, manufacture and sale of our products.

Our strategy

Our strategic objective is to maximize shareholder value over time. Our management uses the below key measures to evaluate our performance: volume, market share, net sales revenue per unit case, adjusted EBITDA, free cash flow and return on invested capital, or ROIC. For further details on our calculation of ROIC, refer to Item 5, "Operating and Financial Review and Prospects".

In order to achieve this objective we have devised a strategy based on the following four strategic pillars:

- Community Trust: caring for the communities we live and operate in by adding value, which helps us win their trust, loyalty and build a long-lasting reputation for our business;
- Consumer Relevance: refreshing our consumers and catering to their evolving needs and preferences;

- Customer Preference: developing our markets by delivering superior services to our customers; and
- Cost Leadership: improving efficiency and optimizing use of capital, while driving overall cost efficiency throughout our organization.

A key enabler of our four strategic initiatives is building people capabilities, ensuring that we have talent in key positions throughout the organization and investing in our people to drive a high performance mindset.

Caring for the communities in which we live and operate.

We understand that sustainable growth for our business goes hand in hand with sustainable development for our communities. We are deeply committed to creating value for these communities and building our reputation as a trusted partner and a force for positive change.

We remain committed to leading initiatives aimed at wastewater treatment, energy, efficiency and climate protection and efforts aimed at reducing the amount of raw materials used in our packaging. At the same time we continue to promote active lifestyles, encourage community and volunteer work and support road safety.

Refreshing our consumers and catering to their evolving needs and preferences

Consumer needs and demands are constantly evolving throughout our markets. In order to remain relevant to our consumers we establish clear category and brand priorities and define focused objectives. We drive innovation by continuously building on our strong family of brands and introducing new flavors and packages, launching existing brands in new markets and re-launching or reinvigorating existing brands where appropriate. For example, in many of our markets where adults are a growing segment of our consumer base, we have launched several product innovations to ensure we meet their expectations. We have launched Coke Zero, a full-flavor no-calorie Coca-Cola beverage highly popular among adult consumers, in 19 out of our 28 markets. In addition, by undertaking the distribution of a select number of premium spirit brands, we are well placed to capitalize on an increasingly important consumption opportunity: the attractiveness of our products as mixers with premium spirits in restaurants and other "immediate consumption" occasions.

Our blueprint for ensuring ongoing consumer relevance can be summarized in a simple formula: availability; affordability; acceptability; activation; and attitude.

Availability means placing our range of products within easy reach of consumers in the "right" package, in the "right" location, at the "right" time. We focus on developing strong relationships with our customers in order to ensure that the "right" products are in stock, highly visible and readily accessible wherever and whenever consumers may desire a non-alcoholic beverage.

Affordability means offering a wide variety of desirable, premium quality products, in packages appropriate for the occasion, at the "right" price. In doing so, we aim to reach as many consumers as possible while taking into account the differing levels of purchasing power in the countries in which we operate.

Acceptability means supplying an extensive and growing range of products that meet the highest quality standards in each country, enhancing their acceptability to consumers. Our experience in quality control, customer service and efficient distribution, combined with a detailed understanding of consumer needs and access to the most effective communications channels, allows us to reach out to customers and consumers in each of our markets and meet their demands.

Activation means motivating consumers to choose our products by improving product availability and attractiveness at the point of purchase and by building brand strength in our local markets. We achieve this in close cooperation with our customers through the placement of cold drink equipment, such as coolers and vending machines, the provision of signage and other point-of-sale materials and the implementation of local marketing and promotional initiatives.

Attitude is about the way our sales representatives and our people behave every day in their interactions with our customers ensuring that we meet their needs with an objective to become the preferred supplier of choice.

Developing our markets by delivering superior customer services

The retail environment for beverages continues to transform rapidly, with the shift towards modern, large-scale and discount retail formats expanding to more of our markets. At Coca-Cola Hellenic, our response has been to re-emphasize "customer preference" as a core value of our business. This means building true partnerships that create sustainable value and profitable growth for our business and our customers across all key channels. By finding new ways to win together in the marketplace, we aim to be the preferred supplier to all of our customers. To achieve this, we have adopted a comprehensive set of initiatives designed to build collaborative customer relationships and ensure excellent execution.

In order to ensure that we are executing in ways that drive consumer relevance and revenue growth, we have developed a dynamic strategic tool that we call "OBPPC" (Occasion, Brand, Price, Package, Channel), which we have turned into an integral part of our business: for each consumption occasion, we offer relevant brands and in appropriate packages, at the right price, in the target channel. This dynamic strategic tool, when backed by rigorous market research and innovative in-store solutions, is a powerful way for identifying and capturing untapped opportunity in the markets we serve. We begin by conducting a detailed analysis of the shopping experience: the different occasions that motivate consumers to shop, the retail customer environment and the product offering in a market outlet. From this, we gain insights about brand, package and price offers that best suit the consumer's specific needs and, based on those, we develop in-store executions for that channel that will grow revenue both for our customers and for our business. Finally, we assess the results and adjust execution strategies accordingly.

In addition, we recently introduced the concept of joint value creation with key customers, which is built on the premise that beverages offer significant growth not only for us, but also for our retail customers. We have also established customer care centres that provide a single and efficient point of contact between the customers and ourselves leading to improved satisfaction scores.

Finally, our execution in the marketplace is enhanced through another recent initiative titled "Hellenic Good Morning!" whereby our sales force teams in each country meet on a daily basis, set key targets for each day, review results from the previous day and reward best performers.

The level of our execution success in the market is monitored and improved through a pioneering 360 degree process which consists of creating the plan of success for each channel, defining the standards for execution excellence, tracking actual performance through market surveys then coaching our sales force while rewarding successful performance.

Improving efficiency and optimizing use of capital, while at the same time driving cost efficiency throughout our organization

We have benefited from the increase in the size of our company over the past years:

- by centralizing our strategic procurement function, we have been able to reduce our raw materials and packaging costs; and
- by implementing best practices across the company, we have been able to improve our manufacturing, sales and distribution systems.

We intend to continue taking advantage of these benefits of scale to improve the efficiency of our operations. In 2011, we began the implementation of our shared services project, with certain finance and human resources processes in three of our operations. We plan to roll-out shared services to our other markets in the coming years. We will continue to balance investment in new production and distribution infrastructure with improved utilization of existing capacity. We also continue to invest in advanced IT systems in some of our markets to enhance productivity.

At the same time, we continue to manage our capital expenditure carefully by focusing our investment on more profitable areas of our business, such as cold drink equipment for use in the immediate consumption channel.

Our immediate consumption channels include restaurants and cafés, bars, kiosks, grocery stores, gas stations, sports and leisure venues and hotels. Products sold in our immediate consumption channels typically generate lower volume and higher margins per retail outlet than our future consumption channels. Through the careful management of our capital expenditure, the efficient deployment of our assets, including cold drink equipment and distribution infrastructure, across our countries and the use of appropriate financing arrangements, we aim to optimize the utilization of our capital.

Besides making sound allocation of our capital resources, we constantly monitor our prevailing cost base and seek to manage our operating expenses, a critical element for our long-term strategy for market leadership and sustainable growth. At the heart of this strategy are our ongoing efforts to create a cost management mindset and nurture a culture of cost ownership throughout the organization. Encouraging all of our people to "act like owners" of the business is an important element in creating a cost base that will not only be competitive in the context of our industry, but also sustainable in the long-term.

Finally, our IT infrastructure, especially following the roll-out of SAP Wave 2, will act as a critical enabler in achieving all of the above cost leadership initiatives.

Our products

We produce, sell and distribute sparkling, still and water beverages under the brands of The Coca-Cola Company in all of our countries. We also produce, sell and distribute sparkling beverages under the brands that The Coca-Cola Company acquired for certain countries from Cadbury Schweppes plc in 1999. Schweppes Holdings Limited, a wholly owned subsidiary of The Coca-Cola Company, has granted to us the rights to produce, sell and distribute these beverages in the Republic of Ireland, Northern Ireland, Nigeria, the Russian Federation, Bulgaria, Bosnia and Herzegovina, Croatia, Ukraine, the Former Yugoslav Republic of Macedonia, Slovenia, Serbia, Montenegro, Estonia, Lithuania and Latvia. In some of our countries, we produce, sell and distribute still and water beverages licensed by Beverage Partners Worldwide, a joint venture between The Coca-Cola Company and Nestlé S.A. The Coca-Cola Company owns the trademarks for all beverages of The Coca-Cola Company that we produce, sell and distribute in each country in which we operate. As a result, we rely on The Coca-Cola Company to protect its brands in our markets.

In some of our countries, we also produce, sell, distribute and market our own brands. These include our range of Amita juices in Greece and Italy, our mineral water, Avra, in Greece and Cyprus, our Deep River Rock packaged water and Fruice juices in the Republic of Ireland and Northern Ireland, and our Lanitis dairy products in Cyprus. We also distribute certain sparkling, still and water beverages and other products which we purchase from other companies unaffiliated with The Coca-Cola Company in some of our countries.

In 2011, sparkling beverages of The Coca-Cola Company accounted for 68% of our sales volume, still and water beverages of The Coca-Cola Company, principally Bonaqua, Dorna and Valser waters, Cappy juices, PowerAde, together with Nestea, licensed to us by Beverage Partners Worldwide, accounted for approximately 28% of our sales volume. In 2011, other beverages, principally our Amita juices and Avra waters, accounted for approximately 4% of our sales volume. The following table sets forth our top five brands in 2011 in terms of sales volume as a percentage of our total sales volume:

	Sales volume in 2011 as a percentage of total sales volume
Coca-Cola	40%
Fanta	10%
Sprite	6%
Bonaqua/Bonaqa	5%
Nestea	5%
	66%

We offer our beverages in both refillable and non-refillable packages and in a range of flavors designed to meet the demands of our consumers. The main packaging materials for our beverages are PET (polyethylene terephthalate, a plastic resin), glass and cans. In addition, we provide fast food restaurants and other immediate consumption outlets with fountain products. Fountains consist of dispensing equipment that mixes the fountain syrup with carbonated or still water, enabling fountain retailers to sell finished sparkling, still and water beverages to consumers in cups or glasses. The following table sets forth some of our products, including products that The Coca-Cola Company and third parties have licensed to us, products that we own and third party products that we distribute.

Products licensed from The Coca-Cola Company (sparkling)	Products licensed from The Coca-Cola Company (still and water)	Products licensed from third parties	Our own products	Third party products distributed by us
Coca-Cola/Coke	Bankia	Almdudler	Amita	Amstel[9]
Coca-Cola light/Coke	Bistra	illy[4]	Avra	Appletiser
light/Diet Coke	Bonaqa/Bonaqua/	Joy	Deep River Rock	Asti Martini[10]
Coca-Cola Zero/Coke	Bon-Acqua	Magic Summer	Fruice	Bacardi[10]
Zero	botaniQ[1]	Nestea[5]	Frulite	Bacardi Breezer[10]
Cherry Coca-Cola/	Cappy	RIO	Lanitis Milk	Bombay Sapphire[10]
Cherry Coke	Diva	Sens	Lyttos	Canada Dry
Coca-Cola light with	Dobry/Dobriy	Tuborg Soda[6]	Next[8]	Chambord[12]
lemon/Diet Coke	Dobriy Mors	Tuborg Tonic Water[6]	Su-Voce[8]	Cointreau[3]
with lemon	Dorna		Tanora	Cutty Sark[13]
Vanilla Coke	Eva		Zelita	el Jimador[12]
Fanta	Enviga		Tsakiris snacks	Famous Grouse[13]
Fanta light	Felicia[2]		Kykkos	Feldschlösschen[14]
Fanta Zero	Five Alive			Finlandia[12]
Sprite	Jurassic Well			Gentleman Jack[12]
Sprite light	Kropla Beskidu			Heineken[9][14]
Sprite Zero	Kropla Mineralów			Highland Park[13]
Ali	Lanitis Juice			Herradura[12]
Bajoru Gira	Lilia[2]			Jack Daniel's[12]
Beverly	Lilia Frizzante[2]			Kaiser[9]
Burn	Matúšov Prameň			Louis XIII[3]
BPM	Mickey Mouse			Martini[10]
Dr. Pepper	Minute Maid			Master[9]
Frisco	Multivita			MB Pils[9]
Fruktime	NaturAqua			Metaxa[3]
Gladiator	Nico			Monster[7]
Kinley	Oasis			Pago
Krest	Olimpija			Pepe Lopez[12]
Krushka & Bochka	Poiana Negri			Rivella[14]
Kvass				
Lift	PowerAde			Remy Martin[3]
Lilt	Real			Rezangyal[11]
Limca	Rich			Schlossgold[9]
Linnuse	Römerquelle			Southern Comfort[12]
Mezzo Mix	Rosa			St Remy[3]
Nalu	Solaria[2]			The Macallan[13]
Pilskalna	Sveva[2]			Vittel
Relentless	Toka[2]			Woodford Reserve[12]
Schweppers	Valser			
Ultra	Yasli-Sad			
Viva				

(1) We acquired the "botaniQ" trademark as part of the acquisition of OOO Aqua Vision on September 4, 2007. The trademark was sold on February 29, 2008 to the Multon Z.A.O. group, a joint venture operated by The Coca-Cola Company and ourselves.

(2) These brands were originally owned by Fonti del Vulture S.r.l., a water company in Italy, which we purchased jointly with The Coca-Cola Company in July 2006. In October 2008, the brands of Fonti del Vulture S.r.l were transferred to The Coca-Cola Company.

(3) We distribute Remy Cointreau products in Ukraine pursuant to a distribution agreement entered into in June, 2010.

(4) We sell and distribute premium ready-to-drink coffee under the illy brand across several of our territories under distribution agreements with Ilko Coffee International Srl.

(5) We produce, sell and distribute Nestea under a license from Beverage Partners Worldwide.

(6) We produce, sell and distribute Tuborg Soda and Tonic Water under a license from Carlsberg Breweries A/S.

(7) We distribute Monster products in Hungary, Czech Republic and Slovakia pursuant to distribution agreements entered into in April 2010. In addition, we distribute Monster products in Bulgaria pursuant to a distribution agreement entered into in November 2010. Further, we distribute Monster products in Austria and Switzerland pursuant to a distribution agreement entered into in August, 2010, in Greece and Cyprus pursuant to a distribution agreement entered into in February, 2011 and in Estonia, Latvia and Lithuania pursuant to a distribution agreement entered into in June, 2011.

(8) These brands are owned by Fresh & Co, a juice company in Serbia which we purchased jointly with The Coca-Cola Company in March 2006.

(9) We distribute Heineken products in the south-west region of the Republic of Ireland and the Former Yugoslav Republic of Macedonia. In March 2008, we entered into an agreement with Heineken to distribute Amstel, Heineken, Master, MB Pils, Kaiser and Schlossgold products in Serbia and Montenegro.

(10) We distribute Bacardi Limited products in Hungary, pursuant to a distribution agreement entered into in June, 2008.

(11) We distribute Rezangyal products in Hungary pursuant to a distribution agreement signed in June, 2010.

(12) We distribute Brown-Forman products in Hungary, Ukraine, Serbia/Croatia and Russia pursuant to distribution agreements entered into in January 2006, April 2008, August 2009 and October 2010, respectively.

(13) We distribute the Edrington Group products in Serbia, Croatia, Hungary and Ukraine pursuant to distribution agreements entered into in March, 2010 and in Bosnia pursuant to distribution agreements entered into in June, 2011.

(14) We distribute Rivella and Heineken beer brands (Heineken and Feldschlösschen) via the Swiss Home Delivery Channel.

Our operations

Our territories encompass whole countries except Italy, where our territory excludes Sicily, and Northern Ireland, which is the only region of the United Kingdom in which we operate.

The following table illustrates certain key economic indicators for the countries within each segment for 2011.

	Our total (sparkling and non-sparkling) volume (million unit cases) in 2011[(1)(2)]	Country (or, if different, territory) population (million) in 2011[(3)]	GDP per capita ($) in 2011[(4)]
Established:			
Italy (excl. Sicily)	312.6	55.6	33,959
Greece	125.8	11.2	27,875
Switzerland	84.7	7.8	84,983
Austria	75.2	8.4	50,504
The Republic of Ireland and Northern Ireland	70.2	6.4	46,004
Cyprus	15.5	0.8	31,435
Established countries[(5),(6)]	684.0	90.2	40,009
Developing:			
Poland	173.5	38.1	13,967
Hungary	86.1	10.0	14,808
Czech Republic	58.4	10.5	20,925
Croatia	26.8	4.4	14,529
Slovakia	25.4	5.4	17,889
Lithuania	8.3	3.3	13,190
Latvia	7.6	2.2	12,226
Slovenia	7.0	2.0	25,939
Estonia	6.6	1.3	16,880
Developing countries[(5),(6)]	399.7	77.3	15,611
Emerging:			
Russian Federation	335.7	142.4	13,236
Nigeria	185.2	160.3	1,541
Romania	160.7	21.4	8,666
Ukraine	93.6	45.6	3,575
Serbia and Montenegro	83.0	8.0	6,298
Bulgaria	56.3	7.5	7,243
Belarus	29.5	9.4	6,118
Bosnia and Herzegovina	17.9	3.9	4,715
Former Yugoslav Republic of Macedonia	10.0	2.1	5,012
Armenia	6.6	3.3	3,048
Moldova	5.5	3.6	2,022
Emerging countries[(5),(6)]	984.0	407.5	6,598
All countries[(5),(6)]	**2,067.7**	**575.0**	**13,052**
Plus: Exports	15.7		
All countries (reported)	**2,083.4**		

Sources: Information on country or territory population and GDP per capita has been obtained from The World Economic Outlook Database, International Monetary Fund, September 2011, except for the population of our Italian territory and Northern Ireland. Population data for Northern Ireland has been obtained from the Northern Ireland Statistics and Research Agency.

(1) One unit case corresponds to 24 servings of eight US fluid ounces.

(2) The total volume for Italy represents the volume in respect of both distribution of products of The Coca-Cola Company in our franchise territory of total Italy (excluding the island of Sicily) and the distribution of the water products of Fonti del Vulture S.r.l across the whole of Italy.

(3) The population figure provided for Italy represents our internal estimate of the population of the country excluding the island of Sicily.

(4) The GDP per capita of Italy represents the GDP per capita of Italy as a whole. The GDP per capita reported for Ireland reflects a population-weighted average of the GDP per capita for the Republic of Ireland and Northern Ireland (as based on the GDP for the United Kingdom).

(5) Population-weighted average for all territories in the category were used for the GDP per capita calculation.

(6) Exports are not included in the volume

Established countries

Introduction

Our established countries are Italy, Greece, Austria, the Republic of Ireland, Northern Ireland, Switzerland and Cyprus. These countries generally enjoy a relatively high degree of political and economic stability and have broadly similar economic characteristics. In particular, they typically exhibit high levels of disposable income per capita, which enhances the affordability of our products, especially our more profitable single-serve packages designed for immediate consumption.

Macroeconomic and trading conditions have deteriorated significantly in our established markets in the last two years. The ongoing sovereign debt crisis in the European Union and particularly in the Eurozone has resulted in a slowdown and, in many cases, a contraction in the real GDP of our established markets. At the same time, deteriorating consumer confidence and rising unemployment had an adverse impact on consumer demand. Net sales revenue declined by 1% in 2011 compared to 2010, as the benefits from our revenue growth initiatives and favorable currency movements were more than offset by lower volume, particularly in Greece.

Established countries are characterized by high consumer sophistication, high net sales revenue per unit case, moderate rates of consumption growth for sparkling beverages and a trend toward faster growth in consumption of products in our combined still and water beverages category, particularly juices. We believe that the growth in consumption of products in our combined still and water beverages category, which some consumers perceive as being associated with physical well-being, health and fitness, is strongly influenced by current demographic trends.

The most important trend generally affecting the future consumption channel in our established countries is an increasing concentration of the retail sector. At the same time, we see many opportunities in these countries for further growth in the more profitable immediate consumption channel, specialized consumption venues and workplaces. Activation at final points of sale is also a key focus of our sales and marketing efforts in these countries.

We sell our products in our established countries through a combination of wholesalers and our direct delivery system. We continue to successfully expand our direct distribution capabilities, particularly in Italy.

We have taken certain initiatives to consolidate our production network by rationalizing facilities, through consolidation, relocation of manufacturing lines, and streamlining of warehouses. The established countries that have principally benefited from such initiatives include the Republic of Ireland and Northern Ireland, Austria, Italy and Greece (refer to note 20 to our consolidated financial statements).

Net sales revenue in our established countries amounted to €2,927.8 million in 2009, €2,834.6 million in 2010 and €2,807.0 million in 2011, which accounted for 44.7%, 41.7% and 41.0% of our total net sales revenue in 2009, 2010 and 2011, respectively.

Italy

Our business in Italy encompasses the manufacture and distribution of the products of The Coca-Cola Company, as well as water products of Fonti del Vulture S.r.l. across all of Italy, excluding the island of Sicily. Fonti del Vulture S.r.l. was acquired jointly with The Coca-Cola Company in July 2006. In December 2008, we acquired Socib S.p.A., the second largest Coca-Cola bottler in Italy, with a franchise territory consisting of southern Italy and the island of Sardinia, which together include approximately 24% of the Italian population. In February 2011, we sold Eurmatik S.r.l., a direct full service vending company acquired in May 2007. Our franchise territory in Italy encompasses over 90% of the Italian population. We believe that we are one of the largest bottlers of non-alcoholic ready-to-drink beverages in the territory and the leader in the sparkling beverages category in terms of sales volume.

We achieved a sales volume of 320.3 million unit cases, including exports, in 2011, a decrease of 0.8% compared to 2010. Sparkling category volume declined by 0.3% and combined still and water category volume decreased by 2.1% in 2011. Difficult economic conditions in Italy negatively impacted consumer confidence and household spending. In addition, unemployment increased to 8.9% at the end of 2011, with youth unemployment reaching 31%, a level that is the highest in many years and among the highest in Europe. At the end of 2011, after the Italian sovereign debt was downgraded by the main rating agencies and the spread between Italian and German Treasury bonds reached a new peak, the Italian government introduced a critical austerity bill, including a value added tax increase of 2% and an additional increase of 2% scheduled for September, 2012, intended to reduce the country's fiscal deficit to 3% or less of GDP by 2012. These measures are likely to negatively impact GDP and employment in the short and medium term, which could adversely affect the results of our operations.

During 2011, we completed the installation of solar panels at all of our production facilities in Italy.

Greece

We have operated in Greece since 1969 and believe that we are the largest bottler of non-alcoholic ready-to-drink beverages and the leader in the sparkling beverages category in Greece in terms of sales volume. Our strength in the Greek sparkling beverages category has been complemented by our success in the Greek combined still and water beverages category, where we are the leading producer of fruit juices with our Amita and Frulite brands and water with our Avra mineral water and Lyttos brands. Immediate consumption channels, including those associated with the tourism industry, are particularly important for our business in Greece. The Greek market is very fragmented and thus we sell the majority of our products to wholesalers and distributors, which distribute our products to small outlets. Direct delivery is limited to certain customers, including supermarket chains and other key accounts.

We achieved a sales volume of 126.0 million unit cases, including exports, in 2011. Our total sales volume decreased by 11.9% compared to 2010, with a steeper decline in the fourth quarter. The adverse economic environment, the negative impact from the numerous waves of austerity measures (including pension and salary reductions, imposition of solidarity tax and additional real estate tax) that reduced disposable income further and led to a strong decline of private consumption, as well as the increase of value added tax from 13% to 23% since September, 2011 has significantly reduced our profitability, despite our restructuring efforts. As a condition of the second European Monetary Union / International Monetary Fund rescue package announced on February 20, 2012, Greece has committed to further aggressive and wide-ranging fiscal retrenchment during 2012, including further increases in taxation. The magnitude of fiscal adjustments to which Greece has agreed, and any further measures which may be required, are likely to continue having a significant negative effect on economic activity in Greece. However, we continue to maintain our long-term focus while adapting our business to a new economic environment characterized by austerity measures.

Austria

We believe that we are the largest bottler of non-alcoholic ready-to-drink beverages and the leader in the sparkling beverages category in Austria in terms of sales volume. In addition to the core brands of The Coca-Cola Company, our sparkling beverages portfolio includes Mezzo Mix and Almdudler, a popular national sparkling beverage, as well as the energy drinks Burn and Monster, which were launched in Austria at the end of 2008 and 2010, respectively. In addition, Römerquelle is the third largest water brand in Austria and constitutes nearly 20% of our sales volume. Römerquelle Emotion, a flavored variant of Römerquelle, is the leader in the rapidly growing flavored water segment in Austria.

The Austrian retail market is highly concentrated with two major retailers holding nearly a 60% market share. The retail trade has accounted for most of our growth over the past three years. For sales in the immediate consumption channel, we rely on a combined direct and indirect service system with two key wholesalers servicing half of our Austrian hotel, restaurant and café customers. In line with our route-to-market strategy, we have continuously increased our efforts to activate all of our direct, as well as indirect accounts to improve quality and availability in the more profitable immediate consumption channel. On January 1, 2011, SAP 'Wave 2' was rolled-out in Austria, enhancing our commercial capabilities.

We achieved a sales volume of 76.8 million unit cases, including exports, in 2011, a decrease of 0.1% compared to 2010. Sparkling category volume declined by 1.2% while mineral water volume increased by 5% and water volume declined by 0.9%. Energy category volume increased by more than 50% due to the introduction of Monster in late 2010. Price increases across all sales channels and special promotion of single-serve packages in the trade contributed to net sales revenues increasing by 1.8% in 2011 in comparison to 2010.

In 2011, we introduced a new water production line at our plant in Edelstal. The new Ultra-Clean line enables us to step into new categories such as children's drinks and more diversified packaging. This will help us to meet future water growth rates, to increase our water profitability and to reduce costs.

Furthermore, we reviewed our production and logistic infrastructure and decided to combine our two production sites to one bigger and more efficient plant. As a result, in 2012, we will close our Vienna plant and consolidate our production and warehouse facilities to Edelstal (our Römerquelle plant). This is expected to increase efficiency, improve production line utilization and significantly reduce our production and warehouse costs (refer to notes 17 and 37 to our consolidated financial statements).

Switzerland

We believe that we are the largest bottler of non-alcoholic ready-to-drink beverages in Switzerland in terms of sales volume. In addition to the core sparkling beverage brands of The Coca-Cola Company, our sparkling beverage brands include Ali and Kinley, our still and water category beverages brands include Valser mineral water, Nestea ice teas, Minute Maid juices, Powerade sports drinks and Monster in the energy sub-category. We decided to withdraw Burn from our energy portfolio in 2011. We believe that our mix of sparkling, still and water beverages provides us with flexibility to address the changing preferences and tastes of Swiss consumers. In the hotel, restaurant and café channel, representing nearly half of the Swiss volume, the distribution system for non-alcoholic ready-to-drink beverages relies primarily on wholesalers that are highly concentrated. As a result, our relationship with our key wholesalers is particularly important to us. In 2011, we continued the successful implementation of the wholesaler partner model, which has significantly improved the manner in which we interact with key customers. This partnership model is instrumental in providing us with better access to our customers and data transparency at the outlet level, which ultimately improves our understanding of the end consumer. In order to further promote our home delivery business, we decided to spin-off this business unit to a separate wholly-owned subsidiary under the name Valser Service AG.

We achieved sales volume of 85.4 million unit cases, including exports, in 2011, an increase of 1.7% compared to 2010. In the retail channel we were able to further utilize the 2010 introduction of our products in one of the largest retailers in Switzerland where we are listed with the Coca-Cola brands. We have also expanded our training and development program to all target groups in the commercial department and have invested strongly in new marketing programs and materials for marketplace activation. As a result, both our household penetration overall, and our sales of single-serve packages, improved significantly in 2011. In addition, we enhanced sales focus on our Coca-Cola brands through the use of new outlet activation standards. We also continued to drive distribution of our Nestea range of products and further expanded the sales force coverage of the workplace channel, where we believe that there is good growth potential. All these activities contributed to sales of our Coca-Cola brands growing by 2.9% and sales of our Nestea range of products growing by 7.0%. On January 1, 2012, SAP 'Wave 2' was rolled-out in Switzerland, and is enhancing our commercial capabilities and further increasing our customer satisfaction levels.

The Republic of Ireland and Northern Ireland

We believe we are the largest bottler of non-alcoholic ready-to-drink beverages in the Republic of Ireland and Northern Ireland and the leader in the sparkling beverages category in terms of sales volume. Our strategy has been to diversify our portfolio of sparkling, still and water beverages. Our brands in the juice sub-category include Fruice pure juice, Five Alive and Oasis. Our primary water brand, Deep River Rock, is proprietary to our company, and we also hold a license to distribute Vittel. In the Republic of Ireland and Northern Ireland, we sell the majority of our products to independent wholesalers and distributors that distribute our products to smaller outlets, and we deliver our products directly to certain key customers, including supermarket chains. On January 1, 2012, SAP 'Wave 2' was rolled-out in Ireland. We believe it will enhance our commercial capabilities and increase our customer satisfaction levels.

In 2011, we achieved sales volume of 75.5 million unit cases, including exports, in Ireland, 0.4% higher than in 2010. Our sparkling beverages remained at the levels of 2010 in an overall declining market, leading to volume market share gains. Water category volume increased by 1.4% compared to 2010, registering significant volume market share gain. The overall sentiment in the marketplace remains depressed with higher priced products continuing to decline, hence the juice category registered the fourth year of volume decline with the market now only 75% the size it was at the end of 2007. We expect that the overall non-alcoholic ready-to-drink beverages market will continue to decline in the current year, as the government seeks budget savings and incremental revenues, including an increase in the VAT rate by 2%, from 21% to 23% effective from January, 2012.

Developing countries

Introduction

Our developing countries are Poland, Hungary, the Czech Republic, Croatia, Lithuania, Latvia, Estonia, Slovakia and Slovenia. All but Croatia entered the EU on May 1, 2004. All our developing countries have market-oriented economies. Our developing countries generally have lower disposable income per capita than our established countries and continue to be exposed to economic volatility from time to time.

Macroeconomic conditions had been positive in our developing countries in years prior to 2008, with all countries experiencing positive real GDP growth. However, economic growth has slowed or reversed in the last three years as a result of the global financial and credit crisis. In 2011, GDP growth and unemployment stabilized in our developing countries compared to 2010 and 2009, when GDP growth declined and unemployment increased. Net sales revenue increased by 1.9% in 2011 compared to 2010 as the positive impact from higher volume was partially offset by unfavorable currency impact. During 2009, our net sales revenue in developing countries was also negatively impacted by foreign currency fluctuations. The entry of all of our developing countries, other than Croatia, into the EU, has resulted in increased political stability due to their gradual alignment with the principles, objectives and regulations of the EU.

Our developing countries are typically characterized by lower net sales revenue per unit case than in our established countries. The Coca-Cola Company's products were introduced in the early 1990s in most of our developing countries, where they have since become established premium brands. Consumers in some developing countries continue to move away from tap water and homemade drinks to branded products as beverages of choice. In addition, consumers in these markets have shown an increasing interest in branded beverages associated with well-being and fitness, such as water and juices.

The non-alcoholic ready-to-drink beverages market tends to be fragmented in our developing countries, with no single market participant typically holding a leading share in more than one market category. In addition, consumers tend to be more price-sensitive in our developing countries than in our established countries. Consequently, our products often face competition from local non-premium brands, which, in a number of cases, have been present in the market for many years and remain popular with consumers.

We believe that developing countries offer significant growth opportunities for both our sparkling, still and water beverages and we are committed to maximizing these opportunities by introducing existing and new products, flavors and packages in both the future consumption and the immediate consumption channels. We plan to support the increased presence of our products across both the future and immediate consumption channels with our route-to-market systems and the increased availability of coolers and other cold drink equipment.

Net sales revenue in our developing countries amounted to €1,149.1 million in 2009, €1,140.0 million in 2010 and €1,161.5 million in 2011, which accounted for 17.6%, 16.8% and 16.9% of our total net sales revenue in 2009, 2010 and 2011, respectively.

Poland

Poland is our largest developing country in terms of both population and sales volume. We believe we are the largest bottler of non-alcoholic ready-to-drink beverages in Poland in terms of sales volume. Poland's low urbanization and large population represent an opportunity for growth of our business. In addition to the core brands of The Coca-Cola Company, our sparkling beverages brands in Poland include Lift. Our portfolio of water brands in Poland includes Kropla Beskidu and Multivita Kropla Mineralow. We continue to see a significant shift to modern trade channels in Poland and are adapting our business to address this change. On January 1, 2011, SAP 'Wave 2' was rolled-out in Poland, and we believe it has enhanced our commercial capabilities and increased our customer satisfaction levels.

Total volume in Poland grew by 2.9% in 2011, supported by successful promotional activity and growth in sales of Coca-Cola trademarked products. Sparkling beverages volume increased by 10.1%, an increase that was concentrated in the national key accounts and in the international modern trade channel. Energy and tea categories grew by 18.2% and 6.8% respectively. Water, however, declined by 7.7% and juices declined by 21.0%, as we focused on the immediate consumption channel to improve our profitability. At the same time we maintained or grew volume share across all categories in line with our strategic priorities.

During 2011, we also invested in cold drink equipment, an upgrade of our aseptic line to improve production reliability and reduce costs, a new environmentally friendly water bottle and new sparkling beverages packages which were introduced. We have also started the preparation for investment in extending the Radzymin plant infrastructure, which will be a solid basis for future capacity growth.

Hungary

We believe that we are the largest bottler of non-alcoholic ready-to-drink beverages in Hungary in terms of sales volume and sales value. Hungary has one of the most developed sparkling beverages markets in Central and Eastern Europe. In addition to the core brands of The Coca-Cola Company, our sparkling beverages brands in Hungary include Lift and Kinley, and our still and water beverages brands include Naturaqua mineral water and Naturaqua Emotion (flavored). Other brands include the range of Powerade sports drinks, Nestea ice teas, Cappy juice, Cappy Icefruit juice drink and Burn energy drinks.

On January 1, 2011, SAP 'Wave 2' was rolled-out in Hungary. We believe it has enhanced our commercial capabilities and increased our customer satisfaction levels. Our total volume increased by 1.2% in 2011 compared to 2010. Our water category volume increased 6.5%, compared to 2010, driven by the successful trade activations of Naturaqua regular water sales. In the juice category, our volume increased by 16% compared to 2010, primarily as a result of a successful marketing campaign for the Cappy brand. Even though the energy drink category was significantly impacted by the introduction of a new public health tax, which caused a 40% price increase in our portfolio of Burn and Monster products, we were still able to achieve a 26% volume increase compared to 2010. During 2011, we continued to focus on increasing sales of our high margin single serve packages. We continued our distribution of Brown-Forman, Bacardi Martini products and a Hungarian spirit called Rézangyal, as well as certain products of The Edrington Group. Economic restrictions have caused a major decrease in sales in the hotel, restaurants and cafeteria channel, and a slight increase in the retail channel.

Emerging Countries

Introduction

Our emerging countries are the Russian Federation, Romania, Nigeria, Ukraine, Bulgaria, Serbia (including the Republic of Kosovo), Montenegro, Belarus, Bosnia and Herzegovina, Armenia, Moldova and The Former Yugoslav Republic of Macedonia. These countries are exposed to greater political and economic volatility and have lower per capita GDP than our developing or established countries. As a result, consumer demand in our emerging countries is especially price sensitive, making the affordability of our products even more important. The global financial and credit crisis has exacerbated such structural issues in our emerging countries. We seek to promote our products through a strategic combination of pricing, packaging and promotional programs taking into account local economic conditions.

Our emerging countries were the first to be affected by the global financial and credit crisis of 2008. Since then we have not experienced concrete and sustained evidence of recovery. Even though GDP appears to have stabilized and in some cases returned to growth in 2011, unemployment remained at high levels and currencies were very volatile, particularly in the second half of the year. Further, our emerging markets are traditionally exposed to world commodity prices and in this sense, experienced a large adverse impact from higher PET resin and sugar prices.

Most of our emerging countries are characterized by lower net sales revenue per unit case than our established and developing countries. Consumers in some emerging countries are moving away from tap water and homemade drinks as their principal beverages and have shown an increasing interest in branded beverages. In some of our emerging countries, consumers are showing particular interest in juices and branded waters.

In general, our emerging countries have a relatively undeveloped distribution infrastructure and a fragmented retail sector. In order to expand the availability of our products, our priority has been to establish reliable distribution networks through a combination of our own direct delivery system and independent distributors and wholesalers where this is economically more efficient. We also focus on improving the availability of chilled products by placing coolers and other cold drink equipment in the market.

We believe that our emerging countries provide significant growth opportunities. Some of the factors that influence these growth opportunities include relatively low consumption rates, population size (especially in the Russian Federation, Nigeria and Ukraine) and favorable demographic characteristics, notably the larger proportion of young people in countries such as Nigeria who typically consume a higher amount of sparkling beverages.

Net sales revenue in our emerging countries amounted to €2,466.7 million in 2009, €2,819.0 million in 2010 and €2,885.8 million in 2011, which accounted for 37.7%, 41.5% and 42.1% of our total net sales revenue in 2009, 2010 and 2011, respectively.

Russian Federation

We are the exclusive bottler of the products of The Coca-Cola Company for all of the Russian Federation and we believe we are the largest bottler of sparkling beverages in the Russian Federation in terms of sales volume. In addition to the core brands of The Coca-Cola Company, we produce and sell in the Russian Federation other products of The Coca-Cola Company, such as popular local brands Fruktime and Dobry Lemonade, offered in flavors familiar to Russian consumers, as well as Schweppes-branded mixer products. We have also launched "Kruzhka i Bochka", which is a traditional malted beverage called "Kvass" and is very popular among Russian consumers. Our juice brands in the Russian Federation include Rich, Nico, Dobry and Yasli-Sad, all of which are part of the product portfolio of the Multon Z.A.O. group, a leading juice producer jointly acquired with The Coca-Cola Company in April 2005. Our main non-sparkling brands are Bonaqua water and Nestea ice teas. We also sell and distribute energy drink Burn and the range of Powerade sports drinks. On September 4, 2007 we acquired 100% of OOO Aqua Vision, a company owning a newly constructed production facility located in close proximity to Moscow. In October 2010, we entered into an agreement with Brown-Forman to distribute Brown-Forman beverages.

In 2011, we achieved sales volume of 335.9 million unit cases, including exports, in Russia. The volume of our core products remained at the level of 2010, a year when we had benefited from an extraordinarily hot summer. We continue to implement our distribution strategy for improving the availability of our products, in particular of our single-serve packages, across the country. In 2011, we reached an agreement to discontinue the distribution of Campbell Soup. In 2011, we accomplished full integration of our sales and distribution systems with the Multon Z.A.O. group, which had been in progress for the previous two years. We expect that this integration will provide us with significant synergy benefits, coming from increased efficiency of sales force and route-to-market operations.

Nigeria

We are the largest bottler of non-alcoholic ready-to-drink beverages in Nigeria. Our still and water beverages are the leading brands in their respective sub-categories. Together with our corporate predecessors, we have bottled products of The Coca-Cola Company in Nigeria since 1953. The Group now owns 100% of the Nigerian Bottling Company Limited, after the successful completion of a Scheme of Arrangement in September, 2011. In addition to the core brands of The Coca-Cola Company, our sparkling beverage brands in Nigeria include a range of Schweppes products and Limca, a lemon-lime product. Our still beverages category brands include Eva bottled water, which is the leading bottled water brand in Nigeria in terms of volume, while our flagship juice Five Alive is the leader in the juice category.

Nigeria is the most populous country in Africa, with an estimated 160 million inhabitants, and has a warm climate and a young population that offer growth opportunities for our sparkling, still and water products. The GDP of Nigeria grew by approximately 7% in 2011. The Nigerian retail sector remains highly fragmented despite the modest growth of modern trade channels. We manage our distribution either directly or through wholesalers and third party distributors. The Company's products are distributed through more than 400,000 outlets spread all over the country. To make distribution more efficient we continue to expand our pre-selling system for high-volume outlets, adding third party distributors and directly delivering to emerging key accounts. More than 70% of our sales are now generated through our pre-selling system. In addition, we continue to expand our dealer base in selected areas and are working on improving merchandising standards, while expanding the availability of chilled products. Due to the low availability of electricity in Nigeria, we also manufacture and distribute ice to support the supply of cold drinks in the immediate consumption channel.

In 2011, our total volume in Nigeria was 185.2 million unit cases, 0.7% higher than 2010, mainly driven by sparkling beverages, which grew by 2.6%. Water and juice categories declined by 8.4% and 0.3% respectively. In 2011, we fully launched Limca products across the country and further introduced Limca PET packages.

As of December 2011, all our production facilities have fully functional wastewater treatment plants. While ensuring that we use the highest water quality for beverage production, we continue to seek avenues to protect local water sources by improving our water use efficiency, reducing absolute water use and treating wastewater from our operations before discharge. With 70% of Nigeria's population under 18 years, the youth population remains a critical stakeholder segment. We continue to engage this critical public, initiating and supporting programs that are designed to improve the quality of their development. In 2011, we continued our partnership with state governments to invest in educational infrastructure benefiting thousands of pre-college students across several communities. We continue to provide skills development and job opportunities through our Technical Training school and the National Diploma recruitment scheme.

Romania

We believe that we are the largest bottler of non-alcoholic ready-to-drink beverages in Romania in terms of sales volume with a total 2011 volume of 160.7 million unit cases, of which 62.7% related to sparkling beverages. We are the leader in the sparkling beverages category in terms of sales volume. In addition to the core brands of The Coca-Cola Company, we also distribute Dorna water, Schweppes-branded mixer products, Cappy juices and Nestea ice teas, energy drinks (Burn) and Illy Cafe. In 2011, SAP 'Wave 2' was successfully implemented in Romania, enhancing our commercial capabilities.

Our total volume in Romania declined by 4.2% in 2011, with volume in the sparkling beverages category declining by 1.6% and volume in the combined still and water beverages category declining by 8.3% which is mainly attributed to a decline in still beverages. Challenging economic conditions, including the implementation of strict austerity measures, have had an adverse impact on consumer demand. Recovery in Romania has been slow, driven positively by external demand in the first part of the year and exceptional agricultural output in the second part. Real GDP in Romania increased by 2.5% in 2011 and inflation increased to 5.8%. The local currency has depreciated slightly versus the euro.

Sales and marketing

Brand and market development

In all our countries, and particularly in our emerging and developing countries, we believe that significant opportunities exist to promote increased consumption of sparkling, still and water beverages. Where beverage per capita consumption is low, we develop these opportunities by executing brand-specific promotions and quality merchandising designed to develop consumer preferences for our brands, increase our consumer base and drive purchasing frequency. As beverage per capita consumption increases, we focus on developing specialized distribution channels to improve margins and increase volume.

The Coca-Cola Company generally focuses on consumer marketing, which involves building brand equity, analyzing consumer preferences and formulating brand marketing strategies and media advertising plans. The principal focus of The Coca-Cola Company has traditionally been on the core sparkling brands: Coca-Cola, Coca-Cola light, Coca-Cola Zero, Fanta and Sprite. Additionally, we are working closely with The Coca-Cola Company to leverage our portfolio of brands beyond the core sparkling range; including the still drink categories of ready to drink tea, energy, juice, sport drinks and water. This full portfolio of products provides our consumers a range of choices to meet their refreshment, well-being, health and fitness needs. We recognize changing preferences in favor of products in our combined still and water beverages category and are working to satisfy this increasing demand and maximize our growth potential. We plan to achieve this by cultivating existing brands, such as Cappy, Nestea, Burn and PowerAde, as well as by launching or acquiring new brands, as we have done in the past with Dobry, Nico and Rich in the Russian Federation, Bankia in Bulgaria, Rosa, Next and Su-Voce in Serbia, and Lilia and Lilia Frizzante in Italy.

We cultivate our fully-owned brands (Amita, Avra, RiverRock, Tsakiris snacks, Lanitis dairy products and others) with the same criteria as above.

We develop strong relationships with our customers by focusing on excellent execution of customer marketing promotions and merchandising at the point of sale. We support such market execution by conducting regular customer satisfaction surveys and by developing innovative materials for retail sales activation, including new racks, point-of-sale visuals and sales aids for our customers. We conduct market analyses to better understand unique shoppers and purchase occasions in different trade channels. This information is used to develop all of our non-alcoholic ready-to-drink beverage categories at every point of sale. Finally, we also work closely with The Coca-Cola Company to develop annual sales, promotions and marketing plans for each of our established, developing and emerging countries.

We sponsor significant sporting, cultural and community activities across all of our countries in partnership with The Coca-Cola Company, a major supporter of important international events and programs. We seek to integrate consumer marketing and sponsorship activities with our retail promotions. In conjunction with the global sponsorship of the Olympic Games by The Coca-Cola Company, which dates back to 1928, we engage in a range of promotions. The Coca-Cola Company's association with international sporting events such as the Olympics, the Football European Cup and the Football World Cup also enables us to realize significant benefits from the unique marketing opportunities of some of the largest and most prestigious sporting events in the world.

In combination with the 2012 Football European Cup and 2012 Olympics the Coca-Cola System will be activating our portfolio of brands through a "Summer of sport", engaging with consumers, customers and our local communities to bring to life the values of our brands. These events continue promoting active and healthy lifestyles.

Our partnership with The Coca-Cola Company extends beyond sports and includes other very popular sponsorship-related marketing initiatives. At the same time, these sponsorship initiatives complement our local initiatives, which involve active participation in a broad range of events, from musical and entertainment promotions to cultural and festive occasions, including a wide variety of national celebrations.

Revenue growth initiative

As part of our effort to engage successfully in what we call our "revenue growth initiative", we seek to optimize our product prices relative to value, identify the best mix of brands, packages and channels, drive packaging innovation and emphasize customer management. As a result of this approach, we have introduced new packages to attract new consumers in each of our product categories, developed immediate consumption channels in each of our territories by investing in cold drink equipment and put in place an employee training program together with The Coca-Cola Company for our employees, in which we emphasize revenue growth initiative principles. We also seek to identify good revenue growth practices in our territories based on actual results which we share with the other territories across our group.

Our sales and marketing organization

In each of our territories, we tailor our sales and marketing strategy to reflect the level of development and local customs in the marketplace. We ensure that those closest to the market, our national and regional sales and marketing organizations, are responsible and accountable for successfully implementing that strategy. We believe that local sales forces are in the best position to evaluate the particular circumstances of each market and address its specific needs. Accordingly, we seek to encourage responsibility, flexibility and innovation at a local level.

Our key sales and marketing personnel typically include:

- the commercial director, who has overall responsibility for country specific sales and marketing activities;
- the marketing manager, who has overall responsibility for the development of channel-specific plans and programs, marketing analysis and company-owned brand plans;
- the national sales manager, who leads the sales organization; and
- the key account managers, who are responsible for developing customer-specific plans and programs.

We usually divide a country into different sales areas, each with a region manager who has responsibility for implementing national strategies at the local level and who leads a team of representatives responsible for sales, customer relations, merchandising and individual account management. Our teams work closely with the relevant marketing teams of The Coca-Cola Company in developing and executing our sales and marketing plan.

Key account management

We use collaborative key account management principles to build strong and long-term relationships with our major customers. Our key account managers work together with our major customers to improve our respective profit margins by increasing volume and revenue growth while reducing distribution costs. Our key account managers also negotiate the terms of our commercial cooperation arrangements with our major customers, including marketing activities and promotional events. To ensure that our key account managers have the right skills, we regularly run training programs for them on how to manage large customers.

Distribution

Our distribution channels

We classify different categories of customers into two broad distribution channels based on the type of consumption that they supply:

- future (mainly at home) consumption, where consumers buy beverages in multi-serve (typically one liter and above or multi-package) packages for consumption at a later time; and
- immediate or impulse (mainly away from home) consumption, where consumers buy beverages in chilled single-serve (typically 0.5 liter or smaller) packages and fountain products for immediate consumption.

We then segment these two broad channels further into specific channels, such as hypermarkets, supermarkets, discount stores, grocery stores, wholesalers, hotels, restaurants and cafés, entertainment centers and offices in order to collate data and develop marketing plans specific to each channel. Some of these channels, such as grocery stores, fall into both consumption channels. For all channels and consumption occasions, we strive to offer consumers the appropriate choice of beverage categories and brands to address their refreshment and hydration needs. At the same time we also strive to satisfy our customers' service and business needs.

Future consumption

Our principal future consumption channels are traditional grocery stores, supermarkets, hypermarkets and discount stores. Products sold in our future consumption channels typically generate higher volume and lower margins per retail outlet than those sold in our immediate consumption channels.

We believe that one key to success in future consumption channels is working effectively with customers by driving total category growth in order to achieve favorable product placement at the point of sale. Key account managers are an important part of this strategy.

We continuously develop and implement marketing and promotional programs to profitably increase volume in our future consumption channels. Examples include price promotions on multi-serve multi-packs, offering gifts for multiple purchases, running prize competitions and product sampling events.

We have begun to coordinate with our customers on optimizing our supply chain through data exchange and other initiatives that help us avoid out-of-stock events, while streamlining inventory management.

Since the early 1990s, major retailers, such as hypermarket and supermarket chains, have grown and consolidated significantly in many of the countries in which we operate. Such retailers are increasing their market share within the retail sector and account for a growing proportion of retail sales. The most international among them have also built powerful information systems which allow them to analyze their purchases across countries and compare prices and the profitability of our products. Some have also created international buying offices or participate in international buying groups that seek to establish agreements with suppliers at an international level. In addition, in some countries hypermarkets and supermarket chains have developed or may develop their own private label products that compete directly with ours.

Immediate consumption

Our immediate consumption channels include restaurants and cafés, bars, kiosks, gas stations, sports and leisure venues, hotels and offices. Products sold in our immediate consumption channels typically generate lower volume and higher margins per retail outlet than our future consumption channels.

We believe that consumers generally prefer consuming our beverages chilled. Accordingly, a key strategy to increase sales in the immediate consumption channel is to ensure that products are available at the right temperature by making our products available in cold drink equipment, such as coolers. This type of investment also expands our marketplace for impulse consumption by reaching consumers in areas not served by traditional retail outlets, such as offices.

Our focus in developing and emerging countries, such as Poland, Ukraine, the Russian Federation and Nigeria, is to build a basic cold drink infrastructure through the placement of cold drink equipment. We believe that this will enable us to capitalize on opportunities from the expected long-term development of retail outlets in the immediate consumption channel.

As in our future consumption channels, key account management is also necessary in certain immediate consumption channels, such as national or international quick-service restaurant groups.

Our distribution infrastructure

We operate a mixed distribution system under which we deliver our products to the ultimate point of sale directly or indirectly through wholesalers and independent distributors.

We deliver our products to the point of sale directly using our own fleet of vehicles or dedicated independent third party carriers wherever it is appropriate, based on the structure of the local retail sector and other local considerations. By establishing a dedicated direct delivery capability in certain of our countries, we have been able to reach customers in areas where few adequate alternative distribution systems are available. In these countries, we believe that direct delivery to customers represents a significant competitive advantage by enabling closer customer relationships and greater influence over how our products are presented to consumers. Direct delivery facilitates locally relevant marketing and allows us to analyze and respond to retail demand and consumer purchasing patterns through merchandising and in-store execution.

In all of our countries, we coordinate and monitor our deliveries through our own warehouse and distribution network and control centers. Our direct delivery system covers a significant portion of our customers across our countries through 250 distribution centers. Deliveries are generally made between 24 and 48 hours from the time an order is taken. We are engaged in an ongoing process of adjusting and restructuring our distribution systems in order to improve customer service, reduce costs and inventory levels and increase asset utilization.

Wholesalers fulfill an important role in the distribution of most retail product categories. We are working to develop closer relationships with our key wholesalers to ensure that all elements of our sales and marketing efforts are implemented as effectively as possible and that appropriate customer service levels are met.

Production

We produce our sparkling beverages by mixing treated water, concentrate and sweetener. We carbonate the mixture and fill it into refillable or non-refillable containers on automated filling lines and then package the containers into plastic cases, cardboard cartons or encase them in plastic film on automated packaging lines.

Our processed table waters, Eva and Bonaqua, are produced by stabilizing treated water with ozone, subsequently filled into glass and plastic packages for distribution. We add a certain mix and quantity of minerals supplied by The Coca-Cola Company to Bonaqua water as part of the production process. We also add carbon dioxide to carbonated Bonaqua products. For purposes of our Bonaqua production in Slovakia, only, we extract and bottle natural spring water from a water source. The majority of our water products, other than Bonaqua and Eva, are natural spring or mineral waters. We produce them by bottling water drawn directly from a water source or well using automated filling lines.

Our non-carbonated products are produced by mixing treated water with, depending on the product, concentrated juice and/or concentrate flavors and sugar. They are then pasteurized and filled, in one of three ways: aseptically into multi-layer cardboard or plastic packages: by way of hot-filling and sealing in glass or aluminum packages: or by pasteurizing the product in glass or aluminum packages after it is filled and sealed in the container.

Our dairy products are produced from fresh milk to which we apply a separation process to remove the cream. The cream is then added back into the milk at various percentages depending on requirements for the final product and the final product is subsequently pasteurized. Surplus cream is then transferred to another line, which is used only for cream pasteurization. The final products are filled into plastic bottles and distributed to the market place in chilled storage.

Sealed cans and bottles are imprinted with date codes that allow us to fully trace the product's point of origin, including the production line on which it was produced, the production batch and the time of filling. This allows us to identify the ingredients, production parameters and primary packaging used to manufacture each product. The date codes also permit us to track products in the trade and to monitor and replace inventory in order to provide fresh products. We purchase all of the packages for our products from third parties, except in the case of PET bottles which, in many of our production facilities, we manufacture ourselves from preforms or resin.

Quality assurance and food safety

We believe that ensuring our products are safe and of a high quality is critical to the success of our business. We are fully committed to maintaining the highest standards in each of our countries with respect to the purity of water, the quality of our other raw materials and ingredients and the integrity of our packaging.

We continuously monitor the production process for compliance with these standards. We have sophisticated control equipment for the key areas of our processes to ensure that we comply with applicable specifications. We manage these control systems through formalized quality management systems compliant with the ISO 9001 standard. As part of our infrastructure optimization process, three production facilities were closed during the course of 2011 and two additional facilities were added to our infrastructure through acquisitions. Reflecting these changes, by the end of 2011, 74 of 76 production sites had achieved ISO 9001 certification. We have implemented Hazard and Critical Control Points food safety programs to ensure the safety and hygiene of our products. During 2011, 13 additional plants achieved ISO 22000 food safety standard certification, resulting in 71 of 76 plants being certified by the end of the year. This program will expand to more manufacturing facilities in 2012. Through the course of 2011 we continued to enhance our food safety management systems by achieving an additional 34 certifications to FSSC 22000, the Global Food Safety Initiative (GFSI) endorsed food safety management system, resulting in 65 of 76 plants certified to this standard. Independent quality audits are also performed regularly to confirm that we comply with quality standards, to assess the effectiveness of our quality and food safety management systems and to assure that all our key controls are independently validated. During 2011, 92 quality system and 143 food safety system audits were conducted by independent agencies. In addition, 19 compliance audits were conducted on behalf of The Coca-Cola Company. These audits were performed in our production facilities comprising sparkling beverages and/or juice plants, milk and mineral water plants, including the production facilities of our joint venture operations.

We maintain a quality control laboratory at each production facility for the testing of raw materials, packaging and finished products to ensure that they comply with local regulatory requirements and the strict quality standards stipulated in our bottlers' agreements with The Coca-Cola Company. We are also required to obtain supplies of raw materials (ingredients and packaging) exclusively from suppliers approved by The Coca-Cola Company.

In addition, we regularly undertake quality audits in our distribution channels to check compliance with package and product specifications. This process involves taking regular random samples of beverages from various channels and testing them against established quality criteria and conducting age surveys of product in the trade.

Seasonality

Product sales in all of our countries are generally higher during the warmer months of the year, which are also periods of increased tourist activity in many of our countries, as well as during holiday periods such as Christmas and Easter. We typically experience our best results of operations during the second and third quarters. In 2011, for example, we realized 20.7% of our sales volume in the first quarter, 28.9% in the second quarter, 28.1% in the third quarter and 22.3% in the fourth quarter.

Raw and packaging materials

Our principal raw material, in terms of volume, is water, and all of our beverages production facilities are equipped with water treatment systems to provide treated water that meets all local regulatory requirements and the strict standards of The Coca-Cola Company. Our second key ingredient is concentrate, which we purchase from companies designated by The Coca-Cola Company. Our other major raw materials include sugar and other sweeteners, juice concentrates, carbon dioxide, glass, labels, PET resin, closures, plastic crates, aluminum cans, aseptic carton packages and other packaging materials.

Expenditure for concentrate for the Coca-Cola Company's products constitutes our largest individual raw material cost, representing approximately 45.4% of our total raw material costs in 2011. Under our bottlers' agreements with The Coca-Cola Company, we are required to purchase concentrate for all of the beverages of The Coca-Cola Company exclusively from companies designated by The Coca-Cola Company. The Coca-Cola Company also determines the price of concentrate for all of the brands of The Coca-Cola Company for each country. In practice, however, The Coca-Cola Company normally sets prices after discussions with us so as to reflect trading conditions in the relevant countries and so as to ensure that such prices are in line with our annual marketing plan. These prices reflect a percentage of our net sales revenue, otherwise called the incidence rate.

Our principal sweetener is beet sugar, which we purchase from multiple suppliers in Europe. We also purchase raw sugar for some of our countries that is then refined into white sugar by third party refiners. In some cases we purchase high fructose syrup, which is used either alone or in combination with sugar. We do not purchase low-calorie sweeteners because they are part of the beverage concentrate supplied to us by The Coca-Cola Company for our low-calorie products. Supply contracts for sugar run typically for periods of 12 to 36 months. Our Armenian, Belarusian, Bosnian, the Former Yugoslav Republic of Macedonia, Moldavian, Nigerian, Russian and Ukrainian operations are exposed to the world sugar market. All of our EU markets and Switzerland (indirectly) operate within the EU sugar regime. This means that the minimum selling price for sugar is the EU intervention price plus the cost of raw material (beet), the cost of production and transport and profit margin. In 2010 and 2011, the European sugar market became increasingly volatile and the cost of these sweeteners has increased considerably due to internal supply and demand imbalances. The EU has a structural deficit in sugar and, to meet demand, relies on imports from nations with preferential market access. World market price pressures and negative climatic effects on cane crops have been partly responsible for a considerable drop in forecasted imports from these countries. This has led to a drawdown in strategic stocks, increased market tightness and sharp price rises. Our non-EU markets may be exposed to other local government regulations, which normally restrict imports of sugar below local market prices. Following our strategy to support local businesses, we are increasing the usage of locally produced sugar from sugar beet; for example, in Russia we have increased the share of beet sugar from 15% in 2010 to 30% in 2011.

PET resin costs in 2011 were significantly higher than anticipated as global events (poor cotton crop, the earthquake and tsunami in Japan, Middle East unrest, PTA force majeure declarations) restricted the PET value chain during the first half of the year. This allowed margin gain in key raw materials (PTA/PX/MEG), driving PET resin to near record high prices.

In the second half of the year the PET supply chain stabilized. Subsequently, a pessimistic global economic outlook had the effect of reducing polyester production in Asia which in turn reduced demand on PET resin raw materials and prices declined throughout the fourth quarter.

Although the price of aluminum has also increased, our cost for aluminum and cans has decreased due to contracts and hedging executed before such increase. In compliance with the quality standards prescribed by our bottlers' agreements with The Coca-Cola Company, we purchase all containers, closures, cases, aseptic packages and other packaging materials and labels from approved manufacturers. We also purchase cold drink equipment, such as coolers, from approved third party suppliers.

Our major cold drink equipment supplier is Frigoglass S.A. In 2011, we made purchases from Frigoglass S.A. totaling €148.0 million compared to €101.0 million in 2010 and €58.8 million in 2009. The purchases from Frigoglass S.A. in 2011 were comprised of €100.5 million for coolers, other cold drink equipment and spare parts and €47.5 million for raw and packaging materials and other purchases. This compares to €84.6 million for the purchase of coolers, other cold drink equipment and spare parts and €16.4 million for purchases of raw and packaging materials and other purchases in 2010 and €21.3 million and €37.5 million respectively, in 2009.

The purchases of coolers from Frigoglass S.A. in 2011 represented 96% of our total cooler requirements. Boval S.A., the parent of Kar-Tess Holding, holds a 43.7% interest in Frigoglass S.A. Under the terms of a supply agreement that we entered into with Frigoglass S.A. in 1999, initially set to expire on December 31, 2004, but extended in June 2004 and again in December 2008, on substantially similar terms, to December 31, 2013, we have the status of a non-exclusive most favored client of Frigoglass S.A. We are required to obtain at least 60% of our annual requirements of coolers from Frigoglass S.A., in order to maintain our status as a non-exclusive most favored client. We have entered into all our supply agreements with Frigoglass S.A. on an arm's length basis. You should read Item 7, "Major Shareholders and Related Party Transactions—Related Party Transactions—Our relationship with Kar-Tess Holding—Supply agreement with Frigoglass S.A." for additional information on our relationships with Kar-Tess Holding and Frigoglass S.A.

We seek to ensure the reliability of our supplies by using, where possible, a number of alternate suppliers and transportation contractors. The majority of our procurement operations, other than those relating to The Coca-Cola Company's concentrate, are centrally managed by our central procurement department. During 2008, we began integrating all our procurement activities into a specialized company, Coca-Cola Hellenic Procurement GmbH, located in Vienna, Austria.

We believe that we presently have sufficient access to materials and supplies, although strikes, weather conditions, customs duty regulations or other governmental controls or national emergency situations could adversely affect the supply of specific materials in particular territories. Decreasing global demand may result in financing difficulties and excess capacity reductions with respect to certain of our suppliers, although these risks were successfully managed during 2011, during which period we did not lose any key supplier due to such issues. You should read Item 3 "Key Information—Risk Factors" for additional information on the effect price increases and shortages of raw materials could have on our results of operations.

Competition

The non-alcoholic ready-to-drink beverages industry is highly competitive in each of our countries. Non-alcoholic ready-to-drink beverages are offered by a wide range of competitors, including major international, European, local and regional beverage companies and hypermarket and supermarket chains through their own private labels. In particular, we face intense price competition from local non-premium brand producers and distributors, which typically produce, market and sell lower quality sparkling beverages and other non-alcoholic ready-to-drink beverages at prices lower than ours, especially during the summer months. In some of our countries, we are also exposed to the effect of imports from adjacent countries of lower priced products, including, in some cases, trademarked products of The Coca-Cola Company bottled by other bottlers in the Coca-Cola bottling system.

In most of our countries we face greater competition in our combined still and water beverages category, where our business is typically less developed and our brands are less established than in our core sparkling beverages category, and there are often significant national and international competitors with established brands and strong market positions. However, we intend to continue to develop our still and water beverages business and are confident that our significant capabilities in the sale, marketing and distribution of non-alcoholic ready-to-drink beverages, combined with our substantial business infrastructure and strong customer relationships, will allow us to improve our competitive position in this category of our business.

We compete primarily on the basis of brand awareness, product quality, pricing, advertising, distribution channels, customer service, retail space management, customer marketing and customer point of access, local consumer promotions, package innovations and new products. One of the most significant factors affecting our competitive position is the consumer and customer goodwill associated with the trademarks of our products. The Coca-Cola Company plays a central role in the global marketing and brand building of its products. We rely on The Coca-Cola Company to enhance the awareness of The Coca-Cola Company's brands against other non-alcoholic ready-to-drink international and local beverage brands.

The diversity in consumer tastes, distribution channels and economic conditions in the different countries in which we operate, and even among the different regions of these countries, is one of the main challenges of our business. We adjust our competitive strategy to local market conditions so that our products remain attractive, widely available and affordable to local consumers.

Regulation

The production, packaging, transportation, safety, advertising, labeling and ingredients of our products are each subject to various EU, national and local regulations. In particular, EU regulation is increasingly important to us as approximately 57.8% of our 2011 sales volume was generated from our countries that are members of the EU.

The principal areas of regulation to which we are subject are environmental matters and trade regulation. Other regulatory issues involve food laws and food safety, excise and value added taxes.

Environmental matters

We are subject to different environmental legislation and controls in each of our countries. In addition, we have initiated our own environmental standards, performance indicators and internal reporting. These controls and standards are often stricter than those required by the local laws of the countries in which our facilities are located and address specific issues that impact our business. To this end we are implementing the ISO 14001 environmental management systems in our facilities. As part of our infrastructure optimization process, three production facilities were closed during the course of 2011 and two additional facilities were added to our infrastructure through acquisitions. Reflecting these changes, by the end of 2011, 72 of our 76 production facilities had been certified to the ISO 14001 standard by internationally recognized audit bodies. We anticipate further certifications in 2012 in line with our plans to certify all of our plants over the next few years. We plan to achieve certification of newly acquired or commissioned plants within two years.

During 2011, 75 environmental systems audits and 10 compliance audits conducted on behalf of The Coca-Cola Company were carried out by independent agencies in our production facilities, comprising sparkling beverages and/or juice, milk and mineral water facilities, including the facilities of our joint ventures. Our other facilities underwent internal audits. All of these audits were performed for purposes of establishing key performance indicators and internal reporting processes so as to monitor compliance with environmental standards going-forward. During the course of 2011 we appointed a dedicated Group Environment Manager who works with our appointed country environmental coordinators to implement and maintain our environmental management systems, as well as to collect and report country-specific data to the Group for tracking performance improvement and external reporting to stakeholders. This team of environmental professionals maintains communication routines on a regular basis to share best practices in order to improve our environmental management and control processes across the group.

In addition, we have implemented waste minimization and environmental management programs with respect to several aspects of our business, including usage of raw materials, energy consumption and water discharge. We also cooperate with packaging suppliers to reduce the potential impact of packaging materials on global warming in accordance with international guidelines and standards.

Achieving compliance with applicable standards and legislation may require facility modifications and capital expenditure, such as the installation of waste water treatment plants, and we have in place an active program to ensure that we fully comply with any such requirements. Laws and regulations may also restrict noise levels and the discharge of waste products, as well as impose waste treatment and disposal requirements. All of the jurisdictions in which we operate have laws and regulations, which require polluters or site owners or occupants to remediate contamination.

EU legislation requires each member state and accession candidate to implement the EU directive on packaging and packaging waste at the national law level, set waste recovery and recycling targets and require manufacturers and retailers, including ourselves and our customers, to implement the applicable standards. The EU packaging directive relates to all types of packaging and its primary objective is the minimization of packaging and packaging waste, by requiring an increase in recycling and re-usage of packaging waste, the promotion of other forms of recovery for packaging waste and, as a result, a reduction of the quantity of disposed packaging waste.

In particular, the directive sets targets for both the recovery and recycling of waste and for the reduction in the quantity of packaging waste for disposal. The directive of 1994, as amended in 2004, required that these targets be achieved by the end of 2008 (2011 for Greece, the Republic of Ireland and Portugal). All new member states had 18 months, until August 2005, to enact national laws to implement the new directive. New member states of the EU are required to comply by the end of 2012 (2013 for Malta, 2014 for Poland and 2015 for Latvia). The directives set forth certain requirements for packaging and authorize member states to introduce national economic instruments (taxes and levies) to achieve the directives' objectives within the regulatory framework of a functioning internal market without obstacles to trade and competition distortions. We continue to work closely with governments and other industry participants to implement packaging collection schemes. These schemes have either been implemented or are in the process of implementation in all our EU countries, including our developing countries.

Trade regulation

Our business, as the bottler of beverages of The Coca-Cola Company and other producers within specified geographic countries, is subject to competition laws of general applicability. In particular, the Treaty of Rome, which established the European Economic Community (now the EU), precludes restrictions on the free movement of goods among the member states. As a result, unlike our international bottlers' agreements, our European bottlers' agreements grant exclusive bottling territories to us subject to the exception that the EU and/or European Economic Area bottlers of The Coca-Cola Company's beverages can, in response to unsolicited orders, sell such products in any EU and/or European Economic Area country. You should read Item 7, "Major Shareholders and Related Party Transactions—Related Party Transactions—Our relationship with The Coca-Cola Company—Bottlers' Agreements", for additional information on the provisions of our international and European bottlers' agreements.

Risk management and insurance

You should read Item 6, "Directors, Senior Management and Employees—Board Practices—Corporate Governance—The identification and management of risk".

Information technology

IT systems are critical to our ability to manage our business. Our IT systems enable us to coordinate our operations, from planning, production scheduling and raw material ordering to order-taking, truck loading, routing, customer delivery, invoicing, customer relationship management and decision support. We take various actions with the aim of minimizing potential technology disruptions, such as engaging SAP and Atos to do pre go-live assessments, redundancy of systems alongside a robust Disaster Recovery environment and the establishment of a dedicated performance team. From a security perspective we conduct annual intrusion detection through independent companies, proceeding with internal and external security assessments and reviewing risk management processes.

Our main IT platform is SAP, an integrated system of software applications. In 2006, an enhanced version was developed called Wave2 which, as we continue to implement it is providing advanced capabilities to address customer-centric activities in the areas of customer relationship management, promotion management, equipment management, field sales execution, truck management and yard management. We successfully rolled out the enhanced Wave2 in 21 of our 28 countries. The roll-out is considered by SAP to be the biggest in Europe, encompassing more than 18,000 employees and two million customers without any business disruption and has been identified as a key enabler for the fast implementation of our Strategic Vision

Our plan is to fully deploy this template across the balance of our countries including Russia and Nigeria by 2014, with a projected investment for the entire program of approximately €230.0 million.

Information technology personnel

All of our IT personnel are managed as one functional organization across our entire group. This structure complements our strategy of deploying SAP template based solutions, including applications, data, and hardware, in support of best practice standards. Accountability for all IT activities, personnel and budgets has been concentrated with a central IT leadership team. This organizational structure has proved instrumental in driving standardization, best practice deployment and operating efficiencies across our countries. Following the establishment of a shared services organization in Sofia, Bulgaria, we continue to transition country-based IT activities and services to this more efficient and cost-effective center, while focusing country capabilities on account management and service management skills, as well as, specialization in key business processes. Our shared services organization also provides new and critical services such as data management, training and SAP consulting in an effective manner. We continue to reap the benefits of this reorganization from a cost, responsiveness and capability perspective, backed by an ISO 9000 certification by Lloyds Register Quality Assurance.

In 2011 we initiated a pilot to outsource country IT Service desks and desk-side support to a third party partner (Atos) commencing with Austria and Switzerland. The intent is to establish a flexible service that will scale with changing business models and market conditions.

Information technology infrastructure

We continue to implement infrastructure optimization programs to upgrade, consolidate and outsource elements of our IT infrastructure, including desktops/laptops, servers, printers and user support processes.

During 2011, we continued to assess technology trends and risks and embraced consumerization opportunities such as moving our sales force solutions onto iPads, leveraged "cloud" technology for infrastructure optimization and integrated services such as Skype and our network for free conference services to lower our costs in IT in line with our cost leadership strategic pillar.

Green IT

The Green IT program, a core element of our IT strategy, is well established as part of Coca-Cola Hellenic's plan to reduce its carbon footprint. IT activities are always designed with a close consideration of the power saving opportunities that they offer. As a result, in 2011 Coca-Cola Hellenic's Green IT program led to a reduction of 1,465 tons of CO2 emissions which is our best result since 2007.

By further promoting and enhancing audio, web and video conferencing as alternatives to travelling, 642 tons of CO2 emissions were saved. In addition, projects such as server consolidation, energy-efficient data center and dynamic route planning contributed to a saving of 740 tons of CO2 emissions. Other initiatives include the use of multi-function devices, GPS monitoring, paper savings, use of LCD technology as well as recycling of IT equipment.

Shared Services

In November 2011, our first three pilot countries, Bulgaria, the Czech Republic and Slovakia went live successfully with our shared service project. We initiated the project with selected finance and human resources processes and our shared service centre is based in Sofia, Bulgaria. We will roll out to other markets through 2012 and 2013. We expect that this project will allow us to leverage our investment in SAP, increase centralization and process standardization across the Group, while further enhancing our corporate governance. Further, we expect that this project will give the country management teams the ability to focus on value adding activities with our partners in the market place and our consumers.

C. Organizational Structure

The table below sets forth a list of our principal companies, their country of registration and our effective ownership interest in such subsidiaries as at March 15, 2012.

Subsidiary	Country of registration	% ownership at March 15, 2012
Partially owned subsidiaries		
Brewinvest S.A. Group[1]	Greece	50.0%
CCHBC Armenia CJSC	Armenia	90.0%
CCHBC Bulgaria AD	Bulgaria	85.4%
Coca-Cola HBC Switzerland Ltd[2]	Switzerland	99.9%
Coca-Cola Bottlers Iasi Srl.	Romania	99.2%
Deepwaters Investments Ltd	Cyprus	50.0%
Dorna Apemin S.A.[1]	Romania	50.0%
Dorna Investments Limited	Guernsey	50.0%
Fonti del Vulture S.r.l.[1]	Italy	50.0%
Fresh & Co d.o.o., Subotica[1]	Serbia	50.0%
Leman Beverages Holdings S.à.r.l	Luxembourg	90.0%
Multivita Sp. Zo.o.[1]	Poland	50.0%
Multon Z.A.O. Group[1][7]	Russia	50.0%
Römerquelle Beteiligungsverwaltungs GmbH[1]	Austria	50.0%
Valser Mineralquellen GmbH[1]	Switzerland	50.0%
Vlasinka d.o.o. Beograd-Zemun[1]	Serbia	50.0%
Valser Services AG[3]	Switzerland	99.9%
Wholly owned subsidiaries		
3E (Cyprus) Limited	Cyprus	100.0%
AS Coca-Cola HBC Eesti	Estonia	100.0%
Bankya Mineral Waters Bottling Company EOOD	Bulgaria	100.0%
CC Beverages Holdings II B.V.	The Netherlands	100.0%
CCB Management Services GmbH	Austria	100.0%
CCB Services Limited	England and Wales	100.0%
CCBC Services Limited	Republic of Ireland	100.0%
CCHBC Insurance (Guernsey) Limited	Guernsey	100.0%
CCHBC IT Services Limited	Bulgaria	100.0%
Coca-Cola Beverages Austria GmbH	Austria	100.0%
Coca-Cola Beverages Belorussiya	Belarus	100.0%
Coca-Cola Beverages Ceska republika, s.r.o.	Czech Republic	100.0%
Coca-Cola Beverages Hrvatska d.o.o.	Croatia	100.0%
Coca-Cola Beverages Slovenija d.o.o.	Slovenia	100.0%
Coca-Cola Beverages Slovenska republica, s.r.o.	Slovakia	100.0%
Coca-Cola Beverages Ukraine Ltd	Ukraine	100.0%
Coca-Cola Bottlers Chisinau S.R.L.	Moldova	100.0%
Coca-Cola Bottling Company (Dublin) Limited	Republic of Ireland	100.0%
Coca-Cola HBC B-H d.o.o. Sarajevo	Bosnia and Herzegovina	100.0%
Coca-Cola HBC Balkan Holding B.V.[4]	The Netherlands	100.0%
Coca-Cola HBC Finance B.V.	The Netherlands	100.0%
Coca-Cola HBC Finance plc	England and Wales	100.0%
Coca-Cola HBC—Srbija d.o.o.[9]	Serbia	100.0%
Coca-Cola HBC Italia S.r.l.[5]	Italy	100.0%
Coca-Cola HBC Kosovo L.L.C.	Kosovo	100.0%
Coca-Cola HBC Northern Ireland Limited	Northern Ireland	100.0%

Subsidiary	Country of registration	% ownership at March 15, 2012
Coca-Cola HBC Polska sp. z o.o.	Poland	100.0%
Coca-Cola HBC Romania Ltd	Romania	100.0%
Coca-Cola HBC Hungary Ltd.	Hungary	100.0%
Coca-Cola Hellenic Bottling Company—Crna Gora d.o.o., Podgorica[9]	Montenegro	100.0%
Coca-Cola Hellenic Business Service Organisation[3]	Bulgaria	100.0%
Coca-Cola Hellenic Procurement GmbH	Austria	100.0%
Dunlogan Limited	Northern Ireland	100.0%
Elxym S.A.	Greece	100.0%
Coca-Cola HBC Ireland Limited[6]	Republic of Ireland	100.0%
Lanitis Bros Ltd	Cyprus	100.0%
LLC Coca-Cola HBC Eurasia	Russia	100.0%
MTV West Kishinev Bottling Company S.A.	Moldova	100.0%
Nigerian Bottling Company plc[9]	Nigeria	100.0%
Panpak Limited[8]	Republic of Ireland	100.0%
Römerquelle Liegenschaftsverwaltungs GmbH	Austria	100.0%
SIA Coca-Cola HBC Latvia	Latvia	100.0%
Softbev Investments Limited	Cyprus	100.0%
Star Bottling Limited	Cyprus	100.0%
Star Bottling Services Corp	British Virgin Islands	100.0%
Tsakiris S.A.	Greece	100.0%
UAB Coca-Cola HBC Lietuva	Lithuania	100.0%
Vendit Ltd	Republic of Ireland	100.0%
Yoppi Hungary Kft	Hungary	100.0%

(1) Joint venture.

(2) During 2010, Coca-Cola Beverages A.G. was renamed to Coca-Cola HBC Switzerland Ltd.

(3) Incorporated during 2011.

(4) In March 2009, Coca-Cola HBC Balkan Holding B.V. was created to replace Balkaninvest Holdings Limited that was liquidated in November 2009.

(5) On January 1, 2010, Socib S.p.A. was merged into Coca-Cola Italia S.r.l.

(6) During 2009, John Daly and Company Limited was renamed to Coca-Cola HBC Ireland Limited.

(7) On April 20, 2011 we, along with TCCC, acquired through Multon Z.A.O., MS Foods UAB, a company that owns 100% of the equity of Vlanpak FE, a fruit juice and nectar producer in Belarus.

(8) Under liquidation. The liquidation is not expected to have any significant impact in our financial statements.

(9) Non-controlling interests were acquired in 2011.

D. Property, Plant and Equipment

Distribution

Our distribution centers are strategically located centers through which our products may transit on their route to our customers and where our products are stored for a limited period of time, typically three to five days. Our central warehouses are part of our bottling plants' infrastructure and tend to store larger quantities of our products for a longer period of time (typically seven to ten days) than our distribution centers. We maintain a flexible logistic footprint, consolidating our distribution operation and adapting to market needs, resulting in a reduced number of distribution centers compared to the same period in 2010. The following table sets forth the number of our distribution centers and warehouses for each segment and each country within that segment as of December 31, 2011.

	Number of distribution centers	Number of warehouses
Established Countries:		
Austria	3	3
Cyprus	2	1
Greece	4	7
Italy	4	12
The Republic of Ireland and Northern Ireland	2	2
Switzerland	4	3
Total Established Countries	**19**	**28**
Developing Countries:		
Estonia	1	—
Latvia	1	—
Lithuania	1	1
Croatia	6	2
Czech Republic	2	1
Hungary	9	2
Poland	17	4
Slovakia	1	1
Slovenia	—	1
Total Developing Countries	**38**	**12**
Emerging Countries:		
Armenia	—	1
Belarus	6	2
Bosnia and Herzegovina	3	1
Bulgaria	3	3
Former Yugoslav Republic of Macedonia	11	2
Moldova	—	1
Nigeria	57	13
Romania	18	4
Russian Federation	78	15
Serbia and Montenegro	7	3
Ukraine	10	1
Total Emerging Countries	**193**	**46**
Total	**250**	**86**

Production

We operated 76 plants as at December 31, 2011 (excluding the snack food plant), a number of our countries work together with third party contract packers, which manufacture products on our behalf. In general, third party contract packers account for a very small proportion of our overall production, but are particularly useful in respect of new product categories (such as aseptic PET juices and sports/ isotonic drinks, coffee, juices in glass, kvass in PET). The use of third party contract packers for sparkling beverages is in significant decline. The following table sets forth the number of our plants and filling lines for each segment and each country within that segment as of December 31, 2011.

	Number of plants[1]	Number of filling lines[2]
Established Countries:		
Austria	2	8
Cyprus	2	6
Greece	7	30
Italy	7	24
The Republic of Ireland and Northern Ireland	1	6
Switzerland	3	7
Total Established Countries	**22**	**81**
Developing Countries:		
Estonia[3]	—	—
Latvia[4]	—	—
Lithuania	1	2
Croatia	2	6
Czech Republic	1	5
Hungary	2	10
Poland	4	15
Slovakia	1	4
Slovenia[5]	—	—
Total Developing Countries	**11**	**42**
Emerging Countries:		
Armenia	1	2
Belarus[9]	2	7
Bosnia and Herzegovina	1	4
Bulgaria	3	12
Former Yugoslav Republic of Macedonia[6]	1	7
Moldova	1	1
Nigeria	13	41
Romania	3	14
Russian Federation[7]	14	56
Serbia and Montenegro[8]	3	15
Ukraine	1	13
Total Emerging Countries	**43**	**172**
Total	**76**	**295**

(1) Excludes the snack food plant in Greece.

(2) Excludes fountain product filling lines and snack food production lines.

(3) In December 2009, we announced the closure of our plant with three bottling lines in Estonia. Two of these bottling lines were subsequently transferred to Lithuania.

(4) We produce the majority of products for the Estonian and Latvian market in Lithuania.

(5) We produce products for the Slovenian market in Austria, Croatia, Czech Republic, Hungary and Italy.

(6) Includes plants and filling lines of Brewinvest S.A., a joint venture of which we own 50%. Brewinvest S.A. owns 96.48% in AD Pivara Skopje which is engaged in the bottling and distribution of our products in the Former Yugoslav Republic of Macedonia.

(7) Includes plants and filling lines of Multon Z.A.O. group, a joint venture of which we own 50% and which is engaged in the bottling and distribution of our juice products in the Russian Federation.

(8) Includes plants and filling lines of Fresh & Co d.o.o Subotica. and Vlasinka d.o.o. Beograd-Zemun, joint ventures of which we own 50% and which are engaged in the bottling of our juice and water products in Serbia and Montenegro.

(9) Includes Vlanpak juice plant and its 2 Brik lines that formally belongs to Multon Z.A.O. group and is engaged in bottling operations..

As part of our infrastructure optimization process, three production facilities (Corfinio, Solin and Stavropol located in Italy, Croatia and Russia respectively) were closed during the course of 2011 and two additional facilities were added to our infrastructure through acquisitions (water plant in Cyprus and Juice plant in Belarus, part of Multon Z.A.O).

In recent years, we have made substantial investments in developing modern, highly automated production facilities throughout our countries. In certain cases, this has also entailed establishing plants on greenfield sites and installing our own infrastructure where necessary to ensure consistency and quality of supply of electricity and raw materials, such as water.

We use computer modeling techniques to optimize our production and distribution cost structure on a country-by-country basis. Our system seeks to optimize the location and capacity of our production and distribution facilities based upon present and estimated consumer demand.

We believe that we have a modern and technologically advanced mix of production facilities and equipment that is sufficient to satisfy current and estimated future demand. We also believe that our production facilities and equipment give us the ability to further increase our production capacity at a relatively low incremental capital cost. We aim to continually improve the utilization of our asset base and carefully manage our capital expenditure.

ITEM 4A UNRESOLVED STAFF COMMENTS

None.

ITEM 5 OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Overview

The following Operating and Financial Review and Prospects section is intended to help the reader understand our company. This section is provided as a supplement to, and should be read in conjunction with, our audited financial statements and the other financial information contained elsewhere in this annual report. Our financial statements have been prepared in accordance with IFRS. The Operating and Financial Review and Prospects includes the following sections:

- *our business*, a general description of our business;

- *key financial results*, a presentation of the most critical financial measures we use to track our operating performance;
- *major recent transactions*, a description of the recent acquisitions and other transactions that have impacted, or will impact, our performance;
- *application of critical accounting policies*, a discussion of accounting policies that require critical judgments and estimates;
- *principal factors affecting the results of our operations*, a discussion of the primary factors that have a significant impact on our operating performance;
- *operating results*, an analysis of our consolidated results of operations during the three years presented in our financial statements. The analysis is presented both on a consolidated basis, and by business segment through to operating profit;
- *liquidity and capital resources*, an analysis of cash flows, sources and uses of cash;
- *outlook and trend information*, a review of the outlook for, and trends affecting, our business; and
- *tabular disclosure of contractual obligations*, a discussion of our contractual obligations as at December 31, 2011.

Our business

Our business consists of producing, selling and distributing non-alcoholic ready-to-drink beverages, primarily products of The Coca-Cola Company, which accounted for approximately 96% of our sales volume in 2011. We operate in 28 countries, serving a population of approximately 575 million people (including through our equity investment in Brewinvest S.A., a business engaged in the bottling and distribution of beer and non-alcoholic ready-to-drink beverages in Bulgaria and the Former Yugoslav Republic of Macedonia).

We aggregate these 28 countries into three business segments. The countries included in each segment share similar levels of political and economic stability and development, regulatory environments, growth opportunities, customers and distribution infrastructures. Our three business segments are as follows:

- *established countries*, which are Italy, Greece, Austria, the Republic of Ireland, Northern Ireland, Switzerland and Cyprus;
- *developing countries*, which are Poland, Hungary, the Czech Republic, Croatia, Lithuania, Latvia, Estonia, Slovakia and Slovenia; and
- *emerging countries*, which are the Russian Federation, Romania, Nigeria, Ukraine, Bulgaria, Serbia (including the Republic of Kosovo), Montenegro, Belarus, Bosnia and Herzegovina, Armenia, Moldova and the Former Yugoslav Republic of Macedonia.

We review these country groupings annually to determine whether they continue to represent the most meaningful segmentation of our business. In undertaking this review, we consider a variety of factors including disposable income per capita, exposure to economic volatility and net sales revenue per unit case. Based on the most recent review, we continue to believe that our three business segments provide the most accurate basis on which to analyze our business.

Our products consist of both sparkling and still beverages and water, including juices, sports and energy drinks, and other ready-to-drink beverages such as teas and coffees. In 2011, our sparkling beverages category accounted for 68%, and our combined still beverages and water category accounted for 32%, of our sales volume, respectively. Our core sparkling beverage brands are Coca-Cola, Fanta, Sprite, Coca-Cola light (Diet Coke) and Coca-Cola Zero, which together accounted for approximately 62% of our total sales volume in 2011.

Key financial results

We consider the key performance measures for the growth and profitability of our business to be volume, operating profit, adjusted EBITDA and ROIC. Within this framework, in light of the current financial and credit crisis, we are paying particular attention to volume, net sales revenue, working capital and cash generation. Our calculation of ROIC is discussed in detail below. The following table shows our results with respect to these key performance measures for each of the years ended December 31, 2009, 2010 and 2011, as well as in each case, the year-on-year change in percentage terms.

Key performance measures:	2011	% change	2010(1)	% change	2009(1)
Unit case volume (in millions)	2,083.4	(0.8)	2,100.0	1.5	2,069.3
Operating profit (euro in millions)	468.4	(27.9)	649.9	1.1	642.6
Adjusted EBITDA (euro in millions)	876.7	(16.6)	1,051.5	2.8	1,023.1
ROIC	7.4%	(28.2)	10.3%	—	10.3%

(1) Comparative figures have been restated where necessary to reflect changes in accounting policy as detailed in Item 18, "Financial Statements—Notes to Consolidated Financial Statements—Changes in accounting policy".

Unit case volume

We measure our sales volume in unit cases. A unit case equals 5.678 liters or 24 servings of 8 US fluid ounces each. The unit case is a typical volume measure used in our industry.

In 2011, total volume decreased by 16.6 million unit cases, representing a 0.8% decrease compared to 2010. The reduction of volume was more evident in Greece, Ukraine and Romania, mainly as a result of unfavorable economic conditions that negatively affected consumer confidence and spending during 2011 as well as in Russia, where the excessive heat in the summer of 2010 set up a very high base for the year-on-year comparison.

In 2010, total volume increased by 30.7 million unit cases, representing a 1.5% increase compared to 2009. Unusually hot weather in Russia coupled with improving economic trends in key countries such as Russia, Ukraine, Switzerland and the Czech Republic resulted in higher volume that more than offset declines in volume in Greece, Italy, Ireland, Hungary, Bulgaria and Romania, which declines were primarily the result of the continued deterioration in the economic conditions in these markets.

Operating profit

In 2011, operating profit decreased by €181.5 million, or 27.9% compared to 2010, mainly as a result of increased commodity prices primarily for PET resin, sugar and juice concentrate as well as the persisting economic challenges across most of our territories. Operating profit declined by 22.4% in established markets, 34.5% in developing markets and 31.0% in emerging markets compared to 2010.

In 2010, operating profit increased by €7.3 million, or 1.1% compared to 2009, as increased volume, foreign currency benefits and realized cost savings were only partly offset by lower pricing, negative product mix and higher commodity costs. Operating profit declined by 10.7% in established markets and increased by 3.4% and 14.4% in developing and emerging markets respectively compared to 2009.

Adjusted EBITDA

We define adjusted EBITDA as operating profit before deductions for depreciation (included both in cost of goods sold and in selling, delivery and administrative expenses), impairment of property, plant and equipment, stock option compensation, impairment of intangible assets, amortization of and adjustments to intangible assets and other non-cash items. Adjusted EBITDA serves as an additional indicator of our operating performance and not as a replacement for measures such as cash flows from operating activities and operating profit as defined and required under IFRS. We believe that adjusted EBITDA is useful to investors as a measure of our operating performance because it considers the underlying operating cash costs by eliminating the non-cash items listed above. In addition, we believe that adjusted EBITDA is a measure commonly used by analysts and investors in our industry and that current shareholders and potential investors in our company use multiples of adjusted EBITDA in making investment decisions about our company. Accordingly, we have disclosed this information to permit a thorough analysis of our operating performance. Adjusted EBITDA, as we calculate it, may not be comparable to similarly titled measures reported by other companies due to differences in methods of calculation.

We define adjusted EBITDA as follows:

	December 31, 2011	December 31, 2010[1]	December 31, 2009[1]
		(euro in millions)	
Operating profit	468.4	649.9	642.6
Plus:			
Depreciation of property, plant and equipment	374.7	387.8	360.7
Impairment of plant and equipment[2]	21.0	—	—
Amortization of and adjustments to intangible assets	3.2	7.1	6.9
Stock option compensation	8.1	6.7	6.4
Other non-cash items	1.3	—	6.5
Adjusted EBITDA	876.7	1,051.5	1,023.1

(1) Comparative figures have been restated where necessary to reflect changes in accounting policy as detailed in Item 18, “Financial Statements—Notes to Consolidated Financial Statements—Changes in accounting policy”.

(2) Refer to Item 18, “Financial Statements—Notes to Consolidated Financial Statements”, note 5—Property, plant and equipment.

In 2011, adjusted EBITDA decreased by €174.8 million over 2010, and in 2010, adjusted EBITDA increased by €28.4 million over 2009. These changes were due to the same factors that contributed to the changes in our operating profit during the same periods.

ROIC

We use ROIC, an acronym for “Return on Invested Capital”, as an important performance indicator to measure our success in utilizing our existing asset base and allocating capital expenditures. ROIC serves as an additional indicator of our performance and not as a replacement for measures such as operating profit and profit after tax attributable to owners of the parent as defined and required under IFRS. Accordingly, we have disclosed this information to permit a more complete analysis of our operating performance. ROIC, as we calculate it, may not be comparable to similarly titled measures reported by other companies.

We define ROIC as follows:

$$\text{Return on Invested Capital} = \frac{\text{Operating profit} + \text{share of results of equity method investments} - \text{income tax expense} - \text{tax shield}}{\text{Capital employed}}$$

Our "tax shield", which reflects the tax benefit that we receive on our borrowings, is equal to our interest expense multiplied by the relevant enacted Greek statutory tax rate. Our "capital employed" equals our shareholders' equity plus our net borrowings.

Our ROIC for 2011 was 7.4% and for 2010 was 10.3%. Operating profit decreased by €181.5 million or 27.9% and the taxes decreased by €35.3 million or 25.6% in 2011 compared to 2010. In addition employed capital decreased resulting from a decrease in shareholder's equity and net borrowings of €56.8 million and €85.5 million, respectively, in 2011 compared to 2010.

Our ROIC for 2010 and 2009 was 10.3%. Operating profit increased by €7.3 million or 1.1% and the taxes decreased by €4.9 million or 3.4% in 2010 compared to 2009. However, such performance was offset by an increase in employed capital resulting from an increase in shareholder's equity of €498.4 million or 20.3% in 2010 compared to 2009.

	December 31, 2011	December 31, 2010(1)	December 31, 2009(1)
	(euro in millions, except percentages)		
Tax shield:			
Finance costs, including losses on net monetary position	(103.9)	(83.1)	(82.2)
Greek statutory tax rate	20%	24.0%	25.0%
	(20.8)	(19.9)	(20.6)
Numerator:			
Operating profit	468.4	649.9	642.6
Share of results of equity method investments	1.2	2.5	(1.9)
Tax	(102.7)	(138.0)	(142.9)
Tax shield	(20.8)	(19.9)	(20.6)
	346.1	494.5	477.2
Denominator:			
Cash and cash equivalents	(476.1)	(326.1)	(232.0)
Short-term borrowings, less finance lease obligations and current portion of long-term borrowings	299.6	181.3	236.0
Current portion of long-term borrowings	—	305.0	1.1
Current finance lease obligations	21.9	48.8	69.9
Long-term borrowings, less current portion and finance leases	1,861.9	1,561.2	2,010.3
Long-term finance lease obligations	72.6	95.2	90.3
Net debt	1,779.9	1,865.4	2,175.6
Shareholders' equity	2,895.3	2,952.1	2,453.7
Capital employed	4,675.2	4,817.5	4,629.3
ROIC	7.4%	10.3%	10.3%

(1) Comparative figures have been restated where necessary to reflect changes in accounting policy as detailed in Item 18, "Financial Statements—Notes to Consolidated Financial Statements—Changes in accounting policy".

Major recent transactions

Summary of recent acquisitions / disposals

In recent years, we have selectively broadened our portfolio of brands in our combined still and water beverages category through acquisition of natural mineral water and juice businesses, in order to capture sales opportunities through our local distribution and marketing capabilities. While we also remain open to the possibility of acquiring new territories over time on an opportunistic basis, this does not currently form part of our core business strategy.

	Effective date of acquisition	Primary focus	Business segment	Location	Consideration
					(euro in millions)
Acquired business					
MS Foods UAB	April 20, 2011	Juice	Emerging	Belarus	2.5
Acquired non-controlling interests					
Nigerian Bottling Company plc	August 29, 2011	Non-alcoholic ready-to-drink beverages	Emerging	Nigeria	100.2
Coca-Cola HBC—Srbija d.o.o.	From January 5, 2011 to August 19, 2011	Non-alcoholic ready-to-drink beverages	Emerging	Serbia	17.7
AD Pivara Skopje	November 9, 2011	Sparkling beverages / Beer	Emerging	FYROM	39.8
Disposed business					
Eurmatik S.r.l.	February 2, 2011	Vending machines	Established	Italy	13.5

Acquisition of MS Foods UAB (2011)

On April 20, 2011 we, along with The Coca-Cola Company ("TCCC"), acquired through Multon ZAO, the Russian juice joint venture, all outstanding shares of MS Foods UAB, a company that owns 100% of the equity of Vlanpak FE ("Vlanpak"), a fruit juice and nectar producer in Belarus. Our share of the acquisition consideration was €3.9 million including an assumption of debt of €1.4 million. The acquisition has resulted in the Group recording of intangible assets of €2.9 million in its emerging segment. Acquisition related costs recognized as an expense in income statement, under operating expenses, amounted to €0.3 million.

Acquisition of non-controlling interest in Nigerian Bottling Company plc ("NBC") (2011)

On June 8, 2011, the board of directors of the Company's subsidiary NBC resolved to propose a scheme of arrangement between NBC and its non-controlling interests, involving the cancellation of part of the share capital of NBC. The transaction was approved by the Board of Directors and General Assembly of NBC on June 8, 2011 and July 22, 2011, respectively, and resulted in the acquisition of the remaining 33.6% voting shares of NBC, bringing the Group's interest in the subsidiary to 100%. The transaction was completed in September 2011 and NBC was de-listed from the Nigerian Stock Exchange. The consideration for the acquisition of non-controlling interests was €100.2 million, including transaction costs of €1.8 million, out of which €56.5 million was paid as of December 31, 2011. The difference between the consideration and the carrying value of the interest acquired amounting to €60.1 million has been recognized in retained earnings while the accumulated components recognized in other comprehensive income have been reallocated within the equity of the Group.

Acquisition of non-controlling interest in Coca-Cola HBC—Srbija d.o.o. ("CCH Serbia") (2011)

On June 25, 2010, we initiated a tender offer to purchase all remaining shares of the non-controlling interest in CCH Serbia. The tender offer was completed on August 2, 2010 and resulted in the Group increasing its stake in CCH Serbia to 91.2% as of December 31, 2010. In 2011, we acquired all the remaining interest in the subsidiary. The consideration paid for the acquisition of non-controlling interest acquired in 2011 was €17.7 million, including transaction costs of €0.4 million and the carrying value of the additional interest acquired was €11.4 million. The difference between the consideration and the carrying value of the interest acquired has been recognized in retained earnings.

Acquisition of non-controlling interest in AD Pivara Skopje (2011)

On December 16, 2011, we announced that we had increased our share in A.D. Pivara Skopje, the beer and alcohol-free beverages business in the Former Yugoslav Republic of Macedonia, that we jointly control with Heineken, by acquiring, together with Heineken, 41.2% of the non-controlling interests. The consideration paid collectively with Heineken was €79.6 million including acquisition costs of €0.2 million, and was equally divided between the Group and Heineken. The carrying value of the non-controlling interest acquired was €22.9 million. After the acquisition we own 48.24% of the voting rights of A.D. Pivara Skopje as compared to 27.64% in 2010 and control jointly with Heineken 96.48% of voting rights in A.D. Pivara Skopje. The difference between the consideration and the carrying value of the interest acquired has been recognized in retained earnings.

Sale of Eurmatik S.r.l. (2011)

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

Share buy-back (2009, 2010 and 2011)

On April 30, 2009, our board of directors authorized a buy-back program for a maximum of up to 5% of our paid-in share capital during the 24-month period from the date of the Extraordinary General Meeting of April 27, 2009 which approved a share buy-back program pursuant to Article 16 of Codified Law 2190/1920 (i.e. until April 26, 2011). Based on our capitalization at that date, the maximum amount that might have been bought back pursuant to the program was 18,270,104 shares. Purchases under the program were subject to a minimum purchase price of €1.00 per share and a maximum purchase price of €20.00 per share. Applicable law does not specify the extent of implementation of such approved share buy-back programs. The buy-back program expired on April 26, 2011. During the period from April 30, 2009 to April 26, 2011, the Company purchased 3,430,135 ordinary shares pursuant to the share buy-back program, with a value of €55.5 million.

Delisting from Australian Stock Exchange (2009)

On June 2, 2009, we announced our intention to seek our removal from the official list of the Australian Stock Exchange Limited, or ASX. Trading of our CHESS Depositary Interests, or CDIs was suspended from the close of the market on August 26, 2009 with delisting of our CDIs effected at the close of trading on September 2, 2009. Our decision to delist was due to the low level of CDIs quoted on the ASX and the low level of trading on the ASX compared to the other exchanges. These factors made it unlikely that we would seek to raise further equity capital via our ASX listing. Under these circumstances, we wanted to avoid the administrative costs related to an ASX listing.

Re-capitalization (capital return) (2009 and 2011)

On September 18, 2009, we announced proposals for a re-capitalization, which resulted in a capital return of €548.1 million to our shareholders, i.e. €1.50 per share. At the extraordinary general meeting held on October 16, 2009, our shareholders approved an increase of our share capital by €548.1 million, through the partial capitalization of the share premium reserve and an increase in the nominal value of each share by €1.50 per share. At the same extraordinary general meeting, our shareholders also approved the decrease of our share capital by € 548.1 million, through a reduction of the nominal value of the shares by €1.50 per share and an equal amount of capital was returned to the shareholders in cash. Following shareholders and regulatory approval, we realized the capital return on December 2, 2009. The capital return was financed through a combination of accumulated cash and new debt.

On May 6, 2011 the Annual General Meeting of shareholders resolved to reorganize our share capital. Our share capital increased by an amount equal to €549.7 million. The increase was performed by capitalizing the share premium reserve and increasing the nominal value of each share from €0.50 to €2.00. Our share capital was subsequently decreased by an amount equal to €183.2 million by decreasing the nominal value of each share from €2.00 to €1.50, and distributing such €0.50 per share difference to shareholders in cash.

Application of critical accounting policies

Our discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements. Our consolidated financial statements are prepared in accordance with IFRS, both as issued by the IASB and as adopted by the EU. All IFRS issued by the IASB, which apply to the preparation of these consolidated financial statements, have been adopted by the EU following an approval process undertaken by the European Commission and the European Financial Reporting Advisory Group, or EFRAG.

We believe the following critical accounting policies include our more significant judgments and estimates used in the preparation of our consolidated financial statements. You should read this section in conjunction with note 1 to our consolidated financial statements contained elsewhere in this annual report. Management has discussed the development, selection and disclosure of these critical accounting policies with the audit committee of our board of directors.

Critical accounting judgments and estimates

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

Income taxes

We are subject to income taxes in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination cannot be assessed with certainty in the ordinary course of business. We recognize a provision for potential liabilities that may arise as a result of tax audit issues based on assessment of the probabilities as to whether additional taxes will be due. Where the final tax outcome on these matters is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such determination is made. We anticipate that were the final tax outcome, on the judgment areas, to differ from management's estimates by up to 10%, our consolidated tax expense would increase (or decrease) by less than €3.3 million.

Impairment of goodwill and indefinite-lived intangible assets

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

Employee Benefits—Defined Benefit Pension Plans

We provide defined benefit pension plans as an employee benefit in certain territories. Determining the value of these plans requires several actuarial assumptions and estimates about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. These assumptions and a discussion on how they are established are described in note 17 to our consolidated financial statements.

Intangible assets

Intangible assets comprise a significant portion of our balance sheet. As at December 31, 2011, there were €1,947.7 million of intangible assets recorded on our balance sheet, reflecting 26.9% of our total assets. The main components of this intangible asset balance were €1,698.5 million of goodwill, €156.8 million of franchise agreements (primarily related to our bottlers' agreements with The Coca-Cola Company) and €83.1 million of trademarks. Goodwill is the excess of the cost of an acquisition over the fair value of the share of net assets acquired. The Coca-Cola Company does not grant perpetual franchise rights outside the United States, however, we believe our franchise agreements, consistent with past experience, will continue to be renewed at each expiration date and have therefore been assigned indefinite useful lives. Goodwill and other indefinite-lived intangible assets are not amortized but rather tested for impairment annually and whenever there is an indication of impairment. Goodwill and other indefinite-lived intangible assets are carried at cost less accumulated impairment losses. The useful lives, both finite and indefinite, assigned to intangible assets are evaluated on an annual basis.

Impairment of other non-financial assets

Property, plant and equipment and other non-financial assets, primarily finite-lived intangibles, that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's fair value less cost to sell and its value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest level of separately identifiable cash flows.

Contingencies

We are subject to various claims and contingencies related to legal proceedings and tax matters. Due to their nature, such legal proceedings and tax matters involve inherent uncertainties including, but not limited to, court rulings, negotiations between affected parties and governmental actions. Management assesses the probability of loss for such contingencies and accrues a liability and/or discloses the relevant circumstances, as appropriate. For additional information, see also Item 8, "Financial Information—Consolidated Statements and Other Financial Information—Legal proceedings".

Principal factors affecting the results of our operations

Our relationship with The Coca-Cola Company

General

We are a producer, distributor and seller primarily of the products of The Coca-Cola Company. The Coca-Cola Company controls the global product development and marketing of its brands. The Coca-Cola Company's ability to perform these functions successfully has a direct effect on our sales volume and results of operations. We produce the beverages of The Coca-Cola Company, engage in local marketing and promotional activities, establish business relationships with local customers, develop local distribution channels and distribute the products of The Coca-Cola Company to customers either directly or indirectly through independent distributors and wholesalers. Our business relationship with The Coca-Cola Company is mainly governed by bottlers' agreements entered into between The Coca-Cola Company and us. You should read Item 7 ''Major Shareholders and Related Party Transactions—Related Party Transactions—Our relationship with The Coca-Cola Company'' for additional information on our relationship with The Coca-Cola Company and a detailed description of the terms of the bottlers' agreements.

Purchase of concentrate

Expenditure for concentrate constitutes our largest individual raw material cost. The cost of concentrate purchased from The Coca-Cola Company during 2011 amounted to €1,249.3 million, as compared to €1,294.9 million for 2010 and €1,246.0 million in 2009. Concentrate purchased from The Coca-Cola Company represented approximately 29.3% of our total cost of goods sold in 2011, compared with 32.0% in 2010 and 32.0% in 2009. Under our bottlers' agreements, we are required to purchase concentrate for all beverages of The Coca-Cola Company from companies designated by The Coca-Cola Company. The Coca-Cola Company is entitled under the bottlers' agreements to determine the price we pay for concentrate at its discretion. In practice, however, The Coca-Cola Company normally sets the price after discussions with us to reflect trading conditions in the relevant countries and to be in line with our annual marketing plan.

We expect amounts of concentrate purchased from The Coca-Cola Company to track our sales volume growth. We anticipate the price of concentrate we purchase from The Coca-Cola Company for each of the countries in which we operate to be determined mainly by reference to inflation and our ability to implement price increases in the relevant country.

Pricing in countries outside the EU

The Coca-Cola Company is also entitled, under the bottlers' agreements and to the extent permitted by local law, to set the maximum price we may charge to our customers in countries outside the EU. In practice, we work closely with The Coca-Cola Company to determine our pricing strategy in light of the trading conditions prevailing at the relevant time in each of these countries. The combination of The Coca-Cola Company's right to set our concentrate prices and its right to limit our selling prices in our countries outside the EU could give The Coca-Cola Company considerable influence over our gross profit margins.

Marketing and promotional support

The Coca-Cola Company makes contributions to us in respect of marketing and promotional support programs to promote the sale of its products in our territories. Contributions received from The Coca-Cola Company for marketing and promotional support programs amounted to €76.5 million, €60.8 million and €56.9 million for the years ended December 31, 2011, 2010 and 2009, respectively. These contributions, if related to payments we make to specific customers for marketing and promotional incentives, are recognized as a reduction of our payments to customers. These payments to customers, net of contributions received from The Coca-Cola Company, are deducted from sales revenue. In 2011, such contributions totaled €49.0 million as compared to €48.8 million in 2010 and €39.9 million in 2009. Payments for marketing programs not specifically attributable to a particular customer are recognized as a reduction of selling expenses. In 2011, these contributions amounted to €21.9 million compared to €19.8 million in 2010 and €22.5 million in 2009. The levels of support programs are jointly determined annually on a territory-by-territory basis to reflect the mutually agreed annual marketing plan for that territory and expected sales volume for the year. The Coca-Cola Company is under no obligation to participate in the programs or continue past levels of funding into the future. Given our relationship with The Coca-Cola Company to date, there is no reason to believe that such support will be reduced or withdrawn in the future.

Other transactions with The Coca-Cola Company

Other income primarily comprises rent, facility and other costs of €1.2 million in 2011 compared to €14.3 million in 2010 and €4.4 million in 2009, and a toll-filling relationship in Poland of €13.8 million in 2011 compared to €17.6 million in 2010 and €15.0 million in 2009. Other expenses were €4.0 in 2011 and nil in 2010 related to facility costs charged by The Coca-Cola Company and shared costs, compared to €1.5 million in 2009. With the exception of the toll-filling arrangements, balances are included in operating expenses.

In addition to concentrate, we purchase from The Coca-Cola Company finished goods and other materials. The cost of these purchases amounted to €56.1 million in 2011, as compared to €78.0 million in 2010 and €37.6 million in 2009. The purchases of finished goods are primarily purchases of Powerade products. We also purchase concentrate from Beverage Partners Worldwide, a 50/50 joint venture between The Coca-Cola Company and Nestlé. Purchases of concentrate from Beverage Partners Worldwide amounted to €99.6 million in 2011, as compared to €89.4 million in 2010 and €70.0 million in 2009. These amounts are included in our cost of goods sold.

During 2011, we sold €32.8 million of finished goods and raw materials to The Coca-Cola Company, as compared to sales of €19.0 million for 2010 and of €20.5 million for 2009. In 2011 and 2010, we did not record any gain from the sale of property, plant and equipment to The Coca-Cola Company compared to €0.2 million in 2009.

In March 2008, we formed a three-party joint venture with The Coca-Cola Company and illycaffé SpA for the manufacture, marketing, sale and distribution of premium ready-to-drink coffee under the illy brand across our territories. During 2011, we disposed of our interest in that joint venture with no significant effect on our consolidated financial statements. We continue to sell and distribute ready-to-drink coffee under the "illy" brand across our territories.

During 2011, we did not purchase any franchise rights, as compared to €4.4 million in 2010 and nil in 2009. In 2011, we did not have any proceeds from the sale of available-for-sale assets to The Coca-Cola Company compared to €4.9 million in 2010 and nil in 2009.

All transactions with The Coca-Cola Company are conducted on an arm's length basis.

Amounts payable to and receivable from The Coca-Cola Company

As at December 31, 2011, The Coca-Cola Company owed us €63.2 million, as compared to €53.8 million and €64.2 million as at December 31, 2010 and 2009, respectively of which €0.3 million, €3.0 million and €6.7 million as at December 31, 2011, 2010 and 2009 related to loans to joint ventures with The Coca-Cola Company. We owed The Coca-Cola Company a total amount of trade payables of €172.2 million, €166.0 million and €125.1 million as at December 31, 2011, 2010 and 2009, respectively and €7.6 million of other liabilities as at December 31, 2011 compared to nil as at December 31, 2010 and, 2009.

Economic conditions

Challenging economic and financial conditions continued to play a major role in our operating performance and financial results in 2011. We have witnessed a continued impact from austerity measures implemented in markets, including Greece, Italy, the Republic of Ireland and Northern Ireland. Consumer confidence and purchasing power continued to deteriorate throughout the year across most of our territories with double digit declines in key countries such as the Czech Republic, Greece, Hungary, Austria and Poland. GDP growth slowed down and unemployment rates increased significantly across our territories during 2011. Greece experienced an estimated negative GDP growth of 7.5% and a record unemployment rate of 20.7%. Although exchange rate volatility had a material positive contribution on our financial results in 2010, we experienced a significant negative impact from exchange rate volatility in 2011.

In 2011, major western countries responded to the world economic crisis by taking further fiscal measures designed to reduce fiscal deficit and ultimately restore confidence. Not all countries have been affected to the same extent by the crisis. Some countries began taking steps to reduce their fiscal deficits in 2009, others have done so in 2010 and 2011. Towards the end of 2009, the economic crisis created downward pressure on the euro, resulting in an increase in the prices we must pay for certain raw and packaging materials which are priced in other currencies (principally US dollars), which depresses our profit margins if we are unable to recover these additional operating costs from our customers. Greece faces increasing pressures for more aggressive and wide-ranging fiscal retrenchment, including increases in taxation. More austerity measures were introduced in 2011, including further pension and salary reductions, imposition of a solidarity tax, imposition of additional real estate tax and an increase of value added tax to non-alcoholic ready-to-drink beverages from 13% to 23%, which led to strong decline of private consumption. A further tightening of the government's multiyear fiscal consolidation program is likely under the new European Monetary Union / International Monetary Fund agreement, that will further depress Greece's medium-term economic growth prospects. In May 2010, the Italian government announced significant reductions in public expenditure, designed to reduce the fiscal deficit to 3% or less of gross domestic product by 2012. At the end of 2011, after the Italian sovereign debt was downgraded by the main ratings agencies and the spread between Italian and German Treasury bonds reached a new peak, the Italian government introduced a new, critical austerity bill, introducing further austerity measures, including a value added tax increase by 2% and an additional 2% increase effective from September, 2012. Such measures are likely to negatively impact gross domestic product and employment in the short and medium term, which could adversely affect the results of our operations. In November 2010, the Irish government agreed a rescue package with the European Union and International Monetary Fund that requires severe fiscal austerity. Moreover, the government's 2012 budget seeks savings and incremental revenues, including an increase in the value added tax rate by 2%, from 21% to 23%, effective from January, 2012. Such measures are likely to negatively impact gross domestic product and employment. The economic crisis, the measures aimed at addressing such crisis and the consequences thereof could adversely affect the results of our local operations and on a consolidated basis.

Channel mix

We sell our products through two broadly defined distribution channels: future consumption channels, including hypermarkets, supermarkets, discount stores and grocery stores, where consumers either buy beverages in multi-serve (one liter and above or multi-package) packages or multi-packs of single-serve packages for future (at home) consumption; and immediate consumption channels, including restaurants and cafés, grocery stores, gas stations, sports and leisure venues, hotels and offices, where consumers typically buy beverages in chilled single-serve (0.5 liter or smaller) packages and fountain products for immediate consumption. Single-serve packages sold through immediate consumption channels typically generate higher margins than multi-serve packages sold through future consumption channels. This is primarily due to consumers' willingness to pay a premium to consume our products chilled at a convenient location. In addition, this is also influenced by the price sensitivity and bargaining power of large retailers and wholesalers that represent our principal customers in the future consumption channel.

The retail environment for beverages continues to transform rapidly, with the shift towards modern, large-scale and discount retail formats expanding to more of our markets. At Coca-Cola Hellenic, our response has been to make "customer preference" a core value of our business. "Customer preference" means building true collaboration and partnerships that create sustainable value and profitable growth for our business and our customers across all key channels through a comprehensive set of initiatives, including joint value creation, customer care centers, projects with key customers, and our 360º process for measuring and improving in-market execution

Channel mix refers to the relative percentages of our sales volume comprising chilled single-serve packages sold for immediate consumption and multi-serve and single-serve packages sold for future consumption. A favorable channel mix occurs when sales of our higher margin single-serve packages increase relative to sales of multi-serve packages, while an unfavorable channel mix occurs when our volume shifts toward more multi-serve packages that generate lower margins. One of the strategies we use to improve channel mix is to invest in cold drink equipment, such as coolers, which we make available to retail outlets. This represents a significant portion of our capital expenditure. During 2011, for example, approximately 23% of our additions of property, plant and equipment were for coolers. Another strategy we have is to offer consumers the option to purchase multi-packs of single-serve packages more often from future consumption channels.

Raw material costs

Raw material costs, including concentrate, represented 76.0% of our total cost of goods sold in 2011, as compared to 75.7% in 2010 and 76.8% in 2009. Our major raw materials, other than water and concentrate, are sugar and other sweeteners, carbon dioxide, juice concentrates, glass, labels, plastic resin, closures, plastic crates, aluminum cans, aseptic packages and other packaging materials. The entry into the EU in recent years of eleven of our countries has led to an increase in the cost of sugar. For additional information, see below "Impact of governmental, economic, fiscal, monetary and political policies—EU regulations".

Our major cold drink equipment supplier is Frigoglass S.A. Under the terms of a supply agreement that we entered into with Frigoglass S.A. in 1999, initially set to expire on December 31, 2004 but subsequently extended, on substantially similar terms, in June 2004 and, again in December 2008 to December 31, 2013, we have the status of a non-exclusive most favored client of Frigoglass S.A. We are required to obtain at least 60% of our annual requirements of coolers from Frigoglass S.A., in order to maintain our status as a non-exclusive most favored client. The prices at which we purchase these products are agreed between us and Frigoglass S.A. at the beginning of each year. If an agreement is not reached, the applicable prices will be determined based on the average prices of other non-exclusive primary European suppliers to The Coca-Cola Company's European bottlers.

In 2011, we made purchases from Frigoglass S.A. totaling €148.0 million, compared to €101.0 million in 2010 and €58.8 million in 2009. The purchases from Frigoglass S.A. in 2011 were comprised of €100.5 million for coolers, other cold drink equipment and spare parts and €47.5 for purchases of raw and packaging materials and other purchases. This compares to €84.6 million for coolers, other cold drink equipment and spare parts and €16.4 million for purchases of raw and packaging materials and other purchases in 2010 and €21.3 million and €37.5 million respectively, in 2009. Boval S.A., the parent of Kar-Tess Holding, holds a 43.7% interest in Frigoglass S.A. You should read Item 7 "Major Shareholders and Related Party Transactions—Related Party Transactions—Our relationship with Kar-Tess Holding—Supply agreement with Frigoglass S.A." for additional information on our relationship with Frigoglass S.A.

Weather conditions

Weather conditions directly affect consumption of all our products. High temperatures and prolonged periods of warm weather favor increased consumption of our products, while unseasonably cool weather, especially during the spring and summer months, adversely affects our sales volume and consequently, net sales revenue.

Seasonality

Product sales in all of our countries are generally higher during the warmer months of the year, which are also periods of increased tourist activity in many of these countries, as well as during holiday periods such as Christmas and Easter. We typically experience our best results of operations during the second and third quarters. In 2011, for example, we realized 20.7% of our sales volume in the first quarter, 28.9% in the second quarter, 28.1% in the third quarter and 22.3% in the fourth quarter.

Foreign currency

Our results of operations are affected by foreign exchange exposures, which arise primarily from adverse changes in exchange rates in our emerging and developing countries. In particular:

- Our operating companies, other than those in Italy, Greece, Austria, the Republic of Ireland, Cyprus, Estonia, Slovenia, Slovakia and Montenegro have functional currencies other than our reporting currency, the euro. As a result, any change in the exchange rates between these functional currencies and the euro affects our statement of income and balance sheet when the results of those operating companies are translated into euro.
- Raw materials purchased in currencies such as the US dollar or the euro can lead to higher cost of goods sold in countries with weaker functional currencies which, if not recovered through local price increases, will lead to reduced gross profit margins. As at December 31, 2011, all of our concentrate, which represents 47.7% of our raw material costs, was sourced through supply agreements denominated in euro, US dollars or Nigerian naira. Sugar, PET and aluminum, which represent 15.6%, 11.6% and 5.7%, respectively, of our raw material costs, were sourced through supply agreements denominated in euro and US dollars.
- Currency fluctuations impact our foreign currency denominated balances, such as interest expense on borrowings denominated in foreign currencies.

Taxation

The Greek statutory income tax rate was 20% for 2011, 24% for 2010 and 25% for 2009. Statutory income tax rates in the countries in which we operate range from 0% to 30%. Our effective income tax rate was 27% for 2011, 24% for 2010 and 25% for 2009. The increase of our effective tax rate in 2011 compared to 2010 is attributed to a combination of factors with positive or negative impact on our effective tax rate year-on-year movement. The overall increase was mainly attributable to limitations on the tax deductibility of certain expenses, the change in tax rates which impacted the deferred tax asset or deferred tax liability recognized in previous periods, and the utilization in prior years of tax benefits that were no longer available in 2011.

In particular, the limitation on tax deductibility of expenses in Russia and Ukraine led to a tax increase of €4.3 million in 2011 compared to 2010. The decrease of the corporate income tax rate in Greece from 24% to 20%, led to a decrease in the deferred tax asset of €1.2 million. Hyperinflationary accounting adopted by Belarus during 2011 led to increased taxable income and a corresponding increase of approximately €4.3 million in our current income tax expense. In addition, the utilization of certain tax benefits in 2010 (that were no longer available in 2011) had the effect of reducing our Group effective tax rate in 2010, and contributed to the change in our effective tax rates in 2011 compared to 2010. The tax benefits in 2010 that were not available in 2011 include the utilization of losses not previously recognized for tax purposes that led to recognition of a previously unrecognized deferred tax asset on those tax losses in Austria and the utilization of expenses not previously allowed for deduction in Russia.

The decrease of our effective income tax rate in 2010 compared to 2009 was mainly attributable to the recognition of a deferred tax asset of €10.2 million on losses that had previously not been recognized on our acquisition of Coca-Cola Beverages Austria GmbH. Furthermore, the current tax expense in 2010 was decreased by €2.0 million compared to 2009, reflecting the benefit obtained pursuant to tax incentives legislation applying in some of the tax jurisdictions in which we operate.

On December 10, 2009, the Greek government introduced a special tax defined as "Extra Contribution of Social Responsibility by the Large Companies" pursuant to Law 3808/2009. This law provided for a special additional tax on 2008 total net income. As a result, we recorded a tax charge of €19.8 million in 2009.

Pursuant to Article 5 of Law 3845/2010, on May 6, 2010, the Greek government imposed an "Extraordinary Contribution of Social Responsibility" on net income for the fiscal year ended December 31, 2009. The amount of the 'Extraordinary Contribution of Social Responsibility' assessed for 2009 was €21.2 million, which we recorded as a tax charge in 2010.

Amortization and impairment of intangible assets

As discussed above under "Application of critical accounting policies—Intangible assets", intangible assets comprise a significant portion of our balance sheet. We consider that 99.5% of the €1,947.7 million of intangible assets recorded on our balance sheet as at December 31, 2011 relates to assets that have indefinite useful lives.

We conduct tests for impairment of goodwill and indefinite-lived intangible assets in accordance with IAS 36, *Impairment of assets* annually and whenever there is an indication of impairment. No impairment resulted from the impairment tests of 2011, 2010 and 2009.

Impact of governmental, economic, fiscal, monetary and political policies

EU regulations

On May 1, 2004, nine countries in which we operate entered the EU. These are Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia. Bulgaria and Romania entered the EU on January 1, 2007. As of December 31, 2011 we operated in 16 EU countries. In addition, subject to ratification by EU member states, Croatia is scheduled to become an EU member state in 2013. These countries have implemented extensive reforms to facilitate their transition to market economies and have adopted strict fiscal and monetary policies to converge with the fiscal and monetary standards set by the EU. We believe that, overall, we benefit from the increased economic and political stability in these countries as a result of their gradual alignment with the principles, objectives, economic standards and regulations of the EU. Conversely, the application of EU labor, tax, accounting and environmental regulations, increases the cost and complexity of compliance, at least in the short-term, and the implementation of the EU packaging directive in the new EU countries has further restricted our ability to use certain packaging materials or methods.

Our countries in the EU have adopted the EU sugar regime, which means that the minimum selling price for sugar has become the EU intervention price plus the cost of transport and profit margin. This has generally meant a significant rise in sweetener costs in these countries, although the ongoing reform of the EU sugar regime could help to counteract inflationary pressure caused by recent increases in energy and transport costs.

EU competition law

Our business activities affecting the EU are subject to EU competition law. In 2005, the European Commission ended an investigation into various commercial practices of The Coca-Cola Company and certain Coca-Cola bottlers in Austria, Belgium, Denmark, Germany and Great Britain regarding possible abuse of dominant position. Together with The Coca-Cola Company and other Coca-Cola bottlers, we undertook to address all such practices in the EU. The undertaking potentially applied in the Member States of the European Economic Area, covering those channels of distribution where The Coca-Cola Company-branded sparkling beverages account for over 40% of the national sales and twice the nearest competitor's share. The commitments related broadly to exclusivity, percentage-based purchasing commitments, transparency, target rebates, tying, assortment or range commitments and agreements concerning products of other suppliers. In addition to these commitments, the undertaking applied to shelf space commitments in agreements with take-home customers, to financing and availability agreements in the on-premise channel and to commercial arrangements concerning the installation and use of technical equipment, such as coolers, fountain equipment, and vending machines. We believe that our compliance with the undertaking has not had a material adverse effect on our business and financial results. The undertaking expired on December 31, 2010.

Greek economic crisis and EU response

Greece, which accounted for approximately 6% of our unit case sales volume in 2011, is currently facing a severe economic crisis resulting from long standing government fiscal deficits and high levels of government borrowing. The current political, economic and budgetary challenges that the Greek government faces with respect to its high public debt burden and Greece's weakening economic growth prospects have led to the announcement of wide-ranging fiscal measures, including increases in taxation, and further measures may become necessary. Other countries in Europe in which we operate, such as Ireland, Italy, Romania and Hungary, are facing difficult economic conditions and have announced fiscal austerity measures. The economic crisis, the measures aimed at addressing the situation, the consequences thereof or a combination of the aforementioned could adversely affect the results of our local operations and on a consolidated basis.

A. Operating results

Year ended December 31, 2011 compared to year ended December 31, 2010

The following table shows certain consolidated income statement and other financial data, as well as the change in percentage terms, from the year ended December 31, 2010 to the year ended December 31, 2011.

	2011	2010[1]	Change
	(euro in millions except unit case volume in millions)		%
Net sales revenue	6,854.3	6,793.6	0.9
Cost of goods sold	(4,258.8)	(4,048.6)	5.2
Gross profit	2,595.5	2,745.0	(5.4)
Operating expenses	(2,055.6)	(2,058.4)	(0.1)
Restructuring costs	(71.5)	(36.7)	94.8
Operating profit	468.4	649.9	(27.9)
Finance income	9.8	7.4	32.4
Finance costs	(96.1)	(83.1)	15.6
Loss on net monetary position	(7.8)	—	n/a
Finance costs (net)	(94.1)	(75.7)	24.3
Share of results of equity method investments	1.2	2.5	(52.0)
Profit before tax	375.5	576.7	(34.9)
Tax	(102.7)	(138.0)	(25.6)
Profit after tax	272.8	438.7	(37.8)
Attributable to:			
Owners of the parent	268.9	426.6	(36.9)
Non-controlling interests	3.9	12.1	(67.8)
	272.8	438.7	(37.8)
Adjusted EBITDA	876.7	1,051.5	(16.6)
Unit case volume	2,083.4	2,100.0	(0.8)

(1) Comparative figures have been restated where necessary to reflect changes in accounting policy as detailed in Item 18, “Financial Statements—Notes to Consolidated Financial Statements—Changes in accounting policy”.

The following table shows certain income statement and other financial data for the years ended December 31, 2011 and December 31, 2010, expressed in each case as a percentage of net sales revenue.

	2011	2010[(1)]
Net sales revenue	100.0	100.0
Cost of goods sold	(62.1)	(59.6)
Gross profit	37.9	40.4
Operating expenses	(30.0)	(30.3)
Operating profit	6.8	9.6
Adjusted EBITDA	12.8	15.5

(1) Comparative figures have been restated where necessary to reflect changes in accounting policy as detailed in Item 18, "Financial Statements—Notes to Consolidated Financial Statements—Changes in accounting policy".

Volume

In 2011, our sales volume decreased by 16.6 million unit cases, or 0.8%, compared to 2010. Our established and emerging countries made a negative contribution of 18.7 million unit cases and 5.9 million unit cases, respectively, whereas our developing countries made a positive contribution of 8.0 million unit cases.

In our established countries segment unit case volume declined by 18.7 million unit cases in 2011. In Italy, volume declined by 0.8%, representing a decrease of 2.7 million unit cases as unfavorable economic conditions in the country negatively impacted consumer confidence and household spending. In Greece, volume declined by 17.0 million unit cases, or 11.9% due to the additional austerity measures that adversely impacted consumer purchasing power and demand and a VAT increase from 11% to 23% in September, 2011. In Switzerland, volume increased by 1.4 million unit cases, or 1.7%. This increase was strongly driven by further utilizing the 2010 introduction of our products in one of the largest retailers in Switzerland, which historically had only carried private label products.

In our developing countries segment unit case volume increased by 2.0% in 2011. Volume in Poland increased by 4.9 million unit cases, or 2.9% driven by significant increases in our sparkling beverages, energy and tea categories which increased by 10.1%, 18.2% and 6.8%, respectively, compared to 2010. In Hungary, volume increased by 1.2% representing an increase of 1.0 million unit cases as a result of the intensified promotion calendar, despite the challenging macro-economic conditions and the recently imposed tax on consumption of beverages with sugar and caffeine content higher than a specific amount. Volume in the Czech Republic increased by 0.2 million unit cases, or 0.3%. In the remaining developing countries, volume increased by 1.9 million unit cases.

In our emerging countries segment unit case volume decreased by 0.6% in 2011. Volume in the Russian Federation decreased by 1.5%, or 5.1 million unit cases, in 2011 due to the exceptionally hot summer of 2010 that set up a very high base for the year-on-year comparison and the strengthening of value brands. Unit case volume in Nigeria grew by 0.7% in 2011, representing an increase of 1.3 million cases and reflecting solid growth in the sparkling beverages category. Unit case volume in Romania declined by 4.2% in 2011, due to challenging economic conditions and the implementation of strict austerity measures that had an adverse impact on consumer demand.

Net sales revenue

We recognize net sales revenue at the time we deliver products to our customers. Revenues are recognized when all of the following conditions are met: evidence of a binding arrangement exists (generally purchase orders), products have been delivered and there is no future performance required, amounts are collectible under normal payment terms and both revenue and associated costs can be measured reliably.

Net sales revenue increased by €60.7 million in 2011 compared with 2010. Net sales revenue developed in line with our commitment to grow revenues ahead of volume. However, unfavorable foreign currency developments in emerging and developing markets diluted the positive impact of our revenue growth initiatives. Net sales revenue per unit case increased by 1.7% in 2011 compared to prior year.

In our established countries net sales revenue decreased by €27.6 million in 2011 compared with 2010, as our revenue growth initiatives and favorable currency impact was more than offset by lower volume. Net sales revenue in Greece and Italy decreased by €77.9 million and €2.1 million, respectively, following the decline in volume. Net sales revenue in Switzerland increased by €55.0 million as a result of the positive performance of MyCoke and Nestea in the retail channel as well as the appreciation of the Swiss franc against the euro.

In our developing countries segment, net sales revenue increased by €21.5 million compared with 2010, reflecting the positive impact from higher volume which was partially offset by unfavorable currency impact especially polish zloty.

In our emerging countries segment, net sales revenue increased by €66.8 million compared with 2010. Net sales revenue in the Russian Federation increased by €62.8 million as a result of our revenue growth strategy across all our product categories and the positive category mix. Net sales revenue in Romania declined by €9.5 million following the decline in volume and in Nigeria by €7.6 million mainly as a result of the unfavorable currency impact.

Net sales revenue per unit case increased to €3.29 in 2011 compared with €3.24 in 2010.

Cost of goods sold

Our cost of goods sold is comprised of raw materials, inward freight and warehousing, labor and manufacturing costs. Our average cost of goods sold per unit case increased by 5.7% from €1.93 in 2010, to €2.04 in 2011, reflecting the impact of increased commodity prices primarily in PET resin, sugar and juice concentrate, partly offset by improved cost efficiencies in manufacturing and haulage.

The cost of concentrate purchased from The Coca-Cola Company, our most important raw material, increased from 21.3% of our net sales revenue in 2010, to 21.4% in 2011. Depreciation included in our cost of goods sold decreased from €218.9 million in 2010 to €201.9 million in 2011.

Gross profit

Our gross profit margin decreased to 37.9% in 2011, from 40.4% in 2010, as a result of a greater increase in the cost of goods sold compared to the increase in net sales revenue. On a unit case basis, gross profit decreased by approximately 4.7% in 2011 compared to the prior year.

Operating expenses

Our selling expenses include the cost of our sales force, direct marketing expenses and expenses relating to cold drink equipment. Delivery expenses consist primarily of the cost of our fleet of vehicles, distribution centers and warehouses through which we distribute a significant portion of our products, as well as fees charged by third party shipping agents. Also included in our selling, delivery and administrative expenses is depreciation, which is mainly of coolers, vehicles, distribution centers and warehouses and other non-production related items. The single most significant component of our operating expenses is the cost of our sales force.

In 2011, our selling expenses (including depreciation) amounted to €1,008.5 million, compared to €1,031.9 million in 2010. The ratio of selling expenses to net sales revenue decreased to 14.7% from 15.2% in 2010. The slight decrease in selling expenses reflects mainly the negative effect from foreign currency movements.

Delivery expenses (including depreciation), increased, in absolute terms, to €629.8 million in 2011 from €628.5 million in 2010, reflecting higher fuel and distribution expenses compared to 2010, which resulted in an increase in delivery expenses (including depreciation) of €1.3 million in 2011 compared to 2010.

Administrative expenses (including depreciation) amounted to €406.0 million in 2011, compared to €384.5 million in 2010. Administration expenses increased as a percentage of net sales revenue compared to 2010, from 5.7% in 2010 to 5.9% in 2011.

Stock option expenses amounted to €8.1 million in 2011, compared with €6.7 million in 2010. Amortization of intangible assets decreased from €6.8 million in 2010 to €3.2 million in 2011.

As part of our effort to optimize our cost base and sustain competitiveness in the market place, we undertook restructuring initiatives in 2011 which amounted to €71.5 million before taxes. Out of this amount, €49.9 million relates to employee related costs and €21.6 million relates to other restructuring expenses. These restructuring activities are expected to yield annualized benefits of €50 million from 2012 onwards. Restructuring initiatives in 2010 and 2011 resulted in total benefits of €44 million in 2011 in our cost of goods sold and operating expenses. We recorded €47.6 million, €17.6 million and €6.3 million of restructuring charges in our established, developing and emerging markets respectively, during 2011. These restructurings mainly concern employee costs, outsourcing of certain functions as well as closure of production facilities.

Operating profit

Operating profit decreased by 27.9% in 2011 mainly due to the higher raw material costs and the volume decline, as a result of the persisting economic challenges across most of our territories. The adverse raw material costs impact was partially offset by revenue growth management initiatives mainly in the second half of the year.

Finance income

Finance income increased from €7.4 million for 2010 to €9.8 million for 2011 due to higher cash balances maintained in 2011.

Finance costs

Finance costs increased from €83.1 million for 2010 to €96.1 million for 2011, largely due to the early refinancing of our €301.1 million notes that matured in July 2011, the charge of the ineffective portion of the derivatives related to the $900.0 million US dollar bonds amounting to a €6.6 million loss compared to a €1.0 million gain in 2010 and higher outstanding balances under our commercial paper program.

Loss on net monetary position

Belarus was considered to be a hyperinflation economy in the fourth quarter of 2011 as three-year cumulative inflation exceeded 100% and therefore Belarus is consolidated in terms of the measuring unit at the balance sheet date and translated at the closing exchange rate. The restatement was based on conversion factors derived from the Belarus Consumer Price Index (CPI) as compiled by the National Statistical Committee of the Republic of Belarus. The conversion factor used for December 2011 was 2.08 which resulted in a net monetary loss for 2011 of €7.8 million that was recorded in the income statement.

Share of results of equity method investments

The share of results of equity method investments primarily reflected the results of Frigoglass Industries Limited in which we hold an effective interest through a 23.9% interest held by Nigerian Bottling Company plc in 2011 and 2010. In September 2011, we purchased the remaining non-controlling interest in Nigerian Bottling Company plc and our interest increase to 100% compared to 66.4% that we held previously. In addition, the share of results of equity method investments reflects the results of Fonti del Vulture S.r.l., a joint venture engaged in the production of water products in Italy. The share of results of equity method investments decreased from an income of €2.5 million in 2010 to €1.2 million in 2011.

Tax

Our effective tax rate increased from 24% in 2010 to 27% in 2011. The increase of our effective tax rate in 2011 compared to 2010 is attributed to a combination of factors with positive or negative impact on our effective tax rate year-on-year movement. The overall increase was mainly attributable to limitations on the tax deductibility of certain expenses, the change in tax rates which impacted the deferred tax asset or deferred tax liability recognized in previous periods, and the utilization in prior years of tax benefits that were no longer available in 2011.

In particular, the limitation on tax deductibility of expenses in Russia and Ukraine led to a tax increase of €4.3 million in 2011 compared to 2010. The decrease of the corporate income tax rate in Greece from 24% to 20%, led to a decrease in the deferred tax asset of €1.2 million. Hyperinflationary accounting adopted by Belarus during 2011 led to increased taxable income and a corresponding increase of approximately €4.3 million in our current income tax expense. In addition, the utilization of certain tax benefits in 2010 (that were no longer available in 2011) had the effect of reducing our Group effective tax rate in 2010, and contributed to the change in our effective tax rates in 2011 compared to 2010. The tax benefits in 2010 that were not available in 2011 include the utilization of losses not previously recognized for tax purposes that led to recognition of a previously unrecognized deferred tax asset on those tax losses in Austria and the utilization of expenses not previously allowed for deduction in Russia.

The decrease of our effective income tax rate in 2010 compared to 2009 was mainly attributable to the recognition of a deferred tax asset of €10.2 million on losses that had previously not been recognized on our acquisition of Coca-Cola Beverages Austria GmbH. Furthermore, the current tax expense in 2010 was decreased by €2.0 million compared to 2009, reflecting the benefit obtained pursuant to tax incentives legislation applying in some of the tax jurisdictions in which we operate.

On December 10, 2009, the Greek government introduced a special tax defined as "Extra Contribution of Social Responsibility by the Large Companies" pursuant to Law 3808/2009. This law provided for a special additional tax on 2008 total net income. As a result, we recorded a tax charge of €19.8 million in 2009.

Pursuant to Article 5 of Law 3845/2010, on May 6, 2010, the Greek government imposed an "Extraordinary Contribution of Social Responsibility" on net income for the fiscal year ended December 31, 2009. The amount of the "Extraordinary Contribution of Social Responsibility" assessed for 2009 was €21.2 million, which we recorded as a tax charge in 2010.

Profit after tax attributable to non-controlling interests

Profit after tax attributable to non-controlling interests decreased by 67.8% from €12.1 million in 2010 to €3.9 million in 2011. The decrease was due to our purchase of the minority interest in Nigerian Bottling Company plc, our operating company in Nigeria, which was listed on the Nigerian Stock Exchange, as well as from the minority shareholders' interests in our operations in the Former Yugoslav Republic of Macedonia and Serbia during 2011.

Profit after tax attributable to owners of the parent

Profit after tax attributable to owners of the parent was €268.9 million in 2011, as compared to €426.6 million in 2010. The €157.7 million decrease primarily reflects the net impact of decreased operating profit, partly offset by lower taxes and reduced share of profit attributed to non-controlling interests.

Adjusted EBITDA

In 2011, our adjusted EBITDA decreased by 16.6% over 2010 as a result of the same performance factors that contributed to the decrease of our operating profit.

Year ended December 31, 2010 compared to year ended December 31, 2009

The following table shows certain consolidated income statement and other financial data, as well as the change in percentage terms, from the year ended December 31, 2009 to the year ended December 31, 2010.

	2010[1]	2009[1]	Change
	(euro in millions except unit case volume in millions)		%
Net sales revenue	6,793.6	6,543.6	3.8
Cost of goods sold	(4,048.6)	(3,904.7)	3.7
Gross profit	2,745.0	2,638.9	4.0
Operating expenses	(2,058.4)	(1,984.2)	3.7
Restructuring costs	(36.7)	(44.9)	(18.3)
Other items	—	32.8	n/a
Operating profit	649.9	642.6	1.1
Finance income	7.4	9.4	(21.3)
Finance costs	(83.1)	(82.2)	1.1
Finance costs (net)	(75.7)	(72.8)	4.0
Share of results of equity method investments	2.5	(1.9)	(231.6)
Profit before tax	576.7	567.9	1.5
Tax	(138.0)	(142.9)	(3.4)
Profit after tax	438.7	425.0	3.2
Attributable to:			
Non-controlling interests	12.1	22.4	(46.0)
Owners of the parent	426.6	402.6	6.0
	438.7	425.0	3.2
Adjusted EBITDA	1,051.5	1,023.1	2.8
Unit case volume	2,100.0	2,069.3	1.5

(1) 2010 and 2009 figures have been restated where necessary to reflect changes in accounting policy as detailed in Item 18, “Financial Statements—Notes to Consolidated Financial Statements—Changes in accounting policy”.

The following table shows certain income statement and other financial data for the years ended December 31, 2010 and December 31, 2009, expressed in each case as a percentage of net sales revenue.

	2010[(1)]	2009[(1)]
Net sales revenue	100.0	100.0
Cost of goods sold	(59.6)	(59.7)
Gross profit	40.4	40.3
Operating expenses	(30.3)	(30.3)
Operating profit	9.6	9.8
Adjusted EBITDA	15.5	15.6

(1) 2010 and 2009 figures have been restated where necessary to reflect changes in accounting policy as detailed in Item 18, "Financial Statements—Notes to Consolidated Financial Statements—Changes in accounting policy".

Volume

In 2010, our sales volume increased by 30.7 million unit cases, or 1.5%, compared to 2009. Our established countries segment made a negative contribution of 25.0 million unit cases, whereas our developing and emerging countries made a positive contribution of 3.4 million unit cases and 52.3 million unit cases, respectively.

In our established countries segment unit case volume declined by 3.4% in 2010. In Italy, volume declined by 2.2%, representing a decrease of 7.3 million unit cases due to the adverse impact on sales in the immediate consumption channels from economic conditions and poor consumer sentiment. In Greece, volume declined by 18.5 million unit cases, or 11.5% as the austerity measures negatively impacted consumer purchasing power and demand. In Switzerland, volume increased by 3.6 million unit cases, or 4.5%. This increase was strongly driven by the listing of our products with the largest retailer in Switzerland, which historically had only carried private label products.

In our developing countries segment unit case volume increased by 0.9% in 2010. Volume in Poland increased by 0.9 million unit cases, or 0.5%. In Hungary, volume declined by 2.5% representing a decrease of 2.2 million unit cases due to unfavorable economic conditions. Volume in the Czech Republic increased by 3.9 million unit cases, or 7.2%. In the remaining developing countries, volume increased by 0.8 million unit cases.

In our emerging countries segment unit case volume increased by 5.6% in 2010. Volume in the Russian Federation increased by 13.7%, or 41.2 million unit cases, in 2010 as a result of improved consumer sentiment increasing purchasing power and declining unemployment levels. Our successful implementation of targeted activation programs during the holiday season, together with increased marketing investments and exceptionally hot weather in summer also contributed to our performance. Unit case volume in Nigeria grew by 4.6% in 2010, representing an increase of 8.1 million cases and reflecting solid growth in the sparkling beverages category. Unit case volume in Romania declined by 3.6% in 2010, as declining GDP and a VAT increase in the middle of the year depressed consumer sentiment.

Net sales revenue

Net sales revenue increased by €250.0 million in 2010 compared with 2009, primarily reflecting volume growth and positive currency impact, partly offset by adverse impact from pricing and category mix. Net sales revenue per unit case increased by approximately 2% in 2010.

In our established countries net sales revenue decreased by €93.2 million in 2010 compared with 2009, as lower volume and unfavorable category and package mix more than offset the positive currency movements. Net sales revenue in Greece and Italy decreased by €109.5 million and €31.1 million respectively following the decline in volume and the unfavorable product mix. Net sales revenue in Switzerland increased by €50.1 million, reflecting the impact of an improved economic environment, the listing of Trademark Coca-Cola with one of the largest retail chains in the country and the appreciation of the Swiss franc against the euro.

In our developing countries segment, net sales revenue decreased by €9.1 million compared with 2009, reflecting adverse product mix mainly coming from the ongoing changes in the Polish retail environment.

In our emerging countries segment, net sales revenue increased by €352.3 million compared with 2009. Net sales revenue in the Russian Federation increased by €260.5 million, and in Nigeria by €82.6 million as a result of higher volumes, better pricing and product mix and favorable currency movements. Net sales revenue in Romania declined by €27.1 million mainly as a result of lower volume.

Overall pricing, in terms of net sales revenue per unit case increased to €3.24 in 2010 compared with €3.16 in 2009.

Cost of goods sold

Our cost of goods sold per unit case increased by 2.1% from €1.89 in 2009, to €1.93 in 2010, reflecting higher commodity costs and the foreign currency effects of a weaker euro, partly offset by improved cost efficiencies in manufacturing and haulage.

The cost of concentrate purchased from The Coca-Cola Company, our most important raw material, increased from 20.9% of our net sales revenue in 2009, to 21.2% in 2010. Depreciation included in our cost of goods sold increased from €190.9 million in 2009 to €218.9 million in 2010.

Gross profit

Our gross profit margin improved slightly to 40.4% in 2010, from 40.3% in 2009, as a result of an increase in the cost of goods sold slightly lower to the increase in net sales revenue. On a unit case basis, gross profit increased by approximately 2% in 2010 compared to the prior year.

Operating expenses

In 2010, our selling costs (including depreciation) amounted to €1,031.9 million, compared to €968.1 million in 2009. The ratio of selling costs over net sales revenue increased to 15.2% from 14.8% in 2009. The increase in operating expenses reflects our increased investment behind our brands to strengthen our position in the market place as well as a negative effect from currency movements.

Delivery costs (including depreciation), increased, in absolute terms, to €628.5 million in 2010 from €602.8 million in 2009, reflecting higher fuel and warehouse costs compared to 2009, which resulted in an increase in delivery costs (including depreciation) per unit case, from €0.29 in 2009 to €0.30 in 2010.

Administrative expenses (including depreciation) amounted to €384.5 million in 2010, compared to €393.5 million in 2009. Administration costs slightly decreased as a percentage of net sales revenue compared to 2009, from 6.0% in 2009 to 5.7% in 2010.

Stock option expenses amounted to €6.7 million in 2010, compared with €6.4 million in 2009. Amortization of intangible assets increased from €4.7 million in 2009 to €6.8 million in 2010.

As part of our effort to optimize our cost base and sustain competitiveness in the market place, we undertook restructuring initiatives in 2010 which amounted to €36.7 million before taxes. These restructuring activities are expected to deliver benefits in the form of reduced costs in cost of goods sold and operating expenses, as well as improved cash flows of €35 - €40 million from 2011 onwards. We recorded €25.7 million, €2.3 million and €8.7 million of restructuring charges in our established, developing and emerging markets respectively, during 2010. Such restructurings mainly concern employee costs, outsourcing of certain functions as well as closure of production facilities.

Other items

On December 19, 2008, we announced that a production plant in Benin City, Nigeria, which was owned by Nigerian Bottling Company plc in which we had a 66.4% interest, had been substantially damaged by fire. An impairment charge was recorded in December 2008 on certain assets totaling €15.8 million. Of this impairment charge, €9.8 million related to impairment of property, plant and equipment, and €4.5 million related to the impairment of inventory balances. During 2009, €32.8 million was received from our insurers.

Operating profit

Operating profit increased by 1.1% in 2010 as higher volume and positive currency movements were only partly offset by the adverse product mix, lower pricing and higher commodity costs.

Finance income

Finance income decreased from €9.4 million for 2009 to €7.4 million for 2010, as a result of lower interest rates on our invested cash balances in 2010.

Finance costs

Finance costs increased slightly from €82.2 million for 2009 to €83.1 million for 2010, as a result of higher interest expenses due to the conversion from lower floating interest rates to higher fixed interest rates during the year more than offsetting the impact of on average lower debt balances in 2010. The conversion from floating to fixed rate terms was achieved when we restructured the interest rate terms of outstanding cross currency swap contracts relating to the $400.0 million US bonds and by unwinding outstanding fixed to floating interest rate swap contracts with an aggregate notional amount of €792.5 million. An amount of €1.7 million was charged to the income statement during 2010 as a result of our repurchase of an aggregate amount of Notes equal to €198.9 million, being a portion of the €500.0 million fixed rate bond due in 2011.

Share of results of equity method investments

The share of results of equity method investments primarily reflected the results of Frigoglass Industries Limited in which the group holds an effective interest through a 23.9% interest held by Nigerian Bottling Company plc, in which we have a 66.4% interest and Fonti del Vulture S.r.l., a joint venture engaged in the production of water products in Italy. The share of results of equity method investments increased from a loss of €1.9 million in 2009 to an income of €2.5 million in 2010.

Tax

Our effective tax rate decreased from 25% in 2009 to 24% in 2010. This decrease was mainly attributable to the recognition of a deferred tax asset on losses that had previously not been recognized on acquisition of Coca-Cola Beverages Austria GmbH of €10.2 million.

Pursuant to Article 5 of Law 3845/2010, on May 6, 2010, the Greek government by virtue of Article 5 of Law 3845/2010 imposed an 'Extraordinary Contribution of Social Responsibility' on net income for the fiscal year ended December 31, 2009. The amount of the 'Extraordinary Contribution of Social Responsibility' assessed for 2009 was €21.2 million, which we recorded as a tax charge in 2010.

On December 10, 2009, the Greek government introduced a special tax defined as 'Extra Contribution of Social Responsibility by the Large Companies' pursuant to Law 3808/2009. This law provided for a special additional tax on 2008 total net income. As a result, we recorded a tax charge of €19.8 million in 2009.

Profit after tax attributable to non-controlling interests

Profit after tax attributable to non-controlling interests consists primarily of the minority shareholders' 33.6% interest in Nigerian Bottling Company plc, our operating company in Nigeria, which was listed on the Nigerian Stock Exchange, as well as from the minority shareholders' interests in our operations in the Former Yugoslav Republic of Macedonia, Bulgaria and Serbia of 44.7%, 14.6% and 8.8% respectively. Profit after tax attributable to non-controlling interests decreased from €22.4 million in 2009 to €12.1 million in 2010, as a consequence of the net profit decrease of our Nigerian operation and the decrease of minority shareholders' interest in our operations in Serbia.

Profit after tax attributable to owners of the parent

Profit after tax attributable to owners of the parent was €426.6 million in 2010, as compared to €402.6 million in 2009. The €24.0 million increase primarily reflects the net impact of increased operating profit, lower taxes and reduced non-controlling interests.

Adjusted EBITDA

In 2010, our adjusted EBITDA increased by 2.8% over 2009 as a result of the same performance factors that contributed to the increase of our operating profit.

Reporting segments

Year ended December 31, 2011 compared to year ended December 31, 2010

The following table provides certain financial information for our three reporting segments, as well as our corporate center, for each of the two years ended December 31, in each case, both in absolute numbers and as a percentage of our total corresponding to each line item of this table. Internally, our management uses operating profit as the main measure in order to allocate resources and evaluate the performance of each of our reporting segments. There are no material amounts of product sales or transfers between our countries. The elimination of inter-segment assets reflects loans from our financing subsidiaries to our various operating companies to cover a portion of our operating companies' funding requirements.

	Year ended December 31, 2011		Year ended December 31, 2010[(1)]	
	(euro in millions except unit case volume in millions)	%	(euro in millions except unit case volume in millions)	%
Established countries				
Unit case volume	699.5	33.6	718.2	34.2
Net sales revenue	2,807.0	41.0	2,834.6	41.7
Operating profit	208.7	44.5	268.9	41.4
Depreciation and impairment of property, plant and equipment	136.9	34.6	132.2	34.1
Stock option expense	2.8	34.5	2.4	35.8
Amortization and adjustment of intangible assets	0.8	25.0	4.5	63.4
Other items	0.5	38.4	—	—
Adjusted EBITDA	349.7	39.9	408.0	38.8
Developing countries				
Unit case volume	399.7	19.2	391.7	18.7
Net sales revenue	1,161.5	16.9	1,140.0	16.8
Operating profit	58.4	12.5	89.2	13.7
Depreciation and impairment of property, plant and equipment	80.4	20.3	73.0	18.8
Stock option expense	1.6	19.8	1.2	17.9
Amortization and adjustment of intangible assets	0.4	12.5	0.5	7.0
Other items	0.3	23.1	—	—
Adjusted EBITDA	141.1	16.1	163.9	15.6
Emerging countries				
Unit case volume	984.2	47.2	990.1	47.1
Net sales revenue	2,885.8	42.1	2,819.0	41.5
Operating profit	201.3	43.0	291.8	44.9
Depreciation and impairment of property, plant and equipment	178.4	45.1	182.6	47.1
Stock option expense	3.7	45.7	3.1	46.3
Amortization and adjustment of intangible assets	2.0	62.5	2.1	29.6
Other items	0.5	38.5	—	—
Adjusted EBITDA	385.9	44.0	479.6	45.6
Total				
Unit case volume	2,083.4	100.0	2,100.0	100.0
Net sales revenue	6,854.3	100.0	6,793.6	100.0
Operating profit	468.4	100.0	649.9	100.0
Depreciation and impairment of property, plant and equipment	395.7	100.0	387.8	100.0
Stock option expense	8.1	100.0	6.7	100.0
Amortization and adjustment of intangible assets	3.2	100.0	7.1	100.0
Other items	1.3	100.0	—	100.0
Adjusted EBITDA	876.7	100.0	1,051.5	100.0

(1) Comparative figures have been restated where necessary to reflect changes in accounting policy as detailed in Item 18, "Financial Statements—Notes to Consolidated Financial Statements—Changes in accounting policy".

Established countries

The following table shows our volume performance for the year ended December 31, 2011 as compared to the year ended December 31, 2010:

	2011	2010	Change	Change
	(in millions of unit cases)			%
Italy	320.3	323.0	(2.7)	(0.8)
Greece	126.0	143.0	(17.0)	(11.9)
Switzerland	85.4	84.0	1.4	1.7
Austria	76.8	76.9	(0.1)	(0.1)
The Republic of Ireland and Northern Ireland	75.5	75.2	0.3	0.4
Cyprus	15.5	16.1	(0.6)	(3.7)
	699.5	718.2	(18.7)	(2.6)

Unit case volume in our established countries segment was 699.5 million in 2011, a decrease of 2.6% over 2010. In Italy, volume declined by 0.8%, representing a decrease of 2.7 million unit cases as deteriorating economic conditions negatively impacted consumer confidence and household spending. In Greece, volume declined by 11.9%, or 17.0 million unit cases, as the austerity measures negatively impacted consumer purchasing power and demand. In Switzerland, volume increased by 1.4 million unit cases, or 1.7%. This was primarily due to the improved volume performance of Coca-Cola brand in one of the largest retailers in Switzerland and the strong performance of Nestea across the market. These developments led to a positive category and package mix. In our remaining established countries, volume decreased by 0.4 million unit cases.

Our operations in established countries contributed €349.7 million to our adjusted EBITDA for the year 2011, representing a 14.3% decrease compared to 2010.

In 2011, our established countries achieved an operating profit of €208.7 million compared to an operating profit of €268.9 million in 2010, mainly because of an operating profit decline in Greece. Positive price, product mix and favorable foreign currency movements were more than offset by lower sales volume and increased raw material costs.

Developing countries

The following table shows our volume performance for the year ended December 31, 2011 as compared to the year ended December 31, 2010:

	2011	2010	Change	Change
	(in millions of unit cases)			%
Poland	173.5	168.6	4.9	2.9
Hungary	86.1	85.1	1.0	1.2
Czech Republic	58.4	58.2	0.2	0.3
Croatia	26.8	27.3	(0.5)	(1.8)
Slovakia	25.4	24.2	1.2	5.0
Baltic countries	22.5	21.5	1.0	4.7
Slovenia	7.0	6.8	0.2	2.9
	399.7	391.7	8.0	2.0

Unit case volume in our developing countries segment was 399.7 million in 2011, an increase of 2.0% over 2010. Volume in Poland increased by 4.9 million unit cases, or 2.9% driven by significant increases in our sparkling beverages, energy and tea categories that increased by 10.1%, 18.2% and 6.8%, respectively, compared to prior year.

In Hungary, volume increased by 1.2% representing an increase of 1.0 million unit cases as a result of the intensified promotion calendar, despite the challenging macro-economic conditions and the recently imposed tax on consumption of beverages with sugar and caffeine content higher than a specific amount. Volume in the Czech Republic increased by 0.2 million unit cases, or 0.3%. In the remaining developing countries, volume increased by 1.9 million unit cases.

Our operations in developing countries contributed €141.1 million to our adjusted EBITDA in 2011, 13.9% below 2010.

In 2011, our developing countries achieved an operating profit of €58.4 million compared to an operating profit of €89.2 million in 2010, representing a decrease of 34.5%, reflecting the effect of adverse product mix and higher commodity costs. These effects were only partly offset by the higher sales volume.

Emerging countries

The following table shows our volume performance for the year ended December 31, 2011 as compared to the year ended December 31, 2010:

	2011	2010	Change	Change
	(in millions of unit cases)			%
Russian Federation	335.9	341.0	(5.1)	(1.5)
Nigeria	185.2	183.9	1.3	0.7
Romania	160.7	167.8	(7.1)	(4.2)
Ukraine	93.6	101.9	(8.3)	(8.1)
Serbia and Montenegro	83.0	76.3	6.7	8.8
Bulgaria	56.3	58.4	(2.1)	(3.6)
Belarus	29.5	24.4	5.1	20.9
Bosnia and Herzegovina	17.9	16.6	1.3	7.8
Former Yugoslav Republic of Macedonia	10.0	8.6	1.4	16.3
Armenia	6.6	6.4	0.2	3.1
Moldova	5.5	4.8	0.7	14.6
	984.2	990.1	(5.9)	(0.6)

Unit case volume in our emerging countries segment decreased by 0.6% in 2011. Volume in the Russian Federation decreased by 1.5%, or 5.1 million unit cases, in 2011 due to weak real disposable income growth and the strengthening of value brands. In addition, the exceptionally hot prior year summer set a very high base for year-on-year comparison. Unit case volume in Nigeria grew by 0.7% in 2011 reflecting solid growth in the sparkling beverages category as well as the juice category. Unit case volume in Romania declined by 4.2% in 2011, as challenging economic conditions, including the implementation of strict austerity measures, had an adverse impact on consumer demand.

Our operations in emerging countries contributed €385.9 million to our adjusted EBITDA in 2011, 19.5% below 2010.

In 2011, our emerging countries achieved an operating profit of €201.3 million compared to an operating profit of €291.8 million in 2010, a decrease of 31.0%. The benefit from our revenue growth initiatives was more than offset by higher raw material prices and unfavorable foreign currency movements.

Year ended December 31, 2010 compared to year ended December 31, 2009

The following table provides certain financial information for our three reporting segments, as well as our corporate center, for each of the two years ended December 31, in each case, both in absolute numbers and as a percentage of our total corresponding to each line item of this table. Internally, our management uses operating profit as the main measure in order to allocate resources and evaluate the performance of each of our business segments. There are no material amounts of product sales or transfers between our countries. The elimination of inter-segment assets reflects loans from our financing subsidiaries to our various operating companies to cover a portion of our operating companies' funding requirements.

	Year ended December 31, 2010[1]		Year ended December 31, 2009[1]	
	(euro in millions except unit case volume in millions)	%	(euro in millions except unit case volume in millions)	%
Established countries				
Unit case volume	718.2	34.2	743.2	35.9
Net sales revenue	2,834.6	41.7	2,927.8	44.7
Operating profit	268.9	41.4	301.2	46.9
Depreciation of property, plant and equipment	132.2	34.1	122.3	33.9
Stock option expense	2.4	35.8	2.2	34.4
Amortization and adjustment of intangible assets	4.5	63.4	3.6	52.2
Other items	—	—	—	—
Adjusted EBITDA	408.0	38.8	429.3	42.0
Developing countries				
Unit case volume	391.7	18.7	388.3	18.8
Net sales revenue	1,140.0	16.8	1,149.1	17.6
Operating profit	89.2	13.7	86.3	13.4
Depreciation of property, plant and equipment	73.0	18.8	77.0	21.4
Stock option expense	1.2	17.9	1.2	18.7
Amortization and adjustment of intangible assets	0.5	7.0	0.5	7.2
Other items	—	—	—	—
Adjusted EBITDA	163.9	15.6	165.0	16.1
Emerging countries				
Unit case volume	990.1	47.1	937.8	45.3
Net sales revenue	2,819.0	41.5	2,466.7	37.7
Operating profit	291.8	44.9	255.1	39.7
Depreciation of property, plant and equipment	182.6	47.1	161.4	44.7
Stock option expense	3.1	46.3	3.0	46.9
Amortization and adjustment of intangible assets	2.1	29.6	2.8	40.6
Other items	—	—	6.5	100.0
Adjusted EBITDA	479.6	45.6	428.8	41.9
Total				
Unit case volume	2,100.0	100.0	2,069.3	100.0
Net sales revenue	6,793.6	100.0	6,543.6	100.0
Operating profit	649.9	100.0	642.6	100.0
Depreciation of property, plant and equipment	387.8	100.0	360.7	100.0
Stock option expense	6.7	100.0	6.4	100.0
Amortization and adjustment of intangible assets	7.1	100.0	6.9	100.0
Other items	—	100.0	6.5	100.0
Adjusted EBITDA	1,051.5	100.0	1,023.1	100.0

(1) Comparative figures have been restated where necessary to reflect changes in accounting policy as detailed in Item 18, "Financial Statements—Notes to Consolidated Financial Statements—Changes in accounting policy".

Established countries

The following table shows our volume performance for the year ended December 31, 2010 as compared to the year ended December 31, 2009:

	2010	2009	Change	Change
	(in millions of unit cases)			%
Italy	323.0	330.3	(7.3)	(2.2)
Greece	143.0	161.5	(18.5)	(11.5)
Switzerland	84.0	80.4	3.6	4.5
Austria	76.9	77.2	(0.3)	(0.4)
The Republic of Ireland and Northern Ireland	75.2	76.5	(1.3)	(1.7)
Cyprus	16.1	17.3	(1.2)	(6.9)
	718.2	743.2	(25.0)	(3.4)

Unit case volume in our established countries segment was 718.2 million in 2010, a decrease of 3.4% over 2009. In Italy, volume declined by 2.2%, representing a decrease of 7.3 million unit cases. This was primarily due to an adverse impact on sales in the immediate consumption channels from economic conditions and poor consumer sentiment. In Greece, volume declined by 11.5%, or 18.5 million unit cases, as the austerity measures negatively impacted consumer purchasing power and demand. In Switzerland, volume increased by 3.6 million unit cases, or 4.5%. The listing of our products with the largest retailer in Switzerland, which historically had only carried private label products, contributed to such increase. In our remaining established countries, volume remained at the levels of 2009.

Our operations in established countries contributed €408.0 million to our adjusted EBITDA for the year 2010, representing a 5.0% decrease compared to 2009.

In 2010, our established countries achieved an operating profit of €268.9 million compared to an operating profit of €301.2 million in 2009 as lower volume, unfavorable category and package mix more than offset the positive impact from realized cost savings, lower cost of goods sold and positive currency movements.

Developing countries

The following table shows our volume performance for the year ended December 31, 2010 as compared to the year ended December 31, 2009:

	2010	2009	Change	Change
	(in millions of unit cases)			%
Poland	168.6	167.7	0.9	0.5
Hungary	85.1	87.3	(2.2)	(2.5)
Czech Republic	58.2	54.3	3.9	7.2
Croatia	27.3	28.4	(1.1)	(3.9)
Slovakia	24.2	22.5	1.7	7.6
Baltic countries	21.5	21.4	0.1	0.5
Slovenia	6.8	6.7	0.1	1.5
	391.7	388.3	3.4	0.9

Unit case volume in our developing countries segment was 391.7 million in 2010, an increase of 0.9% over 2009. Volume increased in Poland by 0.9 million unit cases and in Czech Republic by 3.9 million unit cases. In Hungary, unfavorable economic conditions contributed to volume declining by 2.2 million unit cases. In our remaining developing countries, volume increased by 0.8 million unit cases.

Our operations in developing countries contributed €163.9 million to our adjusted EBITDA in 2010, 0.7% below 2009.

In 2010, our developing countries achieved an operating profit of €89.2 million compared to an operating profit of €86.3 million in 2009, representing an increase of 3.4%, reflecting the effect of higher volume, adverse mix and significant unfavorable currency movements, particularly in Poland and Hungary. These effects were only partly offset by a reduction in operating costs, increased pricing and lower commodity costs.

Emerging countries

The following table shows our volume performance for the year ended December 31, 2010 as compared to the year ended December 31, 2009:

	2010	2009	Change	Change
	(in millions of unit cases)			%
Russian Federation	341.0	299.8	41.2	13.7
Nigeria	183.9	175.8	8.1	4.6
Romania	167.8	174.1	(6.3)	(3.6)
Ukraine	101.9	93.7	8.2	8.8
Serbia and Montenegro	76.3	74.6	1.7	2.3
Bulgaria	58.4	64.1	(5.7)	(8.9)
Belarus	24.4	19.6	4.8	24.5
Bosnia and Herzegovina	16.6	17.1	(0.5)	(2.9)
Former Yugoslav Republic of Macedonia	8.6	8.8	(0.2)	(2.3)
Armenia	6.4	5.8	0.6	10.3
Moldova	4.8	4.4	0.4	9.1
	990.1	937.8	52.3	5.6

Unit case volume in our emerging countries segment increased 5.6% in 2010. Volume in the Russian Federation increased 13.7% in 2010 as a result of improved consumer sentiment, increasing purchasing power and declining unemployment levels. Our successful implementation of targeted activation programs during the holiday season, together with increased marketing investments and exceptionally hot weather in summer also contributed to our performance. Unit case volume in Nigeria grew by 4.6% in 2010 reflecting solid growth in the sparkling beverages category as well as the juice category. Unit case volume in Romania declined by 3.6% in 2010, as declining GDP and a VAT increase in the middle of the year depressed consumer sentiment.

Our operations in emerging countries contributed €479.6 million to our adjusted EBITDA in 2010, 11.8% above 2009.

In 2010, our emerging countries achieved an operating profit of €291.8 million compared to an operating profit of €255.1 million in 2009, an increase of 14.4%. The benefit from higher volume, better pricing and category mix and favorable currency movements more than offset higher raw material prices and increased operating expenses.

B. Liquidity and capital resources

Our sources of capital include, but are not limited to, cash flows from operations, the issuance of debt, syndicated loan facility and the issuance of equity securities. We believe that available short-term and long-term capital resources are sufficient to fund our financial commitments and operating needs.

Cash flows from operating activities

Our cash flows provided by operating activities from the year ended December 31, 2009 to the year ended December 31, 2011 are as follows:

	2011	2010[(1)]	2009[(1)]
	(euro in millions)		
Operating profit	468.4	649.9	642.6
Depreciation, impairment, amortization and other non-cash items	411.0	414.8	391.0
Working capital changes	55.9	64.2	52.9
Tax paid	(89.6)	(141.0)	(89.3)
Net cash from operating activities	**845.7**	**987.9**	**997.2**

(1) Comparative figures have been restated where necessary to reflect changes in accounting policy as detailed in Item 18, "Financial Statements—Notes to Consolidated Financial Statements—Changes in accounting policy".

Our primary source of cash flow is funds generated from operations. In 2011, cash flow from operating activities decreased by 14.4% due to the decrease in operating profit that was partly offset by the decreased tax payments and the improved working capital management. In 2010, the decrease in net cash provided by operating activities amounted only to €9.3 million compared with 2009 despite the significantly increased tax payments as a result of the improved operating results and working capital management.

Cash flows used in investing activities

Our cash flows used in investing activities from the year ended December 31, 2009 to the year ended December 31, 2011 are as follows:

	2011	2010	2009
	(euro in millions)		
Payments for purchases of property, plant and equipment	(370.8)	(376.2)	(383.9)
Payments for purchases of intangible assets	—	(15.8)	(0.5)
Proceeds from sales of property, plant and equipment	10.9	12.0	18.2
Net receipts from (payments for) investments	3.0	7.2	(4.7)
Interest received	9.9	7.3	10.5
Net receipts from disposal of subsidiaries	13.1	—	—
Net payments for acquisition of joint venture	(2.5)	—	—
Net refunds from acquisitions	—	—	17.5
Net cash used in investing activities	**(336.4)**	**(365.5)**	**(342.9)**

Purchases of property, plant and equipment accounted for our most significant cash outlay for investing activities in each of the three years ended December 31. We focus our capital investment on the most profitable areas of the business, such as marketing equipment and immediate consumption packaging. We continue to redeploy plant and equipment within our group where possible, thus minimizing cash outflows and improving our returns on existing assets.

Set forth below are our purchases of non-current assets in our three business segments for the period from the year ended December 31, 2009 to the year ended December 31, 2011. We have also set forth these capital expenditures as a percentage of our total capital expenditure in the relevant period.

	2011		2010		2009	
	(euro in millions)	%	(euro in millions)	%	(euro in millions)	%
Business segment						
Established countries	118.8	32.1	123.2	31.4	96.6	25.1
Developing countries	46.5	12.5	61.0	15.6	48.8	12.7
Emerging countries	205.5	55.4	207.8	53.0	239.0	62.2
Total purchases of non-current assets	**370.8**	**100.0**	**392.0**	**100.0**	**384.4**	**100.0**

Purchases of non-current assets totaled €370.8 million in 2011. Of this, 36.3% was related to investment in production equipment and facilities and 26.0% to the acquisition of marketing equipment. The purchases decreased by €21.2 million, or 5.4%, in 2011 compared to 2010. Purchases of non-current assets totaled €392.0 million in 2010. Of this, 48.6% was related to investment in production equipment and facilities and 19.3% to the acquisition of marketing equipment. There was only a slight increase of €7.6 million, or 2.0%, in purchases in 2010 compared to 2009.

The net payments for acquisition of joint venture of €2.5 million in 2011 is related to the joint acquisition of all outstanding shares of MS Foods UAB with TCCC through Multon ZAO. Cash refunds from acquisitions of €17.5 million in 2009 relate to a refund of certain purchase consideration regarding the acquisition of Socib S.p.A.

Cash flows used in financing activities

Our cash flows provided by financing activities from the year ended December 31, 2009 to the year ended December 31, 2011 are as follows:

	2011	2010	2009
	(euro in millions)		
Return of capital to shareholders	(181.5)	—	(546.3)
Payments of expenses related to the share capital increase	(6.0)	—	(6.0)
Share buy-back payments	—	(42.3)	(16.6)
Purchase of shares held by non-controlling interests	(114.0)	(3.7)	—
Proceeds from shares issued to employees exercising stock options	4.7	5.7	1.8
Dividends paid to owners of the parent	—	(102.0)	(102.3)
Dividends paid to non-controlling interests	(6.5)	(7.0)	(5.3)
Proceeds from external borrowings	1,494.8	927.1	1,199.8
Repayments of external borrowings	(1,387.6)	(1,191.0)	(1,508.0)
Principal repayments of finance lease obligations	(48.1)	(75.2)	(85.3)
Proceeds from sale of interest rate swaps attributable to fair value	—	33.0	—
Interest paid	(109.1)	(72.3)	(75.1)
Net cash used in from financing activities	**(353.3)**	**(527.7)**	**(1,143.3)**

On May 6, 2011 the Annual General Meeting of shareholders resolved to reorganize its share capital. Our share capital increased by an amount equal to €549.7 million. The increase was performed by capitalizing the share premium reserve and increasing the nominal value of each share from €0.50 to €2.00. Our share capital was subsequently decreased by an amount equal to €183.2 million by decreasing the nominal value of each share from €2.00 to €1.50, and distributing such €0.50 per share difference to shareholders in cash.

On September 18, 2009, we announced proposals for a re-capitalization, which resulted in a capital return of €548.1 million to our shareholders, i.e. €1.50 per share. At the extraordinary general meeting held on October 16, 2009, our shareholders approved an increase of our share capital by €548.1 million, through the partial capitalization of share premium and an increase in the nominal value of each share by €1.50 per share. At the same extraordinary general meeting, our shareholders also approved the decrease of our share capital by € 548.1 million, through a reduction of the nominal value of the shares by €1.50 per share and an equal amount of capital was returned to the shareholders in cash. Following shareholder and regulatory approval, we realized the capital return on December 2, 2009. The capital return was financed through a combination of accumulated cash and new debt.

On April 30, 2009, our board of directors authorized a buy-back program for a maximum of up to 5% of our paid-in share capital during the 24-month period from the date of the Extraordinary General Meeting of April 27, 2009 which approved a share buy-back program pursuant to Article 16 of Codified Law 2190/1920 (i.e. until April 26, 2011). Based on our capitalization at that date, the maximum amount that might have been bought back pursuant to the program is 18,270,104 shares. Purchases under the program were subject to a minimum purchase price of €1.00 per share and a maximum purchase price of €20.00 per share. Applicable law does not specify the extent of implementation of such approved share buy-back programs. The buy-back program expired on April 26, 2011. During the period from April 30, 2009 to April 26, 2011, the Company purchased 3,430,135 ordinary shares pursuant to the share buy-back program, with a value of €55.5 million.

During 2011, we acquired the remaining non-controlling interests in Nigerian Bottling Company plc and Coca-Cola HBC—Srbija d.o.o bringing our interest in these subsidiaries to 100%. In addition, during 2011 we increased our share in A.D. Pivara Skopje, which we jointly control with Heineken, by acquiring together with Heineken the 41.2% of the remaining non-controlling interests. After the acquisition we own 48.24% of the voting rights of A.D. Pivara Skopje as compared to 27.64% in 2010 and control jointly with Heineken 96.48% of voting rights in A.D. Pivara Skopje. The payments performed in 2011 for the purchase of the shares held by non-controlling interests amounted to €114.0 million.

Proceeds and repayments of external borrowings include both short-term and long-term financing activities.

During 2011 the net proceeds from external borrowings were €107.2 million. On March 2, 2011, we completed the successful offering of an additional €300 million 4.25% fixed rate notes to be consolidated and form a single series with the existing €300 million 4.25% fixed rate notes due November 16, 2016 issued on November 16, 2009. The proceeds of the issue were used to repay the maturity of the existing €301.1 million notes due on July 15, 2011. The net proceeds from the commercial paper issuance were €123 million in 2011. The outstanding amount under the commercial paper program at December 31, 2011 was €250.0 million compared to €127.0 million in 2010.

We repaid a net amount of €263.9 million in external borrowings in 2010. On December 14, 2010 we repaid an aggregate principal amount of fixed rate notes equal to €198.9 million, being a portion of the €500.0 million fixed rate bond due in July 2011.

The net repayments of external borrowings in 2009 were €308.2 million and represent mainly the repayment of the €350.0 million bond that matured in March 2009, as well as the reduction in the outstanding borrowings under the commercial paper program by €201.5 million, which were partly offset by the €300.0 million bond issued in November 2009.

During 2010, we adjusted our interest rate profile to reduce exposure to fluctuations in Euribor so as to stabilize future interest expenses. This was executed by restructuring the interest rate terms of outstanding cross currency swap contracts relating to $400.0 million in US bonds and by unwinding outstanding fixed to floating interest rate swap contracts with an aggregate notional principal amount of €792.5 million.

Proceeds and repayment of external borrowings in 2011, 2010 and 2009 were under our €2.0 billion euro medium term note, or EMTN program, and under the commercial paper program.

On November 16, 2009, we completed the issue of a €300.0 million 7-year fixed rate bond at 4.25% through our 100% owned subsidiary, Coca-Cola HBC Finance B.V. The transaction was executed under our EMTN program. Proceeds from this issue were used to partly fund the capital return payment and allowed us to extend our debt maturity profile.

In 2011, we received proceeds of €4.7 million from the issue of shares. This followed resolutions by our board of directors on February 21, 2011, May 30, 2011, August 10, 2011 and November 15, 2011 to increase our share capital by 354,512, 21,994, 28,749, and 313 ordinary shares respectively, following the exercise of stock options by option holders pursuant to our stock option plan. This was recorded as €0.2 million to share capital and €4.5 million to share premium.

In 2010, we received proceeds of €5.7 million from the issue of shares. This followed resolutions by our board of directors on February 26, 2010, May 17, 2010, August 24, 2010 and November 25, 2010 to increase our share capital by 163,354, 161,663, 102,700, and 169,648 ordinary shares respectively, following the exercise of stock options by option holders pursuant to our stock option plan. This was recorded as €0.3 million to share capital and €5.4 million to share premium.

In 2009, we received proceeds from the issue of shares of €1.8 million. This followed resolutions by our board of directors on August 28, 2009 and November 23, 2009, to increase our share capital by 5,751 and 131,227 ordinary shares, respectively, following the exercise of stock options by option holders pursuant to our stock option plan. This was recorded as €0.1 million to share capital and €1.7 million to share premium.

We paid dividends to our shareholders in the amount of €102.0 million and €102.3 million in the years ended December 31, 2010 and 2009, respectively. You should read Item 3, "Key Information—Selected Financial Data—Dividend and dividend policy" for additional information. We also make dividend payments to the non-controlling interest shareholders in our subsidiaries.

Working capital

Our working capital position for the three years ended December 31, was as follows:

	2011	2010	2009
	(euro in millions)		
Current assets, excluding cash and cash equivalents and current tax assets	1,553.9	1,589.6	1,499.6
Current liabilities, excluding short-term borrowings and current tax liabilities	(1,541.5)	(1,464.1)	(1,269.3)
Working capital	12.4	125.5	230.3
Add back: deposit liabilities on returnable containers	108.5	107.3	111.3
Working capital, excluding deposit liabilities	**120.9**	**232.8**	**341.6**

As at December 31, 2011, our working capital, excluding deposit liabilities on returnable containers, decreased by €111.9 million, compared with the working capital balance as at December 31, 2010. The reason for the decrease is the increase in trade and other payables of €77.4 million, decrease of trade and other receivables of €17.0 million and the decrease in the level of inventories held of €30.2 million. As at December 31, 2010, our working capital, excluding deposit liabilities on returnable containers, decreased by €108.8 million, compared with the working capital balance as at December 31, 2009. The reason for the decrease was the increase in trade and other payables of €194.8 million, increase of trade and other receivables of €40.8 million and the increase in the level of inventories held of €56.6 million

As at December 31, 2009, 2010 and 2011, we had a positive working capital of €341.6 million, €232.8 million and €120.9 million respectively, excluding deposit liabilities for returnable containers of €111.3 million, €107.3 million and €108.5 million respectively. Although our deposit liabilities are classified as part of current liabilities, our returnable containers, to which the deposits relate, are classified as part of property, plant and equipment. We believe that presenting our working capital excluding deposit liabilities for returnable containers is useful to investors because it allows them to compare our working capital information with that of other bottlers that do not use returnable packaging.

Although we seek to finance our capital expenditures from operating cash flows, we may also use short-term borrowing facilities. As a result, we may operate with working capital deficits until these borrowings and expenditures are funded with either further operating cash flows or long-term borrowings. We review our cash requirements and financial resources on a monthly basis for a rolling 12-month period. We continue to maintain adequate current assets to satisfy current liabilities when they are due and have sufficient liquidity and financial resources to manage our day-to-day cash requirements. Taking into consideration our established borrowing facilities, operating cash flows and access to capital markets, we believe that we have sufficient liquidity and working capital to meet our present and budgeted requirements.

Holding company structure

The amount of dividends payable by our operating subsidiaries to us is subject to, among other restrictions, general limitations imposed by the corporate laws and exchange control restrictions of the respective jurisdictions where those subsidiaries are organized and operate. Dividends paid to us by certain of our subsidiaries are also subject to withholding taxes. In the context of our taxation management policy, our subsidiaries do not remit dividends to us in cases where it would be disadvantageous to do so from a tax point of view. We seek to satisfy the operating cash flow requirements of our operations in each country with cash generated from that country. Acquisitions and significant capital investments are financed centrally, with funds provided to our operating subsidiaries in the form of equity or inter-company loans, depending on a variety of considerations including tax. Where withholding taxes on dividends are potentially significant, we are able to extract cash from operating subsidiaries in other ways, such as through capital reduction techniques and loans from operating subsidiaries to holding companies. Consequently, we have not incurred material withholding taxes on the remittance of dividends or cash from our operating subsidiaries. However, in the future, we may have to satisfy our cash requirements at the holding company level through sources of financing other than dividends, including external sources.

Borrowings and funding sources

Funding policies

Our general policy is to retain a certain amount of liquidity reserves in the form of cash and cash equivalents (highly liquid investments with maturities of less than three months) on our balance sheet while maintaining the balance of our liquidity reserves in the form of committed, unused credit facilities, to ensure that we have cost-effective access to sufficient financial resources to meet our short- and medium-term funding requirements. These include the day-to-day funding of our operations upcoming debt maturities as well as the financing of our capital expenditure program. In order to mitigate the possibility of liquidity constraints, we endeavor to maintain a minimum of €250.0 million of financial headroom. Financial headroom refers to the sum of committed but unused financing available, cash and cash equivalents less outstanding commercial paper after considering cash flows from operating activities, dividends, interest expense, tax expense, and capital expenditure requirements. From time to time the board of directors can decide to temporarily increase the amount of cash and cash equivalent held on our balance sheet as a result of the volatility in the financial markets and the maturity profile of our debt.

Short-term liquidity management is based on the requirement to obtain adequate and cost-effective short-term liquidity for the company.

Cash and cash equivalents

Our cash and cash equivalent balances for the three years ended December 31, were as follows:

	2011		2010		2009	
	(euro in millions)	%	(euro in millions)	%	(euro in millions)	%
Euro	373.0	78.3	283.5	86.9	161.3	69.5
Nigerian naira	51.7	10.9	3.0	0.9	4.1	1.8
Former Yugoslav Republic of Macedonia dinar	11.9	2.5	4.4	1.3	5.5	2.4
Russian rouble	9.6	2.0	3.7	1.1	23.1	10.0
Belorusian rouble	6.6	1.4	7.6	2.3	4.7	2.0
Croatian kuna	5.0	1.1	4.0	1.2	16.7	7.2
Serbian dinar	3.9	0.8	10.7	3.3	4.9	2.1
Bulgarian lev	3.6	0.8	2.0	0.6	2.0	0.9
Ukrainian hryvnia	2.2	0.5	1.6	0.5	0.3	0.1
Romanian leu	2.0	0.4	1.3	0.4	2.2	0.9
US dollar	1.9	0.4	0.6	0.2	0.7	0.3
Swiss franc	1.5	0.3	1.2	0.4	1.4	0.6
Moldovan leu	0.7	0.1	0.1	—	—	—
Polish zloty	0.6	0.1	0.4	0.1	0.3	0.1
Bosnia and Herzegovina convertible mark	0.5	0.1	0.9	0.3	1.3	0.6
Other	1.4	0.3	1.1	0.5	3.5	1.5
	476.1	100.0	**326.1**	**100.0**	**232.0**	**100.0**

Our cash and cash equivalents balance at December 31, 2011 was €476.1 million, representing an increase of €150.0 million from the balance at December 31, 2010 and an increase of €244.1 million from the balance as at December 31, 2009. As at December 31, 2011 Nigerian naira currency includes, an equivalent amount of approximately €43.7 million that relates to the outstanding balance of the bank account held for the repayment of the former minority shareholders of the Company's subsidiary Nigerian Bottling Company plc. The increase in cash and cash equivalents balance between 2011 and 2010 is also attributed to the net proceeds from the commercial paper program. The increase in cash and cash equivalents balance between 2010 and 2009 was principally the result of the operating cash flow of 2010 that was partially offset by net cash used in investing and financing activities.

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

Debt

Our medium and long-term funding is based on the need to ensure a consistent supply of committed funding at group and subsidiary level, at minimum cost given market conditions, to meet our anticipated capital and operational funding requirements. Short-term liquidity management is based on the requirement to obtain adequate and cost-effective short-term liquidity. As a result of the successful completion of a €300.0 million bond issue on March 2, 2011 and other existing financial arrangements including our unused €500.0 million syndicated loan facility, as well as our currently forecasted cash flow from operations, we believe that we have sufficient financial resources to meet our medium-term financial commitments.

Our debt as at December 31, 2011, 2010 and 2009 is as follows:

	2011	2010	2009
	(euro in millions)		
Short-term borrowings, less finance lease obligations and current portion of long-term debt	299.6	181.3	236.0
Current portion of long-term debt	—	305.0	1.1
Short-term finance lease obligations	21.9	48.8	69.9
Total short-term borrowings, including finance lease obligations	321.5	535.1	307.0
Long-term borrowings, less finance lease obligations	1,861.9	1,561.2	2,010.3
Long-term finance lease obligations	72.6	95.2	90.3
Total long-term borrowings, including finance lease obligations	1,934.5	1,656.4	2,100.6
Gross debt, including finance lease obligations	**2,256.0**	**2,191.5**	**2,407.6**
Cash and cash equivalents	(476.1)	(326.1)	(232.0)
Net debt	**1,779.9**	**1,865.4**	**2,175.6**

As at December 31, 2011, 63.4% of our gross debt was denominated in euro and 33.2% in US dollars. This compared to 62.5% in euro and 34.0% in US dollars, as at December 31, 2010 and 69.7% in euro and 28.2% in US dollars, as at December 31, 2009.

We manage our debt in two distinct portfolios: short-term debt and long-term debt. The short-term debt portfolio includes all debt repayment and working capital requirements within 12 months, and the long-term portfolio contains all other debt, such as Eurobonds, with maturities longer than 12 months. We launched our commercial paper program during 2002 to fund our short-term debt portfolio needs. We service our short-term debt portfolio principally through operating cash flows.

During 2010, we adjusted our interest rate profile to reduce exposure to fluctuations in Euribor so as to stabilize future interest expenses. This was executed by restructuring the interest rate terms of outstanding cross currency swap contracts relating to $400.0 million in USD bonds and by unwinding outstanding fixed to floating interest rate swap contracts with an aggregate notional principal amount of €792.5 million. As a result, an amount of €1.4 million was credited to our income statement.

As at December 31, 2011 cash and cash equivalents include an amount of approximately €43.7 million that relates to the outstanding balance of the bank account held for the repayment of the former minority shareholders of the Company's subsidiary Nigerian Bottling Company plc.

Commercial paper program and committed credit facilities

In March 2002, we established a €1.0 billion global commercial paper program to further diversify our short term funding sources. The program consists of a euro commercial paper facility and a US dollar denominated US commercial paper facility, of which the latter is currently not active. The commercial paper notes may be issued either as non-interest bearing notes sold at a discount or as interest bearing notes at a fixed or at a floating rate, or by reference to an index or formula. All commercial paper issued under the program must be repaid within 1 to 365 days. The outstanding amount under the euro commercial paper program was €250.0 million as at December 31, 2011, €127.0 million as at December 31, 2010 and €189.5 million as at December 31, 2009.

As at March 15, 2012, we had outstanding balances of €251.0 million under the commercial paper program. The weighted average interest rate that applies to this outstanding balance is 0.69%.

As at December 31, 2008, we had a €600.0 million syndicated loan facility with an expiry date of August 1, 2010. During December 2009, we replaced this facility with a new €500.0 million facility that was issued through various financial institutions and expires on December 17, 2012. This facility could be used for general corporate purposes and carried a floating interest rate over Euribor and Libor.

In May 2011, we replaced our then-existing €500 million syndicated loan facility with a new €500.0 million syndicated loan facility, issued, which was the unamortized portion of the fees for the replaced facility, through various financial institutions, expiring on May 11, 2016. As a result, an amount of €1.9 million was charged to the income statement, in the finance costs line. This facility can be used for general corporate purposes and carries a floating interest rate over Euribor and Libor. The facility allows the Company to draw down, on three to five days notice, amounts in tranches and repay them in periods ranging from one to six months, or any other period agreed between the financial institutions and Coca-Cola Hellenic. No amounts have been drawn under the syndicated loan facility since inception. There are no financial covenants applicable to this facility.

Euro medium-term note program

In 2001, we established a €2.0 billion euro medium-term note program. Bonds issued under the program through our 100% owned subsidiary Coca-Cola HBC Finance B.V. are fully, unconditionally and irrevocably guaranteed by Coca-Cola Hellenic Bottling Company S.A., as well as Coca-Cola HBC Finance plc (for issues prior to 2009) and are not subject to any financial covenants.

In July 2004, we completed the issue of a €500.0 million 7-year euro-denominated fixed rate bond. In December 2010, we finalized a cash tender offer through our subsidiary Coca-Cola HBC Finance B.V. for the repurchase of its existing €500 million. 4.375% fixed rate notes due in July 15, 2011. On December 14, 2010, Coca-Cola HBC Finance B.V. purchased an aggregate amount of €198.9 million which was almost 40% of the total issued €500 million euro-denominated bond. As a consequence, an amount of €1.7 million was charged to the income statement, in the finance costs line.

In December 2008, we issued a €500.0 million fixed-rate bond at 7.875% maturing in 2014. Proceeds from this issue were partly used to fund the acquisition of Socib S.p.A. and partly for the financing of the €350.0 million bond that matured in March 2009. In November 2009, we issued a €300.0 million 7-year fixed-rate bond at 4.25%. Proceeds from this issue were used to fund the capital return payment and allowed us to extend our debt maturity profile. In December 2010, we finalized a cash tender offer through our subsidiary Coca-Cola HBC Finance B.V. for the repurchase of our existing €500.0 million 4.375% fixed rate notes due in 2011. On December 14, 2010, Coca-Cola HBC Finance B.V. purchased an aggregate amount of €198.9 million which was almost 40% of the total issued €500.0 million euro-denominated bond. As a consequence, an amount of €1.7 million was charged to the 2010 income statement in the finance cost line.

In March 2011, Coca-Cola Hellenic completed the successful offering of an additional €300 million 4.25% fixed rate notes to be consolidated and form a single series with the existing €300 million 4.25% fixed rate notes due November 16, 2016 issued on November 16, 2009. The new notes bring the total outstanding amount of the series to €600 million. The proceeds of the issue were used to repay the maturity of the existing €301.1 million notes due on July 15, 2011.

At December 31, 2011, there was €1.1 billion of bonds outstanding under the euro medium-term note program, with details as follows:

Issue Date	Amount	Interest	Maturity date
December 17, 2008	€500.0 million	7.875%	January 15, 2014
November 16, 2009	€300.0 million	4.250%	November 16, 2016
March 2, 2011	€300.0 million	4.250%	November 16, 2016

Notes issued in the US market

On September 17, 2003, we successfully completed, through our 100%owned finance subsidiary Coca-Cola HBC Finance B.V., a US$900.0 million (€694.4 million at December 31, 2011 exchange rates) global offering of privately placed notes with registration rights. The first tranche consisted of an aggregate principal amount of US$500.0 million (€385.8 million at December 31, 2011 exchange rates) due in 2013 and the second tranche consisted of an aggregate principal amount of US$400.0 million (€308.6 million at December 31, 2011 exchange rates) due in 2015. The net proceeds of the offering were used to refinance certain outstanding debt, our leveraged re-capitalization and the acquisition of Römerquelle GmbH. In December 2003, an exchange offer was made by us in order to effect the exchange of the privately placed notes for similar notes registered with the SEC. Acceptances under the offer, which was finalized in February 2004, were US$898.1 million. The notes are fully, unconditionally and irrevocably solely guaranteed by Coca-Cola Hellenic Bottling Company S.A. These notes are not subject to financial covenants.

Credit rating

Our corporate credit ratings by Standard & Poor's are "A" long term and "A1" short term and stable outlook. In November 2011, Moody's affirmed Coca-Cola Hellenic's "A3" long-term, "P2" short-term corporate credit ratings but changed the outlook to negative. Our credit ratings may be changed, suspended or withdrawn at any time and are not a recommendation to buy, hold or sell any of our securities. Any change in our credit ratings could have a significant impact on the cost of debt capital to us and/or ability to raise capital in the debt markets.

Market risk

Treasury policies and objectives

We face financial risks arising from adverse fluctuations in interest rates, foreign exchange rates, commodity prices and other market risks. Our board of directors has approved our treasury policy and chart of authority, which together provide the control framework for all treasury and treasury-related transactions. Our treasury function is responsible for managing our financial risks in a controlled manner, consistent with the board of directors approved policies. These policies include:

- hedging transactional currency exposures (i.e. forecasted raw materials purchases) to reduce risk and limit volatility. Hedging of financial risks includes activities that reduce risk or convert one type of risk to another. To qualify as a hedge, an activity should be expected to produce a measurable offset to the risk relating to an asset, liability or committed or forecasted transaction; and
- an investment policy to minimize counterparty risks whilst ensuring an acceptable return is being made on excess cash positions. Counterparty limits are approved by our board of directors to ensure that risks are controlled effectively and transactions are undertaken with approved counterparties only.

In the context of our overall treasury policy, and in line with the operating parameters approved by our board of directors, specific objectives apply to the management of financial risks. These objectives are disclosed under the following headings.

Operating parameters

The board of directors has delegated authority to execute transactions, including derivative transactions with approved financial institutions, to the chief financial officer and the director of treasury and risk management. Under this delegation of authority, only specified permitted financial instruments, including derivatives, may be used for specified permitted transactions. The policy restricts the use of derivatives to circumstances that do not subject us to increased market risk. The market rate risk created by the use of derivatives must be offset by the market rate risk on the specific underlying exposures they are hedging. The estimated fair value of derivatives used to hedge or modify our risks fluctuates over time. Fair value amounts should not be viewed in isolation, but rather in relation to the fair values of the underlying hedged transactions and to the overall reduction in our exposure to adverse fluctuations in interest rates, foreign exchange rates, commodity prices and other market risks.

Derivative instruments

We use derivative instruments to manage actual interest, currency and commodity risks arising in the normal course of business, some of which are and will be accounted for as effective hedges whereas others are not and cannot be accounted for as hedges. We do not use derivative instruments for any trading activities. It is our policy to negotiate the terms of the hedge derivatives to match the terms of the hedged items to maximize hedge effectiveness.

Interest rate risk

Our interest rate exposure generally relates to our debt obligations. We manage our interest rate costs primarily with interest rate swaps and options. All non-euro bond issues have been fully swapped into euro with no residual currency risk.

As at December 31, 2011, there were no euro denominated interest rate swap contracts outstanding, compared to nil at December 31, 2010 and €792.5 million at December 31, 2009. During June and July 2010, we adjusted our interest rate profile by unwinding the euro denominated interest rate swap contracts maturing in 2011 and 2014. As a result, an amount of €1.4 million was credited to the 2010 income statement.

During 2011 and 2010, we did not have any interest rate swaps that were not eligible for hedge accounting. By comparison, during 2009, we recognized in finance costs losses of €8.8 million in relation to interest rate swaps that were not eligible for hedge accounting.

During 2011, we recognized in interest expense a loss of €6.6 million in relation to the ineffective portion of interest rate swaps which qualified for hedge accounting compared to a gain of €1.0 million in 2010 and a loss of €1.6 million in 2009.

Since 2003, we have been using interest rate and cross currency swaps to convert our $500.0 million and $400.0 million notes issued in the USD market from fixed rate US dollar denominated debt to floating rate obligation based on Euribor. The agreements involve the receipt of fixed rate interest payments in exchange for floating rate interest payments over the life of the issued notes, as well as the exchange of the underlying principal amounts upon inception and at maturity.

During 2009, we purchased interest rate cap options in order to continue to benefit from lower floating interest rates whilst ensuring protection against adverse interest rate movements. In June 2010, we sold these option contracts. Consequently, there were no outstanding interest rate option contracts as at December 31, 2010, compared to €857.0 million of aggregate notional amounts of interest rate options outstanding at December 31, 2009.

A 1% increase in the market interest rates on floating rate debt outstanding at December 31, 2011 would increase our interest expense on an annual basis by €5.0 million, compared to €1.8 million and €19.0 million for 2010 and 2009, respectively, and a 1% decrease in rates would decrease our interest expense by €5.0 million, compared to €1.8 million and €19.0 million for 2010 and 2009, respectively. These amounts are determined by calculating the effect of a hypothetical interest rate change on our floating rate debt, after giving consideration to our interest rate and cross currency swap agreements. These amounts do not include the effects of certain potential results of changing interest rates, such as a different level of overall economic activity, or other actions management may take to mitigate this risk. Furthermore, this sensitivity analysis does not assume alterations in our gross debt or other changes in our financial position.

We also changed the interest rate conditions of the paying leg of the cross currency swap contracts maturing in 2015 from Euribor plus margin to a fixed rate.

Foreign exchange risk

Our foreign exchange exposures arise from adverse changes in exchange rates between the euro, the US dollar and the currencies in our non-euro countries. This exposure affects our results in the following ways:

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

Our treasury policy requires the hedging of rolling 12-month forecasted transactional exposures within defined minimum (25%) and maximum (80%) coverage levels if there is a forward market available at economical terms. Hedging beyond a 12-month period may occur, subject to certain maximum coverage levels, provided the forecasted transactions are highly probable. We use forward foreign exchange contracts and foreign currency options to hedge our forecasted transactional exposures. These contracts normally mature within one year. Transaction exposures arising from adverse movements in assets and liabilities denominated in another currency than the reporting currency are normally fully hedged using mainly forward foreign exchange contracts.

The aggregate notional amounts of forward foreign exchange contracts for both purchase and sale of foreign currencies totaled €419.3 million as at December 31, 2011, compared with €246.0 million as at December 31, 2010.

The notional amounts of foreign currency option contracts totaled €64.3 million as at December 31, 2011, compared with €158.0 million as at December 31, 2010.

During 2003, we entered into cross currency swaps to cover the currency risk related to the $500.0 million and $400.0 million notes discussed above under "Borrowings and funding sources—Notes issued in the US market". At December 31, 2011 and 2010 the fair value of the cross currency swaps represented a payable of €130.8 million and €136.1 million, respectively.

Commodity price risk

We are exposed to the effect of changes in the price of sugar. We are also exposed to price fluctuations in aluminum and resin. Due to the significantly increased volatility of commodity prices, the board of directors has developed and enacted a risk management policy regarding commodity price risk and its mitigation. The Group continues to contract prices with suppliers in advance to reduce its exposure to the effect of changes in the price of certain commodities; in addition, based on a 36 month forecast about the required sugar supply, we also hedge the purchase price of sugar using commodity swap contracts, even when these contracts do not qualify for hedge accounting.

To manage a portion of the price risk of sugar costs, we have the ability to use sugar futures contracts traded on regulated futures exchanges. Sugar futures contracts would typically have maturities of up to 18 months after the balance sheet date. The changes in market values of such contracts have historically been effective in offsetting sugar price fluctuations. The notional value of sugar swap contracts was €40.9 million. We did not enter into any sugar swap contracts in 2010 and 2009.

We enter into multi-year volume purchase commitments with aluminum can manufacturers for a portion of our production requirements. Generally, these volume commitments are at fixed prices except for the aluminum content. We can, in quantities of our choice, request the manufacturer to fix the prices of the aluminum content in reference to market rates. We try to reduce our exposure to resin price fluctuations by pre-buying where it is commercially reasonable to do so, but there is no trading market to fix prices for a future period. We apply a variety of contract structures and a competitive supply base to mitigate our exposure and link our contracts to different indexes within the PET value chain. We do also use imported Asian and Middle East resin to balance European resin market prices and increasingly use recycled content within the EU.

Credit risk

We have limited concentration of credit risk across trade and financial counterparties. We have put in place policies to help ensure that credit sales of products and services are only made to customers with an appropriate credit history. We have policies that limit the amount of credit exposure as a result of derivative or cash transactions to any single financial institution.

Our maximum exposure to credit risk in the event that counterparties fail to perform their obligations in relation to each class of recognized financial asset is the carrying amount of those assets as indicated in the balance sheet. We typically assess the credit quality of customers applying for credit by using external agencies and historic experience. Credit limits are set accordingly. Further information regarding credit risk exposure is shown within note 12 to our consolidated financial statements.

Within the context of treasury operations, our exposure to credit risk is managed by establishing approved counterparty limits, detailing the maximum exposure that we are prepared to accept with respect to individual counterparties. With respect to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. Our maximum credit risk exposure for each derivative financial instrument is the carrying amount of the derivative. The counterparty financial institutions to derivative transactions must have at least one credit rating which is not lower than "A+" or "A1" from Standard & Poor's or Moody's, respectively.

In addition, we regularly make use of money market funds to invest temporarily excess cash balances and to diversify our counterparty risk. These funds all have a minimum "AAA" rating and strict investment limits are set, per fund, depending on the size of the fund. We only undertake investment transactions with banks and financial institutions that have a minimum credit rating of "A^+/A_1" from Standard & Poor's or "A_1/P_1" from Moody's.

C. Research and development, patent and licenses

Not applicable.

D. Outlook and trend information

We anticipate further input cost pressures and slowdown in Eurozone growth, leading to uncertainty and volatility in most of our EU markets. We have not yet seen signs of sustainable improvement in consumer confidence or a resolution of the sovereign debt crisis. We expect an increase in total input costs in the high single-digits for 2012 primarily due to EU sugar and juice prices. Our overall revenue growth strategy will be focused on recovering this increase. In this environment, our goal is to stay relevant to our consumers and partner with our customers as we drive cost leadership. We will continue investing in our brand priorities together with The Coca-Cola Company to further improve our leadership position. We have two significant sports events in 2012 that we will leverage as a System, namely, the Euro 2012 which will be jointly hosted by Poland and Ukraine, and the Olympic Games. We will focus on our OBPPC strategy across all of our markets. We will seek to improve currency-neutral net sales revenue per case further as we continue to grow our market. In addition, driving customer preference is a key focus area as we continue to invest in execution excellence and further collaborate with our customers to create joint sustainable value.

Pursuing cost leadership will continue to be a key focus area in 2012 through further exploitation of SAP Wave 2. Our shared service organization will expand its operations as more countries start utilizing its services. We have identified additional restructuring opportunities to further improve efficiencies and reduce costs. We expect to incur costs of approximately €50 million in restructuring initiatives for 2012, which are expected to yield €35 million annualized benefits from 2013 onwards. We expect initiatives already taken in 2011 and initiatives that we will take in 2012 to yield approximately €40 million in total benefits in 2012. Furthermore, our focus on operating expenses, together with our restructuring initiatives, will help mitigate inflationary pressures on operating expenses. We expect to generate free cash flow of €1.45 billion for the three year period ending December 31, 2014. Whilst doing so we also plan to invest €1.45 billion in net capital expenditure in the 2012 to 2014 period to capture the long term growth potential of our business. Our guidance of free cash flow for the three year period ending December 31, 2012 and 2013 remains at €1.4 billion and €1.35 billion, respectively.

On May 6, 2011 our shareholders at the Annual General Meeting of shareholders resolved to reorganize our share capital. Our share capital increased by an amount equal to €549.7 million. The increase was performed by capitalizing share premium and increasing the nominal value of each share from €0.50 to €2.00. Our share capital was subsequently decreased by an amount equal to €183.2 million by decreasing the nominal value of each share from €2.00 to €1.50, and distributing such €0.50 per share difference to shareholders in cash.

E. Off-balance sheet arrangements

We do not have any off-balance sheet arrangements, as such term is defined for purposes of Item 5E of Form 20-F, that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

F. Tabular disclosure of contractual obligations

The following table reflects our contractual obligations as at December 31, 2011, excluding the items discussed below.

Contractual obligations	Total	Payment due by period			
		Less than 1 year	1-3 years	4-5 years	More than 5 years
		(euro in millions)			
Short-term borrowings, less finance lease obligations and current portion of long-term borrowings	299.6	299.6	—	—	—
Long-term borrowings, less finance lease obligations	1,861.9	—	921.6	940.3	—
Estimated interest payments	324.0	91.5	163.5	63.6	5.4
Operating lease obligations	182.0	55.1	67.7	40.1	19.1
Finance lease obligations	94.5	21.9	25.0	8.2	39.4
Capital commitments	93.9	93.4	0.5	—	—
Other long-term purchase commitments	355.3	124.5	140.5	14.7	75.6
Total	**3,211.0**	**685.7**	**1,318.8**	**1,066.9**	**139.5**

Refer to note 15 to our consolidated financial statements included elsewhere in this annual report for further information regarding short-term borrowings, long-term debt and finance leases.

Long-term debt bears fixed interest rate or has been swapped from fixed to variable interest rate through the use of interest rate and cross currency swaps. We calculated estimated interest payments on the basis of estimated interest rates and payment dates based on our determination of the most likely scenarios for each relevant debt instrument. We typically expect to settle such interest payments with cash flows from operating activities and/or short-term borrowings.

Refer to note 32 to our consolidated financial statements included elsewhere in this annual report for further information regarding operating leases, capital commitments, and other long-term purchase commitments.

The above table does not reflect employee benefit obligations of €170.4 million consisting of current obligations of €23.9 million and non-current obligations of €146.5 million. Refer to note 17 to our consolidated financial statements included elsewhere in this annual report for further information.

The above table does not reflect the impact of derivatives and hedging instruments, other than for long-term debt, which are discussed in detail above under "Market Risk".

ITEM 6 DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

Our board of directors and senior management are responsible for our management. In particular, senior management is responsible for the day-to-day management of our company in accordance with the instructions, policies and operating guidelines established by our board of directors. The board of directors approves three-year strategic and financial plans and detailed annual budgets. The business address of our directors and senior management is c/o Coca-Cola Hellenic Bottling Company S.A., 9 Fragoklissias Street, 151 25 Maroussi, Athens, Greece.

Directors nominated by Kar-Tess Holding and The Coca-Cola Company Entities

Mr. George A. David, Mr. Anastassis G. David, Mr. Anastasios P. Leventis and Mr. Haralambos K. Leventis were nominated by Kar-Tess Holding. Mr. John Hunter and Mr. Irial Finan were nominated by The Coca-Cola Company Entities. Kar-Tess Holding and The Coca-Cola Company Entities also agreed to designate the remaining non-executive members of our board of directors jointly and to maintain their respective proportional representation on our board of directors in the event that the number of directors increases or decreases.

Mr. George A. David is the father of Mr. Anastassis G. David and a first cousin of Mr. Anastasios P. Leventis and Mr. Haralambos K. Leventis. Mr. Anastasios P. Leventis, CBE, OFR and Mr. Haralambos K. Leventis are brothers. By virtue of their responsibilities within Kar-Tess Group, Mr. George A. David, OBE, MFR, Mr. Anastassis G. David, Mr. Anastasios P. Leventis, CBE OFR and Mr. Haralambos K. Leventis may be deemed, under the rules of the SEC, to be the beneficial owners of our ordinary shares held by Kar-Tess Holding. However, each of these individuals disclaims such beneficial ownership. Boval S.A., the parent of Kar-Tess Holding, currently holds 43.7% of Frigoglass S.A. Other than as described in the previous sentence, there are no existing or potential conflicts of interest between any duties of our directors of and their private interests and other duties.

Directors

Name	Age	Title	Company / Nominated by	Initially Elected
George A. David, OBE, MFR	75	Chairman of the Board	Kar-Tess Holding	January 2, 1981
Dimitris Lois	50	Chief Executive Officer	Coca-Cola Hellenic Bottling Company S.A.	July 4, 2011
Anastasios P. Leventis, CBE, OFR	70	Vice-Chairman of the Board	Kar-Tess Holding	October 27, 2000
Kent Atkinson	66	Non-Executive Director	Independent	September 6, 2000
Antonio D'Amato	54	Non-Executive Director	Independent	January 1, 2002
Anastassis G. David	41	Non-Executive Director	Kar-Tess Holding	July 27, 2006
Irial Finan	54	Non-Executive Director	The Coca-Cola Company	October 23, 1997[(1)]
John Hunter	74	Non-Executive Director	The Coca-Cola Company	December 8, 2010
Christos Ioannou	40	Non-Executive Director	Independent	March 19, 2010
Haralambos K. Leventis	69	Non-Executive Director	Kar-Tess Holding	September 18, 2002
Sir Michael Llewellyn-Smith, KCVO, CMG	72	Non-Executive Director	Independent	September 6, 2000
Nigel Macdonald	66	Non-Executive Director	Independent	June 17, 2005

(1) Mr. Irial Finan originally served as a member of the board of directors of Hellenic Bottling Company S.A. from October 23, 1997 to August 30, 2000 (Hellenic Bottling Company S.A. consummated its acquisition of Coca-Cola Beverages plc and was renamed Coca-Cola Hellenic Bottling Company S.A. on August 9, 2000). He then served on the board of directors from May 18, 2001 to August 21, 2003. His current term began on June 17, 2005.

George A. David, OBE, MFR

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

Dimitris Lois—Chief Executive Officer

Mr. Lois began his career in 1988 at Grecian Magnesite S.A., where he held various managerial posts including that of Business Development Manager. He served as Managing Director of Frigoglass S.A., having joined the company in 1997 as the General Manager of the STIND S.A. glass plant in Bulgaria. He later became Country Manager for Bulgaria. In 2000, Mr. Lois was appointed Commercial Refrigeration Director and in 2001, he was appointed Director of the newly created "cool" division. He was appointed Managing Director of Frigoglass S.A. in August 2003. Mr. Lois joined Coca-Cola Hellenic in June 2007 and was appointed Regional Director responsible for our operations in Romania, Greece, Nigeria, Bulgaria, Cyprus and Moldova. In August 2009, he became Chief Operating Officer for Coca-Cola Hellenic. Mr. Lois was appointed the Company's Chief Executive Officer in July 2011. He holds a Master of Science in Chemical Engineering from Northeastern University and a Bachelor of Science in Chemical Engineering from Illinois Institute of Technology.

Anastasios P. Leventis, CBE, OFR

Mr. Leventis worked in Nigeria for companies controlled by A.G. Leventis since the 1960s. He is on the Board of Directors of Boval S.A., which has widespread investments worldwide, as well as on the boards of subsidiaries of Boval S.A. in Nigeria. Mr. Leventis is Chairman of the A.G. Leventis Foundation. On April 4, 1990, Mr. Leventis was appointed Honorary Commissioner for the Republic of Cyprus to Nigeria by the government of the Republic of Cyprus. Mr. Leventis was honored with the award of Commander of the Order of the British Empire in the Queen's Birthday Honours List of 2004 and was also awarded the Order of "Madarski Konnik" by the President of Bulgaria in 2004. He was appointed Officer of the Order of the Federal Republic of Nigeria in 2002. Mr. Leventis serves on the councils of several non-profit organizations.

Kent Atkinson

Mr. Atkinson joined the Bank of London in South America (later acquired by Lloyds Bank plc) and held a number of senior managerial positions in Latin America and the Middle East before returning to the United Kingdom. He was Regional Executive Director for Lloyds TSB's South East Region until he joined the main board as Group Finance Director, a position he held for eight years until his retirement as an executive. He remained on the Lloyds TSB board for a further year as a non-Executive Director. Mr. Atkinson is a non-Executive Director and a member of the Group Audit and Risk Committees of Bank of Ireland, and he is a non-Executive Director of Gemalto NV, a member of its Audit Committee and its Strategy and M&A Committee. Mr Atkinson is also a non-Executive Director, Chairman of the Audit Committee and a member of the Risk Committee of UK Asset Resolution Ltd (which includes Northern Rock (Asset Management) plc and Bradford & Bingley plc). Mr. Atkinson is Chairman of our Audit Committee.

Antonio D'Amato

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

Anastassis G. David

Mr. David graduated from Tufts University in 1993 and began his career at the Coca-Cola Bottling System in the United States. From 1994 to 1997, Mr. David held several positions in the Sales and Marketing departments of Hellenic Bottling Company S.A. During 1997, Mr. David worked for PricewaterhouseCoopers, focusing on accounting and business finance. From 1998, Mr. David's principal activity was advisor to Kar-Tess Holding S.A. on its bottling investments. Mr. David was Chairman of Navios Corporation, a major bulk shipping company, from 2002 to 2005 and currently serves as a member on the board of directors of IDEAL Group S.A., Aegean Airlines S.A. and AXA Insurance S.A. Mr. David is also a member of the Advisory Board of the Fares Center at Tufts University as well as a member of the International Board of Overseers of Tufts University. He is a member of the Board of Trustees of College Year in Athens and member of the Executive Committee of the Cyprus Union of Shipowners.

Irial Finan

Mr. Finan holds a Bachelor of Commerce degree from National University of Ireland in Galway and is an Associate (later Fellow) of the Institute of Chartered Management Accountants. He is an Executive Vice President of The Coca-Cola Company and President of Bottling Investments. He is responsible for managing a multi-billion dollar internal bottling business, which has operations in five continents (North America, South America, Europe, Africa and Asia), revenues of over $8 billion and more than 80,000 employees. Additionally, he is responsible for stewarding The Coca-Cola Company's equity investments. Mr. Finan has over 29 years experience in the Coca-Cola System. From 2001 to 2003, he served as Chief Executive Officer of Coca-Cola Hellenic, during which time he managed the merger and integration of Coca-Cola Beverages plc and Hellenic Bottling S.A., and led the combined company's operations in 26 countries. Mr. Finan joined The Coca-Cola Company in 2004 as President, Bottling Investments and Supply Chain and was named Executive Vice President of the Company in October 2004. From 1995 to 1999, he was managing director of Molino Beverages, with responsibility for expanding markets, including the Republic of Ireland, Northern Ireland, Romania, Moldova, Russia and Nigeria. Prior to that role, Mr. Finan worked in several markets across Europe. From 1991 to 1993, he served as Managing Director of Coca-Cola Bottlers Ulster Ltd., based in Belfast. He was Finance Director, Coca-Cola Bottlers Ireland, Ltd., based in Dublin from 1984 to 1990. Mr. Finan serves on the Board of Directors of Coca-Cola FEMSA, the Supervisory Board of CCE AG, the American Ireland Fund and in February 2012 Mr. Finan joined the board of Smurfit Kappa Group. He also serves as a non-Executive Director for Co-operation Ireland and NUI Galway Foundation.

John Hunter

Mr. Hunter began his career with Coca-Cola in 1967. He held positions of increasing responsibility in Hong Kong, Australia, Japan and Atlanta where he was named President of Coca-Cola International in 1991, a position he held until his retirement in 1996. Mr. Hunter has served on the Board of Directors of Coca-Cola Amatil, Coca-Cola Bottlers Philippines Inc., Coca-Cola Ltd, Coca-Cola Bottling Company of New York and Coca-Cola Beverages plc. The latter merged with Coca-Cola Hellenic in 2000. From 1998 to 2000 Mr. Hunter was Chairman of Seagram Spirits and Wine Group and from October 2008 through April 2010 he served as a member of the Board of Directors of Coca-Cola Enterprises. He is a member of our Human Resources Committee and Social Responsibility Committee.

Christos Ioannou

Mr. Ioannou received his BA from Cornell University in 1994 and his MBA from the MIT Sloan School of Management in 1998. Mr. Ioannou's primary involvement is with J&P (Overseas) and J&P-AVAX, where he serves on both boards. The J&P Group is involved in construction, concessions and real estate in the Middle East, North Africa and south-east Europe. Mr. Ioannou is also involved in the hotel business holding directorships in Athinaion SA (Athenaeum Intercontinental) and YES Hotels. Mr. Ioannou also serves on several other boards including Food Plus and Aegean Airlines S.A.

Haralambos K. Leventis

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

Sir Michael Llewellyn-Smith, KCVO, CMG

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

Nigel Macdonald

Mr. Macdonald was formerly a Senior Partner in Ernst & Young's UK practice, having been a partner for 27 years, during which he served as Vice Chairman of the Accounting and Auditing Committees of Ernst & Young's worldwide practice. Mr. Macdonald is a member of the Institute of Chartered Accountants of Scotland, of which he was the president between 1993 and 1994. He is the senior Trustee of the United Kingdom's National Maritime Museum and Chairman of both its Remuneration Committee and Audit Committee. Mr. Macdonald is also chairman of a privately held retail business in London. Between 1994 and 2001, he was a member of the Industrial Development Advisory Board of the UK Government and, from 1992 until the end of 2004, he was a member of the Board of the British Standards Institute and Chairman of its Audit Committee. From 1990 until 2006, he was a member of the Review Panel of the Financial Reporting Council and from 1998 until 2005, he was a member of the UK Competition Commission serving on its specialist panels on electricity and water. From 2002 until 2011 he was a member of the Audit Committee of the International Oil Pollution Compensation Fund and also an advisor to it. Mr. Macdonald is a member of our Audit Committee.

Senior Management

Our senior management team consists of the following persons, all of whom are members of our operating committee:

Name	Age	Title
Dimitris Lois	50	Chief Executive Officer
Per Breimyr	50	Group Chief Customer and Commercial Officer
John Brady	54	Regional Director; Bosnia and Herzegovina, Croatia, Cyprus, Czech Republic and Slovakia, Greece, Hungary, Republic of Ireland and Northern Ireland
Richard Smyth	53	Regional Director; Austria, Estonia, Latvia, Lithuania, the Former Yugoslav Republic of Macedonia, Italy, Slovenia and Switzerland
Keith Sanders	50	Regional Director; Armenia, Belarus, Poland, Russian Federation and Ukraine
Alain Brouhard	49	Regional Director; Bulgaria, Moldova, Nigeria, Romania and Serbia (including the Republic of Kosovo) and Montenegro
Kleon Giavassoglou	59	Supply Chain Services Director
Jan Gustavsson	45	General Counsel and Director of Strategic Development
Robert Murray[(1)]	52	Chief Financial Officer
Bernard P. Kunerth	56	Human Resources Director

(1) Mr. Michalis Imellos will assume the position of Chief Financial Officer in the second quarter of 2012

Dimitris Lois

Mr. Lois began his career in 1988 at Grecian Magnesite S.A., where he held various managerial posts including that of Business Development Manager. He served as Managing Director of Frigoglass S.A., having joined the company in 1997 as the General Manager of the STIND S.A. glass plant in Bulgaria. He later became Country Manager for Bulgaria. In 2000, he was appointed Commercial Refrigeration Director and in 2001, he was appointed Director of the newly created "cool" division. He was appointed Managing Director of Frigoglass S.A. in August 2003. Mr. Lois joined Coca-Cola Hellenic in June 2007 and was appointed Regional Director responsible for our operations in Romania, Greece, Nigeria, Bulgaria, Cyprus and Moldova. In August 2009 he became Chief Operating Officer for Coca-Cola Hellenic. Mr. Lois was appointed the Company's Chief Executive Officer in July 2011. He holds a Master of Science in Chemical Engineering from Northeastern University and a Bachelor of Science in Chemical Engineering from Illinois Institute of Technology.

John Brady

Mr. Brady joined the Coca-Cola bottling system in 1982. He held various positions with Coca-Cola USA until 1992, when he became general manager and operations director for Coca-Cola Indonesia. From 1994 to 1998 Mr. Brady worked as region manager for The Coca-Cola Company and Coca-Cola Amatil in Indonesia. In 1998, Mr. Brady became regional director for Coca-Cola Beverages plc, where he was responsible for the Czech Republic, Hungary, Poland and Slovakia. In 2001, Mr. Brady became responsible for Austria, Italy, Switzerland and Nigeria as a regional director of Coca-Cola Hellenic Bottling Company S.A. From 2003 to 2004 he worked as regional vice president for the Northeast Region for Coca-Cola North America and in March 2004, he was appointed president and chief executive officer for Coca-Cola Bottlers' Sales and Services Company. In January 2006, Mr. Brady returned to Coca-Cola Hellenic Bottling Company S.A. as regional director and currently he is responsible for our operations in Bosnia and Herzegovina, Croatia, Cyprus, Czech Republic and Slovakia, Greece, Hungary, Republic of Ireland and Northern Ireland. Mr. Brady holds a Bachelor of Science Degree from the University of North Carolina.

Richard Smyth

Dr. Smyth joined Coca-Cola Hellenic in February 2003 after working for Bristol-Myers Squibb in Bangkok, where he was Vice President South East Asia, responsible for the company's nutritional drinks business. As Vice President, he was responsible for operations in the Philippines, Malaysia, Singapore, Thailand, Indonesia, Vietnam and Australia. Prior to this, he was the General Manager for Bristol-Myers Squibb in the Philippines. Dr. Smyth spent 13 years working with Nestlé, where his roles included General Manager of a joint venture with Danone in Slovakia, Chief Operating Officer of its Filipino confectionery division and Senior Marketing positions in Hungary and the Czech Republic. While based in Switzerland, he was responsible for Nestlé's world-wide duty-free business. Since he joined Coca-Cola Hellenic, he has covered 12 countries as Regional Director and since mid-2009, he is responsible for our operations in the Baltics (Estonia, Latvia, Lithuania), Austria, Slovenia, Switzerland, Italy and FYROM. Dr. Smyth holds a PhD in Organic Chemistry from the University of Kent.

Keith Sanders

Mr. Sanders joined Coca-Cola Hellenic as the Country General Manager for Russia in May, 2004. In August 2009, he was appointed Regional Director, responsible for Russia, Poland, Ukraine, Belarus, and Armenia. Prior to joining Coca-Cola Hellenic, he spent 11 years within the Coca-Cola System. He started his career with The Coca-Cola Company in a regional marketing role within the Gulf Region. In 1993 he was appointed HR & Training Manager for the Gulf Region. In 1994, he assumed his first bottling General Manager role in Bahrain, and then moved through a series of larger-country general management roles until 2001, when he was appointed Director for Bottling Operations in the Eurasia & Middle East Division with responsibility for Saudi Arabia, Pakistan, UAE, Oman, Bahrain, and Qatar. Prior to joining the Coca-Cola System, Mr. Sanders spent six years with Procter & Gamble in the United States in a variety of sales and marketing roles. Mr. Sanders holds a Bachelor of Science degree from The University of Kansas and a Master's Degree in Business Administration from TCU.

Alain Brouhard

Mr. Brouhard joined Coca-Cola Hellenic as Regional Director in June 2010, responsible for our operations in Nigeria, Romania, Moldova, Bulgaria, Serbia and Montenegro. Previously, he held the position of Managing Director, Italy and South-East Europe for Adidas since 2007, covering 11 countries, managing both Adidas and Reebok brands. He began his career with Adidas in 2002, serving as VP, Commercial Operations EMEA based in Germany, and in 2005 he took on the role of Managing Director, Iberia, based in Spain and responsible for Spain and Portugal. Previously he spent sixteen years with Procter & Gamble in four different countries and in a variety of commercial and management roles leading up to Global Customer Team Leader—Global & Western Europe in 2000, where he managed out of Geneva the global account management of Delhaize and the European management of New Channels including discounters (such as Aldi, Lidl, and Dia) and Convenience Retailing (such as Petroleum). Mr. Brouhard holds a Master's Degree in Business Administration from Audencia Business School in France and from Ohio State University in the United States.

Per Breimyr

Mr. Breimyr joined Coca-Cola Hellenic in February 2008 as Group Commercial Director. He joined Mars Inc. in Norway in August 1987, where he held various sales positions before becoming National Account Director. In November 1992, he became Sales Director with Duracell and eventually joined PepsiCo Nordic as Sales Director for Norway in January 1994. In 1997, he moved to London with PepsiCo Europe and PepsiCo Beverages International, where he held various positions in European and global account management. In 2003, he joined InBev (AB InBev) in Leuven Belgium, taking on the position of Vice President, Global Sales & Distribution. In 2006, he was appointed Commercial Vice President, responsible for the development and implementation of brand initiatives, distribution programs, sales and innovation strategies for central and Eastern Europe and Cuba. He holds a diploma in shipping from the London School of Foreign Trade and a degree from the Marketing College, Arendal Handelsskole.

Kleon Giavassoglou

Prior to joining the Coca-Cola System, Dr. Giavassoglou worked as an assistant professor at the University of Patras and a Consultant for engineering projects. He was also associated with Hellenic Bottling Company S.A. as a consultant engineer, supervising the construction of the Patras plant from 1979 to 1980. He commenced his career with Hellenic Bottling Company S.A in 1983. He held several positions of increasing responsibility in the maintenance and technical operations departments until 1993, when he was appointed General Manager of our operations in Northern Greece. In 1995, he was appointed Technical Operations Manager of our Greek operations and in 1998 Technical Director of Hellenic Bottling Company S.A. In 2000, he became Regional Technical and Engineering Director of Coca-Cola Hellenic and in February 2004 he became Supply Chain Services Director. Dr. Giavassoglou holds a PhD in Electrical Engineering as well as a Master's Degree in Civil Engineering from the University of Patras.

Jan Gustavsson

Mr. Gustavsson began his career with the Coca-Cola bottling system in 1995. From 1995 to 1997, he served as assistant division counsel in the Nordic & Northern Eurasia Division of The Coca-Cola Company. Mr. Gustavsson worked with the law firm of White & Case LLP from 1997 to 1999 and previously from 1993 to 1995. In 1999, Mr. Gustavsson joined Coca-Cola Beverages plc as deputy general counsel and was appointed general counsel and company secretary of Coca-Cola Hellenic Bottling Company S.A. in August 2001. In May 2009, he also assumed the responsibilities of director of strategic development. Mr. Gustavsson holds an LL.B. from University of Uppsala in Sweden and an LL.M. from Harvard Law School.

Robert Murray

In January 2009, Mr. Murray was appointed Chief Financial Officer of Coca-Cola Hellenic. He has held several key senior positions since joining the Coca-Cola System in 1987. At The Coca-Cola Bottling Company of New York, he was Controller of Operations, Director of Purchasing and CFO for the BevServ Division. In 1997, he joined Coca-Cola Amatil in Vienna as Business Planning Manager for Europe and then Vending Manager for Europe. Having acquired significant cross-functional experience, he was appointed General Manager in Hungary in 2001. In 2006, he was appointed General Manager in Switzerland. In 2008, he was appointed Deputy Chief Financial Officer of Coca-Cola Hellenic. Mr. Murray holds a Diploma of Business Administration and Accounting from George Washington University.

Bernard P. Kunerth

Prior to joining the Coca-Cola System, Mr. Kunerth held various human resources management positions with 3M, Financiere Agache and Henkel in France. From 1987 to 1996, he was the Regional Human Resources Director for western Europe and then the Americas with S.C. Johnson. Mr. Kunerth joined the Coca-Cola System in 1996 as Regional Human Resources Director for The Coca-Cola Company in London. In 1997, he transferred to the position of Vice President of Human Resources for Europe with Coca-Cola Enterprises Inc. In July 2001, he was appointed Vice President for Human Resources for all of Coca-Cola Enterprises Inc. in Atlanta, Georgia. He was responsible for compensation, benefits, performance management and talent management, information systems, finance and safety. He became Group Human Resources Director of Coca-Cola Hellenic in 2004. He holds a Master's Degree in Psychology from the University of Bordeaux.

Michalis Imellos

Mr. Imellos joined Coca-Cola Hellenic in July, 2008 as Regional Finance Director, responsible for Nigeria, Romania, Moldova, Bulgaria, Greece, Cyprus, and subsequently Serbia & Montenegro. In July, 2011 he assumed the position of General Manager, Romania & Moldova. Prior to Coca-Cola Hellenic, Mr. Imellos worked for Xerox for 11 years, where he held several senior finance positions in its UK-based European headquarters, such as Mergers & Acquisitions Director, Office Division Finance Director and Office Division Field Controller. Prior to these, he managed the financial, tax and legal aspects of Xerox's sponsorship of the Athens 2004 Olympic Games, as well as the Finance function of the company's operations in Greece, having started his career in the Audit department of Ernst & Young. Mr. Imellos is a UK-qualified Chartered Accountant (member of the Institute of Chartered Accountants in England & Wales) since 1994. He also holds a Bachelor of Science in Physics & Computing from the University of Athens.

Mr. Lois, Dr. Giavassoglou, Mr. Brouhard and Mr. Imellos are employed by Coca-Cola Hellenic Bottling Company S.A. All other members of our senior management are employed by various subsidiaries of Coca-Cola Hellenic Bottling Company S.A. although their responsibilities cover the entire group.

Operating Committee

Our operating committee is comprised of the members of senior management listed above and is chaired by our chief executive officer. The operating committee seeks to ensure effective coordination and decision-making through our business. The committee meets eleven times each year and is responsible for:

- the overall operational direction of our company;
- developing group strategy;

- agreeing action plans to support each of our territories;
- setting annual targets and agreeing annual business plans which include a comprehensive program of goals and strategies agreed between the country general managers and the regional directors. These annual business plans form the basis of the company's performance progress; and
- working with the country general managers to review and adjust, where necessary, the cooperation framework ensuring consistent behavior throughout the different countries.

B. Compensation

Remuneration policy

We aim to provide total compensation for our employees that is fair and sufficient to attract and retain people with the right talent, values set and skills necessary to grow the business in order to support our strategic framework and to maximize shareholder value. We also aim to motivate and reward employees to achieve stretched business targets. To achieve our short and long-term operating objectives, we continuously attract, retain and motivate high caliber executives. The Human Resources Committee aims to provide total compensation that is competitive by reference to other multinational companies similar to us in terms of size, geographic spread and complexity. In line with our commitment to maximize shareholder value, our policy is to link a significant proportion of remuneration for our senior managers to the performance of the business through short- and long-term incentives. Therefore, especially the equity-related long-term compensation of senior managers aligns the financial interests of senior management with those of our shareholders. Our emphasis is on linking payment with performance by rewarding effective management of long-term business performance, as well as individual achievement.

Compensation and pension benefits of directors and senior management

Our Board of Directors believes that the level of remuneration offered to directors and senior management should reflect their experience, responsibility and market value as determined by, among other factors, a comparison with similar multinational companies and should be sufficient to attract and retain high caliber directors and senior management who will guide our company successfully. The remuneration of the directors is subject to the approval of shareholders.

The total remuneration paid to or accrued for our directors and senior management, including stock option grants, during 2011 amounted to €14.4 million compared to €14.1 million and €12.6 million in 2010 and 2009 respectively. Out of this, the amount paid or accrued for stock option grants during 2011 was €4.6 million compared to €4.2 million and €3.9 million in 2010 and 2009 respectively. Pension and post-employment benefits for directors and for our senior management during 2011 amounted to €0.8 million compared to €0.9 million and €1.1 million in 2010 and 2009 respectively. Members of our senior management either participate in their home country pension scheme or in the Coca-Cola Hellenic International Retirement Savings Plan, as appropriate.

Management incentive plan

We operate a management incentive plan for all our managers. This plan is based on annual business performance against volume, adjusted EBITDA, ROIC, receivables and inventory days, as well as individual accomplishments against annual objectives. As of 2011, the previously used economic profit indicator has been replaced by ROIC in order to better complement the changes in the long-term incentive plan and reduce exposure to external environment's volatility. Individual objectives set by senior management are designed to be stretched but achievable. The target award as a percentage of annual base salary increases with the level of responsibility. Exceptional business unit performance may result in awards in excess of the target payouts.

Long-term incentive plan

All middle and senior management, excluding our executive team, participate in the Coca-Cola Hellenic Long-Term Incentive Plan. The plan, beginning with the period 2011-2013, operates under a new format aiming to connect employees to business priorities, motivate and reward them competitively to achieve business targets for today and tomorrow. Incentive payouts are based on business performance against three-year objectives, set on an annual basis. Exceptional business performance may result in awards in excess of the individual target payout. The performance of the plan will be measured against three years achievement of the new key business indicators selected: volume market share, net sales revenue per unit case and Group ROIC. The target payout for the plan is determined for each individual based on performance, potential and level of responsibility and the plan payout is every three years at plan end.

Stock option plan

Senior managers are eligible to participate in the Coca-Cola Hellenic Stock Option Plan. Options are granted at an exercise price equal to the price of our shares at close of trading on the Athens Exchange on the date of grant. Option grants vest in one-third increments each year for three years and can be exercised for up to ten years from the date of grant.

The numbers of options awarded are approved by the Board of Directors upon the recommendation of the Human Resources Committee after reviewing the advice of management and are based on a view of competitive market conditions for employee remuneration and employee performance. The stock option award for the chief executive officer is approved by the Board of Directors based on the recommendation of the Human Resources Committee.

We view stock options as a long-term component of the total remuneration package of our senior managers, whose roles have an impact on the results of the business as a whole. We will continue to evaluate the issuance of stock options to these employees, taking into account, among other factors, our business prospects and financial condition, as well as individual employee performance and potential and the competitive market conditions of employee remuneration. Under Greek law, the terms of any options granted must be approved by our shareholders at a general meeting. In addition, under Greek legislation, all options outstanding at any time under all our stock option plans may not exceed 10% of our outstanding share capital.

The following table summarizes information about stock option plans outstanding as at December 31, 2011.

	Exercise price after the capital return (€)	Vesting status 2011	Vesting dates for further increments	Vesting dates for further increments	Vesting dates for further increments	End of option period	Number of stock options outstanding
2003-2004 Stock Option Plan/2003 Grant	9.17	fully vested	—	—	—	14.12.2013	3,250
2003-2004 Stock Option Plan/2004 Grant	10.42	fully vested	—	—	—	2.12.2014	86,827
2005-2009 Plan/2005 Grant	13.53	fully vested	—	—	—	1.12.2015	571,883
2005-2009 Plan/2006A Grant	14.57	fully vested	—	—	—	20.3.2016	50,001
2005-2009 Plan/2006 Grant	16.71	fully vested	—	—	—	12.12.2016	1,066,151
2005-2009 Plan/2007 Grant	26.75	fully vested	—	—	—	12.12.2017	1,301,450
2005-2009 Plan/2008A Grant	22.54	fully vested	—	—	—	19.06.2018	30,000
2005-2009 Plan/2008 Grant	9.36	fully vested s	—	—	—	10.12.2018	1,344,840
2009-2011 Plan/2009 Grant	16.04	two thirds	10.12.2011	—	—	9.12.2019	1,652,300
2009-2011 Plan/2010A Grant	19.50	one third	18.03.2011	18.03.2013	—	17.03.2020	30,000
2009-2011 Plan/2010 Grant	19.65	one third	09.12.2012	09.12.2013	—	08.12.2020	1,913,100
2009-2011 Plan/2011A Grant	18.87	none	16.03.2012	16.03.2013	16.03.2014	15.03.2021	75,000
2009-2011 Plan/2011B Grant	18.50	none	24.06.2012	24.06.2013	24.06.2014	23.06.2021	10,000
2009-2011 Plan/2011 Grant	12.32	none	16.12.2012	16.12.2013	16.12.2014	15.12.2021	1,632,500
Total							**9,767,302**

As a result of the capital return (refer to note 18 to our consolidated financial statements) of €0.50, a corresponding €0.50 reduction was made to the exercise price of each unexercised stock option under each plan. The modification to the exercise price ensured the intrinsic value of each stock option was retained and did not result in incremental fair value for any of the unexercised stock options. Incremental fair value is calculated using the binomial stock option valuation model and represents the difference between the fair value of an option immediately after the modification and the original fair value of the respective option, measured immediately before the modification.

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

	Number of stock options 2011	Weighted average exercise price before the capital return 2011 (€)	Weighted average exercise price after the capital return 2011 (€)	Number of stock options 2010	Weighted average exercise price 2010 (€)
Outstanding at January 1	8,759,862	17.65	n/a	7,415,442	16.33
Granted	1,717,500	n/a	12.64	2,010,100	20.15
Exercised	(405,568)	11.69	11.19	(597,365)	9.59
Expired	(3,151)	8.19	7.69	(1,453)	8.29
Forfeited	(301,341)	19.48	18.98	(66,862)	18.08
Outstanding at December 31	9,767,302	n/a	16.55	8,759,862	17.65
Exercisable at December 31	6,192,606	n/a	17.04	5,001,036	17.77

Compensation expense recorded for the year ended December 31, 2011, 2010 and 2009 for all stock options was €8.1 million, €6.7 million and €6.4 million, respectively. The weighted average remaining contractual life of share options outstanding under the stock option compensation plans at December 31, 2011, 2010 and 2009 was 7.5 years, 7.8 years and 7.9 years, respectively.

At the annual general meeting in June 2009, our shareholders approved the adoption of a multi-year plan to grant stock options to senior managers for a maximum of 6,000,000 ordinary shares, subject to approval by the Board of Directors, for the period 2009-2011. During 2009, the Board of Directors approved the grant of 1,793,300 stock options at an exercise price of €16.54 representing approximately 0.5% of our outstanding share capital as of December 31, 2009. Our senior management team received an aggregate of 1,164,000 stock options under this grant for their recent performance. During 2010, the Board approved the grant of 2,010,100 stock options at an average exercise price of €20.15 representing approximately 0.5% of our outstanding share capital as of December 31, 2010. Our senior management received an aggregate of 1,248,000 stock options under this grant for their performance. During 2011, the Board approved the grant of 1,717,500 stock options at an average exercise price of €12.64 representing approximately 0.5% of our outstanding share capital as of December 31, 2011. Our senior management received an aggregate of 918,000 stock options under this grant for their performance.

Our option holders have the opportunity to exercise their options once per quarter. Eligible employees who leave our company for another company of the Coca-Cola system in which The Coca-Cola Company holds, directly or indirectly, at least a 20% interest, or employees who retire at no earlier than the age of 55 and with a minimum service of 10 years within the Coca-Cola system, may still exercise options granted to them under the plan in accordance with the plan rules. In the event the employment of an option holder is terminated due to death, injury or disability, all of the option holder's outstanding options vest and are exercisable no later than the same day of the twelfth (12th) month following the date of the option holder's death or cessation of employment. If the employment terminates for any reason other than death or disability or we cease to control the subsidiary employing the option holder, the options that have already vested may be exercised no later than the following December for options granted before 2007, and no later than the same day of the sixth (6th) month following the date of such cessation for options granted after 2007. Options lapse and cease to be exercisable if the option holder transfers, pledges or encumber the option in any way, if their employment is terminated due to dishonesty, fraud or misconduct or if we enter into liquidation.

You should read note 26 to our consolidated financial statements for additional information on our stock option compensation plans.

Stock appreciation rights

We operated in the past a stock-based compensation plan, under which certain key employees were granted stock appreciation rights ("SARs"), based on an employee's performance, potentiality and level of responsibility. There were some stock appreciation rights that remained unexercised from grants that occurred in the past. These remaining stock appreciation rights were exercised during 2011. The terms of these SARs were based upon the basic terms and conditions of stock option grants, except that instead of shares, the holders received a payment equal to the positive difference between the market price of our ordinary shares at the closing time of the Athens Exchange at the date of exercise and the exercise price. SARs vested in one-third increments each year for three years and could be exercised for up to ten years from the date of award.

After the remaining SARs from previous grants were exercised in 2011, on December 31, 2011, there were no outstanding stock appreciation rights.

	Number of SARs 2011	Weighted average exercise price before the capital return 2011 (€)	Weighted average exercise price after the capital return 2011 (€)	Number of SARs 2010	Weighted average exercise price 2010 (€)
Outstanding at January 1	13,950	8.19	n/a	77,250	9.6
Exercised	(13,950)	8.19	7.69	(63,300)	9. 91
Outstanding at December 31	—	—	—	13,950	8.19
Exercisable at December 31	—	—	—	13,950	8.19

In 2011, we recorded in the income statement an expense of €0.1 million relating to SARs, compared to a credit of €0.5 million a debit of €0.5 million recorded in 2010 and 2009, respectively.

Stock purchase plan

We operate an employee share ownership plan, The Coca-Cola Hellenic Stock Purchase plan, in which eligible employees can participate. The Human Resources Committee of the Board of Directors determines eligibility. Under the terms of this plan, employees have the opportunity to invest 1% to 15% of their salary in our ordinary shares by contributing to the plan monthly. We match up to a maximum of 3% of the employees' salary by way of contribution. Our contributions are used to purchase matching shares on a monthly basis on the open market, currently the Athens Exchange. Shares are either held in the employees' name or by a trust, The Coca-Cola Hellenic Employee Stock Purchase Trust. Matching shares vest one year after the purchase. In order to adapt the plan to the Greek legal framework in the case of employees resident in Greece, we match the contribution of employees resident in Greece with an annual employer contribution of up to 5% of the employees' salary, which we make in December, and matching shares purchased in December vest immediately. Dividends received in respect of shares held by the trust are used to purchase additional shares and accrue to the employees.

Forfeited shares (i) do not revert back to us and (ii) may be used to reduce future matching contributions. The cost of shares purchased by our matching contributions is amortized over twelve months and the unamortized deferred compensation is reflected in shareholders' equity.

During 2011, 346,996 shares were purchased by us, compared to 272,279 in 2010 and 334,859 in 2009, as matching shares to employee investments. The charge to the income statement in 2011 totaled €5.3 million, compared to €5.2 million in 2010 and €4.8 million in 2009. Of this amount, €1.1 million represented employer contributions made for Greek resident employees, compared to €1.1 million for 2010 and €1.0 million for 2009. The cost of unvested matching shares held by the trust at the end of 2011, before they vest to employees, was €4.1 million compared to €4.1 million and €3.8 million at the end of 2010 and 2009, respectively. The total number of shares held by the trust at December 31, 2011, 2010 and 2009 was 2,701,979, 2,428,353 and 2,327,925, respectively. The total contribution made by employees to the trust during 2011 was €6.1 million, compared to €6.0 million and €5.5 million during 2010 and 2009, respectively.

Employee benefit obligations

Statutory termination benefits and pension benefits for employees

Employees of our subsidiaries in Austria, Bulgaria, Croatia, Greece, Italy, Montenegro, Nigeria, Poland, Romania, Serbia and Slovenia are entitled to employee leaving indemnities, generally based on each employee's length of service, employment category and remuneration.

Our subsidiaries in Austria, Greece, Northern Ireland, the Republic of Ireland and Switzerland sponsor defined benefit pension plans. Of the three plans in the Republic of Ireland, two have plan assets as do the two plans in Northern Ireland, the plan in Greece and one plan in Switzerland. The Austrian plans do not have plan assets.

The total amounts set aside or accrued for the provision of statutory termination benefits for employees as at December 31, 2011, 2010 and 2009 were €94.6 million, €99.4 million and €113.4 million, respectively. The total amounts set aside or accrued for defined benefit pension plans for employees as at December 31, 2011, 2010 and 2009 were €41.4 million, €19.5 million and €25.0 million, respectively.

Jubilee plans

We provide long service benefits in the form of jubilee plans to our employees in Austria, Croatia, Nigeria, Poland, Slovenia and Switzerland.

The total amounts set aside or accrued for jubilee plans for employees as at December 31, 2011, 2010 and 2009 were €7.9 million, €7.7 million and €7.0 million, respectively.

Defined contribution plans

We also sponsor defined contribution plans covering employees at nine of our subsidiaries. Our contributions to these plans were €20.5 million in 2011, €15.5 million in 2010 and €10.6 million in 2009.

C. Board Practices

Board of directors

Our articles of association require that our board of directors consists of a minimum of 7 and a maximum of 15 members. Currently, we have 12 directors and there is no age retirement requirement. Our board of directors is appointed by our shareholders at a general meeting for a three-year term. The current term of our directors expires in 2014. The term of each member is extended until the date of the annual general meeting of the shareholders of the year in which such term expires. In case of death, resignation or removal of any member of the board of directors, the remaining directors, provided that they are more than six, may choose to either continue to manage the company without electing new members or to elect replacements for the remainder of the board's term. Such election must be announced at the next general meeting of the shareholders following the replacement. If our shareholders do not approve such election, then such shareholders elect the replacement for the director whose position has been vacated.

Our board of directors meets at regular intervals during the year. There are certain matters that are reserved for full consideration by the board of directors, including issues of policy, strategy and approval of our chart of authority and business plans. The members of our board of directors are supplied on a timely basis with comprehensive information on the business development and financial position of our company, the form and content of which the board of directors believes is in a form and of a quality to enable it to discharge its duties and carry out its responsibilities. All directors have access to our general counsel, as well as independent professional advice at the expense of our company. All directors have full access to the chief executive officer, senior managers, as well as our external auditors and our internal audit team.

Greek Law 3016/2002 requires that at least one-third of the board of directors of Greek listed companies is comprised of non-executive members, two of whom must be independent. Greek Law 3016/2002 provides that an independent director must not have any direct or indirect relationship with the company or its affiliates that would interfere with the exercise of independent judgment. Our board of directors complies with these provisions of Greek Law 3016/2002.

In 2000, in connection with the listing of our shares on the London Stock Exchange, we entered into a relationship agreement with Kar-Tess Group (of which Kar-Tess Holding is the sole remaining member) and The Coca-Cola Company Entities which, among other things, requires us to maintain during the term of the agreement on our board of directors two independent directors, that is, directors free from any business or other relationship with Kar-Tess Group or The Coca-Cola Company which could materially interfere with the exercise of their independent judgment in relation to matters concerning our company. The relationship agreement also restricts the directors nominated by Kar-Tess Group and The Coca-Cola Company from taking part in and voting at board of directors meetings in connection with matters in which the shareholder they represent has an interest. You should read Item 7, "Major Shareholders and Related Party Transactions—Related Party Transactions—The relationship agreement among us, The Kar-Tess Group and The Coca-Cola Company Entities" for additional information on the relationship agreement. There is no specific provision in our articles of association with respect to the directors' power, in the absence of an independent quorum, to vote compensation to themselves or any members of their body. However, pursuant to Greek Codified Law 2190/20, Article 24, compensation to a company's board members is to be paid out of our profit after tax (after deductions for ordinary reserves and the amount required for distribution to shareholders of the first dividend declared for the relevant financial year, equal to at least 6% of the company's paid-up share capital) or otherwise must be approved by a special resolution of the ordinary general meeting of its shareholders. The amount of compensation granted to a company's board member, or members, may be reduced by a Greek court if an objection is raised by shareholders representing at least one-tenth of the company's share capital and if the court finds such compensation to be "exorbitant". The remuneration of our directors is subject to approval by our shareholders.

Directors' service agreements

Mr. Lois, our chief executive officer, has an employment agreement with us. Such employment agreement includes no termination benefits other than as mandated by Greek law. None of the other members of our board of directors has entered into a service contract or other arrangements with us or any of our subsidiaries.

Committees of the board of directors

Human resources committee

The human resources committee consists of the following three non-executive directors: Sir Michael Llewellyn-Smith (chairman), Mr. George A. David, and Mr. John Hunter. The chairman of the human resources committee is appointed by the board of directors. The chief executive officer and the human resources director typically attend meetings of the human resources committee, except when the discussions concern matters affecting them personally. The human resources committee meets at least four times a year. The human resources committee operates in accordance with a written charter and is responsible for:

- establishing the principles governing our human resources policy, which will guide management decision-making and action;
- overseeing the evaluation of senior management;
- overseeing succession planning and approving the appointments and terminations of senior managers;
- overseeing the talent management framework to ensure a continuous development of talent for key roles;
- establishing our compensation strategy and approving company-wide compensation and benefit plans, as well as compensation for senior managers;

- making recommendations to the board of directors regarding compensation of the chief executive officer;
- establishing the policies governing severance and approve severance terms for the chief executive officer and senior managers;
- approving contracts of employment signed with the chief executive officer and senior managers;
- making recommendations to the board of directors regarding the appointment of the chief executive officer and the members of the board; and
- considering other topics as appropriate.

Audit committee

The audit committee consists of three non-executive directors who our board of directors believes are independent: Mr. Kent Atkinson (chairman), Mr. Nigel Macdonald and Mr. Christos Ioannou. Mr. Ioannou was appointed to the audit committee effective March 19, 2010. The chairman of the audit committee is appointed by the board of directors. Our chief financial officer, as well as our general counsel, external auditors and the director of our internal audit normally attend all meetings of the audit committee. The director of internal audit, as well as the external auditors, regularly meets with the audit committee without the presence of our management, to discuss the adequacy of internal control over financial reporting and any other matters deemed relevant for the attention of the committee. The audit committee has access to outside legal counsel and other independent professional advice, as it may deem necessary. The audit committee meets at least four times a year. The audit committee operates under a written charter and is responsible for:

- recommending the appointment, selection and termination of our external auditors and approving the remuneration and terms of engagement of such external auditors;
- discussing the nature and scope of forthcoming audits with the external auditors, ensuring that appropriate audit plans are in place for the audit, as well as assessing at the end of each annual audit cycle the effectiveness of the audit process;
- monitoring and reviewing the external auditors' independence, objectivity and effectiveness, taking into consideration the requirements of Greek, EU and applicable United States law, the listing requirements of the exchanges on which we are listed, as well as the applicable professional standards;
- approving the appointment or termination of the director of internal audit, monitoring and reviewing internal audit annual work programs, and the effectiveness of our internal audit department and otherwise overseeing the work of the internal audit department;
- appointing the members of the disclosure committee, overseeing the work of the disclosure committee and revise its charter, if needed, and reviewing the preparation of our interim reports, earnings releases, annual reports on Form 20-F and shareholders' reports;
- monitoring the quality, fairness and integrity of our financial statements, reviewing significant financial reporting issues and judgments contained in them;
- reviewing our annual financial statements before submission to the board of directors, focusing particularly on any changes in accounting policies and practices, major decision areas, significant adjustments resulting from the audit, the going concern assumption, compliance with accounting standards and compliance with any applicable stock exchange and legal requirements;
- discussing issues with management, the disclosure committee, the external auditors and the internal audit department any significant matters arising from the audit;

- considering prior to the filing of our annual report to shareholders and our annual report on Form 20-F with the SEC the external auditors' report referring to all critical accounting policies and practices to be used, all material alternative treatments of financial information that have been discussed with our management, including ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors, as well as other material written communications between the external auditors and our management, such as any management representation letter or summary of unadjusted differences, any reports on observations and recommendations on internal controls, the engagement letter and the independence letter;
- considering any other reports or communications submitted by the external auditors, as well as management's and/or the internal audit responses thereto;
- reviewing and seeking the input of the external auditors and the internal audit department with respect to our internal financial control and anti-fraud systems and our risk management systems (including computerized information system controls and security);
- monitoring, in conjunction with our general counsel and the internal audit department, our compliance with legal and regulatory requirements;
- reviewing, evaluating and recommending approval to the board of directors of our code of business conduct, as well as our treasury policy and chart of authority, which together provide the control framework for all transactions;
- administering and enforcing, in conjunction with the board of directors, our code of ethics for senior management and directors;
- establishing procedures for the receipt, retention and treatment of complaints received by our company regarding accounting, internal accounting controls, auditing matters or matters involving fraudulent behavior, including procedures for the confidential, anonymous submission by company employees of concerns regarding questionable accounting or auditing matters, as well as monitoring and reviewing any complaints received and the manner in which those complaints have been resolved; and
- considering any other matters, as appropriate.

The audit committee is also responsible for the oversight and monitoring of our compliance with the Sarbanes-Oxley Act, Section 404, regarding internal control over financial reporting.

Social responsibility committee

The social responsibility committee is comprised of three non-executive directors: Sir Michael Llewellyn-Smith (chairman), Mr. John Hunter and Mr. George A. David. The chief executive officer and the director of public affairs typically attend meetings of the social responsibility committee. The committee is responsible for the development and supervision of procedures and systems to ensure the pursuit of our social and environmental goals. The social responsibility committee operates in accordance with a written charter and is responsible for:

- overseeing the development and maintenance of procedures and systems that promote our social and environmental goals;
- establishing principles governing corporate social responsibility and environmental goals, including transparent business conduct in connection therewith;
- establishing an operating council responsible for developing and implementing appropriate policies and strategies to promote our social responsibility and environmental goals;

- ensuring group-wide capabilities to enable execution of policies and strategies to promote our social responsibility and environmental goals;
- overseeing communication with stakeholders of our social and environmental policies, goals and achievements, including the level of compliance with internationally accepted standards; and
- considering other topics as appropriate.

Corporate governance

As part of our commitment to best practices in corporate governance matters, we have implemented a number of measures to enhance internal control and risk management within our company. We continually review our corporate governance standards and procedures in light of current developments and rulemaking projects in Greece, Europe and the United States, in order to ensure that our corporate governance systems remain in line with international best practices.

Internal audit

Our internal audit department reports directly to the audit committee, which reviews and approves the internal audit plan for each year. The internal audit department consists of 22 full-time internal staff covering a range of disciplines and business expertise. The function of the internal audit department is to confirm the maintenance and effectiveness of our internal controls to the board of directors. For this purpose, the director of internal audit makes regular presentations to the audit committee. The director of internal audit meets regularly with the audit committee without the presence of our management.

The internal audit function monitors the internal financial control system across all the countries in which we operate and reports to management and the audit committee on its findings. The work of the internal audit function is focused on the areas of greatest risk to the company, as determined by using a risk based approach to audit planning. As part of our commitment to maintain and strengthen best practices in corporate governance matters, we consistently seek to enhance our internal control environment and risk management capability across our organization.

The internal audit function prepares audit reports and recommendations following each audit and appropriate measures are then taken to implement such recommendations. Status reports on management's action plans to internal audit findings are provided to the audit committee and board of directors on a biannual basis. The chief executive officer, along with regional and country managers, as well as our chief financial officer, general counsel and corporate controller each receive a copy of such summary.

Disclosure committee

A disclosure committee has been established and disclosure controls and procedures have been adopted to ensure the accuracy and completeness of our public disclosures. The disclosure committee is comprised of our chief financial officer, our general counsel and director of strategic development, our director of investor relations and our corporate controller.

Performance reporting

Reports on our annual performance and prospects are presented in the annual report and in the form 20-F filed annually with the SEC. Interim financial information is also released, on a quarterly basis, to the stock exchanges on which we are listed and to the financial press. Internally, our financial results and key business indicators are circulated and reviewed by senior management on a monthly basis. This information includes comparisons against business plans, forecasts and previous year performance. The board of directors receives updates on performance at each board of directors meeting, as well as a monthly report on our business and financial performance.

Internal control processes

Our board of directors acknowledges that it has ultimate responsibility for ensuring that we have adequate systems of financial control. It should be noted that such systems of financial control can provide only reasonable and not absolute assurance against material misstatements or loss. In certain of the territories in which we operate, businesses like ours are exposed to a heightened risk of loss due to fraud and criminal activity. We review our systems of financial control regularly in order to minimize such losses. The board of directors has adopted a chart of authority defining financial and other authorization limits and setting procedures for approving capital and investment expenditure. The board of directors also approves three-year strategic and financial plans and detailed annual budgets. It subsequently reviews monthly performance against targets set forth in such plans and budgets. A key focus of the financial management strategy is the protection of our earnings stream and management of our cash flow.

The identification and management of risk

We have adopted a strategic Enterprise Wide Risk Management, or EWRM, approach to risk management, providing a comprehensive risk management framework across the company. The primary aim of this framework is to minimize the organization's exposure to unforeseen events and to provide certainty to the management of identified risks in order to create a stable environment within which we can deliver our operational and strategic objectives. There are two principal EWRM objectives:

- the compilation and maintenance of an up-to-date risk register detailing the risks to the achievement of our operational and strategic objectives; and
- consistent and replicable risk identification, management and escalation of identified risks across the company.

These objectives are achieved by:

- regular risk reviews within the countries to chart and verify progress of the management of the identified risk exposure;
- followed by escalation of significant operational risks together with progress on agreed management actions to the regional directors; and
- annual communication of cumulative regional risk exposure to the operating committee and audit committee.

Outputs from this EWRM process are embedded in all business planning activities.

Third party insurance is secured to cover any residual insurable risk exposure such as property damage or business interruption and liability protection. Local insurance policies have been arranged under this cover to provide working loss protection and necessary legal compliance.

Accountability

Our chart of authority defines financial and other authorization limits and sets procedures for approving capital and investment expenditures. The country is the basic unit for purposes of business performance and our policy is to maintain accountability at the country level. Head office functions focus on policy and group issues and provide support and expertise where it is not practical or efficient to provide such support or expertise at a country level.

Certain differences between our practices and the corporate governance listing standards of the New York Stock Exchange

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

Based on the shareholders' agreement (described in detail below under Item 7, "Major Shareholders and Related Party Transactions") between the Kar-Tess Group and The Coca-Cola Company Entities, four of our directors are designated by Kar-Tess Holding and two are designated by The Coca-Cola Company. We have also appointed five directors that our board believes are independent: Mr. Kent Atkinson, Sir Michael Llewellyn-Smith, Mr. Antonio D'Amato, Mr. Christos Ioannou and Mr. Nigel Macdonald. Our human resources committee, described above, which fulfils certain duties of both a nominating/corporate governance committee and a compensation committee, is, in turn, comprised of Sir Michael Llewellyn-Smith, Mr. John Hunter and Mr. George A. David. Our human resources committee does not have sole authority to determine our chief executive officer's compensation. Such authority rest with the board of directors.

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

D. Employees

The following table provides a breakdown by activity and by segment of the average number of our full-time employees on a full-time equivalent basis, including the employees of our subsidiaries, in 2011, 2010 and 2009.

	Average number of employees in		
	2011	**2010**	**2009**
By Activity			
Production and Warehousing	15,095	14,928	16,450
Sales and Marketing	18,215	19,010	18,914
Administration	4,827	4,142	4,573
Distribution	3,578	4,425	4,293
Total	**41,715**	**42,505**	**44,231**
By Segment			
Established Countries	8,996	9,579	9,771
Developing Countries	7,128	7,533	7,921
Emerging Countries	25,591	25,393	26,539
Total	**41,715**	**42,505**	**44,231**

In order to meet the increased demand for our products in the summer months, we supplement our workforce with temporary employees during peak season. On average, in 2011, we employed approximately 2,378 temporary full-time equivalent employees, around 6% of our total workforce.

Approximately 25% of our employees were members of the 45 independent trade unions operating in our business as of December 31, 2011. Trade union participation varies within our unionized countries, for example, in Nigeria, nearly 98% of our nearly 4,799 employees are union members, whereas in Romania 17% of our nearly 1,701 employees are union members. Part of our workforce in Austria, Bosnia, Bulgaria, Croatia, Cyprus, Greece, the Republic of Ireland, Northern Ireland, Italy, Poland, the Russian Federation, Slovenia, Serbia and Montenegro, Ukraine is also unionized. Furthermore, over 50% of our employees are covered by collective labor agreements. Typically, these agreements cover procedural and substantive issues including terms and conditions of employment, employment benefits, access to training, grievance and disciplinary procedures, right of appeal and health and safety in the workplace.

We have formal communication protocols with each trade union and work councils to ensure regular and open dialogue and consultation. A unionized labor environment carries a risk of industrial action. However, we consider our relationship with our workforce to be good. In 2011, working time lost due to strikes and industrial disputes was insignificant.

In five countries, neither unions nor work councils exist: Moldova, Armenia, Belarus, FYROM and Hungary. In these cases, we typically recommend the establishment of employee bodies for the purposes of information and consultation. For example, there is an employee-elected Social Committee in Hungary, while in Belarus there is a specific internal procedure to promote and encourage employee rights and duties protection, as well as the employer's responsibilities, such as health and safety work conditions creation and maintenance.

We are committed to communicating directly with all employees, whether unionized or not, about major change initiatives. In the event of redundancies, we comply with local legislation in relation to information, and consult with employees and their representatives on the reasons for the change, the impact and the implications for affected employees. In 2011, there were 1,723 redundancies due to operational changes. Comprehensive severance packages meet and, in the majority of cases, substantially exceed statutory requirements. Aside from some minor labor actions of short duration in Greece and Nigeria, the restructuring in 2011 took place without incident and there was no disruption to supply as a result. As with any major organizational change, we developed plans in consultation with unions and works councils where relevant. We also liaised with the Select Committee of our European Works Council, or EWC, and engaged in regular dialogue with local works councils and town hall meetings attended by all employees.

The Coca-Cola HBC EWC was established in 2002 under the European Works Council Directive 94/95/EU. This forum previously comprised of employee and management representatives from Austria, Greece, Italy, Northern Ireland and the Republic of Ireland. In 2005, representation was expanded to include operations in our countries that joined the EU in 2004, namely the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia. In 2007, our EWC was enlarged to include representatives from the most recently admitted members of the EU, Bulgaria and Romania, as well as Cyprus which became one of our territories in 2006. Our EWC is comprised of representatives of management and representatives of employees. It provides an annual forum for information and consultation on transnational matters affecting more than one of our countries in the EU. Under the terms of the agreement, the parties undertake to participate in the council in a spirit of co-operation, good faith and mutual trust. The operation of the council does not affect the exclusive right of management to make business, financial, commercial and technological decisions.

The health, safety and welfare of our employees are paramount, and we are committed to achieving the most stringent standards of workplace safety and health. The Occupational Health and Safety Policy was adopted in 2004 and a group-wide initiative was launched to introduce the Occupational Health and Safety Assessment Series, or OHSAS, 18001 across all territories. The health and safety program is designed to enhance both performance and conformance by implementing independently certificated and standardized OHSAS 18001 systems. Compliance with national occupational health and safety standards, our previous standard, still remains the minimum requirement in all operations. By the end of 2011, 70 of our 76 plants had achieved certification to OHSAS 18001. A comprehensive plan is in place to achieve full certification of all plants, including new acquisitions. In 2012 an additional five manufacturing plants are scheduled to achieve certification, in line with our plans to certify all of our plants over the next few years.

During 2011, 70 health and safety systems audits and 25 compliance audits on behalf of The Coca-Cola Company were conducted by independent agencies in 70 of our 76 production facilities, comprising sparkling beverages and/or juice, milk and mineral water facilities, including the facilities of our joint ventures. All of these audits were performed for purposes of establishing key performance indicators and internal reporting processes to monitor compliance with health and safety standards going-forward.

E. Share Ownership

Except as disclosed below under Item 7 "Major Shareholders and Related Party Transactions— Major shareholders", as of the date of this annual report, none of the members of our board of directors beneficially owns more than 1% of our ordinary shares. You should read Item 6 "Directors, Senior Management and Employees—Compensation" for further information on the stock option plans and stock appreciation rights available to directors and senior management.

ITEM 7 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major shareholders

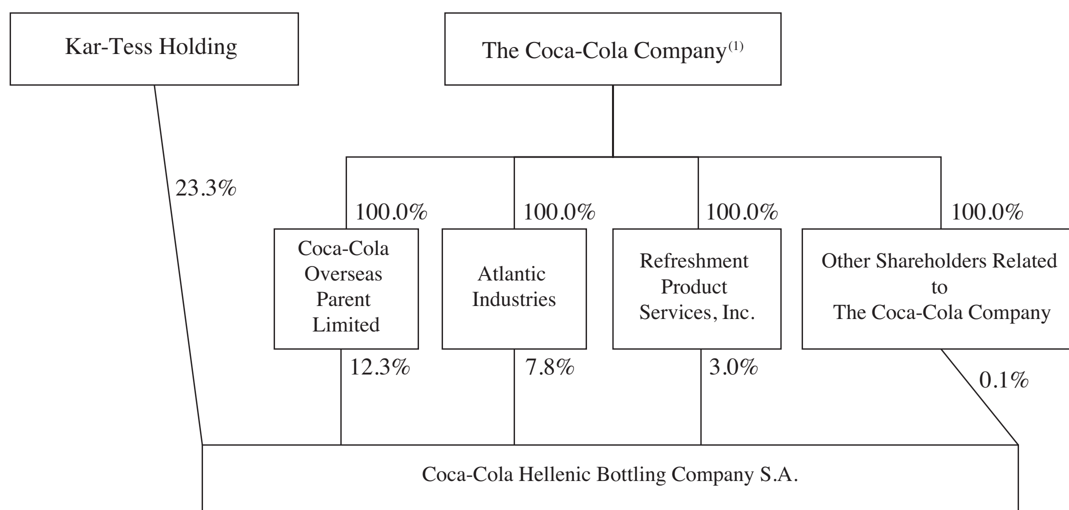
Prior to the acquisition of Coca-Cola Beverages plc, the Kar-Tess Group (of which Kar-Tess Holding is the sole remaining member) had a combined 68.6% interest in us, while The Coca-Cola Company held, directly and indirectly, a 50.5% interest in the outstanding share capital of Coca-Cola Beverages plc, and The Olayan Group, a diversified multinational Saudi Arabian group which holds an interest in the bottler of products of The Coca-Cola Company for Saudi Arabia, held a 10.8% interest. The Coca-Cola Company and The Olayan Group exchanged their entire shareholdings in Coca-Cola Beverages plc for our ordinary shares at the time of the acquisition.

Our principal shareholders are Kar-Tess Holding (a Luxembourg company) holding approximately 23.3% of our outstanding ordinary shares, and The Coca-Cola Company, which indirectly holds approximately 23.2% of our outstanding ordinary shares. Four members of our board of directors, Mr. George A. David, Mr. Anastassis G. David, Mr. Anastasios P. Leventis and Mr. Haralambos K. Leventis, were nominated by Kar-Tess Holding and elected in accordance with the provisions of a shareholders' agreement between The Kar-Tess Group and The Coca-Cola Company Entities. You should read "The shareholders' agreement between The Kar-Tess Group and The Coca-Cola Company Entities" for a more detailed description of the shareholders' agreement. By virtue of their responsibilities within The Kar-Tess Group, Mr. George A. David, Mr. Anastassis G. David, Mr. Anastasios P. Leventis and Mr. Haralambos K. Leventis may be deemed, under the rules of the SEC, to be the beneficial owners of our ordinary shares held by Kar-Tess Holding. However, each of these individuals disclaims such beneficial ownership.

The Coca-Cola Company holds its shares in us through five companies that are parties to the shareholders' agreement with The Kar-Tess Group relating to us and which constitute The Coca-Cola Company Entities: Coca-Cola Overseas Parent Limited, The Coca-Cola Export Corporation, Barlan, Inc. and Refreshment Product Services, Inc., each a Delaware company, and Atlantic Industries, a Cayman Islands company. The shares held by The Coca-Cola Company Entities are all beneficially owned by CCHBC Grouping, Inc., a Delaware company and an indirect, wholly-owned subsidiary of The Coca-Cola Company. Mr. John Hunter and Mr. Irial Finan were nominated by The Coca-Cola Company and elected in accordance with the provisions of the shareholders' agreement between The Kar-Tess Group and The Coca-Cola Company Entities.

In addition, by reason of the shareholders' agreement between The Kar-Tess Group and The Coca-Cola Company Entities, Kar-Tess Holding and The Coca-Cola Company may be deemed to constitute a "group" pursuant to the rules of the SEC, and each may be deemed to have a beneficial ownership interest in our shares held by the other. However, each of Mr. George A. David, Mr. Anastassis G. David, Mr. Anastasios P. Leventis and Mr. Haralambos K. Leventis, Kar-Tess Holding, The Coca-Cola Company Entities and CCHBC Grouping Inc. for all purposes and in all jurisdictions disclaims any such beneficial ownership interest.

The chart below describes the interests held in us by Kar-Tess Holding and The Coca-Cola Company as at March 15, 2012.



(1) The shares held by The Coca-Cola Company Entities are all beneficially owned by CCHBC Grouping, Inc., a Delaware company and an indirect wholly-owned subsidiary of The Coca-Cola Company.

The table below sets forth the interests equal to or exceeding 5% of our outstanding share capital notified to us by the relevant shareholders as at March 15, 2012.

Name	Percentage of ordinary shares	Number of ordinary shares
The Kar-Tess Group[(1)]		
Kar-Tess Holding[(1)]	**23.3**	**85,355,019**
The Coca-Cola Company		
Coca-Cola Overseas Parent Limited[(2)]	12.3	45,002,970
Atlantic Industries[(2)]	7.8	28,774,369
Refreshment Product Services, Inc.	3.0	10,833,612
Other shareholders related to The Coca-Cola Company[(2)]	0.1	501,127
	23.2	**85,112,078**

(1) On September 23, 2008, Kar-Tess Holding informed us that on September 19, 2008 it acquired 22,303,875 of our share capital from its parent, Boval S.A., in an intra-group transaction. On December 6, 2010 Kar-Tess Holding transferred 22,453,254 of our shares and voting rights by transferring 9 of its 100% owned subsidiaries to entities and individuals who were either ultimate beneficial owners of Kar-Tess Holding or have been nominated by them. None of these entities and individuals owns individually more than 2% of our outstanding shares and voting rights.

(2) These shares are all beneficially owned by CCHBC Grouping, Inc., a Delaware company and an indirect, wholly-owned subsidiary of The Coca-Cola Company.

On January 24, 2012, Coca-Cola Hellenic was informed by Credit Suisse Group AG that pursuant to a transaction on January 20, 2012, the number of ordinary shares and voting rights held by Credit Suisse Group AG in the Company fell below 5% of the Company's share capital. Prior to January 20, 2012, Credit Suisse Group AG held 18,691,946 ordinary shares and voting rights in the Company, representing 5.1% of our share capital.

Except as set forth in the shareholders' agreement between The Kar-Tess Group and The Coca-Cola Company Entities, none of our major shareholders have special voting rights. You should read "The shareholders' agreement between The Kar-Tess Group and The Coca-Cola Company Entities" below for a more detailed description of the voting rights of, and the voting arrangements among, the parties to the shareholders' agreement.

B. Related Party Transactions

Our relationship with The Coca-Cola Company

The Coca-Cola Company bottling system

The Coca-Cola Company bottling system is based on a division of functions between The Coca-Cola Company and its various bottlers that is intended to optimize the production, marketing and distribution of The Coca-Cola Company's beverages world-wide.

The Coca-Cola Company owns the trademarks of the beverages of The Coca-Cola Company, controls the global marketing of The Coca-Cola Company's brands and supplies the bottlers of The Coca-Cola Company's products with the concentrate for such products.

In their local markets, the bottlers of The Coca-Cola Company's products undertake to:

- produce the products of The Coca-Cola Company;
- engage in local marketing and promotional activities customized to the particular circumstances of the markets in which they operate;

- establish business relationships with local customers and develop local distribution channels, for example, by investing in cold drink equipment, such as coolers; and
- distribute the products of The Coca-Cola Company to retailers either directly or indirectly through wholesalers.

The Coca-Cola Company maintains relationships with independently owned bottlers in whom The Coca-Cola Company has no ownership interest, with bottlers in which The Coca-Cola Company has invested and holds a non-controlling ownership interest and with bottlers in which The Coca-Cola Company has invested and holds a controlling ownership interest.

Key bottler of The Coca-Cola Company

We are the second largest independent bottler of products of The Coca-Cola Company in the world in terms of net sales revenue and the second largest in terms of volume, and we believe that we have strategic importance within the Coca-Cola bottling system. As one of The Coca-Cola Company's key bottlers, we work closely with The Coca-Cola Company, utilizing our respective skills and assets to maximize the opportunities to increase sales in our countries and, ultimately, increase value over the long-term to our shareholders. In 2011, the products of The Coca-Cola Company accounted for approximately 96% of our total sales volume. The Coca-Cola Company has also licensed to us the use of The Coca-Cola Company trademark in our corporate names. We view our objectives as being aligned with The Coca-Cola Company's objectives and we believe that The Coca-Cola Company shares this view.

Bottlers' agreements

The Coca-Cola Company has the ability to exert significant influence over the conduct of our business under a number of bottlers' agreements entered into between The Coca-Cola Company and our operating companies for the countries in which we operate. Bottlers' agreements are the standard contracts that The Coca-Cola Company enters into with bottlers outside the United States for the sale of concentrate for The Coca-Cola Company's trademarked beverages. All the bottlers' agreements entered into by The Coca-Cola Company and ourselves with respect to our non-EU markets are in the form of The Coca-Cola Company's standard international bottlers' agreements. The bottlers' agreements for our EU countries, including Austria, Greece, Italy (Northern and Central), Northern Ireland and the Republic of Ireland, are The Coca-Cola Company's standard EU bottlers' agreements. On August 19, 2003, we announced that The Coca-Cola Company has granted an extension of the bottlers' agreements between us and The Coca-Cola Company covering the 26 countries in which we operated at that time, effective on January 1, 2004 and for an initial term of ten years, lasting until December 2013, with the option to request a further ten-year extension to 2023. The new agreements cover our developing countries that entered the EU on May 1, 2004. These are in the form of EU International Bottlers' Agreements. On May 1, 2004, we received waivers from The Coca-Cola Company bringing the existing bottlers' agreements for countries entering the EU on May 1, 2004 in compliance with EU rules of competition until such time as negotiations for new bottlers' agreements have been completed and new agreements have been entered into. Any provisions in the existing bottlers' agreements which were not in compliance with the EU rules of competition were waived. In all other respects the provisions of these bottlers' agreements remain in full force and effect.

On July 30, 1999, The Coca-Cola Company announced that it had completed the acquisition of the beverage brands of Cadbury Schweppes plc in certain countries. Schweppes Holdings Limited, a wholly owned subsidiary of The Coca-Cola Company, has granted to us the rights to sell and distribute these beverages in the Republic of Ireland and Northern Ireland pursuant to bottlers' agreements substantially similar to the standard EU bottlers' agreement and in Nigeria, the Russian Federation, Bulgaria, Bosnia and Herzegovina, Croatia, Ukraine, the Former Yugoslav Republic of Macedonia, Serbia, Montenegro, Slovenia, Estonia, Lithuania and Latvia pursuant to bottlers' agreements substantially similar to the standard international bottlers' agreement of The Coca-Cola Company, except that the bottlers' agreements for Bosnia and Herzegovina, Croatia and Slovenia are renewable for an additional term of five years.

International bottlers' agreements (for countries outside the European Economic Area)

Exclusivity. Our operating companies have the right to produce and the exclusive rights granted by The Coca-Cola Company in their territories to sell and distribute those beverages of The Coca-Cola Company in those containers, such as glass bottles, plastic bottles and/or cans, specifically identified in each agreement. The Coca-Cola Company retains the right to produce and sell, or authorize third parties to produce and sell, beverages of The Coca-Cola Company in any manner or form not specified in the bottlers' agreement within the relevant territory. The Coca-Cola Company also retains the right to produce or authorize third parties to produce the products covered by the agreement in the territory of the operating company for sale outside that territory. The international bottlers' agreements also contemplate that there may be instances in which large or special buyers have operations transcending the boundaries of our operating companies' territories and, in such instances, our operating companies agree not to oppose any additional measures deemed necessary by The Coca-Cola Company to improve sales and distribution to such customers. Our local operating companies are prohibited from producing or handling any beverage product other than products of The Coca-Cola Company or from acquiring or holding an interest in a party that engages in such business in the territories covered by these agreements without The Coca-Cola Company's prior consent.

Supply of concentrate. Our international bottlers' agreements require us to purchase all our requirements of concentrate for beverages of The Coca-Cola Company from The Coca-Cola Company and its authorized suppliers. The Coca-Cola Company sells concentrate to us at prices that The Coca-Cola Company determines on an annual basis in its sole discretion, including the conditions of shipment and payment as well as the currency of the transaction. The Coca-Cola Company normally increases concentrate prices after discussions with us so as to reflect trading conditions in the relevant country.

Packaging of the products of The Coca-Cola Company. We must distribute all the products of The Coca-Cola Company in containers authorized by The Coca-Cola Company. The Coca-Cola Company has the right to approve, in its sole discretion, any kind of packages and containers for The Coca-Cola Company's beverages, including their size, shape and other attributes. The Coca-Cola Company may, in its sole discretion, redesign or discontinue any package of any beverage of The Coca-Cola Company, subject to certain limitations, so long as The Coca-Cola Company's beverages covered by the relevant agreement are not all discontinued. We must purchase all containers, closures, cases and other packaging materials and labels from manufacturers approved by The Coca-Cola Company. The Coca-Cola Company is the sole owner of the trademarks that identify The Coca-Cola Company's beverages and of the secret formulae used in concentrates. We are prohibited from producing other products or packages that would imitate, infringe or cause confusion with the products, trade dress, containers or trademarks of The Coca-Cola Company, or from acquiring or holding an interest in a party that engages in such activities.

Other conditions. We are required to maintain adequate production and distribution facilities and inventories of bottles, caps, boxes, cartons and other exterior packaging or materials as well as to undertake adequate quality control measures prescribed by The Coca-Cola Company. We also undertake to develop, stimulate and meet the demand for The Coca-Cola Company's beverages and use all approved means and spend such funds on advertising and other forms of marketing as may be reasonably required to meet that objective and to maintain sound financial capacity to secure the performance of our obligations to The Coca-Cola Company. We are required to submit to The Coca-Cola Company for each of our territories an annual business plan, which must be acceptable to The Coca-Cola Company. In practice, however, we work closely with The Coca-Cola Company to develop our annual business plan in light of the then prevailing trading conditions in each territory.

Trans-shipping. Our operating companies are prohibited from making sales of The Coca-Cola Company's beverages outside of their prescribed territories or to anyone intending to resell the beverages outside those territories without the consent of The Coca-Cola Company. The Coca-Cola Company may impose financial penalties on operating companies whose products are found in another bottler's territory or even cancel the license for the type of containers found in the other bottler's territory.

Pricing. Our operating companies set the price of products sold to retailers at their discretion. The Coca-Cola Company is also entitled, to the extent permitted by local law, to set the maximum price we may charge to our customers for products covered by the applicable bottlers' agreements. In practice, we work closely with The Coca-Cola Company to determine our pricing strategy in light of the trading conditions prevailing at the relevant time in each country. Our purchases of concentrate, beverage base, finished goods and other goods are at prices that are set from time-to-time by The Coca-Cola Company in its sole discretion. The combination of The Coca-Cola Company's right to set the maximum price we may charge to our customers for products covered by the applicable bottlers' agreements and its right to set our concentrate prices in its sole discretion could give The Coca-Cola Company considerable influence over our gross profit margins.

Assignment/Change of control. Each operating company is prohibited from assigning, transferring or pledging its bottlers' agreement with The Coca-Cola Company, or any interest in it, whether voluntarily or involuntarily, without the consent of The Coca-Cola Company. In addition, our operating company may not undergo a change of control without the consent of The Coca-Cola Company.

Term. The international bottlers' agreements expire in 2013. If our operating companies have complied fully with the agreements during the initial term, are "capable of the continued promotion, development and exploitation of the full potential of the business" and request an extension of the agreement, an additional term until 2023 may be granted in The Coca-Cola Company's sole discretion.

Termination. Either party to an international bottlers' agreement may, with 60 days' written notice to the other party, terminate the bottlers' agreement in the event of non-compliance of the other party with its terms so long as the party in non-compliance has not cured such noncompliance during this 60-day period. Either party may also terminate the agreement by written notice to the other party if its terms violate applicable law or if any of the parties is unable to legally obtain foreign exchange to remit abroad in payment of imports of concentrate.

In addition, The Coca-Cola Company may terminate an international bottlers' agreement with any of our operating companies immediately by written notice to our operating company in the event that:

- the operating company suspends payments to creditors, declares bankruptcy, is declared bankrupt, is expropriated or nationalized, is liquidated or dissolved or if a receiver is appointed to manage the business of the operating company;

- the operating company transfers control, assigns the bottlers' agreement, delegates performance under the agreement or fails to report to The Coca-Cola Company material changes in its ownership; or
- if the operating company or any individual or legal entity that controls, owns a majority of the shares in or, directly or indirectly, influences the management of the operating company engages in the production of non-alcoholic beverages other than The Coca-Cola Company's non-alcoholic beverages, whether through direct ownership of such operations or through control or administration thereof, provided that, upon request, the operating company shall be given six months to remedy such situation.

Moreover, if an operating company does not wish to pay the required price for concentrate for the beverage "Coca-Cola", it must so notify The Coca-Cola Company in writing within 30 days of receipt of The Coca-Cola Company's new prices, in which case the bottlers' agreement in relation to concentrate for the beverage "Coca-Cola" will terminate automatically 3 months after the date of such notice. In case an operating company refuses to pay the required price for concentrate other than concentrate for the beverage "Coca-Cola", The Coca-Cola Company may at its option cancel the bottlers' agreement in relation to such concentrate or terminate the entire agreement, in each case with three months' written notice.

In addition to The Coca-Cola Company's termination rights described above, if our operating company does not comply with the standards and instructions established by The Coca-Cola Company relating to the production of the licensed products, The Coca-Cola Company is entitled to suspend the operating company's authorization to produce such products of The Coca-Cola Company until the default has been corrected to The Coca-Cola Company's satisfaction. The Coca-Cola Company may also elect, in the event that an operating company breaches the terms of the agreement with respect to a particular product, to cancel the authorization granted to such operating company under the agreement in respect of that product.

EU bottlers' agreements

Exclusivity. Our operating companies have the right to produce and the exclusive rights granted by The Coca-Cola Company in their territories to sell and distribute the products of The Coca-Cola Company in those containers, such as glass bottles, plastic bottles and/or cans, specifically identified in each agreement. The Coca-Cola Company retains the right to produce and sell, or authorize third parties to produce and sell, the beverages in any manner or form not specified in the bottlers' agreement within the relevant territory. The Coca-Cola Company also retains the right to produce, or authorize third parties to produce in the territory of the operating company, the products covered by the agreement for sale outside that territory. The EU bottlers' agreements also contemplate that there may be instances in which large or special buyers have operations transcending the boundaries of the operating company's territories. In such instances, our operating companies agree not to oppose, without valid reason, any additional measures deemed necessary by The Coca-Cola Company to improve sales and distribution to such customers. Our operating companies also agree not to oppose any measures taken by The Coca-Cola Company in compliance with the competition rules of the European Economic Area.

Supply of concentrate. The provisions of the EU bottlers' agreements relating to the supply of concentrate are substantially similar to the corresponding provisions of the international bottlers' agreements described above.

Packaging of the products of The Coca-Cola Company. The provisions of the EU bottlers' agreements relating to the packaging of the products of The Coca-Cola Company are substantially similar to the corresponding provisions of the international bottlers' agreement described above.

Other conditions. The EU bottlers' agreements contain substantially similar conditions to the conditions of the international bottlers' agreements described above.

Trans-shipping. Our operating companies are prohibited from making sales of The Coca-Cola Company's beverages outside their prescribed territories, or to anyone intending to resell these beverages outside those territories, without the consent of The Coca-Cola Company, except for sales arising out of an unsolicited order from a customer in another Member State of the European Economic Area or sales to a customer intending to export to another such Member State. The Coca-Cola Company may impose financial penalties on operating companies whose products are found in another bottler's territory in violation of the bottlers' agreement or even cancel the license for the type of containers found in the other bottler's territory.

Pricing. The provision of the EU bottlers' agreements relating to pricing of the products of The Coca-Cola Company are substantially similar to the corresponding provisions of the international bottlers' agreement described above.

Assignment/Change of control. The assignment and change of control provisions of the European bottlers' agreement are substantially similar to the assignment provisions of the international bottlers' agreements described above.

Term. The EU bottlers' agreements expire in 2013, unless terminated earlier as provided in the agreements. If our operating companies have complied fully with the agreements during the initial term, are "capable of the continued promotion, development and exploitation of the full potential of the business" and request an extension of the agreement, an additional term until 2023 may be granted in the sole discretion of The Coca-Cola Company. The bottlers' agreement relating to the production, distribution and sale of products of The Coca-Cola Company in Greece does not specifically provide for our ability to request the renewal of such agreement.

Termination. The termination provisions of the EU bottlers' agreements are substantially similar to the termination provisions of the international bottlers' agreements described above, except that the EU bottlers' agreements may not be terminated in connection with the violation of terms that are particular to the international bottlers' agreements, such as the restriction on the production of beverages other than beverages of The Coca-Cola Company.

Purchase of concentrate, other raw materials and finished goods

Our operating companies purchase concentrate and other items such as finished products from The Coca-Cola Company and its subsidiaries. The total purchases of concentrate for 2011 amounted to €1,249.3 million as compared to and €1,294.9 in 2010 and €1,246.0 million in 2009. In addition to concentrate, we purchase from The Coca-Cola Company finished goods and other materials. The cost of these purchases amounted to €56.1 million in 2011, as compared to €78.0 million in 2010 and €37.6 million in 2009. In 2011, we purchased concentrate from Beverage Partners Worldwide, a joint venture between The Coca-Cola Company and Nestlé S.A., on an arm's length basis amounting to €99.6 million compared to €89.4 million in 2010 and €70.0 million in 2009.

Marketing and promotional support

The Coca-Cola Company makes contributions to us in respect of marketing and promotional support programs to promote the sale of its products in our territories. Contributions received from The Coca-Cola Company for marketing and promotional support programs amounted to €76.5 million, €60.8 million and €56.9 million for the years ended December 31, 2011, 2010 and 2009, respectively. These contributions, if related to payments we make to specific customers for marketing and promotional incentives, are recognized as a reduction of our payments to customers. These payments to customers, net of contributions received from The Coca-Cola Company, are deducted from sales revenue. In 2011, such contributions totaled €49.0 million as compared to €48.8 million in 2010 and € 39.9 million in 2009. Payments for marketing programs not specifically attributable to a particular customer are recognized as either a reduction of selling and delivery expenses or cost of goods sold. In 2011, these contributions amounted to €21.9 million compared to €19.8 million in 2010 and €22.5 million in 2009. The levels of support programs are jointly determined annually on a territory-by-territory basis to reflect the mutually agreed annual marketing plan for that territory and expected sales volume for the year. The Coca-Cola Company is under no obligation to participate in the programs or continue past levels of funding into the future. Given our relationship with The Coca-Cola Company to date, there is no reason to believe that such support will be reduced or withdrawn in the future.

Recent acquisitions with The Coca-Cola Company

We and The Coca-Cola Company are jointly pursuing the development or acquisition of mineral water and juice opportunities with a view to expanding our presence in the water and juice segments. As part of this strategy, we have a common understanding with The Coca-Cola Company with respect to water acquisitions, whereas we will have full ownership of the operating assets and exercise managerial control over the relevant business, while The Coca-Cola Company will own the brands and, jointly with our company, the water source in the case of mineral waters. Where a separation of brands from operating assets is not feasible due to legal or tax reasons, the acquired property will continue to be jointly owned by The Coca-Cola Company and us. In that case, we will retain the management and operational control of the acquired business and we will work with The Coca-Cola Company towards the eventual transfer of the brands to The Coca-Cola Company on a cost-neutral basis. In relation to juice acquisitions, we each own 50% of the jointly acquired entities to date, the Multon Z.A.O. group and Fresh & Co, which we account for as joint ventures. On April 20, 2011 we along with TCCC, acquired through Multon Z.A.O., MS Foods UAB, a company that owns 100% of the equity of Vlanpak FE, a fruit juice and nectar producer in Belarus. For additional information on these acquisitions, see Item 5 “Operating and Financial Review and Prospects—Major recent transactions”.

Amounts payable to and receivable from The Coca-Cola Company and Beverage Partners Worldwide

At December 31, 2011, The Coca-Cola Company owed us €63.2 million, as compared to €53.8 million and €64.2 million as at December 31, 2010 and 2009, respectively, of which €0.3 million, €3.0 million, €6.7 million as at December 31, 2011, 2010 and 2009 related to loans to joint ventures with The Coca-Cola Company. We owed The Coca-Cola Company a total amount of €172.2 million of trade payables as at December 31, 2011, compared to €166.0 million and €125.1 million as at December 31, 2010 and 2009, respectively and €7.6 million of other liabilities as at December 31, 2011 compared to nil as at December 31, 2010 and 2009. As of December 31, 2011, we owed €4.4 million to Beverage Partners Worldwide and we were owed €0.1 million from Beverage Partners Worldwide. This compared with €4.4 million and €1.7 million owed to Beverage Partners Worldwide and nil and €0.3 million owed by Beverage Partners Worldwide to us, as at December 31, 2010 and 2009, respectively.

Other transactions with The Coca-Cola Company

Other income primarily comprises rent, facility and other items of €1.2 million in 2011 compared to €14.3 million in 2010 and €4.4 million in 2009 and a toll-filling relationship in Poland of €13.8 million in 2011 compared to €17.6 million in 2010 and €15.0 million in 2009. There were €4.0 million of other expenses in 2011 related to facility costs charged by The Coca-Cola Company and shared costs compared to nil in 2010 and €1.5 million in 2009 included in operating expenses.

During 2011, we sold €32.8 million of finished goods and raw materials to The Coca-Cola Company, compared to sales of €19.0 million for 2010 and €20.5 million for 2009. We did not record any gain from the sale of property, plant and equipment to The Coca-Cola Company compared to €0.2 million in 2009.

During 2011, we did not purchase any franchise rights, as compared to €4.4 million in 2010 and nil in 2009. In 2011, we did not have any proceeds from the sale of available-for-sale assets to The Coca-Cola Company compared to €4.9 million in 2010 and nil in 2009.

In March 2008, we formed a three-party joint venture with The Coca-Cola Company and illycaffé SpA for the manufacture, marketing, sale and distribution of premium ready-to-drink coffee under the illy brand across our territories. During 2011 we disposed our interest in that joint venture with no significant effect in our consolidated financial statements. We continue to sell and distribute ready-to-drink coffee under the "illy" brand across our territories.

All transactions with The Coca-Cola Company are conducted on an arm's length basis.

Other Coca-Cola Bottlers

In 2011, we sold €1.6 million of finished goods, compared to €1.3 million and nil in 2010 and 2009 respectively. We purchased €2.0 million of finished goods from other Coca-Cola bottlers, compared to €0.5 million and nil in 2010 and 2009 respectively. We incurred €0.1 million of expenses compared to €0.1 million in 2010 and 2009, respectively from other Coca-Cola bottlers where The Coca-Cola Company has significant influence. Furthermore, during 2011 we received reimbursement for direct marketing expenses incurred of €0.1 million compared to €0.8 million and €0.5 million in 2010 and 2009 respectively from other Coca-Cola bottlers. In addition, we did not record any income in 2011 from other Coca-Cola bottlers compared to €0.3 million and €0.4 million in 2010 and 2009 respectively. At December 31, 2011 we had receivables of €0.3 million from such bottlers, compared to €1.5 million in 2010 and €1.3 million in 2009.

Our relationship with Kar-Tess Group

Supply agreement with Frigoglass S.A.

Until June 2000, we owned 20% of Frigoglass S.A., a company listed on the Athens Exchange which manufactures coolers, glass bottles and crowns. Boval S.A., the parent of Kar-Tess Holding, currently owns 43.7% of Frigoglass S.A.

Under the terms of a supply agreement that we entered into with Frigoglass S.A. in 1999 initially set to expire on December 31, 2004, and extended first in June 2004 and again in December 2008, on substantially similar terms, to December 31, 2013, we are obligated to obtain at least 60% of our annual requirements of coolers from Frigoglass S.A., in order to maintain our status as a non-exclusive most favored client. The prices at which we purchase these products are agreed between us and Frigoglass S.A. at the beginning of each year. If an agreement is not reached, the applicable prices will be determined based on the average prices of non-exclusive other primary European suppliers to The Coca-Cola Company's European bottlers. We have the status of a non-exclusive most favored customer of Frigoglass S.A., which means that the price to us must be less than the prices charged to other customers of Frigoglass S.A. that do not have this status and any orders placed by us must be dealt with in absolute priority with respect to orders from those other customers. Frigoglass S.A., however, is not required to apply most favored customer pricing for any product for which they provide us with less than 50% of our annual supply requirements. In addition, most favored customer status does not apply to any products which we purchase from Frigoglass S.A. which are categorized as commodities and for which we have requested, and have received, fixed prices.

In 2011, we made purchases from Frigoglass S.A. of €148.0 million compared to €101.0 million in 2010 and €58.8 million in 2009 of coolers, glass bottles and crowns. The purchases from Frigoglass S.A. in 2011 were comprised of €100.5 million for coolers, other cold drink equipment and spare parts and €47.5 million for raw and packaging materials and other purchases. This compares to €84.6 million for the purchase of coolers, other cold drink equipment and spare parts and €16.4 million for purchases of raw and packaging materials in 2010 and €21.3 million and €37.5 million, respectively, in 2009. The increase in total purchases in 2011 is due to more direct purchases from the suppliers and less finance lease contracts.

As at December 31, 2011, we owed €14.4 million to Frigoglass S.A. in connection with the supply agreement, and Frigoglass S.A. owed to us €1.2 million. This compared with €13.9 million and €3.6 million owed to Frigoglass S.A. and €1.2 million and €4.7 million owed by Frigoglass S.A. to us as at December 31, 2010 and 2009, respectively. All transactions with Frigoglass S.A. are conducted on an arm's length basis. Frigoglass S.A. has a controlling interest in Frigoglass Industries (Nigeria) Limited, a company in which we have a 24% effective interest through our investment in Nigerian Bottling Company plc.

Leventis Overseas and AG Leventis (Nigeria) plc

Leventis Overseas and AG Leventis (Nigeria) plc are related to us by way of common directors where significant influence exists. During 2011, we purchased from Leventis Overseas and AG Leventis (Nigeria) plc finished goods and other materials totaling €14.9 million, this compares to €10.8 million for 2010 and €10.0 million for 2009. We had no purchases of fixed assets in 2011 from Leventis Overseas and AG Leventis (Nigeria) plc, compared to nil and €0.4 million in 2010 and 2009, respectively. In 2011, we did not sell any finished goods and raw materials to Leventis Overseas and AG Leventis (Nigeria) plc, compared to sales of €0.1 million of finished goods and raw materials in 2010 and nil in 2009, respectively, and we incurred rental expenses of €2.8 million, compared to rental expenses of €0.6 million and €2.9 million for 2010 and 2009, respectively. In addition, during 2011, we incurred other expenses of €0.3 million, compared to €0.4 million in 2010 and nil in 2009 and recorded other income of €0.3 million in 2011 compared to €1.0 million in 2010 and nil in 2009. At December 31, 2011, we owed to Leventis Overseas and AG Leventis (Nigeria) plc €3.8 million, compared to €1.3 million and €2.2 million, as at December 31, 2010 and 2009, respectively, and Leventis Overseas and AG Leventis (Nigeria) plc owed to us €0.2 million, compared to €0.8 million and €0.2 million, as at December 31, 2010 and 2009, respectively.

Other related parties

During 2011, we purchased €1.5 million of raw materials and finished goods, compared to €1.4 million in 2010 and €2.1 million in 2009, and did not perform any purchases of fixed assets from other related parties, compared to €0.3 million in 2010 and €0.2 million in 2009. In addition, we incurred expenses of €2.6 million, compared to €2.1 million and €1.0 million, respectively, in 2010 and 2009 and we recorded income of €0.3 million, compared to €0.2 million in 2010 and 2009. At December 31, 2011, we owed €0.3 million to other related parties compared to €0.1 million and €0.4 million, respectively in 2010 and 2009, and we were owed €0.4 million by other related parties, compared to €0.8 million and nil, respectively at December 31, 2010 and 2009, respectively.

The shareholders' agreement between Kar-Tess Group and The Coca-Cola Company Entities

General

On November 3, 1999, Kar-Tess Group and The Coca-Cola Company Entities entered into a shareholders' agreement, which became effective at the date of the acquisition of Coca-Cola Beverages plc by Hellenic Bottling Company S.A. and which governs many important aspects of their relationship. On December 29, 2008, Kar-Tess Holding and The Coca-Cola Company agreed to extend their existing shareholders' agreement until 31 December 2018. The following summarizes certain provisions of the shareholders' agreement.

Restriction on transfer

The shareholders' agreement restricts the sale of our ordinary shares owned by Kar-Tess Holding and The Coca-Cola Company Entities with a view toward maintaining the combined shareholdings of Kar-Tess Holding and The Coca-Cola Company Entities until January 2014 at no less than 44% of our outstanding share capital (and at no less than 40% of our outstanding share capital thereafter until expiration of the shareholders' agreement). Kar-Tess Holding and The Coca-Cola Company Entities have also agreed to maintain their individual shareholdings until January 2014 at no less than 22% of our outstanding share capital (and at no less than 20% of our outstanding share capital thereafter until expiration of the shareholders' agreement). However, Kar-Tess Holding and The Coca-Cola Company Entities have also agreed to negotiate in good faith an agreement that allows transfer of our ordinary shares below these minimum thresholds provided that they continue to jointly control us.

Composition of our board of directors

The amended shareholders' agreement provides that the composition of our board of directors be twelve directors comprising:

- two directors designated by The Coca-Cola Company Entities;
- four directors designated by Kar-Tess Holding; and
- the remaining directors jointly designated by Kar-Tess Group and The Coca-Cola Company Entities.

Kar-Tess Holding and The Coca-Cola Company Entities have also agreed to cast the votes attaching to their ordinary shares so that each other's nominees are elected to our board of directors and, in the event that there are more or less than twelve directors on our board, so that Kar-Tess Holding and The Coca-Cola Company Entities maintain their respective proportional representation on our board of directors. Either shareholder may request by written notice to the other shareholder that a director nominated by such shareholder be removed and the other shareholder has agreed to procure that any necessary action is taken in accordance with our articles of association and Greek law to remove or replace such director and to fill the board vacancy with a new director nominated by the shareholder requesting the removal and replacement.

Decisions of our board of directors

Kar-Tess Holding and The Coca-Cola Company Entities have agreed to seek to convene an extraordinary general meeting of our shareholders to replace our board of directors in the event a resolution is passed by our board of directors in circumstances where a representative director of either Kar-Tess Holding or The Coca-Cola Company Entities has voted against such resolution to:

- engage in any business other than the bottling of beverages;
- incur any indebtedness, including in the form of guarantees, or approve capital expenditures in excess of €30.0 million;
- enter into any arrangements providing for payments or other consideration in excess of €30.0 million;
- sell, lease, exchange, transfer or otherwise dispose of all or substantially all of our assets or sell the majority of the value of our assets, if not in the ordinary course of business, unless such sale is in connection with a sale-leaseback transfer;
- appoint our top executive (chief executive officer); or
- approve our annual budget and annual business plan.

Our articles of association provide that approval of these matters requires a quorum of three-quarters of the total number of the members of our board of directors and the vote of two-thirds of the directors present or represented at the meeting. In the event of a tied voted, the vote of the board's chairman prevails.

Shareholder approvals

Kar-Tess Holding and The Coca-Cola Company Entities have agreed to consult before every vote, and to vote against any proposal where either of them has indicated its intention to reject such proposal, on any of the following matters:

- a modification of our articles of association;
- any increase or decrease of our share capital;
- the merger or consolidation of our company with or into another company;
- the liquidation or dissolution of our company; or
- the general assignment for the benefit of creditors of, or the appointment of a custodian, receiver or trustee for, any part of our assets.

Kar-Tess Group (of which Kar-Tess Holding is the sole remaining member) and The Coca-Cola Company Entities also entered into a supplemental agreement on March 3, 2000, providing that, after the termination of the shareholders' agreement, for so long as any of Kar-Tess Group or The Coca-Cola Company Entities is a shareholder in our company, each of Kar-Tess Group and The Coca-Cola Company Entities will vote their ordinary shares against any proposal to liquidate or dissolve our company unless they have separately agreed to the contrary.

Termination

No party or group of parties may unilaterally terminate the shareholders' agreement prior to December 2018. However, at any time the parties may agree to terminate the shareholders' agreement, which would also be terminated if we cease to exist or if one group of parties elects to terminate it upon breach of the agreement by the other group of parties. After December 2018, the shareholders' agreement will remain in force unless terminated by either group of parties on three months' written notice.

The relationship agreement among us, Kar-Tess Group and The Coca-Cola Company Entities

General

On August 29, 2000, in connection with the listing of our ordinary shares on the London Stock Exchange, we, Kar-Tess Group (of which Kar-Tess Holding is the sole remaining member) and The Coca-Cola Company Entities entered into a relationship agreement in accordance with Rule 3.12 of the Listing Rules of the Financial Services Authority.

Enforcement of relationship agreement and obligation to maintain independent directors

Kar-Tess Group and The Coca-Cola Company Entities have agreed to cast the votes attaching to their ordinary shares, and to procure (so far as they are reasonably able) that the directors nominated by them on our board of directors vote at all times in a manner so as to ensure that:

- the terms of the relationship agreement are fully implemented;
- we comply with all our obligations under the relationship agreement;
- changes in our articles of association do not contradict the relationship agreement; and
- there are at least two independent directors on our board of directors at any given time.

Independent directors are directors free from any business relationship with Kar-Tess Group or The Coca-Cola Company Entities that could materially interfere with the exercise of their independent judgment in relation to matters concerning our company.

Quorum and voting restrictions

The Coca-Cola Company Entities have agreed not to cast the votes attaching to their ordinary shares or be counted in any quorum at any of our general meetings and to procure (so far as they are reasonably able) that no director nominated by The Coca-Cola Company Entities votes or is counted in any quorum in relation to any of the following matters:

- transactions between us (including any of our directors, officers or employees) and any member (including any director, officer or employee of such member) of The Coca-Cola Company's Group or any of its associates;
- any matter in which any member of The Coca-Cola Company's Group or any of its associates is interested; and
- any decision by our company concerning the enforcement of our rights under the relationship agreement.

Kar-Tess Group has agreed not to cast the votes attaching to their ordinary shares or be counted in any quorum at any of our general meetings and to procure (so far as they are reasonably able) that no director nominated by Kar-Tess Group votes or is counted in any quorum in relation to any of the following matters:

- transactions between us (including any of our directors, officers or employees) and any member (including any director, officer or employee of such member) of Kar-Tess Group or any of its associates;
- any matter in which any member of Kar-Tess Group or any of its associates is interested; and
- any decision by our company concerning the enforcement of our rights under the relationship agreement.

Each of Kar-Tess Group and The Coca-Cola Company Entities has also agreed to procure (so far as they are reasonably able) that, to the extent applicable, it casts its votes attaching to the shares it holds and participate in our general meetings in a manner consistent with the obligations of Kar-Tess Group and The Coca-Cola Company Entities, as applicable, described above.

Exceptions to quorum and voting restrictions

There are two exceptions to these voting restrictions:

- Directors nominated by Kar-Tess Group or by The Coca-Cola Company Entities may be counted for quorum purposes but cannot speak or vote on any of the matters that require a two-thirds voting majority of our directors as described above under "The shareholders' agreement between Kar-Tess Group and The Coca-Cola Company Entities—Decisions of our board of directors".
- Kar-Tess Group and The Coca-Cola Company Entities can vote and their votes are counted for quorum purposes on these matters when they are required by the shareholders' agreement to vote against a resolution as described above under "The shareholders' agreement between Kar-Tess Group and The Coca-Cola Company Entities—Shareholder approvals".

Other obligations of Kar-Tess Group and The Coca-Cola Company Entities

Kar-Tess Group (of which Kar-Tess Holding is the sole remaining member) and The Coca-Cola Company Entities have agreed severally as to themselves to ensure that, for so long as they are able to exercise 30% of the voting rights attaching to our ordinary shares or can control the appointment of a majority of our board of directors, any transactions or other arrangements between any of them and us will be conducted at arm's length. However, such agreement does not limit or restrict the rights of any member of The Coca-Cola Company's group as set forth in The Coca-Cola Company's bottlers' agreements with us.

Kar-Tess Group and The Coca-Cola Company Entities have also agreed that, as long as they jointly hold 30% or more of the voting rights attaching to our ordinary shares, they will not take actions in breach of the relationship agreement that will render our company unsuitable for listing pursuant to the Listing Rules unless a new relationship agreement satisfactory to the London Stock Exchange is entered into among us, Kar-Tess Group and The Coca-Cola Company Entities.

Conflict

If there is any conflict between the provisions of the relationship agreement and the shareholders' agreement, the provisions of the relationship agreement will prevail.

Termination

The relationship agreement will terminate if Kar-Tess Group and The Coca-Cola Company Entities, acting jointly, are no longer able to exercise 30% of the voting rights attaching to our ordinary shares and can no longer control the appointment of a majority of our board of directors or our ordinary shares are delisted from the London Stock Exchange.

C. Interests of experts and counsel

Not applicable.

ITEM 8 FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Consolidated Statements and Other Financial Information

You should read Item 18 "Financial Statements".

Legal proceedings

The Greek Competition Authority issued a decision on January 25, 2002, imposing a fine on us of approximately €2.9 million for certain discount and rebate practices and required changes to our commercial practices with respect to placing coolers in certain locations and lending them free of charge. On June 16, 2004, the fine was reduced on appeal to €1.8 million. On June 29, 2005, the Greek Competition Authority requested that we provide information on our commercial practices as a result of a complaint by certain third parties regarding our compliance with the decision of January 25, 2002. On October 7, 2005, we were served with notice to appear before the Greek Competition Authority.

On June 14, 2006, the Greek Competition Authority issued a decision imposing a daily penalty of €5,869 for each day that we allegedly failed to comply with the decision of January 25, 2002. On August 31, 2006, we deposited an amount of €8.9 million, reflecting the amount of the fine and applicable tax, with the Greek authorities. As a result of this deposit, we increased the charge to our 2006 financial statements in connection to this case.

On November 23, 2007, the Court of Appeals partly reversed and partly upheld the decision of the Greek Competition Authority reducing the amount of the fine to €5.9 million. The reduction of the fine by €2.8 million was recognized in our 2007 income statement. We have appealed the decision of the Court of Appeals to the extent it upholds the fine, to the Supreme Administrative Court of Greece. We believe that we have substantial legal grounds for our appeal against the judgment of the Court of Appeals. The Greek Competition Authority and one of our competitors have also appealed the decision of the Court of Appeals. There have been no material developments in the applicable litigation. Since 2008 when the case was first referred to the Supreme Administrative Court of Greece, hearings have been postponed due to the backlog of pending cases before the Court. Utilizing advice from outside legal counsel, we consider the risk of an increase to the amount of the fine and the possibility of further cash outflows as remote.

In relation to the Greek Competition Authority's decision of January 25, 2002, one of our competitors has filed a lawsuit claiming damages in an amount of €7.7 million. The court of first instance heard the case on January 21, 2009 and subsequently rejected the lawsuit. The plaintiff has appealed the judgment. At present, it is not possible to predict the final outcome of this lawsuit or quantify the likelihood or materiality of any potential liability arising from it. We have not provided for any losses related to this case.

On February 1, 2012 the Greek Competition Commission conducted an inspection of the Company's Greek operations as part of an investigation into the sparkling, juice and water categories. The Company has a policy of strict compliance with Greek and EU competition law and it is cooperating fully with the Commission.

In the second quarter of 2010, the Serbian Competition Authority opened an investigation into the commercial practices of our Serbian subsidiary for potential abuse of dominance in the market for distribution of alcoholic and non-alcoholic beverages. The authority published an invitation for comments by third parties. At present, it is not possible to predict the final outcome of this investigation or quantify the likelihood or materiality of any potential liability arising from it.

Other than these actions, we are not subject to any litigation, arbitration, regulatory actions or other disputes that, individually or in the aggregate, involve potential liabilities that could have a material adverse effect on the results of our operations, cash flow or financial condition, nor are we aware that any such disputes are pending or threatened against us or any of our subsidiaries.

Dividends policy

You should read Item 3, "Key Information—Selected Financial Data—Dividends and Dividend Policy" for a discussion of our policy on dividend distributions.

B. Significant Changes

Not applicable.

ITEM 9 THE OFFER AND LISTING

A. Offer and Listing Details

The following table sets forth, for the periods indicated, the reported high and low market quotations in euro for our ordinary shares on the main market of the Athens Exchange, as adjusted to reflect the one-for-two bonus share issuance that took effect on November 13, 2007.

	euro per ordinary share	
	High	**Low**
Calendar Year		
2007	29.60	18.60
2008	32.20	8.00
2009	18.84	8.80
2010	20.98	15.70
2011	22.10	11.10
2012 (through March 15, 2012)	15.45	12.50
Calendar Quarter		
2010		
First Quarter	20.98	15.70
Second Quarter	20.84	16.75
Third Quarter	20.00	17.30
Fourth Quarter	20.69	17.99
2011		
First Quarter	22.10	18.63
Second Quarter	19.78	16.86
Third Quarter	19.19	12.67
Fourth Quarter	14.30	11.10
2012	22.10	18.63
First Quarter (through March 15, 2012)	15.45	12.50
Month		
December 2011	13.25	11.31
January 2012	15.45	12.50
February 2012	15.40	13.95
March 2012 (through March 15, 2012)	14.86	13.61

On October 15, 2007 our shareholders approved a share capital increase of €60.6 million through the partial capitalization of the share premium reserve and the issuance of 121,033,958 new ordinary bearer shares. The new shares were delivered to our shareholders in a ratio of one (1) new share for every two (2) existing shares. Following the completion of the above share capital increase, our share capital amounted to €181.6 million, divided into 363,101,874 shares of a nominal value of €0.50 each.

Our market capitalization as at March 15, 2012, was approximately €5.5 billion.

The following table sets forth, for the periods indicated, the reported high and low market quotations in US dollars for our ADSs in the United States, as adjusted to reflect the one-for-two bonus share issuance that took effect on November 20, 2007.

	dollars per ADS	
	High	**Low**
Calendar Year		
2007	43.89	24.87
2008	48.93	11.00
2009	28.10	10.93
2010	28.26	19.80
2011	30.50	14.76
2012 (through March 15, 2012)	20.05	16.25
Calendar Quarter		
2010		
First Quarter	27.47	21.94
Second Quarter	24.68	23.13
Third Quarter	26.37	24.70
Fourth Quarter	28.26	26.37
2011		
First Quarter	30.50	25.30
Second Quarter	28.66	23.70
Third Quarter	26.88	17.90
Fourth Quarter	20.19	14.76
2012		
First Quarter (through March 15, 2012)	20.05	16.25
Month		
December 2011	16.97	15.14
January 2012	19.90	16.25
February 2012	20.05	18.44
March 2012 (through March 15, 2012)	19.40	18.29

Fluctuations in the exchange rates between the euro and the US dollar may affect the relative market prices of the ADSs in the United States.

B. Plan of Distribution

Not applicable.

C. Markets

We have been listed on the Athens Exchange since 1991, and we are part of the Athens Exchange Composite Index. We are one of the largest companies, based on market capitalization, quoted on the Athens Exchange. Our ordinary shares trade on the Athens Exchange under the symbol "EEEK". The Athens Exchange is the primary trading market for our ordinary shares. Our shares are also listed on the London Stock Exchange and, until September 2, 2009, the Australian Stock Exchange, by way of CHESS Depository Interests, or CDIs. Trading of our CDIs on the Australian Stock Exchange was suspended from the close of the market on August 26, 2009 with delisting of our CDIs effected at the close of trading on September 2, 2009. In addition, our ordinary shares are listed on the New York Stock Exchange under the symbol "CCH". Our shares trade on the New York Stock Exchange in the form of ADSs evidenced by American depositary receipts, or ADRs. Each ADR represents one ordinary share. We have a sponsored ADS facility, with Citibank N.A. acting as Depositary under an Amended and Restated Deposit Agreement dated April 30, 2010. Prior to this date the Depositary was The Bank of New York Mellon.

As at January 31, 2012, and based exclusively on external research performed by Thomson Reuters, there were 62 holders of our ordinary shares in the United States holding an aggregate of 26,286,054 ordinary shares, or approximately 7.2% of our current total outstanding share capital. In addition, 85,112,078 ordinary shares, or 23.2%, were attributable to The Coca-Cola Company Entities. Given that the research was conducted in January 2012, the actual portion of our ordinary shares beneficially owned by US holders and the number of beneficial US holders may vary considerably.

The Athens Exchange

Following authorization by Law 3152/2003, the Athens Exchange issued on June 8, 2004 the Athens Exchange Regulation, or the Regulation, which came into effect on June 16, 2004. The Regulation contains in a consolidated form provisions which were previously included in a large number of decisions that were issued by the Athens Exchange itself and certain other competent authorities, such as the former Derivatives Exchange, either in their original form or as amended. Following authorization by Law 3371/2005, the Regulation was substantially amended and all the existing markets of the Athens Exchange were abolished. Finally, the Regulation was once more substantially amended and restated by Law 3606/2007. Thereafter, the Regulation has been partially amended on various occasions, most recently in August 2011. Currently, the Athens Exchange consists of two markets: the Securities Market and the Derivatives Market. The securities of companies listed on the Securities Market are classified into one of the following categories:

a) Main Market Category

b) Fixed Income Securities Category

c) Structured Products Category

d) Category of Exchange Traded Funds (ETFs)

e) Special Categories:

  (i) Under surveillance Category

  (ii) Low Dispersion Category

  (iii) Under Deletion Category

  (iv) Under Suspension Category

When shares are listed for the first time on the Securities Market of the Athens Exchange they will fall within the first category.

As at February 29, 2012, 185 company shares were classified in the Main Category of the Athens Exchange, 42 shares were classified in the Under Surveillance Category, 28 had been classified in the Under Suspension Category, 16 company shares were listed in the Low Dispersion Category, and 4 were Under Deletion. Finally, 3 ETFs were listed in the Athens Exchange.

The companies that participate in the Main Market Category need to meet the following criteria of financial performance: shareholders equity of no less than €3.0 million, three year pre-tax profits of no less than €2.0 million and pre-tax profits for the last two financial years or three-year EBITDA of no less than €3.0 million and a positive EBITDA for the last two financial years. The companies that have either a small free float (less than 15%) of the total of its common shares or a free float of less than 10% of the total of its common shares due to specific events announced by the company (public offer or other equity participations) are classified in the Low Dispersion Category. Companies that are in financial distress are classified in the Under Surveillance Category. If a company's annual sales income drops below €2.0 million it is classified in the Under Deletion Category. The companies that have a free float of less than 10% of the total of their common shares and at the same time this percentage is distributed to less than 30 shareholders are also classified in the Under Deletion Category. When listed in the Athens Exchange, a company must have a free float of at least 25% distributed to at least 2,000 individual shareholders, none of whom holds more than 2% of the company's share capital.

The Greek Capital Markets and the Athens Exchange in particular are regulated under a series of laws enacted by the Greek Parliament, decisions and regulations issued by the board of directors of the Hellenic Capital Markets Commission, and the board of directors of the Athens Exchange. On May 31, 2001, the Athens Exchange was upgraded by the Morgan Stanley Composite Index from an emerging to a developed market status. The creation of stock and derivatives exchanges in addition to the stock and derivatives markets of the Athens Exchange and the Athens Derivatives Exchange were originally permitted in Greece pursuant to Law 3152/2003 subsequently in accordance with the provision of article 21 of Law 3371/2005. These licenses remain in effect under article 71 of Law 3606/2007 implementing the Directive on Markets and Financial Instruments in Greece. The operating license of these exchanges is granted by the Hellenic Capital Markets Commission, provided these exchanges fulfill certain capital, organizational and other requirements set forth in the Law 3606/2007 and in decision 8/452/2007 of the board of directors of the Hellenic Capital Markets Commission. The Hellenic Capital Markets Commission approved the Regulation for the operation of the exchange and determined the process for its publication.

Membership in the Athens Exchange

Membership is required for brokerage firms in order to effect transactions on the Athens Exchange and is subject to approval by the board of directors of the Athens Exchange and licensing by the Hellenic Capital Markets Commission. In addition, brokerage firms must appoint at least one official representative who is authorized to conduct transactions on the Athens Exchange, who must fulfill certain qualifications required by law and pass an examination given by the Hellenic Capital Markets Commission. For companies established in Greece, the minimum capital requirement in order to obtain a license to operate a brokerage firm or an Investment Services Firm and qualify as an Athens Exchange member is €0.3 million.

All transactions through the Athens Exchange may only be carried out by brokers or banks that are members of the Athens Exchange. Membership in the Athens Exchange is subject to the licensing requirements stipulated in the Directive on Markets and Financial Instruments and to the approval of the Athens Exchange board of directors. Brokerage firms and banks that are members of the Athens Exchange must appoint and have present during trading sessions at least one official representative authorized to conduct Athens Exchange transactions, which must fulfill certain qualifications required by law and pass an examination given by the Hellenic Capital Markets Commission.

Members of the Athens Exchange may engage in transactions through the Automated Exchange Trading System, or OASIS, an electronic trading system, on behalf of their customers or on their own behalf. As at February 29, 2012, the Athens Exchange had 72 members (including the remote members), the vast majority of which were brokerage firms. Pursuant to the Directive on Markets and Financial Instruments, which was implemented in Greece in August 2007 pursuant to Law 3606/2007, investment services may only be provided by investment services companies and banks. The investment services companies need to have a minimum share capital of €0.3 million if only engaging in receiving and transmitting buy and sell orders without holding client's funds or other financial instruments, €1.0 million if providing a variety of investment services and €3.0 million if engaging in underwriting, trade for their own portfolio or operate a multilateral trading facility, and which have received an appropriate operating license from the Hellenic Capital Markets Commission. In addition, the Hellenic Capital Markets Commission has also introduced rules relating to the performance of portfolio management by Investment Services Firms. Orders Companies are companies that are only allowed to receive and transfer their customers' orders to Investment Services Firms, and are prohibited from dealing in Athens Exchange transactions on behalf of their customers or from acting as a custodian for their customers' shares or cash. The receipt and transfer of shares by Orders Companies is governed by Law 3606/2007 and the Hellenic Capital Markets Commission's decisions. Pursuant to the provisions of the Directive on Markets and Financial Instruments and the Regulation, Investment Services Firms established in the EU or the European Economic Area may become remote members of the Athens Exchange without being required to have a permanent establishment in Greece. Nevertheless, they would need to appoint (a) a local custodian to clear and settle stock exchange transactions and any other actions in relation to which they would be otherwise required to perform by being physically present in Greece and (b) a local person to act as their representative and as agent for service of process.

Stock market indices

The most widely followed index in Greece is the ATHEX Main Market Composite Index, a market capitalization index that tracks the price movement in the shares of 60 leading listed Greek companies. In addition, the FTSE/ATHEX20 Index was introduced in September 1997 to track the price movement of the shares of the 20 largest companies. As of March 15, 2012, our market capitalization represented approximately 22.2% of the ATHEX Main Market Composite Index and approximately 15.7% of the FTSE/ATHEX20 Index.

The following table sets out the movement of the ATHEX Main Market Composite Index. The highs and lows are for the periods indicated, and the close is on the last trading day of the period.

Year	High	Low	Close
2006	4,395.4	3,379.3	4,394.1
2007	5,334.5	4,344.8	5,178.8
2008	5,207.4	1,626.6	1,786.5
2009	2,896.9	1,469.4	2,196.2
2010	2,327.6	1,403.9	1,413.9
2011	1,715.1	650.5	680.4
2012 (through March 15, 2012)	834.4	625.3	750.3

Trading on the Athens Exchange

Athens Exchange trading takes place every week from Monday to Friday, except for public holidays. The daily trading session starts at 10.30 a.m. and ends at 5.00 p.m., Athens time, for the Main Market category. There is a pre-opening session followed by a continuous automated matching session.

A pre-opening session, operating through a call auction method, precedes the trading session from 10.15 a.m. until 10.30 a.m. for the Main Market. The call auctions provide for the entry of orders to be collected and then executed in a batch. Auction matching takes place at one price. The objective of the pre-opening auction is to maximize the volume of shares traded at the auction price by calculating the price at which the greatest number of securities can be matched. The after hours trading session is between 5.00 p.m. to 5.20 pm. The closing price for shares in the main category is determined either by the closing auction or from the weighted average price of the last 30% of the trades of the session. The trading system of the Athens Exchange is fully automated and orders can be placed from remote locations. After the pre-opening auction session, orders are executed in continuous trading following the price and time priority rule: orders are ranked by price, and orders at the same price are ranked based on time of entry into the system. Incoming orders always match pre-existing orders already included in the ranked list. Buy and sell orders can be matched in any number of multiples of the lot size authorized for a particular security. Depending on the order's price type (limit or market), the order matches against eligible orders in the book, progressing from the best price to the worst available until the order's quantity is exhausted.

The opening price is determined automatically from the system independently for every traded security through the method of determination of the opening price. Limit orders that have been entered at a specified price prior to the commencement of the trading period, are calculated by the system to determine the opening prices. If no opening price has been determined during the duration of such method on a given day, the opening price is determined by the first order to be executed subsequently.

According to an Athens Exchange circular specifying the different fluctuation limits for the various security classes, the main category securities' prices may fluctuate up to 30% from the closing price of the preceding trading session (reference price). Restrictions to this rule apply for securities with low monthly average liquidity. The price of a security that is classified in the special categories (i.e. Low Dispersion, Under Surveillance, Under Deletion) may fluctuate on the auction market at a limit of ±20%. The Regulation has also introduced an automated system of fluctuation control process applicable to securities listed in the Main Market Category and the Category of ETFs, which is intended to prevent sudden fluctuations of the said securities. Newly listed securities are allowed to fluctuate freely during the first three sessions of their listing.

Simple block trades of equity securities are conducted under the following rules (temporary threshold limit). The Athens Exchange authorities maintain the right to change the minimum value of a block trade. Block trades are executed by competent personnel of the Athens Exchange that check the abovementioned requirements and authorize the block trade. Normally the minimum value for a block trade is as follows:

- for shares with an average daily turnover of the stock traded that is less than €25.0 million, the minimum value of a block trade is €250 thousand;
- for shares with an average daily turnover of the stock traded that is equal or greater than 25.0 million and up to €50.0 million, the minimum value of a block trade is €400 thousand; and
- in case of shares with average daily turnover of the stock traded equal or greater than €50.0 million, the minimum value of a block trade is €500 thousand.

All prices of completed transactions are published on electronic screens in the Athens Exchange. The prices of block trades do not affect the trade price. All transactions require cash settlement within three business days of the trade date. Trades are noted in the official register of the Athens Exchange, and all information on bids and offers is made available to Telerate and Reuters on a continuous basis. Bond trading is conducted by agreement among brokers on the electronic system.

All shares listed in the Athens Exchange are traded with a trading unit of 1 share.

Prices of all securities listed on the Athens Exchange are published in the Athens Exchange official daily price bulletin, which is available for downloading at the Athens Exchange website.

Law 3606/2007 implementing the Directive on Markets and Financial Instruments abolished numerous limitations on over the counter trading of listed securities. Furthermore, a recent amendment of the Regulation regarding clearing and settlement has facilitated the execution of over the counter transactions, or OTC, through orders of Investment Services Firms, while in the recent past over the counter transactions were only executed through the facilities of the Hellenic Exchanges S.A. These over the counter transactions are not subject to price limitations.

Market regulation

Under Greek law, regulation of securities trading activities on the Athens Exchange is subject to similar restrictions to those imposed in other jurisdictions in the EU and in the United States. However, because we are a foreign private issuer our directors, officers and principal shareholders will be exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the US Securities Exchange Act of 1934.

Under Greek legislation, members of the board of directors, managers, auditors, supervising authorities of listed companies, shareholders, other professionals with access to confidential information and individuals who represent any of the foregoing are prohibited from acquiring or disposing, directly or indirectly, securities due to, or through the use of, for their account or on behalf of third parties, such confidential information. Insider trading prohibitions are extended to any third party that has acquired confidential information that could not have been provided only by one of the foregoing persons.

Confidential information is that which has not been made public, is specific and concerns one or more issuers of securities or one or more securities, and which, if announced to the public, could have a material effect on the price of such securities, or on the price of the derivatives related to such securities and generally information that a prudent investor would substantially evaluate, amongst other factors, while making an investment.

All persons with access to confidential information may only disclose it to third parties if acting within their ordinary course of business. Under no circumstances can such persons disclose confidential information to third parties for the purpose of such third parties acquiring or disposing securities which are traded on the Athens Exchange.

Civil and criminal charges can be imposed for insider trading violations. The competent authority for monitoring insider dealing infringements is the Hellenic Capital Markets Commission or the Bank of Greece when the infringement is conducted by a bank. However, because we are a foreign private issuer our directors, officers and principal shareholders will be exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the US Securities Exchange Act of 1934.

Settlement, clearance and the Hellenic Exchanges ("HELEX")

Settlement of both registered and bearer shares listed on the Athens Exchange was previously effected through the department of Central Securities Depositary of the Hellenic Exchanges S.A. The Central Securities Depositary was originally founded in February 1991 as a société anonyme. On November 2006 the merger by absorption of the Central Securities Depositary by its parent company Hellenic Exchanges S.A. was completed. Currently, Hellenic Exchanges ("HELEX") is the organization responsible for the clearance and the settlement procedure. More particularly, Hellenic Exchanges S.A. is responsible for settling Athens Exchange transactions and holding the shares deposited with it in book entry form, while their clearance is effected through Athens Clear, a 100% subsidiary of Hellenic Exchanges S.A.

Book entry of listed securities was originally introduced by virtue of Law 2396/1996. The dematerialization of Greek shares commenced in March 1999, with the market becoming fully dematerialized in December 1999.

To participate in the Dematerialized Securities System, or SAT, each investor is required to open a SAT account, which is identified by a SAT account number. Shareholders who wish to open a SAT account can appoint one or more Athens Exchange members or custodian banks as authorized operators of their SAT accounts. Only the authorized operators have access to balances and other information concerning a SAT account. The Athens Exchange has also introduced the possibility of holding a joint SAT account for two or more investors.

The clearance and settlement procedure is effected through a multilateral system and consists of three stages:

- First, a notification by the Athens Exchange to the HELEX completed within each trading day. More specifically, on trade date "T", following the closing of the trading day, the Athens Exchange sends electronically to HELEX a magnetic file containing information on the trading activity of such day. The file is downloaded to the SAT, where securities and values of trades (buy or sell) are aggregated per investor, broker, security and type of trade, and then the weighted average value of the trade is calculated by dividing the total value of the trades by the quantity of securities traded (trade averaging).
- Second, a notification by the brokers to the HELEX with the SAT account of the seller and buyer and the number of shares to be debited and credited to their respective SAT accounts. The brokers are required to notify to HELEX each trade along with the broker's account for the securities to be credited or debited to the relevant accounts. This is completed by day T+3. Following the notification of the SAT account of the seller, the shares sold are "temporarily blocked" for transfer purposes. Under Greek law, a person may not enter into sales of securities on the Athens Exchange if such person does not have full and unencumbered title to, and possession of, the securities being sold at the time the order is matched. Short sales of securities listed on the Athens Exchange are currently not allowed.
- Third, the settlement cycles are carried out on day T+3 in time intervals determined by the HELEX, which also transfers the securities from the securities accounts of the sellers to the securities accounts of the buyers and simultaneously executes the equivalent debits and credits of the brokers' cash accounts in the cash settlement bank. The settlement as mentioned is multilateral and is executed in accordance with the delivery versus payment principle. By day T+3, brokers are required to deposit in the cash account, which they hold for this purpose in the cash settlement bank, the amount of cash corresponding to their cash obligation. The results of the settlement, as reflected in the investors' securities accounts and the brokers' cash accounts, are deemed final and irrevocable. Bilateral clearance is also possible in case of block trades or in exceptional circumstances, and in accordance with the HELEX clearing and settlement of dematerialized securities regulations. The transfer of shares is effected by debiting the SAT account of the seller and crediting the SAT account of the buyer on the settlement date.

Liabilities of brokerage firms resulting from their trading activities are guaranteed by the Athens Exchange Guarantee Fund, to which each Athens Exchange member contributes, and which is operated as a separate legal entity.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10 ADDITIONAL INFORMATION

A. Share Capital

Share capital and denomination

The nominal value of our issued share capital as of December 31, 2011, is €549,813,012 divided into 366,542,008 ordinary registered shares with a par value of €1.50 each, all of which is paid-up. No specific classes of stock are provided for in our articles of association and no special rights attach to any of our ordinary shares. There are no authorized but unissued ordinary shares.

Development in share capital

Date	Transaction	Total number of shares	Par value	Nominal increase (decrease) in euro	Share capital in euro
March 20, 2000	Issue of shares[1]	142,938,836	€0.29 per share	392.08	41,948,301.10
August 9, 2000	Issue of shares[2]	236,668,596	€0.29 per share	27,506,899.49	69,455,200.59
November 22, 2001	Capitalization of reserves[3]	236,668,596	€0.30 per share	1,545,378.21	71,000,578.80
May 20, 2002	Capitalization of reserves[4]	236,668,596	€0.31 per share	2,366,685.96	73,367,264.76
October 1, 2003	Leveraged re-capitalization[5]	236,668,596	€2.50 per share	518,304,225.24	591,671,490.00
November 10, 2003	Leveraged re-capitalization[5]	236,668,596	€0.50 per share	(473,337,192.00)	118,334,298.00
December 23, 2003	Issue of shares[6]	236,925,277	€0.50 per share	128,340.50	118,462,638.50
December 22, 2004	Issue of shares[7]	238,260,129	€0.50 per share	667,426.00	119,130,064.50
December 21, 2005	Issue of shares[8]	240,692,002	€0.50 per share	1,215,936.50	120,346,001.00
December 20, 2006	Issue of shares[9]	242,067,916	€0.50 per share	687,957.00	121,033,958.00
October 15, 2007	Capitalization of reserves[10]	363,101,874	€0.50 per share	60,516,979.00	181,550,937.00
November 20, 2007	Issue of shares[11]	363,738,357	€0.50 per share	318,241.50	181,869,178.50
February 28, 2008	Issue of shares[12]	364,563,189	€0.50 per share	412,416.00	182,281,594.50
May 13, 2008	Issue of shares[13]	365,373,700	€0.50 per share	405,255.50	182,686,850.00
August 7, 2008	Issue of shares[14]	365,402,097	€0.50 per share	14,198.50	182,701,048.50
August 28, 2009	Issue of shares[15]	365,407,848	€0.50 per share	2,875.50	182,703,924.00
October 16, 2009	Capitalization of reserves[16]	365,407,848	€1.50 per share	548,111,772.00	730,815,696.00
October 16, 2009	Re-capitalization[16]	365,407,848	€1.50 per share	(548,111,772.00)	182,703,924.00
November 23, 2009	Issue of shares[17]	365,539,075	€0.50 per share	65,613.50	182,769,537.50
February 26, 2010	Issue of shares[18]	365,702,429	€0.50 per share	81,677.00	182,851,214.50
May 17, 2010	Issue of shares[19]	365,864,092	€0.50 per share	80,831.50	182,932,046.00
August 24, 2010	Issue of shares[20]	365,966,792	€0.50 per share	51,350.00	182,983,396.00
November 25, 2010	Issue of shares[21]	366,136,440	€0.50 per share	84,824.00	183,068,220.00
February 21, 2011	Issue of shares[22]	366,490,952	€0.50 per share	177,256.00	183,245,476.00
May 6, 2011	Capitalization of reserves[23]	366,490,952	€2.00 per share	549,736,428.00	732,981,904.00
May 6, 2011	Re-capitalization[23]	366,490,952	€1.50 per share	(183,245,476.00)	549,736,428.00
May 30, 2011	Issue of shares[24]	366,512,946	€1.50 per share	32,991.00	549,769,419.00
August 10, 2011	Issue of shares[25]	366,541,695	€1.50 per share	43,123.50	549,812,542.50
November 15, 2011	Issue of shares[26]	366,542,008	€1.50 per share	469.50	549,813,012.00

(1) Issued in connection with the absorption by way of merger of 3I S.A., previously a wholly owned subsidiary of Kar-Tess Group, by us. The merger, which became effective on April 3, 2000, involved the simultaneous issuance of 17,035,610 of our ordinary shares to Kar-Tess Group and the cancellation of 17,034,274 of our ordinary shares held by 3I S.A. at the time.

(2) Issued pursuant to the scheme of arrangement for the acquisition of Coca-Cola Beverages plc. This increase was initially approved by the extraordinary general meeting of our shareholders held on April 19, 2000, which authorized an increase in our share capital of up to €33,000,242.70 depending on the amount actually paid up. The extraordinary general meeting of our shareholders held on August 9, 2000 determined this amount to be €27,506,899.49 and amended the articles of association accordingly.

(3) Approved at an extraordinary general meeting of our shareholders held on November 22, 2001, in connection with a resolution to increase the par value of our shares from GRD100, or €0.29, to GRD102.225 or €0.30, in order to convert our share capital to euro as required by Greek law. The amount of the share capital increase was paid through the capitalization of a share premium reserve of €1,545,378.21 in our financial statements for the year ended December 31, 2001.

(4) Approved at the annual general meeting of our shareholders held on May 20, 2002, in connection with a resolution to increase the par value of our shares from €0.30 to €0.31, in order to increase our share capital by the amount of €2,366,685.96, which resulted from a revaluation of our land and buildings as required by Article 21 of Law 2065/92.

(5) On August 19, 2003, we announced our intention to effect a leveraged re-capitalization with a view towards improving the efficiency of our capital structure. In connection with the leveraged re-capitalization, we held an extraordinary general meeting on September 15, 2003, which approved a share capital increase through the capitalization of €518,304,225.24 of additional paid-in capital (reflecting an increase of the par value of ordinary shares from €0.31 to €2.50 per ordinary share). This capital increase was approved by the Greek Ministry of Development on September 24, 2003 and consummated on October 1, 2003 with the payment of certain related taxes. On October 1, 2003, our board of directors called a second extraordinary general meeting which took place on October 31, 2003 and which approved a share capital decrease of €473,337,192.00 (reflecting a decrease of the par value of ordinary shares from €2.50 to €0.50 per ordinary share) and the return of €2.00 per ordinary share to all of our shareholders. The capital decrease was approved by the Greek Ministry of Development on November 10, 2003 and the Athens Exchange was duly notified at its board meeting of November 14, 2003. The capital return payment to our shareholders began on December 5, 2003. As at December 31, 2003, €472.9 million had been returned to our shareholders. The leveraged re-capitalization resulted in a capital return of €2.00 per ordinary share to all of our shareholders. The capital return and the payment of taxes and related expenses of €4.0 million were financed with the net proceeds from the offering of $900.0 million notes. We issued these notes in September 2003, through our 100% owned subsidiary Coca-Cola HBC Finance B.V. by means of a private, in the United States, and offshore placement in an aggregate principal amount of $500.0 million due in 2013 and in an aggregate principal amount of $400.0 million due in 2015. In December 2003, we made an exchange offer in order to effect the exchange of the privately placed notes for similar notes registered with the SEC. Acceptances under the offer, which was finalized in February 2004, were $898.1 million.

(6) On December 23, 2003, our board of directors resolved to increase our share capital by 256,681 ordinary shares, following the exercise of stock options by option holders pursuant to our stock option plans. Total proceeds from this issue of shares were €3,371,556.03.

(7) On December 22, 2004, our board of directors resolved to increase our share capital by 1,334,852 ordinary shares, following the exercise of stock options by option holders pursuant to our stock option plans. Total proceeds from this issue of shares were €19,211,254.97.

(8) On December 21, 2005, our board of directors resolved to increase our share capital by 2,431,873 ordinary shares, following the exercise of stock options by option holders pursuant to our stock option plans. Total proceeds from this issue of shares were €36,655,271.38.

(9) On December 21, 2006, our board of directors resolved to increase our share capital by 1,375,914 ordinary shares, following the exercise of stock options by option holders pursuant to our stock option plans. Total proceeds from this issue of shares were €22,634,670.71.

(10) Our shareholders approved on October 15, 2007 a share capital increase of €60,516,979 through the partial capitalization of the share premium reserve and the issuance of 121,033,958 new ordinary bearer shares. The new shares were delivered to our shareholders in a ratio of one (1) new share for every two (2) existing shares. Following the completion of the above share capital increase our share capital amounted to €181,550,937, divided into 363,101,874 shares of a nominal value of €0.50 each. On October 24, 2007, the Greek Ministry of Development approved the share capital increase and we filed required documents with the Hellenic Capital Markets Commission and the Athens Exchange. On November 8, 2007, the Athens Exchange approved the bonus issuance. According to Greek capital markets legislation, shareholders entitled to receive the bonus shares were those holding our shares at the closing of trading on November 13, 2007. Our shares opened on an adjusted basis on November 14, 2007. The new shares were credited to the SAT accounts of the shareholders and began trading on November 20, 2007. We retroactively reflected the stock split in our historical basic and diluted earnings per share when the stock split was effected.

(11) On November 20, 2007, our board of directors resolved to increase our share capital by 636,483 ordinary shares, following the exercise of stock options by option holders pursuant to our stock option plans. Total proceeds from the issue of shares were €8,677,840.

(12) On February 28, 2008, our board of directors resolved to increase our share capital by 824,832 ordinary shares, following the exercise of stock options by option holders pursuant to our stock option plans. Total proceeds from the issue of shares were €11,641,787.

(13) On May 13, 2008, our board of directors resolved to increase our share capital by 810,511 ordinary shares, following the exercise of stock options by option holders pursuant to our stock option plans. Total proceeds from the issue of shares were €9,218,941.

(14) On August 7, 2008, our board of directors resolved to increase our share capital by 28,397 ordinary shares, following the exercise of stock options by option holders pursuant to our stock option plans. Total proceeds from the issue of shares were €325,343.

(15) On August 11, 2009, our board of directors resolved to increase our share capital by 5,751 ordinary shares, following the exercise of stock options by option holders pursuant to our stock option plans. Total proceeds from the issue of shares were €64,042.

(16) On September 18, 2009, we announced proposals for a re-capitalization, which resulted in a capital return of €548.1 million to our shareholders, i.e. €1.50 per share. At the extraordinary general meeting held on October 16, 2009, our shareholders approved an increase of our share capital by €548.1 million, through the partial capitalization of the share premium reserve and an increase in the nominal value of each share by €1.50 per share. At the same extraordinary general meeting, our shareholders also approved the decrease of our share capital by €548.1 million, through a reduction of the nominal value of the shares by €1.50 per share and an equal amount of capital was returned to the shareholders in cash. Following shareholders and regulatory approval, we realized the capital return on December 2, 2009.

(17) On November 10, 2009, our board of directors resolved to increase our share capital by 131,227 ordinary shares, following the exercise of stock options by option holders pursuant to our stock option plans. Total proceeds from the issue of shares were €1,702,869.

(18) On February 9, 2010, our board of directors resolved to increase our share capital by 163,354 ordinary shares, following the exercise of stock options by option holders pursuant to our stock option plans. Total proceeds from the issue of shares were €1,540,582.

(19) On May 4, 2010, our board of directors resolved to increase our share capital by 161,663 ordinary shares, following the exercise of stock options by option holders pursuant to our stock option plans. Total proceeds from the issue of shares were €1,656,788.

(20) On August 3, 2010, our board of directors resolved to increase our share capital by 102,700 ordinary shares, following the exercise of stock options by option holders pursuant to our stock option plans. Total proceeds from the issue of shares were €891,368.

(21) On November 2, 2010, our board of directors resolved to increase our share capital by 169,648 ordinary shares, following the exercise of stock options by option holders pursuant to our stock option plans. Total proceeds from the issue of shares were €1,644,777.

(22) On February 21, 2011, our board of directors resolved to increase our share capital by 354,512 ordinary shares, following the exercise of stock options by option holders pursuant to our stock option plans. Total proceeds from the issue of shares were € 4,250,840.

(23) On May 6, 2011, the Annual General Meeting of shareholders resolved to reorganize its share capital. Our share capital increased by an amount equal to €549.7 million. The increase was performed by capitalizing the share premium reserve and increasing the nominal value of each share from €0.50 to €2.00. Our share capital was subsequently decreased by an amount equal to €183.2 million by decreasing the nominal value of each share from €2.00 to €1.50, and distributing such €0.50 per share difference to shareholders in cash.

(24) On May 30, 2011, our board of directors resolved to increase our share capital by 21,994 ordinary shares, following the exercise of stock options by option holders pursuant to our stock option plans. Total proceeds from the issue of shares were €252,479.

(25) On August 10, 2011, our board of directors resolved to increase our share capital by 28,749 ordinary shares, following the exercise of stock options by option holders pursuant to our stock option plans. Total proceeds from the issue of shares were €221,080.

(26) On November 15, 2011, our board of directors resolved to increase our share capital by 313 ordinary shares, following the exercise of stock options by option holders pursuant to our stock option plans. Total proceeds from the issue of shares were €2,407.

B. Memorandum and Articles of Association

Term, object and purposes

We are incorporated under the name Coca-Cola Hellenic Bottling Company S.A. and we are registered in Greece in the Registry of Sociétés Anonymes under number 13630/06/B/86/49. The term of our company expires on December 31, 2070, but it can be extended by shareholders' resolution. Article 2 of our articles of association provides that our object includes inter alia the establishment of plants in Greece and abroad, the production and packaging in all types of packaging of the products of The Coca-Cola Company, the production, distribution, trading, import and export in any kind of packaging of any other refreshments, natural juices, water and, in general, food and beverage products, as well as any goods and items, including packaging materials, bearing the trademarks of such products and the provision of administrative and related services to our subsidiaries and other related affiliates.

Dividends

Determination of dividends

We distribute dividends out of our non-consolidated profit after tax as determined under IFRS. This is in line with EU regulation and enacted Greek legislation has provided that Greek publicly-traded companies must prepare their statutory financial statements in accordance with IFRS, effective for the fiscal year commencing January 1, 2005. Dividends may only be distributed after an amount between 5% and 30% of our adjusted after-tax profit has been deducted for the formation of a reserve account. We make deductions until the amount of the reserve equals one-third of our authorized share capital. After we have made the relevant deductions, we are required to pay dividends which must be at least 35% of our adjusted after-tax profit (on an unconsolidated basis) after subtracting any allocation to the abovementioned statutory reserve account and any gains arising from the disposal of a 20% or more shareholding in a subsidiary held by us for a period exceeding 10 years. This statutory provision may be overridden in certain circumstances, subject to obtaining the necessary supermajority approval by our shareholders.

We may distribute any profit after tax not otherwise distributed by way of dividend to our shareholders if this is approved by a majority of our shareholders at a general meeting following a proposal from our board of directors.

The amount distributed to shareholders may not exceed the aggregate of the accumulated earnings and any reserves approved for distribution by the shareholders, less the amount required to be retained as a reserve under Greek law and our articles of association. We may not distribute dividends to the extent that it would reduce our shareholders' equity below the aggregate of our paid-up share capital and any statutory reserves.

Interim dividends

We may declare interim dividends only if:

- at least 20 days prior to the date of distribution, an unaudited accounting report prepared by our board of directors reflecting our financial position as of a reasonably recent date is published in an Athens daily newspaper which, in the board of directors' opinion, has a sufficiently large national circulation;
- the accounting report is published 20 days prior to the distribution in the Greek Bulletin for Sociétés Anonymes and Companies with Limited Liability of the Governmental Gazette; and
- the accounting report is submitted to the competent supervisory authority.

Interim dividends so distributed may not exceed one half of the profit after tax shown in the accounting report.

Payment of dividends

Dividends must be paid to our shareholders on a date fixed either by our shareholders at a general meeting or by our board of directors, if the board has been so authorized by our shareholders. The payment date must commence within three working days from delivery by Hellenic Exchange S.A. of the file that contains the names of the persons entitled to receive the dividend, as specified in the Operating Regulation of the SAT and the Regulation of the Athens Exchange. Any dividend that has remained unclaimed for five years from the date of its declaration will be forfeited to the benefit of the Hellenic Republic and cease to remain owed by us.

Undistributed dividends

There are provisions of Greek law providing for a minimum cash dividend that we are obliged to distribute if we have profits on an unconsolidated basis. Such minimum dividend must be at least 35% of our profit after tax on an unconsolidated basis. We may decide not to distribute dividends following a shareholders' resolution passed by a supermajority of at least 65% of our paid up share capital. However, in case of such a 65% supermajority, the undistributed amount of the minimum dividends is transferred to a special reserve account and must be capitalized and converted into new ordinary shares within four years from the creation of the account for delivery as bonus shares to our shareholders registered as at the date of the conversion in proportion to the number of ordinary shares held by each shareholder at the conversion date. We may not distribute dividends and not make any transfer to a special reserve account in case a shareholders' resolution is passed by a supermajority of at least 70%.

Liquidation rights

Upon liquidation, our net assets must be distributed to our shareholders in cash and in proportion to the number of ordinary shares held by each of them.

Shareholders' meetings and notices

As a general matter, the board of directors convenes the annual general meeting and determines the items on the agenda. However, shareholders holding 5% or more of our paid-up share capital also have the right to convene an extraordinary general meeting of our shareholders. You should read "Rights of major shareholders" below for additional information on the rights of our major shareholders. The annual general meeting must be held once a year within the first six months following the end of our fiscal year. The Company Law provides that the general meeting of listed companies may be held in the municipality of Athens, where the Athens Exchange is seated. The annual general meeting:

- approves the financial statements for the preceding fiscal year;
- approves the management and the auditors' report;
- votes to release the members of the board of directors from any liability incurred from their management and the auditors from any liability incurred from their audit;
- votes on the distribution of dividends;
- votes on the appointment of the auditors for the next financial year; and
- decides on any other matter on the agenda.

The invitation to attend a general meeting must be submitted to the Ministry of Development for publication in the Government Gazette and is posted on the company's website. A summary of the invitation must be published at least twenty calendar days prior to the date of the meeting (the date of publication and the date of convocation being excluded) in a daily newspaper published in Athens which, in the board of directors' opinion, has a sufficiently large national circulation, in one of the daily financial papers determined by the Minister of Development and in one local paper published in the prefecture of our registered offices. The invitation summary must state the place, date and time of the meeting as well as the items on the agenda. The invitation for an adjourned meeting must be published in the newspapers determined by the Minister of Development at least ten calendar days prior to the date of the meeting. In the event that the initial invitation specifies the place and time of the reiterative meetings of the general meeting it is not necessary to publish a new invitation. The invitation does not set forth management's or any other party's proposals relating to the items on the agenda.

Extraordinary general meetings may be convened:

- by the board of directors if required by law;
- at any other time when a meeting is considered necessary by the board; or
- pursuant to a request submitted by the holders of 5% or more of our paid-up share capital.

As a foreign private issuer, we will generally be exempt from the proxy rules contained in the US Securities Exchange Act of 1934, requiring US issuers to comply with notice and disclosure requirements relating to the solicitation of proxies for shareholders meetings. The notice of or invitation to attend the general meeting of the shareholders of a Greek company typically sets forth only the items on the agenda for such meeting and it does not include management's recommendations with respect to such items. As a result, if you participate in a general meeting of our shareholders through a representative, you may not be able to give him or her voting instructions with advance knowledge of management's position on the items included in the agenda for that meeting.

Voting rights

Every ordinary share gives its holder the right to vote. Unless a poll is requested in accordance with our articles of association, votes are taken on a show of hands. At the request of shareholders representing 5% or more of our paid-up share capital, resolutions must be passed by poll. The manner and form of the casting of votes at a general meeting are determined by the chairman of the general meeting in accordance with our articles of association. Greek law does not permit cumulative voting.

There are no limitations imposed by Greek law or the articles of association on the right of non-residents or foreign persons to hold or vote our ordinary shares other than those limitations that would generally apply to all shareholders.

Conditions

Under Greek law:

- each shareholder may participate in any general meeting either in person or through a representative. Persons under age or under judicial supervision and legal entities must be represented by their legal representatives (documents of representation need not be notarized, as long as they are dated and signed by the person issuing them);
- persons who appear as shareholders on the records of "HELLENIC EXCHANGES S.A." ("HELEX") at the beginning of the fifth day (record date) preceding the General Meeting are entitled to participate in such General Meeting, provided that written confirmation by HELEX to that effect is submitted to the company not later than three day prior to the General Meeting.

- eligible shareholders may participate in the General Meeting in person or by proxy. Each shareholder may appoint up to three proxies. The completed and signed proxy statement must be submitted to the company at least three days prior to the General Meeting.
- failure by a shareholder to comply promptly with the procedures described above deprives the shareholder of his or her right to participate in a general meeting, unless the general meeting permits otherwise; and
- twenty-four hours prior to any general meeting, a list of shareholders having the right to vote at the meeting and/or their representatives must be prominently displayed at our registered office. The list must indicate the names of the shareholders and of their representatives, if any, their addresses and the number of ordinary shares and votes held by each of them.

Ordinary quorum and voting majority

The quorum necessary for a valid general meeting is one-fifth of the paid-up share capital. There is no minimum quorum required for an adjourned meeting held twenty days following the general meeting that did not meet the quorum requirement. Resolutions may be validly passed by an absolute majority (50% plus one) of the share capital present and entitled to vote. In the absence of a quorum, the general meeting is adjourned.

Matters requiring extraordinary quorum and supermajority approval

A quorum of 67% of the holders of our share capital and a supermajority of two-thirds of the share capital present and entitled to vote, provided that such vote exceeds 50% of the company's shares, is required to pass resolutions concerning the following matters:

- a merger;
- decreases and increases in share capital;
- issuance of any convertible bonds;
- the decision not to distribute dividends where the minimum dividend required to be paid is 35% of our profit after tax;
- the distribution of dividends and any change in the method of distribution of dividends;
- any increase in shareholders' obligations;
- any restrictions or the abolition of pre-emptive rights;
- any change of our registered offices;
- any change in our country of incorporation;
- the establishment of extraordinary reserve funds or other reserve funds in excess of the compulsory reserve fund required pursuant to our articles of association and Greek law;
- our dissolution and the appointment of a receiver, trustee or custodian for our company or any part of our assets;
- any change to our term, objects and purposes; and
- any change in our articles of association.

In the absence of the 67% quorum, the general meeting is adjourned, the next meeting requires a quorum of 55% and, if this is not met either, a third meeting is convened to which a quorum of 50% plus one applies.

Our articles of association provide that any amendment to such articles that would change the rights of its shareholders is subject to the extraordinary quorum and supermajority approval requirements described above. However, certain fundamental shareholder rights, including the right to vote, the right to participate in a general meeting, the right to receive dividends and liquidation rights, are expressly provided for by Greek law and cannot be revoked or modified by the general meeting of shareholders.

Action by written consent

Resolutions of the board of directors may be taken by written consent.

Rights of major shareholders

Under Greek corporate law shareholders holding 5% or more of our paid-up share capital have the right to:

- apply to the board of directors asking to convene a general meeting;
- once postpone a resolution (or resolutions) of an annual or extraordinary general meeting for no more than thirty days;
- demand from the board of directors to include additional topics to the agenda of the general meeting already convened. The application of the shareholders must be notified to the board of directors 15 days prior to the day of the general meeting;
- five days prior to the day of an annual general meeting, request from the board of directors information concerning any amount paid by us within the two most recent years to members of the board, or our management, as well as details of any other consideration paid to such persons.
- request from the board of directors to provide drafts of resolutions for each of the items on the initial or the revised agenda of a General Meeting at least seven days prior to the such General Meeting. The board of directors must make these available to the shareholders at least six days prior to the General Meeting.

Furthermore, any shareholder may request from the board of directors to provide at the general meeting any specific information related to the affairs of the company, as long as they are relevant and useful for the assessment of the items of the agenda of the general meeting. Such request must be made at least five days prior to the general meeting.

The board of directors may refuse to disclose the requested information for good and substantial reasons, which must be set forth in the minutes of the general meeting. On the other hand, if, for example, we were a Delaware company, any of our shareholders, irrespective of the size of his or her shareholdings, would have the right to inspect our books and records and make copies of such documents; and request a competent court to review our operations if the shareholder believes that the company is not being managed properly.

Shareholders holding 33% of the company's share capital represented in a general meeting may oppose the approval of any other contract of any nature between the company and the management, the persons controlling the company, their relatives up to the third degree and any legal entity controlled by them. Such restriction is not applicable to contracts that are within the ordinary course of business of the company. The approval of the general meeting may be granted at a later stage following the signing of the contract. However, the approval may not be granted if shareholders holding 5% or more of the company's shareholding represented in the general meeting object to the decision.

Shareholders holding 10% or more of our paid-up share capital have the right to object to the approval by our shareholders at a general meeting of any remuneration or compensation granted to the directors not expressly provided for by Greek law or our articles of association.

Shareholders holding 20% or more of our paid-up share capital have the right to object to a resolution of a general meeting concerning the settlement or waiver by us of any claim for damages against any of our directors. Finally, shareholders holding 20% or more of our paid-up share capital have the right to request from the board of directors, five days prior to the day of a general meeting, particular information relating to the conduct of our corporate affairs and our financial condition. The board of directors may refuse to give such information for good and substantial reasons (including their representation in the board of directors of the company), which must be set forth in the minutes of the general meeting. Furthermore, shareholders holding 20% or more of our paid-up share capital have the right to petition at any time a competent court to order an audit in connection with a possible mismanagement of our corporate affairs. The petitioners must show probable cause before the court will order an audit. A similar right is available to shareholders holding 5% or more of our paid-up share capital with respect to alleged breaches of the law, our articles of association or decisions of the general meeting. Such shareholders must petition the court within three years from the approval of the financial statements for the year in which the alleged breaches occurred.

Shareholder appointment of directors

Under Greek law, the articles of association of a Greek company may grant a specific shareholder or shareholders the right to appoint, without election at a general meeting, their representatives to the board of directors up to an aggregate of no more than one-third of the total number of board members. Our articles of association do not currently provide for any such special appointments.

Removal of directors

Under Greek law, directors may be removed at any time by a resolution approved by a simple majority of shareholders present at a general meeting. Directors appointed by shareholders may be removed at any time by the shareholders who appointed them. Our articles of association do not currently provide for any such special appointments. Furthermore, shareholders representing at least 10% of our paid-up share capital may request the court to dismiss a director for a serious breach of duty.

Board of directors

Our board of directors is appointed by our shareholders at a general meeting for a three-year term.

Directors' liability

In accordance with Greek law, directors who negligently or deliberately inflict damage or losses on our company in connection with the performance of their duties, especially relating to the preparation of the annual financial statements, are liable to us for such damage. The annual general meeting customarily releases our directors from liability, but the shareholders may retain specific claims, in connection with the approval of the annual financial statements provided that such release is limited to the general management of our company during the fiscal year of approved accounts. In addition, a general meeting may release a director from liability for any specific claims we may have against him or her, provided that two years have already lapsed since the cause of action arose against the director and a minority representing at least 20% of our paid-up share capital represented in the company's annual general meeting does not object to such resolution. In contrast, most US federal and state laws prohibit a company from releasing a director from liability if he or she has acted in bad faith or has breached his or her duty of loyalty.

In general, actions for damages as against directors for loss incurred by the company are exercised under Greek law through the company, rather than through derivative actions, a remedy typically available to shareholders of US companies. However, under certain circumstances the shareholders of a Greek company may have the right to bring an action against directors on behalf of the company. Our board of directors may decide by a simple majority to bring an action on behalf of us against any of its members. In addition, if our shareholders so resolve at a general meeting by an absolute majority, or if shareholders representing 10% of our paid-up share capital so request, we are under an obligation to bring a claim for damages against members of the board of directors for mismanagement of corporate affairs within six months either from the day of the general meeting or from the day such request is submitted to us. We are then represented in court by special independent representatives appointed either at a general meeting or by the court.

The application of the abovementioned minority shareholders is executed only after they provide evidence that they have had the shareholder capacity for at least three months before filing the application.

We have obtained insurance against our executive officers' and directors' potential liability under US securities laws.

Issue of share capital

Subject to the pre-emptive rights contained in our articles of association, our share capital may be increased by a resolution of the shareholders. A quorum of 67% of the holders of our share capital and a supermajority of 67% of the share capital present, provided that such vote exceeds 50% of our shares, and entitled to vote is required to pass the resolution.

Issue of shares for non-cash consideration

Greek corporate law requires a valuation of non-cash assets offered as payment for an issue of shares. Under Greek law, a commission set up by the Greek Ministry of Development must determine the value of the assets. Under certain conditions specified in article 9a of Codified Law 2190/1920, such valuation may not be required.

Issue of shares in connection with a business combination

We are required to obtain approval from the Ministry of Development and the Athens Exchange, if we decide to increase our share capital for any reason (other than pursuant to a stock option exercise), including for the purpose of a merger with another company or for the acquisition of shares in another company, in which case the Ministry of Development or the Athens Exchange is more likely to undertake a substantive review of the proposed transaction.

Pre-emptive rights and appraisal rights

Under Greek law, all share capital increases, including increases in the form of convertible bonds but excluding those for non-cash consideration, must be offered first on a pre-emptive basis to our existing shareholders. Pre-emptive rights may only be waived or restricted by a resolution of the general meeting upon delivery of a written report from the board of directors justifying the reasons for the proposed waiver. A quorum of 67% of the holders of our share capital and a supermajority of 67% of the share capital present (following the amendment of our articles of association) and entitled to vote is required to pass the resolution. Shareholders of many US companies typically have no pre-emptive rights. For example, under Delaware law shareholders have no pre-emptive rights unless these rights are specifically granted in a Delaware company's certificate of incorporation.

Unlike the shareholders of a US company, under Greek law our shareholders have no appraisal rights in connection with merger transactions involving us.

Rights issues

The time period for the exercise of rights under a rights issue is fixed by a resolution of the general meeting and may not be less than 15 days, during which time our ordinary shares must be traded on the Athens Exchange. All new shares not acquired by our shareholders may be allocated by the board of directors in its sole discretion and may be offered to non-shareholders at a price that is at least equal to that of the rights issue.

Rights of purchase and redemption of our ordinary shares

We may acquire our ordinary shares up to a maximum of 10% of our share capital after a resolution of the company's general meeting approving such acquisition. The shareholders resolution must specify the maximum number of ordinary shares to be purchased, the high and low prices at which we may purchase the ordinary shares and the time period of the redemption program, which may not exceed 24 months from the date of the resolution.

The 10% limit does not apply to the acquisition of shares for distribution to employees of the Company or its affiliates. Any such shares that are not so distributed within 12 months from their acquisition must be cancelled through a share capital decrease.

None of the above restrictions apply in the case of:

(a) shares that are acquired pursuant to a share capital decrease or through a share buy-out;

(b) shares acquired as a result of a total transfer of assets;

(c) shares fully paid up and acquired without consideration (gift);

(d) shares acquired pursuant to an obligation arising by law or court decision with the purpose of protecting minority shareholders, especially in the case of a merger, change of the company objects or legal form, change of nationality or the imposition of restrictions to the transfer of shares, as well as shares acquired to satisfy obligations of the Company under an exchangeable bond loan; and

(e) shares fully paid up and acquired by auction through compulsory enforcement to satisfy the Company's claims against the owner of such shares.

In all the above cases (b) through (e), the shares acquired must be transferred by the Company within three years from the date on which they were acquired, unless the aggregate of treasury shares owned by the Company does not exceed 10% of the total number of shares in the Company. Any such shares that are not so transferred within three years from acquisition must be cancelled through a share capital decrease.

Treasury shares do not have voting rights and are not taken into account for quorum purposes.

Dividends of such shares increase additionally the dividend of the other shareholders of the company. In the event of a capital increase, the pre-emption right of these shares is not exercised and increases the pre-emption right of the other shareholders.

As a general matter, in light of the restrictions on the ability of a Greek company to repurchase its own shares under Greek law described above, we are subject to a share repurchase regime that could be more restrictive than that applicable to US companies.

Disclosure of interests in shares

Under Greek law, any person who acquires or sells, directly or indirectly, shares, as a result of which the percentage of such person's voting rights reaches, directly or indirectly, exceeds or falls below the limits of 5%, 10%, 15%, 20%, 25%,$^{1}/_{3}$, 50% or ⅔ of our total voting rights, will have to inform us and the Athens Exchange in writing by submitting a specific standard form within three trading days of the date of acquisition or sale. The shareholder is deemed by law to be aware of the sale or acquisition on the second trade day after such sale or acquisition.

A similar obligation exists for a shareholder who owns more than 10% of our total voting rights when the percentage of the shareholder's voting rights is increased or decreased by 3% or more.

Adoption of anti-takeover measures by our board of directors

Unlike the laws of many states in the United States, Greek law prevents directors from adopting anti-takeover measures in the case of a hostile bid, including the implementation of a shareholder rights plan or a so-called "poison pill", without prior shareholder approval. In addition, there is no provision in our articles of association that will have the effect of delaying, deferring or preventing a change of control.

C. Material Contracts

You should read Item 5, "Operating and Financial Review and Prospects," and Item 7, "Major Shareholders and Related Party Transactions—Related Party Transactions" for a discussion of our material contracts, as well as Item 19, "Exhibits" for a list of our material contracts.

D. Exchange Controls

There are currently no exchange controls in Greece that would restrict the payment of dividends or other capital distributions to a holder of ordinary shares or ADSs outside Greece, and there are currently no restrictions in Greece that would affect the right of a non-Greek holder of ordinary shares or ADSs to dispose of his or her shares or ADSs, as the case may be, and receive the proceeds of such disposal outside Greece.

All forms of capital movement in and out of Greece have been deregulated. Foreign investors may purchase securities listed on the Athens Exchange, as well as Greek government bonds and treasury bills. Repatriation of capital and dividends and any other income on securities is fully deregulated.

Potential purchasers of listed companies' shares should consult their professional advisers in connection with the internal procedures and requirements established by credit institutions in Greece with regard to such repatriation.

E. Taxation

Greek taxation

Introduction

The following is a summary of material Greek tax considerations that may be relevant to the ownership and disposition of the ordinary shares. The summary does not purport to be nor should it be relied upon as a comprehensive description or analysis of all the tax considerations which may be relevant to a decision to hold the ordinary shares or ADSs.

This summary is based on tax laws and regulations in effect in Greece on the date of this annual report which are subject to change without notice. Potential purchasers should consult their own tax advisers concerning the overall Greek tax (including Greek capital gains, inheritance or succession, and gift tax), possible changes therein, or other tax consequences of the ownership and disposition of the ordinary shares or ADSs.

Corporate taxation

The profit before tax of Greek société anonymes had been taxed at a flat rate of 35% until 2004. The rate was reduced to 32% for 2005, to 29% for 2006, and to 25% for 2007 up to and including 2009. The 2010 tax law provided that with effect for financial statements of years ending on December 31, 2010 and onwards, two separate corporate tax rates would apply for non-distributed and distributed profits of Greek société anonymes. Non-distributed profits would be taxed at 24%, gradually reduced by 1% per financial year from 2011 through to 2014, when it would be finally set at 20% whereas distributed profits would be taxed at 40%. Therefore, based on the 2010 tax law, the tax rate on non-distributed profits for 2010 tax year had been set at 24%.

The 2011 tax law abolished the 40% corporate tax rate on distributed profits, introduced a dividend withholding tax (refer to the following item "Taxation on dividends") and provided that for accounting years starting as of January 1, 2011 and onwards the corporate tax rate will be decreased from 24% to 20%.

The 2011 tax law also provided exemption from corporate income tax of inbound dividends that Greek société anonymes and limited liability partnerships receive from qualifying investments in EU subsidiaries on condition that such dividends are recorded in a special tax free reserve account. Such tax free reserve will be subject to dividend withholding tax upon distribution to the shareholders or capitalization.

Taxation of dividends

Dividends (including shares allocated to shareholders from capitalized profits or reserves, but excluding the capitalization of share premium reserve or certain other reserves), distributed by Greek société anonymes were subject to withholding tax at 10%. This withholding tax applied to distributions approved by the general meetings of shareholders of Greek société anonymes held on or after January 1, 2009. Certain exceptions to this withholding tax requirement exist for qualifying shareholders.

The 2010 tax law provided that dividend income deriving from financial statements of years ending on or after December 31, 2010 was not subject to withholding tax. When earned by Greek tax resident individuals, such dividend income would be taxed as normal income and the tax paid at the level of the société anonyme would be credited against the income tax due. In case that the net profit of a Greek société anonyme also included profits deriving from its participation in other Greek corporate entities, which had also been subject to the 40% tax, the part of the tax that was already paid and corresponding to these profits would be deducted from the 40% tax due.

The 2011 tax law introduced a withholding tax on dividends, including shares allocated to shareholders from capitalized profits or reserves, but excluding the capitalization of share premium reserve or certain other reserves. On this basis the distribution of profits approved by the general meetings of the shareholders as from January 1, 2012 and onwards will be subject to withholding tax at 25% while the distribution of profits approved in 2011 will be subject to a withholding tax of 21%. Such withholding tax extinguishes the beneficiary's tax liability on the respective income.

Taxation of capital gains

Pursuant to Article 38 of Law 2238/94, capital gains resulting from the sale of securities listed on the Athens Exchange that have been acquired before January 1, 2011 are tax exempt as follows:

Capital gains resulting from the sale of shares by entities incorporated in Greece (excluding banks) or foreign entities operating in Greece through a permanent establishment that maintain double entry accounts are not subject to income tax, as long as such gains are maintained in a special reserve account. In case of subsequent distribution of the reserve or dissolution of the entity, these gains will be added to the account of the entity and taxed accordingly.

Capital gains from the sale of listed shares earned by Greek or foreign resident individuals and entities incorporated in Greece or foreign entities operating in Greece through a permanent establishment, without obligation to maintain double entry accounts, are exempt from taxation. Foreign entities not operating in Greece through a permanent establishment are also exempt from Greek tax on capital gain from the sale of listed shares on the Athens Stock Exchange.

Pursuant to Article 38 of Law 2238/94, capital gains from the sale of securities listed on foreign stock exchanges, earned by Greek individuals or legal entities without obligation to maintain double entry accounting records are also exempt from taxation. Legal entities that maintain double entry accounts are not subject to income tax, as long as such gains are maintained in a special reserve account. In case of subsequent distribution of the reserve or dissolution of the entities, these gains are added to the account of the enterprise and taxed accordingly. Capital gains of US holders (as defined below in United States Taxation—Introduction) who are not Greek residents on the sale or other disposition of the ordinary shares will not be subject to income tax in Greece.

The 2010 tax law amended Article 38 of Law 2238/1994 concerning the tax treatment of the capital gains that will result from the sale of securities listed on the Athens Exchange or other internationally recognized foreign exchanges in respect of securities acquired for whatever reason on or after January 1, 2011 and provided that any gains arising from the sale of listed shares are exempt from income tax, if the shares have been held for a minimum period of twelve months and as long as the gain is maintained in a special reserve account. The 2010 tax law further introduced a withholding tax of 20% or 10% in cases where the shares have been held for a period of less than three months or for a period between three and twelve months respectively.

However, by virtue of a recent Circular (POL1004/3.1.11) of the Ministry of Finance, the above tax treatment of the gains from the sale of shares acquired on or after January 1, 2011 was suspended with a retrospective effect as from January 1, 2011.

The 2011 tax law abolishes the withholding tax on the capital gain from the sale of shares. It also provides that the capital gain from the sale of listed shares acquired on or after April 1, 2012 is fully taxable as part of the taxable base reported for the year in which such gain/loss arises, while any loss from the same reason is tax deductible.

Transfer taxes and charges

A transfer tax is imposed on the sale of securities listed on the Athens Exchange at the rate of 0.15% of the sale price. The tax is borne by the seller and is charged by the Central Securities Depositary to brokers, which in turn charge their clients. In addition, a levy is charged to both the purchaser and the seller by the Central Securities Depositary of approximately 0.08% of the value of the transaction to cover settlement costs and a freely negotiable commission and other costs are paid to the brokers by each of the buyer and seller.

The 2011 tax law provides that from April 1, 2011 onwards, the transfer tax on the sale of shares as above acquired up to December 31, 2011 will be increased from 0.15% to 0.2%. The transfer tax will not apply to the sale of shares acquired from April 1, 2012 onwards.

Stamp duty

The issuance and transfer of shares as well as the payment of dividends is exempt from stamp duty.

Inheritance or succession taxes

Inheritance or succession taxes were payable in Greece on listed shares of Greek domiciled companies or foreign securities at the rates of 0.6% or 1.2% for relatives of first or second degree. With regard to third degree relatives, inheritance or succession taxes are payable on a progressive system, the rates of which range from 0% to 40%. The taxable basis for stock exchange listed shares is prescribed in Law 2961/2001, as currently in force (effective up to April 22, 2010).

Following subsequent amendments in the Code of Taxation of Inheritance and Donations with effect from April 23, 2010 onwards, inheritance and succession taxes payable in Greece on listed shares of Greek domiciled companies or foreign securities are calculated based on tax scales which vary according to the degree of kinship (first, second or third degree relatives). With respect to first degree relatives inheritance or succession taxes are payable on a progressive scale the rates of which range from 0% to 10%, for second degree from 0% to 20% and for third degree from 0% to 40%.

Gift tax (donation taxes)

A similar (to that applying to inheritance) system of taxation applies to the donation of listed shares.

United States taxation

Introduction

This section describes the material United States federal income tax consequences of owning ordinary shares or ADSs. It applies to you only if you are a US holder, as defined below, and you hold your ordinary shares or ADSs as capital assets for tax purposes. This section does not apply to you if you are a member of a special class of holders subject to special rules, including:

- a dealer in securities or currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a tax-exempt organization;
- a life insurance company;
- a person liable for alternative minimum tax;
- a person that actually or constructively owns 10% or more of the voting stock of Coca-Cola Hellenic Bottling Company S.A.;
- a person that holds ordinary shares or ADSs as part of a straddle or a hedging or conversion transaction; or
- a person whose functional currency is not the US dollar.

This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis. In addition, this section is based in part upon the representations of the Depositary and the assumption that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms.

In general, and taking into account this assumption, for United States federal income tax purposes, if you hold ADRs evidencing ADSs, you will be treated as the owner of the ordinary shares represented by those ADRs. Exchanges of ordinary shares for ADRs, and ADRs for ordinary shares, generally will not be subject to United States federal income tax.

You are a US holder if you are a beneficial owner of ordinary shares or ADSs and you are for United States federal income tax purposes:

- a citizen or resident of the United States;
- a United States domestic corporation;
- an estate whose income is subject to United States federal income tax regardless of its source; or
- a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

This section does not apply to you if you are a beneficial owner of ordinary shares or ADSs who is not a United States person for United States federal income tax purposes.

You should consult your own tax advisor regarding the United States federal, state, local and other tax consequences of owning and disposing of ordinary shares and ADSs in your particular circumstances. Currently, a reciprocal tax treaty, with a protocol thereto, is in effect between the United States and Greece. You should consult your tax advisers with respect to the effect of such treaty (and the protocol thereto) on owning and disposing of ordinary shares or ADSs in your particular circumstances.

If a partnership holds the ordinary shares or ADSs, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Each such partner having an interest in the ordinary shares or ADSs is urged to consult his, her or its own tax advisor.

This discussion addresses only United States federal income taxation.

Taxation of dividends

Under the United States federal income tax laws, and subject to the passive foreign investment company rules discussed below, if you are a US holder, the gross amount of any dividend paid by us out of our current or accumulated earnings and profits (as determined for United States federal income tax purposes) is subject to United States federal income taxation. You must include any Greek tax withheld from the dividend payment in this gross amount even though you do not in fact receive it. If you are a non-corporate US holder, dividends paid to you in taxable years beginning before January 1, 2013 that constitute qualified dividend income will be taxable to you at a maximum tax rate of 15% provided that you hold the ordinary shares or ADSs for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meet other holding period requirements. Dividends paid by us with respect to our ordinary shares or ADSs generally will be qualified dividend income. The dividend is taxable to you when you, in the case of ordinary shares, or the Depositary, in the case of ADSs, receive the dividend, actually or constructively. The dividend will not be eligible for the dividends- received deduction generally allowed to United States corporations in respect of dividends received from other United States corporations.

The amount of the dividend distribution that you must include in your income as a US holder will be the US dollar value of the euro payments made, determined at the spot euro/US dollar rate on the date the dividend distribution is includable in your income, regardless of whether the payment is in fact converted into US dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into US dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. Distributions in excess of current and accumulated earnings and profits, as determined for United States federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the ordinary shares or ADSs and thereafter as capital gain.

Dividends will be income from sources outside the United States. Dividend will, depending on your circumstances, generally be either "passive" or "general" income for purposes of computing the foreign tax credit allowable to you. Subject to certain limitations, the Greek tax withheld and paid over to Greece will be creditable or deductible against your United States federal income tax liability. Special rules apply in determining the foreign tax credit limitation with respect to dividends that are subject to the maximum 15% tax rate. To the extent a refund of the tax withheld is available to you under Greek law, the amount of tax withheld that is refundable will not be eligible for credit against your United States federal income tax liability.

Taxation of capital gains

Subject to the passive foreign investment company rules discussed below, if you are a US holder and you sell or otherwise dispose of your ordinary shares or ADSs, you will recognize capital gain or loss for United States federal income tax purposes equal to the difference between the US dollar value of the amount that you realize and your tax basis, determined in US dollars, in your ordinary shares or ADSs. Capital gain of a non-corporate US holder is generally taxed at preferential rates where the property is held for more than one year. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes.

Passive foreign investment company rules

We believe that our ordinary shares and ADSs should not be treated as stock of a passive foreign investment company, PFIC, for United States federal income tax purposes, but this conclusion is a factual determination that is made annually and thus may be subject to change.

In general, if you are a US holder, we will be a PFIC with respect to you if for any taxable year in which you held our ordinary shares or ADSs: (i) at least 75% of our gross income for the taxable year is passive income or (ii) at least 50% of the value, determined on the basis of a quarterly average, of our assets is attributable to assets that produce or are held for the production of passive income.

Passive income generally includes dividends, interest, royalties, rents (other than certain rents and royalties derived in the active conduct of a trade or business), annuities and gains from assets that produce passive income. If a foreign corporation owns at least 25% by value of the stock of another corporation, the foreign corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation, and as receiving directly its proportionate share of the other corporation's income.

If we were to be treated as a PFIC, and you are a US holder that did not make a mark-to-market election, you would be subject to special rules with respect to: (i) any gain realized on the sale or other disposition of ordinary shares or ADSs and (ii) any excess distribution that we make to you (generally, any distributions during a single taxable year that are greater than 125% of the average annual distributions received in respect of the ordinary shares or ADSs during the three preceding taxable years or, if shorter, the holding period for the ordinary shares or ADSs).

Under these rules: (i) the gain or excess distribution will be allocated ratably over the holding period for the ordinary shares or ADSs, (ii) the amount allocated to the taxable year in which the US holder realized the gain or excess distribution will be taxed as ordinary income, (iii) the amount allocated to each prior year, with certain exceptions, will be taxed at the highest tax rate in effect for that year, and (iv) the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such year. Special rules apply for calculating the amount of the foreign tax credit with respect to excess distributions by a PFIC.

Your ordinary shares or ADSs will be treated as stock in a PFIC if we were a PFIC at any time during your holding period in the ordinary shares or ADSs, even if we are not currently a PFIC.

If you own ordinary shares or ADSs in a PFIC that are treated as marketable stock, you may make a mark-to-market election. If you make this election, you will not be subject to the PFIC rules described above. Instead, in general, you will include as ordinary income each year the excess, if any, of the fair market value of your ordinary shares or ADSs at the end of the taxable year over your adjusted basis in your ordinary shares or ADSs. These amounts of ordinary income will not be eligible for the favorable tax rates applicable to qualified dividend income or long-term capital gains. You will also be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted basis of your ordinary shares or ADSs over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). Your basis in the ordinary shares or ADSs will be adjusted to reflect any such income or loss amounts.

In addition, notwithstanding any election you make with regard to the ordinary shares or ADSs, dividends that you receive from us would not constitute qualified dividend income to you if we were a PFIC either in the taxable year of the distribution or the preceding taxable year. Dividends that you receive that do not constitute qualified dividend income are not eligible for taxation at the 15% maximum rate applicable to qualified dividend income. Instead, you must include the gross amount of any such dividend paid by us out of our accumulated earnings and profits (as determined for United States federal income tax purposes) in your gross income, and it will be subject to tax at rates applicable to ordinary income.

If you own ordinary shares or ADSs during any year that we are a PFIC, you must file an Internal Revenue Service Form 8621.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the informational requirements of the US Securities Exchange Act of 1934, as they apply to foreign private issuers, and will file reports and other information with the SEC. As a foreign private issuer, we are exempt from Exchange Act rules regarding the content and furnishing of proxy statements to shareholders and our officers, directors and principal shareholders are exempt from the reporting and a short-swing profit recovery provisions contained in Section 16 of the Exchange Act. The reports and other information can be inspected and copied at the public reference facilities of the Public Reference Section of the SEC at 100 F Street, N.W., Washington DC 20549, from which you may also obtain copies at prescribed rates. You may obtain more information concerning the operation of the Public Reference Section of the SEC by calling the SEC at 1-800-SEC-0330. The SEC filings are also available to the public from commercial document retrieval services and, for filings made on or after November 4, 2002, at the website maintained by the SEC at *www.sec.gov*.

We furnish holders of our ordinary shares with annual reports containing consolidated financial statements audited by independent accountants. We file quarterly financial statements under cover of Form 6-K. We also furnish other reports as we may determine or as required by law.

I. Subsidiary Information

See Item 4, "Information on the Company—Organizational Structure".

ITEM 11 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

You should read Item 5, "Operating and financial review and prospects—Market risk" , as well as note 30 to our consolidated financial statements included elsewhere in this annual report for quantitative and qualitative disclosures about market risk.

ITEM 12 DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Fees and charges payable by a holder of American Depositary Shares

Citibank N.A., as Depositary, collects fees for delivery and surrender of ADSs directly from investors or from intermediaries acting for them depositing shares or surrendering ADSs for the purpose of withdrawal. The Depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The Depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

Persons depositing or withdrawing shares must pay:	For:
$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	• Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property • Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
$5.00 (or less) per 100 ADSs (or portion of 100 ADSs) (A fee equivalent to the fee that would be payable if securities distributed had been shares and the shares had been deposited for issuance of ADSs)	• Distribution of deposited securities by the Depositary to ADS registered holders
$0.02 (or less) per ADS	• Any cash distribution to ADS registered holders
Applicable Registration or transfer fees	• Transfer and registration of shares on our share register to or from the name of the Depositary or its agent when the holder deposits or withdraws shares
Applicable Expenses of the Depositary	• Cable, telex and facsimile transmissions • Converting foreign currency to US dollars
Applicable Taxes and other governmental charges the Depositary or the custodian have to pay on any ADS or share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes	• As necessary
Any charges incurred by the Depositary or its agents for servicing the deposited securities	• As necessary

Fees and other direct and indirect payments made by the Depositary to the Company

A payment of $350,000 was made by the Citibank N.A., as Depositary, to the Company for the year ended December 31, 2011. With effect from April 30, 2010, Citibank N.A. is acting as Depositary for our sponsored ADS facility.

PART II

ITEM 13 DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None applicable.

ITEM 14 MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None applicable.

ITEM 15 CONTROLS AND PROCEDURES

a. Disclosure Controls and Procedures

We have evaluated, under the supervision and with the participation of our management, including our chief executive officer and our chief financial officer, our disclosure controls and procedures as of December 31, 2011 pursuant to Rule 13a-15 of the Securities Exchange Act of 1934, as amended. Based on that evaluation, these officers have concluded that our disclosure controls and procedures are effective as at December 31, 2011.

In some of the environments in which we operate, businesses like ours are exposed to a heightened risk of loss due to fraud and criminal activity. We have established a system of internal controls and procedures and regular review of our financial records designed to identify and correct control weaknesses so as to minimize such losses before they could become material to our results or financial position. From time to time, we have experienced acts of fraud and criminal activity primarily in our operation in Nigeria. We take all such incidents seriously and conduct extensive investigations through our internal audit department and in coordination with local authorities, so that appropriate disciplinary measures are taken. In 2011, the individual and aggregate impact of all such incidents was immaterial to our consolidated financial statements.

b. Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over our financial reporting. Management conducted an evaluation of the effectiveness of internal control over financial reporting based on the *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as at December 31, 2011.

PricewaterhouseCoopers S.A., our independent registered public accounting firm, has issued an audit report on the effectiveness of our internal control over financial reporting, which is included on page F-1.

c. Attestation Report of the Registered Public Accounting Firm

The attestation report called for by Item 15(c) of the Form 20-F is included on page F-1.

d. Changes in Internal Control over Financial Reporting

We have continued our gradual implementation of SAP software applications, which we expect to further strengthen our internal controls over financial reporting. For additional information on our implementation of SAP, see Item 4, "Information on the Company—Business Overview—Information technology".

ITEM 16A AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors believes that both Mr. Kent Atkinson and Mr. Nigel Macdonald are financial experts as such term is defined for purposes of section 407 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder.

ITEM 16B CODE OF ETHICS

We have adopted a code of ethics covering our senior management and directors to prevent wrongdoing and promote honest and ethical conduct, full, fair, accurate, timely and understandable disclosure, and compliance with applicable governmental rules and regulations. This code of ethics complies with the standards prescribed in the Sarbanes-Oxley Act of 2002. Additionally, we have adopted a code of business conduct applicable to all company officers and our employees, known as the Code of Business Conduct which is available on our website at *www.coca-colahellenic.com*.

ITEM 16C PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit fees and all other fees

Audit fees

Fees for audit services paid to PricewaterhouseCoopers S.A. and affiliates totaled approximately €6.2 million for the year ended December 31, 2011, including fees associated with the annual integrated audit and reviews of our quarterly reports, prepared in accordance with IFRS, and local statutory audits. Fees for audit services paid to PricewaterhouseCoopers S.A. and affiliates totaled approximately €6.2 million for the year ended December 31, 2010, including fees associated with the annual audit and reviews of our quarterly reports, prepared in accordance with IFRS, and local statutory audits.

Audit related fees

Fees for audit related services paid to PricewaterhouseCoopers S.A. and affiliates for the year ended December 31, 2011, were €0.4 million compared to €0.2 million for the year ended December 31, 2010.

Tax fees

No fees were paid in 2011 and 2010 to PricewaterhouseCoopers S.A. and affiliates for tax services, including tax compliance, tax advice and planning.

All other fees

All other fees paid to PricewaterhouseCoopers S.A. or affiliates were €0.1 million for the year ended December 31, 2011, compared to €0.2 million fees paid in 2010.

Audit committee pre-approval of audit and permissible non-audit services of independent auditors

Our audit committee pre-approves all audit and permissible non-audit services provided by the independent auditors. These services may include audit services, audit related services, tax services and other services. The audit committee has adopted a policy of pre-approval of services provided by the independent auditors.

Under the policy, pre-approval is generally provided for work associated with registration statements under the Securities Act of 1933 (for example, comfort letters or consents); statutory or other financial audit work under IFRS or according to local requirements; due diligence work for potential acquisitions or disposals; attestation services not required by statute or regulation; adoption of new accounting pronouncements or auditing and disclosure requirements and accounting or regulatory consultations; internal control reviews and assistance with internal control reporting requirements; review of information systems security and controls; tax compliance, tax planning and related tax services, excluding any tax service prohibited by regulatory or other oversight authorities; expatriates and other individual tax services; and assistance and consultation on questions raised by regulatory agencies. For each proposed service, the independent auditor is required to provide detailed back-up documentation at the time of approval to permit the audit committee to make a determination whether the provision of such services would impair the independent auditor's independence.

ITEM 16D EXEMPTION FROM THE LISTING STANDARDS OF AUDIT COMMITTEES

None. Our board of directors believes that all members of our audit committee satisfy the independence requirement of Rule 10A-3 of the US Securities and Exchange Act of 1934, as amended.

ITEM 16E PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PERSONS

None.

ITEM 16F CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G CORPORATE GOVERNANCE

Certain differences between our practices and the corporate governance listing standards of the New York Stock Exchange

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

Based on the shareholders' agreement (described in detail above under Item 7, "Major Shareholders and Related Party Transactions") between Kar-Tess Holding and The Coca-Cola Company Entities, four of our directors are designated by Kar-Tess Holding and two are designated by The Coca-Cola Company. The remaining directors are jointly designated by Kar-Tess Holding and The Coca-Cola Company Entities. We have appointed five directors, designated in this way, whom our board believes are independent: Mr. Kent Atkinson, Sir Michael Llewellyn-Smith, Mr. Antonio D'Amato, Mr. Nigel Macdonald and Mr. Christos Ioannou. Our human resources committee, described above, which fulfils certain duties of both a nominating/corporate governance committee and a compensation committee, is comprised of Mr. George A. David, Mr. John Hunter and Sir Michael Llewellyn-Smith. Our human resources committee does not have sole authority to determine our chief executive officer's compensation.

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

ITEM 16H MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17 FINANCIAL STATEMENTS

See Item 18.

ITEM 18 FINANCIAL STATEMENTS

The following consolidated financial statements, together with the report thereon of PricewaterhouseCoopers, are filed as part of this Annual Report:

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Report of Independent Registered Public Accounting Firm	F-1
Consolidated Balance Sheets—December 31, 2011 and 2010	F-2
Consolidated Income Statements—Years Ended December 31, 2011, 2010 and 2009	F-3
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Notes to Consolidated Financial Statements	F-9

ITEM 19 EXHIBITS

The following exhibits are filed as part of this Annual Report:

Exhibit Number	Description
1.1	Articles of Association of Coca-Cola Hellenic Bottling Company S.A., as last amended by resolution of the General Meeting of the shareholders on May 6, 2011 and as adjusted with respect to the share capital (article 3) by the resolution of the Board of Directors on December 30, 2011.
1.2	Articles of Association of Coca-Cola HBC Finance B.V., as last amended on May 20, 2002(2)
2.1	Amended and Restated Deposit Agreement between Coca-Cola Hellenic Bottling Company S.A. and Citibank, N.A., dated April 30, 2010(1)
2.2	€500.0 million Multicurrency Revolving Credit Facility Agreement, dated December 18, 2009 for Coca-Cola Hellenic Bottling Company S.A., arranged by Citigroup Global Markets Limited and ING Bank N.V. with ING Bank N.V., London Branch acting as Facility Agent(1)
2.3	Amended and Restated Trust Deed relating to €2.0 billion Euro Medium-Term Note Program among Coca-Cola HBC Finance B.V., as issuer, Citicorp Trustee Company Limited, as trustee, and Coca-Cola Hellenic Bottling Company S.A., as guarantor.
2.4	Indenture, among Coca-Cola HBC Finance B.V., Coca-Cola Hellenic Bottling Company S.A. and The Bank of New York, dated September 17, 2003(2)
2.5	Form of new notes of Coca-Cola HBC Finance B.V. and guarantees relating thereto (included in Exhibit 2.4)(2)
3.1	Shareholders' Agreement dated November 3, 1999 by and among The Coca-Cola Export Corporation, Barlan, Inc., Atlantic Industries, Coca-Cola Overseas Parent Limited, Refreshment Product Services, Inc., Kar-Tess Holding, Boval S.A. and Socomex S.A.(3)
3.2	Amendment to the Shareholders' Agreement of November 3, 1999, dated March 3, 2000 by and among The Coca-Cola Export Corporation, Barlan, Inc., Atlantic Industries, Coca-Cola Overseas Parent Limited, Refreshment Product Services, Inc., Kar-Tess Holding, Boval S.A. and Socomex S.A.(3)

Exhibit Number	Description
3.3	Amendment to the Shareholders' Agreement of November 3, 1999, as initially amended on March 3, 2000, dated August 7, 2003 by and among The Coca-Cola Export Corporation, Barlan, Inc., Atlantic Industries, Coca-Cola Overseas Parent Limited, Refreshment Product Services, Inc., Kar-Tess Holding, Boval S.A. and Socomex S.A.(2)
3.4	Relationship Agreement dated August 29, 2000 by and among The Coca-Cola Export Corporation, Barlan, Inc., Atlantic Industries, Coca-Cola Overseas Parent Limited, Refreshment Product Services, Inc., Kar-Tess Holding, Boval S.A., Socomex S.A. and Hellenic Bottling Company S.A. (subsequently Coca-Cola Hellenic Bottling Company S.A.)(3)
3.5	Amended and Restated Shareholders' Agreement, dated December 29, 2008 by and among The Coca-Cola Export Corporation, Barlan Inc., Atlantic Industries, Coca-Cola Overseas Parent Ltd., Refreshment Product Services Inc., CCHBC Grouping, Inc. and Kar-Tess Holding(4)
4.1	Form of European Bottlers' Agreement(4)
4.2	European Bottlers' Agreement for Greece entered into with effect from June 1, 1997, by and among The Coca-Cola Company, The Coca-Cola Export Corporation and Hellenic Bottling Company S.A.(5)
4.3	Form of International (Non-European) Bottlers' Agreement(4)
4.4	Form of Distribution Agreement(3)
4.5	Supply Agreement dated June 8, 2004 between Frigoglass S.A. and Coca-Cola Hellenic Bottling Company S.A.(6)
4.6	Agreement dated November 23, 2001 by and between The Coca-Cola Export Corporation, International Beverages, Jayce Enterprises Limited, Coca-Cola Molino Beverages limited and 3E (Cyprus) for the sale and purchase of shares in Star Bottling Limited (Cyprus), LLC Coca-Cola Stavropolye Bottlers and Coca-Cola Molino Beverages Limited(3)
4.7	Letter from The Coca-Cola Company, dated August 15, 2003(2)
4.8	Form of Letter from The Coca-Cola Company waiving certain provisions of bottlers' agreements for our countries that entered the European Union on May 1, 2004(6)
7.1	Statement re Computation of Ratios
8.1	Subsidiaries of the Registrant (provided under "Item 4—Information On The Company—Organizational Structure" in the Annual Report)
11.1	Code of Ethics(6)
12	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Public Company Accounting Reform and Investor Protection Act of 2002
13	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Public Company Accounting Reform and Investor Protection Act of 2002(7)

(1) Incorporated by reference to the Annual Report on Form 20-F of Coca-Cola Hellenic Bottling Company S.A. for the year ended December 31, 2009, as filed with the SEC on June 4, 2010.

(2) Incorporated by reference to the Registration Statement on Form F-4 of Coca-Cola HBC Finance B.V. and Coca-Cola Hellenic Bottling Company S.A. filed with the SEC on November 13, 2003.

(3) Incorporated by reference to the Registration Statement on Form F-1 of Coca-Cola Hellenic Bottling Company S.A. filed with the SEC on September 18, 2002.

(4) Incorporated by reference to the Annual Report on Form 20-F of Coca-Cola Hellenic Bottling Company S.A. for the year ended December 31, 2008, as filed with the SEC on June 30, 2009.

(5) Incorporated by reference to the Annual Report on Form 20-FR12B of Coca-Cola Hellenic Bottling Company S.A. for the year ended December 31, 2001 and the six-month period ended June 28, 2002, as filed with the SEC on September 30, 2002.

(6) Incorporated by reference to the Annual Report on Form 20-F of Coca-Cola Hellenic Bottling Company S.A. for the year ended December 31, 2003, as filed with the SEC on June 30, 2004.

(7) Furnished but not filed.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

COCA-COLA HELLENIC BOTTLING COMPANY S.A.
(Registrant)

By: /s/ JAN GUSTAVSSON

Name: Jan Gustavsson
Title: *General Counsel, Director of Strategic Development and Company Secretary*

Date: March 30, 2012

Report of Independent Registered Public Accounting Firm

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

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income, changes in equity and cash flow present fairly, in all material respects, the financial position of Coca-Cola Hellenic Bottling Company S.A. and its subsidiaries at December 31, 2011 and December 31, 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and in conformity with International Financial Reporting Standards as adopted by the European Union. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the Management's report on Internal Control over Financial Reporting appearing in Item 15(b) of the 2011 Annual Report on Form 20-F. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 1 to the consolidated financial statements, in 2011 the Company changed the manner in which it accounts for its post employment benefit plans.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers S.A.
Athens, Greece
March 22, 2012

Consolidated Balance Sheet

	Note	As at 31 December 2011 € million	As at 31 December 2010[1] € million
Assets			
Intangible assets	4	**1,947.7**	1,966.9
Property, plant and equipment	5	**3,051.5**	3,122.9
Equity method investments	6	**42.9**	41.1
Available-for-sale financial assets	7	**1.4**	1.8
Interest rate swap contracts	8	**69.5**	73.1
Deferred tax assets	9	**35.2**	35.0
Other non-current assets	10	**36.9**	40.4
Total non-current assets		**5,185.1**	**5,281.2**
Inventories	11	**451.5**	481.7
Trade receivables	12	**855.2**	870.2
Other receivables and assets	13	**231.5**	233.5
Derivative assets	8	**15.7**	4.2
Current tax assets		**20.0**	13.8
Cash and cash equivalents	14	**476.1**	326.1
Total current assets		**2,050.0**	**1,929.5**
Total assets		**7,235.1**	**7,210.7**
Liabilities			
Short-term borrowings	15	**321.5**	535.1
Trade payables	16	**423.5**	384.7
Other payables	16	**1,118.0**	1,079.4
Current tax liabilities		**58.4**	37.2
Total current liabilities		**1,921.4**	**2,036.4**
Long-term borrowings	15	**1,934.5**	1,656.4
Cross-currency swap contracts	8	**130.8**	136.1
Deferred tax liabilities	9	**171.5**	162.9
Non-current provisions	17	**149.5**	144.2
Other non-current liabilities		**14.2**	13.9
Total non-current liabilities		**2,400.5**	**2,113.5**
Total liabilities		**4,321.9**	**4,149.9**
Equity			
Share capital	18	**549.8**	183.1
Share premium	18	**569.2**	1,119.2
Treasury shares	19	**(55.5)**	(57.2)
Exchange equalisation reserve	19	**(197.9)**	(129.2)
Other reserves	19	**389.0**	375.4
Retained earnings		**1,640.7**	1,460.8
Equity attributable to owners of the parent		**2,895.3**	**2,952.1**
Non-controlling interests	28	**17.9**	108.7
Total equity		**2,913.2**	**3,060.8**
Total equity and liabilities		**7,235.1**	**7,210.7**

The change in the accounting policy described in Note 1 impacted the published balances as at 31 December 2009 as follows: the line "non-current provisions" increased to €170.4m from € 129.6m; the line "deferred tax liabilities" decreased to €133.5m from €142.3m; the line "other non-current assets" reduced to €45.5m from €57.5m; the line "deferred tax assets" increased to €32.6m from €29.6m; the line "retained earnings" decreased to €1,112.3m from €1,151.8m the line "non-controlling interests" decreased to €101.2m from €102.7m. The Company has disclosed the effect of the change on its 31 December 2009 balance sheet in Note 1, and does not consider it material to present the restated 31 December 2009 balance sheet as required by IAS 8.

(1) Comparative figures have been restated where necessary to reflect changes in accounting policy as detailed in Note 1.

The notes on pages F-9 of F-91 are an integral part of these consolidated financial statements.

Consolidated Income Statement

	Note	Year ended 31 December 2011 € million	2010[1] € million	2009[1] € million
Net sales revenue	3	**6,854.3**	6,793.6	6,543.6
Cost of goods sold		**(4,258.8)**	(4,048.6)	(3,904.7)
Gross profit		**2,595.5**	**2,745.0**	**2,638.9**
Operating expenses	20	**(2,055.6)**	(2,058.4)	(1,984.2)
Restructuring costs	20	**(71.5)**	(36.7)	(44.9)
Other items	20	**—**	—	32.8
Operating profit	3	**468.4**	**649.9**	**642.6**
Finance income		**9.8**	7.4	9.4
Finance costs		**(96.1)**	(83.1)	(82.2)
Loss on net monetary position	21	**(7.8)**	—	—
Total finance costs, net	21	**(94.1)**	(75.7)	(72.8)
Share of results of equity method investments	6	**1.2**	2.5	(1.9)
Profit before tax		**375.5**	**576.7**	**567.9**
Tax	3,22	**(102.7)**	(138.0)	(142.9)
Profit after tax		**272.8**	**438.7**	**425.0**
Attributable to:				
Owners of the parent		**268.9**	426.6	402.6
Non-controlling interests		**3.9**	12.1	22.4
		272.8	**438.7**	**425.0**
Basic and diluted earnings per share (€)	23	**0.74**	1.17	1.10

(1) Comparative figures have been restated where necessary to reflect changes in accounting policy as detailed in Note 1.

The notes on pages F-9 of F-91 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

	Year ended 31 December					
	2011 € million		2010[1] € million		2009[1] € million	
Profit after tax		272.8		438.7		425.0
Other comprehensive income:						
Available-for-sale financial assets:						
Valuation (losses) / gains during the year	(0.4)		0.5		(0.1)	
Valuation (gains)/losses reclassified to profit and loss for the year	—	(0.4)	(2.8)	(2.3)	6.5	6.4
Cash flow hedges:						
Amounts of gains / (losses) during the year	5.3		(11.3)		(6.4)	
Amounts of losses/(gains) reclassified to profit and loss for the year	3.1	8.4	2.0	(9.3)	(9.7)	(16.1)
Foreign currency translation		(54.2)		181.5		(79.5)
Share of other comprehensive income of equity method investments		(0.8)		1.4		(0.7)
Actuarial (losses) / gains		(31.8)		2.7		4.4
Income tax relating to components of other comprehensive income (refer to Note 24)		3.9		(0.3)		2.8
Other comprehensive income for the year, net of tax (refer to Note 24)		**(74.9)**		**173.7**		**(82.7)**
Total comprehensive income for the year		**197.9**		**612.4**		**342.3**
Total comprehensive income attributable to:						
Owners of the parent		189.0		596.2		322.9
Non-controlling interests		8.9		16.2		19.4
		197.9		**612.4**		**342.3**

(1) Comparative figures have been restated where necessary to reflect changes in accounting policy as detailed in Note 1.

The notes on pages F-9 of F-91 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

	Attributable to owners of the parent								
	Share capital € million	Share premium € million	Treasury shares € million	Exchange equalisation reserve € million	Other reserves € million	Retained earnings € million	Total € million	Non-controlling interests € million	Total equity € million
Balance as at 1 January 2009	182.7	1,665.0	—	(191.9)	366.7	818.2	**2,840.7**	90.1	**2,930.8**
Changes in accounting policy (Note 1)	—	—	—	—	—	(47.3)	**(47.3)**	(1.1)	**(48.4)**
Balance as at 1 January 2009 (restated)	182.7	1,665.0	—	(191.9)	366.7	770.9	**2,793.4**	89.0	**2,882.4**
Shares issued to employees exercising stock options . .	0.1	1.7	—	—	—	—	**1.8**	—	**1.8**
Share-based compensation: Options	—	—	—	—	6.4	—	**6.4**	—	**6.4**
Shares repurchased	—	—	(16.6)	—	—	—	**(16.6)**	—	**(16.6)**
Capitalisation of share premium reserve	548.1	(548.1)	—	—	—	—	**—**	—	**—**
Expenses related to share capital increase (net of tax of €1.2m)	—	(4.8)	—	—	—	—	**(4.8)**	—	**(4.8)**
Return of capital to shareholders	(548.1)	—	1.7	—	—	—	**(546.4)**	—	**(546.4)**
Adoption of euro by Slovakia	—	—	—	(9.5)	—	9.5	**—**	—	**—**
Exchange equalisation reserve recycled to retained earnings	—	—	—	(30.1)	—	30.1	**—**	—	**—**
Appropriation of reserves . .	—	—	—	—	2.2	(2.2)	**—**	—	**—**
Statutory minimum dividend	—	—	—	—	—	(41.6)	**(41.6)**	—	**(41.6)**
Dividends	—	—	—	—	—	(61.4)	**(61.4)**	(7.2)	**(68.6)**
	182.8	**1,113.8**	**(14.9)**	**(231.5)**	**375.3**	**705.3**	**2,130.8**	**81.8**	**2,212.6**
Profit for the year net of tax	—	—	—	—	—	402.6	**402.6**	22.4	**425.0**
Other comprehensive income for the year, net of tax	—	—	—	(77.6)	(6.5)	4.4	**(79.7)**	(3.0)	**(82.7)**
Total comprehensive income for the year, net of tax[(1)] .	—	—	—	(77.6)	(6.5)	407.0	**322.9**	19.4	**342.3**
Balance as at 31 December 2009	**182.8**	**1,113.8**	**(14.9)**	**(309.1)**	**368.8**	**1,112.3**	**2,453.7**	**101.2**	**2,554.9**

(1) The amount included in the exchange equalisation reserve of €77.6m loss for 2009 represents the exchange losses attributable to the owners of the parent of €76.9m plus the share of equity method investments of €0.7m loss.

The amount included in other reserves of €6.5m loss for 2009 consists of losses on cash flow hedges of €16.1m (of which €6.4m represents losses for the year and €9.7m represents revaluation gains reclassified to profit and loss for the year), gains on valuation of available-for-sale financial assets of €6.4m (of which €0.1m represents revaluation losses for the year and €6.5m represents revaluation losses reclassified to profit and loss for the year) and the deferred income tax credit thereof amounting to €3.2m.

The amount of €407.0m profit comprises of profit for the year of €402.6m plus actuarial gains of €4.8m less deferred income tax debit of €0.4m.

The amount of €19.4m income included in non-controlling interests for 2009 represents the share of non-controlling interests in the exchange equalisation reserve of €2.6m loss and in the retained earnings of €22.4m income and €0.4m expense from the change in the accounting policy as described in Note 1.

The notes on pages F-9 of F-91 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity (continued)

	Attributable to owners of the parent								
	Share capital € million	Share premium € million	Treasury shares € million	Exchange equalisation reserve € million	Other reserves € million	Retained earnings € million	Total € million	Non-controlling interests € million	Total equity € million
Balance as at 31 December 2009	182.8	1,113.8	(14.9)	(309.1)	368.8	1,112.3	**2,453.7**	101.2	**2,554.9**
Shares issued to employees exercising stock options	0.3	5.4	—	—	—	—	**5.7**	—	**5.7**
Share-based compensation:									
Options	—	—	—	—	6.7	—	**6.7**	—	**6.7**
Movement in treasury shares	—	—	—	—	0.2	—	**0.2**	—	**0.2**
Shares repurchased	—	—	(42.3)	—	—	—	**(42.3)**	—	**(42.3)**
Exchange equalisation reserve recycled to retained earnings	—	—	—	1.1	—	(1.1)	**—**	—	**—**
Appropriation of reserves	—	—	—	—	11.0	(11.0)	**—**	—	**—**
Purchase of shares held by non-controlling interests in subsidiary Serbia	—	—	—	—	—	—	**—**	(3.7)	**(3.7)**
Dividends	—	—	—	—	—	(68.1)	**(68.1)**	(5.0)	**(73.1)**
	183.1	**1,119.2**	**(57.2)**	**(308.0)**	**386.7**	**1,032.1**	**2,355.9**	**92.5**	**2,448.4**
Profit for the year net of tax	—	—	—	—	—	426.6	**426.6**	12.1	**438.7**
Other comprehensive income for the year, net of tax	—	—	—	178.8	(11.3)	2.1	**169.6**	4.1	**173.7**
Total comprehensive income for the year, net of tax[(2)]	—	—	—	178.8	(11.3)	428.7	**596.2**	16.2	**612.4**
Balance as at 31 December 2010	**183.1**	**1,119.2**	**(57.2)**	**(129.2)**	**375.4**	**1,460.8**	**2,952.1**	**108.7**	**3,060.8**

(2) The amount included in the exchange equalisation reserve of €178.8m gain for 2010 represents the exchange gains attributable to the owners of the parent of €177.4m plus the share of equity method investments of €1.4m gain.

The amount included in other reserves of €11.3m loss for 2010 consists of losses on cash flow hedges of €9.3m (of which €11.3m represents losses for the year and €2.0m represents revaluation losses reclassified to profit and loss for the year), losses on valuation of available-for-sale financial assets of €2.3m (of which €0.5m represents revaluation gains for the year and €2.8m represents revaluation gains reclassified to profit and loss for the year) and the deferred income tax credit thereof amounting to €0.3m.

The amount of €428.7m profit comprises of profit for the year of €426.6m plus actuarial gains of €2.7m less deferred income tax debit of €0.6m.

The amount of €16.2m income included in non-controlling interests for 2010 represents the share of non-controlling interests in the exchange equalisation reserve of €4.1m gain and in the retained earnings of €11.7m income and €0.4m income from the change in the accounting policy as described in Note 1.

The notes on pages F-9 of F-91 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity (continued)

	Attributable to owners of the parent								
	Share capital € million	Share premium € million	Treasury shares € million	Exchange equalisation reserve € million	Other reserves € million	Retained earnings € million	Total € million	Non-controlling interests € million	Total equity € million
Balance as at 31 December 2010	183.1	1,119.2	(57.2)	(129.2)	375.4	1,460.8	**2,952.1**	108.7	**3,060.8**
Shares issued to employees exercising stock options	0.2	4.5	—	—	—	—	**4.7**	—	**4.7**
Share-based compensation:									
Options	—	—	—	—	8.1	—	**8.1**	—	**8.1**
Movement in treasury shares	—	—	—	—	(0.4)	—	**(0.4)**	—	**(0.4)**
Capitalisation of share premium reserve	549.7	(549.7)	—	—	—	—	**—**	—	**—**
Expenses relating to share capital increase (net of tax €1.2m)	—	(4.8)	—	—	—	—	**(4.8)**	—	**(4.8)**
Return of capital to shareholders	(183.2)	—	1.7	—	—	—	**(181.5)**	—	**(181.5)**
Share capital increase in subsidiary in Serbia	—	—	—	—	—	(0.8)	**(0.8)**	1.2	**0.4**
Purchase of shares held by non-controlling interests in subsidiaries in:									
Serbia	—	—	—	—	—	(6.3)	**(6.3)**	(11.4)	**(17.7)**
Nigeria	—	—	—	(8.7)	—	(31.4)	**(40.1)**	(60.1)	**(100.2)**
FYROM	—	—	—	—	—	(16.9)	**(16.9)**	(22.9)	**(39.8)**
Appropriation of reserves	—	—	—	—	0.5	(0.5)	**—**	—	**—**
Hyperinflation impact	—	—	—	—	—	(7.8)	**(7.8)**	—	**(7.8)**
Dividends	—	—	—	—	—	—	**—**	(6.5)	**(6.5)**
	549.8	**569.2**	**(55.5)**	**(137.9)**	**383.6**	**1,397.1**	**2,706.3**	**9.0**	**2,715.3**
Profit for the year net of tax	—	—	—	—	—	268.9	**268.9**	3.9	**272.8**
Other comprehensive income for the year, net of tax	—	—	—	(60.0)	5.4	(25.3)	**(79.9)**	5.0	**(74.9)**
Total comprehensive income for the year, net of tax[3]	—	—	—	(60.0)	5.4	243.6	**189.0**	8.9	**197.9**
Balance as at 31 December 2011	**549.8**	**569.2**	**(55.5)**	**(197.9)**	**389.0**	**1,640.7**	**2,895.3**	**17.9**	**2,913.2**

(3) The amount included in the exchange equalisation reserve of €60.0m loss for 2011 represents the exchange losses attributable to the owners of the parent of €59.2m plus the share of equity method investments of €0.8m loss.

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

The amount of €243.6m profit comprises of profit for the year of €268.9m less actuarial losses of €31.8m plus deferred income tax credit of €6.5m.

The amount of €8.9m income included in non-controlling interests for 2011 represents the share of non-controlling interests in the exchange equalisation reserve of €5.0m gain and in the retained earnings of €3.9m income.

For further details, please refer to: Note 18 Share capital and share premium; Note 19 Reserves; Note 25 Shares held for equity compensation plan; Note 26 Stock option compensation plans; and Note 29 Dividends.

The notes on pages F-9 of F-91 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

	Note	Year ended 31 December 2011 € million	2010[1] € million	2009[1] € million
Operating activities				
Profit after tax		**272.8**	438.7	425.0
Total finance costs, net	21	**94.1**	75.7	72.8
Share of results of equity method investments	6	**(1.2)**	(2.5)	1.9
Tax charged to the income statement	3,22	**102.7**	138.0	142.9
Depreciation of property, plant and equipment	3,5	**374.7**	387.8	360.7
Impairment of property, plant and equipment	5	**21.0**	—	—
Employee share options	26	**8.1**	6.7	6.4
Amortisation of intangible assets	3,4	**3.2**	7.1	4.7
Adjustments to intangible assets	20	**—**	—	2.2
Losses on available-for-sale financial assets transferred from equity	20	**—**	—	6.5
Other items		**1.3**	—	—
		876.7	**1,051.5**	**1,023.1**
Losses on disposals of non-current assets		**2.7**	13.2	10.5
Decrease / (increase) in inventories		**15.9**	(41.4)	39.1
(Increase)/decrease in trade and other receivables		**(3.8)**	(24.0)	30.1
Increase/(decrease) in trade and other payables		**43.8**	129.6	(16.3)
Tax paid		**(89.6)**	(141.0)	(89.3)
Net cash from operating activities		**845.7**	**987.9**	**997.2**
Investing activities				
Payments for purchases of property, plant and equipment		**(370.8)**	(376.2)	(383.9)
Payments for purchases of intangible assets		**—**	(15.8)	(0.5)
Proceeds from sales of property, plant and equipment		**10.9**	12.0	18.2
Receipts from/(payments for) investments		**3.0**	7.2	(4.7)
Interest received		**9.9**	7.3	10.5
Net receipts from disposal of subsidiary	28	**13.1**	—	—
Net payments for acquisition of joint venture	28	**(2.5)**	—	—
Net refunds from acquisitions		**—**	—	17.5
Net cash used in investing activities		**(336.4)**	**(365.5)**	**(342.9)**
Financing activities				
Return of capital to shareholders	18	**(181.5)**	—	(546.3)
Payments of expenses related to the share capital increase	18	**(6.0)**	—	(6.0)
Share buy-back payments	19	**—**	(42.3)	(16.6)
Purchase of shares held by non-controlling interests	28	**(114.0)**	(3.7)	—
Proceeds from shares issued to employees exercising stock options	18	**4.7**	5.7	1.8
Dividends paid to owners of the parent	29	**—**	(102.0)	(102.3)
Dividends paid to non-controlling interests		**(6.5)**	(7.0)	(5.3)
Proceeds from external borrowings		**1,494.8**	927.1	1,199.8
Repayments of external borrowings		**(1,387.6)**	(1,191.0)	(1,508.0)
Principal repayments of finance lease obligations		**(48.1)**	(75.2)	(85.3)
Proceeds from sale of interest rate swap contracts		**—**	33.0	—
Interest paid		**(109.1)**	(72.3)	(75.1)
Net cash used in financing activities		**(353.3)**	**(527.7)**	**(1,143.3)**
Net increase/(decrease) in cash and cash equivalents		**156.0**	**94.7**	**(489.0)**
Movement in cash and cash equivalents				
Cash and cash equivalents at 1 January		**326.1**	232.0	724.6
Net increase/(decrease) in cash and cash equivalents		**156.0**	94.7	(489.0)
Effect of changes in exchange rates		**1.6**	(0.6)	(3.6)
Hyperinflation impact on cash		**(7.6)**	—	—
Cash and cash equivalents at 31 December	14	**476.1**	**326.1**	**232.0**

(1) Comparative figures have been restated where necessary to reflect changes in accounting policy as detailed in Note 1.

The notes on pages F-9 of F-91 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. Basis of preparation and accounting policies

Description of business

Coca-Cola Hellenic Bottling Company S.A. ('Coca-Cola Hellenic' or 'the Group') is a Société Anonyme (corporation) incorporated in Greece and founded in 1969. It took its current form in August 2000 through the acquisition of the Coca-Cola Beverages plc ('CCB') by Hellenic Bottling Company S.A. ('HBC'). Coca-Cola Hellenic and its subsidiaries (collectively 'the Company' or 'the Group') are principally engaged in the production, sales and distribution of non-alcoholic ready to drink beverages, under franchise from The Coca-Cola Company ('TCCC'). The Company distributes its products in 27 countries in Europe and Nigeria. Information on the Company's operations by segment is included in Note 3.

Coca-Cola Hellenic's shares are listed on the Athens Exchange (symbol: EEEK), with a secondary listing on the London Stock Exchange (symbol: CCB). Coca-Cola Hellenic's American Depositary Receipts (ADRs) are listed on the New York Stock Exchange (symbol: CCH).

These consolidated financial statements were approved for issue by the Board of Directors on 15 March 2012 and are expected to be verified at the Annual General Meeting to be held on 25 June 2012.

Basis of preparation

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

All IFRS issued by the IASB, which apply to the preparation of these consolidated financial statements, have been adopted by the EU following an approval process undertaken by the European Commission and the European Financial Reporting Advisory Group ('EFRAG').

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

Basis of consolidation

Subsidiary undertakings are those companies over which the Group, directly or indirectly, has power to exercise control. Subsidiary undertakings are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which effective control is transferred out of the Group.

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

1. Basis of preparation and accounting policies (Continued)

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

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

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

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

Critical accounting judgments and estimates

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

Income taxes

The Group is subject to income taxes in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination cannot be assessed with certainty in the ordinary course of business. The Group recognises provision for potential liabilities that may arise as a result of tax audit issues based on assessment of the probabilities as to whether additional taxes will be due. Where the final tax outcome on these matters is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such determination is made. The Group anticipates that were the final tax outcome, on the judgment areas, to differ from management's estimates by up to 10% the Group's tax expense would increase (or decrease) by less than €3.3m.

1. Basis of preparation and accounting policies (Continued)

Impairment of goodwill and indefinite-lived intangible assets

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

Employee Benefits—Defined Benefit Pension Plans

The Group provides defined benefit pension plans as an employee benefit in certain territories. Determining the value of these plans requires several actuarial assumptions and estimates about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. These assumptions and a discussion on how they are established are described in Note 17.

Revenue recognition

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

Revenue is stated net of sales discounts, listing fees and marketing and promotional incentives provided to customers. Listing fees are incentives provided to customers for carrying the Company's products in their stores. Listing fees that are subject to contract-based term arrangements are capitalised and amortised over the term of the contract as a reduction to revenue. All other listing fees as well as marketing and promotional incentives are a reduction of revenue as incurred. The amount of listing fees capitalised at 31 December 2011 was €23.2 m (2010: €31.6m, 2009: €26.9m). Of this balance, €13.5m (2010: €19.5m, 2009: €16.6m) was classified as current prepayments and the remainder as non-current prepayments. Listing fees recognized as a reduction to revenue for the year ended 31 December 2011 amounted to €309.9m (2010: €240.0m, 2009: €123.4m). Marketing and promotional incentives provided to customers during 2011 amounted to €131.4m (2010: €160.1m, 2009: €167.9m).

Coca-Cola Hellenic receives contributions from TCCC in order to promote sales of brands of The Coca-Cola Company. Contributions for price support, marketing and promotional campaigns in respect of specific customers are recognised as an offset to promotional incentives provided to those customers to which the contributions contractually relate. These contributions are accrued and matched to the expenditure to which they relate. In 2011, such contributions totalled €49.0m (2010: €48.8m, 2009: €39.9m).

1. Basis of preparation and accounting policies (Continued)

Earnings per share

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

Intangible assets

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

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

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

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

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

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

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

1. Basis of preparation and accounting policies (Continued)

Property, plant and equipment

All property, plant and equipment is initially recorded at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Subsequent expenditure is added to the carrying value of the asset when it is probable that future economic benefits, in excess of the original assessed standard of performance of the existing asset, will flow to the operation. All other subsequent expenditure is expensed in the period in which it is incurred.

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

Freehold buildings	40 years
Leasehold buildings and improvements	Over the lease term, up to 40 years
Production equipment	4 to 12 years
Vehicles	5 to 8 years
Computer hardware and software	3 to 7 years
Marketing equipment	3 to 10 years
Fixtures and fittings	8 years
Returnable containers	3 to 12 years

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

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

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

Impairment of non-financial assets

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

Borrowing costs

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

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

1. Basis of preparation and accounting policies (Continued)

Investments in associates

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

The equity method of accounting involves recognising the Group's share of the associates' post acquisition profit or loss for the period in the income statement and its share of the post-acquisition movement in other comprehensive income is recognised in other comprehensive income. The Group's interest in each associate is carried in the balance sheet at an amount that reflects its share of the net assets of the associate and includes goodwill on acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless the Group has incurred obligations or made payments on behalf of the associate.

Investment in joint ventures

The Group's interests in its jointly controlled entities are accounted for using the equity method of accounting. In respect of its interests in jointly controlled operations and jointly controlled assets the Group recognises its proportional share of related assets, liabilities, income and expenses.

Financial assets

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

Regular purchases and sales of investments are recognised on the trade date which is the day the Group commits to purchase or sell. The cost of purchase includes transaction costs for investments other than those carried at FVTPL where transaction costs are expensed. For investments traded in active markets, fair value is determined by reference to stock exchange quoted bid prices. For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying net assets.

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

1. Basis of preparation and accounting policies (Continued)

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

Non-current assets held for sale

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

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

Inventories

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

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

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

Trade receivables

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

Trade payables

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

1. Basis of preparation and accounting policies (Continued)

Foreign currency and translation

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

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

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

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

- Adjustment of the historical cost of non-monetary assets and liabilities and the various items of equity from their date of acquisition or inclusion in the balance sheet to the end of the year for the changes in purchasing power of the currency caused by inflation.
- The various components in the income statement and statement of cash flows have been adjusted for the inflation index since their generation.
- The subsidiary's financial statements are translated at the closing exchange rate.

Cash and cash equivalents

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

Borrowings

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

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

1. Basis of preparation and accounting policies (Continued)

Derivative financial instruments

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

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

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

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

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

Leases

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

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

1. Basis of preparation and accounting policies (Continued)

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

Provisions

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

Offsetting financial instruments

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

Employee benefits

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

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

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets, together with adjustments for unrecognised past service costs. The value of any defined benefit asset recognised is restricted to the sum of any past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

1. Basis of preparation and accounting policies (Continued)

For defined benefit pension plans, pension costs are assessed using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified to the income statement in subsequent periods. The defined benefit obligations are measured at the present value of the estimated future cash outflows using interest rates of corporate or government bonds, depending on whether or not there is a deep market for corporate bonds in the relevant country, which have terms to maturity approximating the terms of the related liability. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise are amortised over the remaining vesting period.

A number of the Group's operations have other long service benefits in the form of jubilee plans. These plans are measured at the present value of the estimated future cash outflows with immediate recognition of actuarial gains and losses.

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

Share-based payments

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

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

For cash-settled share-based payments, a liability equal to the portion of the vested stock appreciation rights is recognised at the current fair value determined at each balance sheet date using the same model and inputs as used for determining the fair value of stock options, with the exception of the risk-free interest rate, as described in Note 27.

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

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

1. Basis of preparation and accounting policies (Continued)

Taxes

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

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

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

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

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

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

Franchise incentive arrangements

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

Share capital

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

1. Basis of preparation and accounting policies (Continued)

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

Dividends

Dividends are recorded in the Group's consolidated financial statements in the period in which they are approved by the Group's shareholders, with the exception of the statutory minimum dividend.

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

Comparative Figures

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

Changes in accounting policy

Coca-Cola Hellenic has assessed its accounting policy with regard to IAS 19 *Employee Benefits* and the recognition of actuarial gains and losses arising from its post employment defined benefit plans. The Group previously recognised these actuarial gains and losses based on the corridor method (i.e. only the net cumulative unrecognised actuarial gains and losses of the previous period which exceeded 10% of the higher of the defined benefit obligation and the fair value of the plan assets were recognised) in accordance with IAS 19. As a consequence, its balance sheet did not reflect a significant part of the net actuarial assets and liabilities.

As of 1 January 2011, the Group determined that it would change its accounting policy to recognise actuarial gains and losses, in the period in which they occur, in other comprehensive income (OCI) as it believes this policy provides reliable and more relevant information about the effects of employee benefits on the Group's financial position and financial performance. Changes have to apply retrospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, resulting in the restatement of prior year financial information.

As a result of the voluntary accounting policy change, the following adjustments were made to the consolidated financial statements:

	Year ended 31 December 2010 € million	Year ended 31 December 2009 € million
Profit after tax		
Profit before change in accounting policy	**434.9**	**421.6**
Reversal of actuarial losses	4.9	3.8
Change in deferred tax	(1.1)	(0.4)
Profit after change in accounting policy	**438.7**	**425.0**

1. Basis of preparation and accounting policies (Continued)

	Year ended 31 December 2010 € million	Year ended 31 December 2009 € million
Total comprehensive income		
Total comprehensive income before change in accounting policy	**606.5**	**334.9**
Net change to profit after tax	3.8	3.4
Reversal of actuarial losses in other comprehensive income	2.7	4.4
Change in deferred tax	(0.6)	(0.4)
Total comprehensive income after change in accounting policy	**612.4**	**342.3**

Earnings per share for the twelve months ended 31 December 2010 and 2009 as a result of the restatement increased from €1.16 to €1.17 and from €1.09 to €1.10 respectively.

If the accounting policy had not been changed, the profit after tax for the twelve months ended 31 December 2011 would have been €1.0 million lower and the actuarial gains and losses recognised in other comprehensive income and pension liability would have remained to a large extent unrecognised.

	As at 31 December 2010 € million	As at 31 December 2009 € million	As at 1 January 2009 € million
Consolidated statement of changes in equity			
Equity before change in accounting policy	**3,095.9**	**2,595.9**	**2,930.8**
Allocation of unrecognised net losses to retained earnings	(34.0)	(39.5)	(47.3)
Allocation of unrecognised net losses to non-controlling interests	(1.1)	(1.5)	(1.1)
Equity after change in accounting policy	**3,060.8**	**2,554.9**	**2,882.4**

	As at 31 December 2010 € million	As at 31 December 2009 € million
Non-current provisions		
Non-current provisions before change in accounting policy	**119.9**	**129.6**
Recognition of actuarial losses	24.3	40.8
Non-current provisions after change in accounting policy	**144.2**	**170.4**

	As at 31 December 2010 € million	As at 31 December 2009 € million
Deferred tax liabilities		
Deferred tax liabilities before change in accounting policy	**172.8**	**142.3**
Change in deferred tax	(9.9)	(8.8)
Deferred tax liabilities after change in accounting policy	**162.9**	**133.5**

1. Basis of preparation and accounting policies (Continued)

	As at 31 December 2010 € million	As at 31 December 2009 € million
Other non-current assets		
Other non-current assets before change in accounting policy	**61.3**	**57.5**
Recognition of actuarial losses	(20.9)	(12.0)
Other non-current assets after change in accounting policy	**40.4**	**45.5**

	As at 31 December 2010 € million	As at 31 December 2009 € million
Deferred tax assets		
Deferred tax assets before change in accounting policy	**34.8**	**29.6**
Change in deferred tax	0.2	3.0
Deferred tax assets after change in accounting policy	**35.0**	**32.6**

Accounting pronouncements adopted in 2011

In the current year, the Group has adopted all of the new and revised standards and interpretations issued by the IASB and the International Financial Reporting Interpretations Committee ('IFRIC') of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2011. None of these standards and interpretations had a significant effect on the consolidated financial statements of the Company. The revised standards and interpretations are:

Amendment to IAS 32, '*Financial instruments: Presentation*—Classification of rights issues'. The standard was amended to allow rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency to be classified as equity instruments provided the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. There was no impact to the Group's consolidated financial statements as a result of adopting this amendment.

IFRIC 19, *'Extinguishing financial liabilities with equity instruments'*. The interpretation clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. There was no impact to the Group's consolidated financial statements as a result of adopting this interpretation.

IAS 24, *'Related party disclosures' (revised 2009)*. The revised standard amends the definition of a related party and modifies certain related-party disclosure requirements for government-related entities. There was no impact to the Group's consolidated financial statements as a result of adopting the revised standard.

1. Basis of preparation and accounting policies (Continued)

Amendment to IFRIC 14, 'IAS 19—*The limit on defined benefit assets, minimum funding requirements and their interaction'*. The amendment removes unintended consequences arising from the treatment of pre-payments where there is a minimum funding requirement. The amendment results in pre-payments of contributions in certain circumstances being recognised as an asset rather than an expense. As the Group does not have significant assets from voluntary prepayments for minimum funding contributions the amendment did not have a significant impact on the Group's consolidated financial statements.

As part of its annual improvement process, in May 2010 the IASB issued the following amendments to standards and interpretations. There was no impact to the Group's consolidated financial statements as a result of adopting these amendments:

IFRS 3, *Business Combinations:* The amendments to the standard specify that the option to measure non-controlling interests either at fair value or at the proportionate share of the acquiree's net identifiable assets at the acquisition date applies only to non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. All other components of non-controlling interests should be measured at their acquisition date fair value. Furthermore, the amendments to the standard clarify the treatment of the un-replaced and voluntary replaced share based payment awards and also clarify the transitional requirements for contingent consideration from a business combination that occurred before the effective date of IFRS 3(2008).

IFRS 7, *Financial Instruments: Disclosures* The amendments to the standard encourage specific qualitative disclosures and clarify the required level of disclosure around credit risk and collateral held and provide relief from disclosure of renegotiated loans.

IAS 1, *Presentation of Financial Statements* The amendments to the standard clarify that an entity may present the analysis of other comprehensive income by item either in the statement of changes in equity or in the notes to the financial statements.

IAS 27, *Consolidated and Separate Financial Statements* The amendments to the standard provide clarification on the transitional requirements resulting from the amendments of IAS 27 (2008).

IFRIC 13, *Customer Loyalty Programmes*: The amendments to the interpretation clarify that the 'fair value' of award credits should take into account i) the amount of discounts or incentives that would otherwise be offered to customers who have not earned award credits from an initial sale, and ii) any expected forfeitures.

IAS 34, *Interim Financial Reporting*: The amendments to the standard provide further clarification that disclosures for significant events and transactions in interim periods should update the relevant information presented in the most recent annual financial report.

1. Basis of preparation and accounting policies (Continued)

Accounting pronouncements not yet adopted

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

IFRS 9, *Financial Instruments* addresses the classification, measurement and recognition of financial assets and liabilities. IFRS 9 was issued in November 2009 and October 2010 and it replaces parts of IAS 39, *Financial Instruments: Recognition and Measurement* that relate to the classification and measurement of financial instruments. The standard introduces new requirements for classifying and measuring financial assets and eliminates the available-for-sale and held-to-maturity categories. It separates financial assets into two categories; those measured at amortised cost and those measured at fair value. For financial liabilities the standard retains most of the IAS 39 requirements, the main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. IFRS 9 will be effective for annual periods beginning on or after 1 January 2015. The standard has not yet been adopted by the EU. The Group is currently evaluating the impact this standard will have on its consolidated financial statements.

In October 2010, the IASB issued amendments to IFRS 7, *Financial Instruments: Disclosures* as part of its comprehensive review of off balance sheet activities. The amendments require additional disclosures of the full or partial derecognition of financial assets that are transferred to a counterparty under certain conditions. Specifically, the amendments require disclosures of the relationship between transferred financial assets that are not derecognised in their entirety and the associated liabilities; as well as disclosure of the nature of, and risks associated with, an entity's continuing involvement in derecognised financial assets. The amended standard is effective for annual periods beginning on or after 1 July, 2011. The amendments to the standard are not expected to have a significant impact on the Group's consolidated financial statements.

The amendment IAS 12 *Income Taxes*—Recovery of Underlying Assets clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. The amendment becomes effective for annual periods beginning on or after 1 January 2012 and is not expected to have an impact on the Group's consolidated financial statements.

In May 2011 the IASB issued IFRS 10 *Consolidated Financial Statements* which is effective for annual periods beginning on or after 1 January 2013. The new standard changes the definition of control and replaces all guidance on control and consolidation in IAS 27 *Consolidated and Separate Financial Statements* (which has been amended accordingly) and SIC-12 *Consolidation—Special Purpose Entities*. The Group is currently evaluating the impact this standard will have on its consolidated financial statements. The new standard has not yet been adopted by the EU.

1. Basis of preparation and accounting policies (Continued)

In May 2011 the IASB issued IFRS 11 *Joint Arrangements* which is effective for annual periods beginning on or after 1 January 2013. The new standard classifies joint arrangements as either joint operations or joint ventures and supersedes IAS 31 *Interests in Joint Ventures* and SIC-13—*Jointly Controlled Entities—Non-Monetary Contributions by Venturers*. The new standard requires the use of the equity method of accounting for interests in joint ventures. The determination of as to whether a joint arrangement is a joint operation or a joint venture is based on the parties' rights and obligations under the arrangement. The Group is currently evaluating the impact this standard will have on its consolidated financial statements. The new standard has not yet been adopted by the EU.

In May 2011 the IASB issued IFRS 12 *Disclosures of Interests in Other Entities* which is effective for annual periods beginning on or after 1 January 2013. The new standard sets out the required disclosures for entities reporting under IFRS 10 and IFRS 11; it replaces the disclosure requirements currently found in IAS 28 *Investments in associates* (which has been amended accordingly). The Group is currently evaluating the impact this standard will have on its consolidated financial statements. The new standard has not yet been adopted by the EU.

In May 2011 the IASB issued IFRS 13 *Fair Value Measurement* which is effective for annual periods beginning on or after 1 January 2013. The new standard defines fair value and establishes a single framework for measuring fair value where that is required by other standards and introduces consistent requirements for disclosures on fair value measurements. The standard applies to both financial and non-financial assets and liabilities which are measured at fair value. The Group is currently evaluating the impact this standard will have on its consolidated financial statements. The new standard has not yet been adopted by the EU.

In June 2011 the IASB issued a revised version of IAS 19 *Employee Benefits* which is effective for annual periods beginning on or after 1 January 2013. The revised standard includes a number of changes and clarifications to IAS 19, the most significant being the removal of the corridor mechanism for pension plans so that all changes in defined benefit plans will be recognised as they occur, with actuarial gains and losses being recorded in other comprehensive income. The concept of expected return on plan assets has also been removed. As described above the Group has already changed its accounting policy on pensions with respect to the corridor mechanism as permitted under the existing IAS 19. The Group is currently evaluating the impact of the remaining changes of this amended standard on its consolidated financial statements. The new standard has not yet been adopted by the EU.

In June 2011 The IASB issued amendments to IAS 1 *Presentation of Financial Statements* which are effective for annual period beginning on or after 1 July 2012. The amendments require the separation of items presented in other comprehensive income into two groups, based on whether or not they may be recycled to the income statement in the future. The Group is currently evaluating the impact the amendments will have on its consolidated financial statements. The amendments have not yet been adopted by the EU.

In December 2011 the IASB issued an amendment to IFRS 7 *Financial Instruments: Disclosures—Offsetting Financial Assets and Financial Liabilities* which is effective for annual reporting periods beginning on or after 1 January, 2013. The new disclosures will require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards, and the related net credit exposure. The Group is currently evaluating the impact the amendments will have on its consolidated financial statements. The amendments have not yet been adopted by the EU.

1. Basis of preparation and accounting policies (Continued)

In December 2011 the IASB issued and amendment of IAS 32 *Financial Instruments: Presentation* which is effective for annual reporting periods beginning on or after 1 January 2014. This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The Group is currently evaluating the impact the amendments will have on its consolidated financial statements. This amendment has not yet been adopted by the EU.

2. Exchange rates

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

	Average 2011	Average 2010	Average 2009	Closing 2011	Closing 2010
US dollar	**1.40**	1.32	1.40	**1.31**	1.31
UK sterling	**0.87**	0.85	0.89	**0.83**	0.85
Polish zloty	**4.12**	4.01	4.34	**4.40**	3.99
Nigerian naira	**212.90**	196.41	206.76	**204.79**	196.01
Hungarian forint	**279.76**	276.38	279.86	**306.54**	279.30
Swiss franc	**1.23**	1.38	1.51	**1.22**	1.25
Russian rouble	**41.04**	40.11	44.18	**41.27**	39.95
Romanian leu	**4.23**	4.22	4.23	**4.30**	4.29
Ukrainian hryvnia	**11.11**	10.49	10.92	**10.44**	10.50
Czech crown	**24.65**	25.31	26.45	**25.75**	25.27
Serbian dinar	**101.99**	103.40	94.12	**102.65**	105.88

3. Segmental Analysis

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

Established countries: Austria, Cyprus, Greece, Italy, Northern Ireland, Republic of Ireland and Switzerland.

Developing countries: Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia.

Emerging countries: Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, FYROM, Moldova, Montenegro, Nigeria, Romania, Russia, Serbia and Ukraine.

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

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

3. Segmental Analysis (Continued)

Year ended 31 December	Note	2011 € million	2010 € million	2009 € million
Volume in unit cases[1]				
Established		**699.5**	718.2	743.2
Developing		**399.7**	391.7	388.3
Emerging		**984.2**	990.1	937.8
Total volume in unit cases		**2,083.4**	**2,100.0**	**2,069.3**
Net sales revenue				
Established		**2,807.0**	2,834.6	2,927.8
Developing		**1,161.5**	1,140.0	1,149.1
Emerging		**2,885.8**	2,819.0	2,466.7
Total net sales revenue		**6,854.3**	**6,793.6**	**6,543.6**
Adjusted EBITDA[2]				
Established		**349.7**	408.0	429.3
Developing		**141.1**	163.9	165.0
Emerging		**385.9**	479.6	428.8
Total adjusted EBITDA		**876.7**	**1,051.5**	**1,023.1**
Depreciation and impairment of property, plant and equipment				
Established		**(136.9)**	(132.2)	(122.3)
Developing		**(80.4)**	(73.0)	(77.0)
Emerging		**(178.4)**	(182.6)	(161.4)
Total depreciation and impairment of property, plant and equipment	5	**(395.7)**	**(387.8)**	**(360.7)**
Amortisation of intangible assets				
Established		**(0.8)**	(4.5)	(1.4)
Developing		**(0.4)**	(0.5)	(0.5)
Emerging		**(2.0)**	(2.1)	(2.8)
Total amortisation of intangible assets		**(3.2)**	**(7.1)**	**(4.7)**
Other non-cash items[3]				
Established		**(3.3)**	(2.4)	(4.4)
Developing		**(1.9)**	(1.2)	(1.2)
Emerging		**(4.2)**	(3.1)	(9.5)
Total other non-cash items		**(9.4)**	**(6.7)**	**(15.1)**

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

(2) We define adjusted EBITDA as operating profit before deductions for depreciation (included both in cost of goods sold and in operating expenses), impairment of property, plant and equipment, stock option compensation, impairment of intangible assets, amortisation of and adjustments to intangible assets and other non-cash items.

(3) Other non-cash items comprise adjustments to intangible assets of which were nil in 2011 and 2010 (2009: €2.2m) (refer to Note 20), losses on available-for-sale financial assets reclassified to the profit and loss from equity of which were nil in 2011 and 2010 (2009: €6.5m) (refer to Note 20), stock option expenses of €8.1m (2010: €6.7m, 2009: €6.4m) (refer to Note 26) and other items of €1.3m (2010: nil, 2009: nil).

3. Segmental Analysis (Continued)

Year ended 31 December	Note	2011 € million	2010 € million	2009 € million
Operating profit				
Established		**208.7**	268.9	301.2
Developing		**58.4**	89.2	86.3
Emerging		**201.3**	291.8	255.1
Total operating profit		**468.4**	**649.9**	**642.6**
Interest expense and finance charges				
Established		**(94.3)**	(106.2)	(59.6)
Developing		**(2.2)**	(2.0)	(4.7)
Emerging		**(34.8)**	(21.7)	(51.1)
Corporate		**(146.7)**	(153.1)	(122.3)
Inter segment interest expense		**173.5**	200.3	159.2
Total interest expense and finance charges		**(104.5)**	**(82.7)**	**(78.5)**
Finance income				
Established		**38.8**	49.4	9.1
Developing		**1.4**	2.4	1.9
Emerging		**24.1**	16.2	41.3
Corporate		**119.0**	139.7	116.4
Inter segment finance income		**(173.5)**	(200.3)	(159.3)
Total finance income	21	**9.8**	**7.4**	**9.4**
Income tax expense				
Established		**(51.6)**	(73.0)	(87.9)
Developing		**(12.6)**	(22.4)	(20.5)
Emerging		**(30.4)**	(40.6)	(31.4)
Corporate		**(8.1)**	(2.0)	(3.1)
Total income tax expense	22	**(102.7)**	**(138.0)**	**(142.9)**
Reconciling items				
Net foreign exchange translation losses	21	**0.6**	(0.4)	(3.7)
Share of results of equity method investments	6	**1.2**	2.5	(1.9)
Profit after tax		**272.8**	**438.7**	**425.0**
Expenditure on non-current assets[4]				
Established		**118.8**	123.2	96.6
Developing		**46.5**	61.0	48.8
Emerging		**205.5**	207.8	239.0
Total expenditure on non-current assets		**370.8**	**392.0**	**384.4**
Intangible assets arising on prior year acquisitions and adjustments to intangible assets arising on acquisitions				
Established		**—**	—	(30.9)
Total intangible assets arising on prior year acquisitions and adjustments to intangible assets arising on acquisitions	4	**—**	**—**	**(30.9)**

(4) Total additions of property, plant and equipment for the year ended 31 December 2011 were €404.7.m (2010: €446.2m, 2009: €370.0m).

3. Segmental Analysis (Continued)

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

Year ended 31 December	2011 € million	2010 € million	2009 € million
Net sales revenue from external customers			
Greece	**526.9**	604.9	714.3
Russia	**1,201.4**	1,138.6	878.2
Italy	**1,133.1**	1,135.2	1,166.4
All countries, other than Greece, Russia and Italy	**3,992.9**	3,914.9	3,784.7
Total net sales revenue from external customers	**6,854.3**	**6,793.6**	**6,543.6**

Year ended 31 December	2011 € million	2010 € million	2009 € million
Non-current assets(5)			
Greece	**175.2**	194.2	196.0
Russia	**817.6**	850.5	792.3
Italy	**1,072.3**	1,091.6	1,080.6
All countries, other than Greece, Russia and Italy	**2,969.5**	2,992.2	2,810.3
Total non-current assets	**5,034.6**	**5,128.5**	**4,879.2**

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

4. Intangible assets

	Goodwill € million	Franchise agreements € million	Trademarks € million	Other intangible assets € million	Total € million
Cost					
As at 1 January 2011	1,895.6	157.7	94.0	27.2	**2,174.5**
Intangible assets arising on current year acquisitions	2.7	—	0.2	—	**2.9**
Disposal of subsidiary	(13.5)	—	—	(2.9)	**(16.4)**
Foreign currency translation	(3.9)	(0.9)	(1.9)	(0.2)	**(6.9)**
As at 31 December 2011	**1,880.9**	**156.8**	**92.3**	**24.1**	**2,154.1**
Amortisation					
As at 1 January 2011	185.3	—	8.6	13.7	**207.6**
Charge for the year	—	—	0.6	2.6	**3.2**
Disposal of subsidiary	(2.9)	—	—	(1.5)	**(4.4)**
As at 31 December 2011	**182.4**	**—**	**9.2**	**14.8**	**206.4**
Net book value as at 1 January 2011	1,710.3	157.7	85.4	13.5	**1,966.9**
Net book value as at 31 December 2011	**1,698.5**	**156.8**	**83.1**	**9.3**	**1,947.7**
Cost					
As at 1 January 2010	1,829.9	136.7	88.7	22.6	**2,077.9**
Additions	—	21.8	—	5.9	**27.7**
Disposals	—	—	—	(1.3)	**(1.3)**
Foreign currency translation	65.7	(0.8)	5.3	—	**70.2**
As at 31 December 2010	**1,895.6**	**157.7**	**94.0**	**27.2**	**2,174.5**
Amortisation					
As at 1 January 2010	185.3	—	8.0	10.5	**203.8**
Charge for the year	—	—	0.6	3.6	**4.2**
Disposals	—	—	—	(0.4)	**(0.4)**
As at 31 December 2010	**185.3**	**—**	**8.6**	**13.7**	**207.6**
Net book value as at 1 January 2010	1,644.6	136.7	80.7	12.1	**1,874.1**
Net book value as at 31 December 2010	**1,710.3**	**157.7**	**85.4**	**13.5**	**1,966.9**

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

4. Intangible assets (Continued)

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

	2011 € million	2010 € million
Intangible assets not subject to amortisation		
Goodwill	**1,698.5**	1,710.3
Franchise agreements	**156.8**	157.7
Trademarks	**82.0**	84.4
	1,937.3	**1,952.4**
Intangible assets subject to amortisation		
Trademarks	**1.1**	1.0
Water rights	**6.9**	7.4
Other intangible assets	**2.4**	6.1
	10.4	**14.5**
Total intangible assets	**1,947.7**	**1,966.9**

The following table sets forth the carrying value of goodwill and other indefinite lived intangible assets for those cash-generating units that are considered significant in comparison with the Group's total carrying value of goodwill and other indefinite-lived intangible assets, as at 31 December 2011.

	Goodwill € million	Franchise agreements € million	Total € million
Italy	625.2	126.9	**752.1**
Switzerland	377.5	—	**377.5**
Total Ireland	288.9	—	**288.9**
Total	**1,291.6**	**126.9**	**1,418.5**

The Group conducts a test for impairment of goodwill and indefinite-lived intangible assets in accordance with IAS 36 *Impairment of Assets* annually and whenever there is an indication of impairment. No impairment was indicated from the impairment tests of 2009, 2010 and 2011.

The recoverable amount of each operation has been determined through a value-in-use calculation. That calculation uses cash flow projections based on financial budgets approved by the Board of Directors covering a three-year period. Due to the nature of the Group's main business activities, cash flow projections have been extended over ten years. Cash flow projections for years four to ten have been projected by management based on operation and market specific high-level assumptions including growth rates, discount rates and forecasted selling prices and direct costs.

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

4. Intangible assets (Continued)

For those countries that are considered significant in comparison with the Group's total carrying value of goodwill and other indefinite-lived intangible assets, as at 31 December 2011, cash flows beyond the ten-year period (the period in perpetuity) have been extrapolated using the following estimated growth and discount rates:

	Growth rate in perpetuity (%)		Discount rate (%)	
	2011	**2010**	**2011**	**2010**
Italy	**3.0**	3.0	**9.9**	8.2
Switzerland	**1.5**	1.4	**6.2**	6.0
Total Ireland	**2.0**	2.5	**9.5**	8.1

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

5. Property, plant and equipment

	Land and buildings € million	Plant and equipment € million	Returnable containers € million	Assets under construction € million	Total € million
Cost					
As at 1 January 2011	1,464.9	3,664.9	353.0	165.7	**5,648.5**
Additions	7.6	164.7	46.6	185.8	**404.7**
Arising on acquisitions	0.7	—	—	—	**0.7**
Disposals	(8.2)	(114.1)	(19.1)	—	**(141.4)**
Disposal of subsidiary	(0.2)	(9.1)	—	—	**(9.3)**
Reclassified from assets held for sale (refer to Note 13)	—	5.9	—	—	**5.9**
Reclassifications	49.0	140.1	0.2	(189.3)	**—**
Foreign currency translation	(26.7)	(83.7)	(5.8)	(2.9)	**(119.1)**
Effect of hyperinflation	0.9	8.9	—	0.2	**10.0**
As at 31 December 2011	**1,488.0**	**3,777.6**	**374.9**	**159.5**	**5,800.0**
Depreciation and impairment					
As at 1 January 2011	284.1	2,098.0	143.5	—	**2,525.6**
Charge for the year	39.3	300.8	34.6	—	**374.7**
Impairment	2.5	15.2	3.3	—	**21.0**
Disposals	(5.0)	(102.6)	(17.3)	—	**(124.9)**
Disposal of subsidiary	(0.1)	(2.7)	—	—	**(2.8)**
Reclassified from assets held for sale (refer to Note 13)	—	4.1	—	—	**4.1**
Foreign currency translation	(5.7)	(46.9)	(2.2)	—	**(54.8)**
Effect of hyperinflation	0.2	5.4	—	—	**5.6**
As at 31 December 2011	**315.3**	**2,271.3**	**161.9**	**—**	**2,748.5**
Net book value as at 1 January 2011	1,180.8	1,566.9	209.5	165.7	**3,122.9**
Net book value as at 31 December 2011	**1,172.7**	**1,506.3**	**213.0**	**159.5**	**3,051.5**
Cost					
As at 1 January 2010	1,285.8	3,331.9	304.7	252.8	**5,175.2**
Additions	16.7	163.2	41.3	225.0	**446.2**
Disposals	(10.1)	(142.7)	(7.2)	—	**(160.0)**
Reclassified from assets held for sale (refer to Note 13)	—	1.5	—	—	**1.5**
Classified to assets held for sale (refer to Note 13)	(1.3)	(0.7)	—	—	**(2.0)**
Reclassifications	132.4	202.3	0.1	(334.8)	**—**
Foreign currency translation	41.4	109.4	14.1	22.7	**187.6**
As at 31 December 2010	**1,464.9**	**3,664.9**	**353.0**	**165.7**	**5,648.5**
Depreciation					
As at 1 January 2010	243.4	1,871.9	98.6	—	**2,213.9**
Charge for the year	38.1	303.1	46.6	—	**387.8**
Disposals	(5.8)	(135.4)	(7.2)	—	**(148.4)**
Reclassified from assets held for sale (refer to Note 13)	—	0.5	—	—	**0.5**
Classified to assets held for sale (refer to Note 13)	(0.1)	(0.1)	—	—	**(0.2)**
Foreign currency translation	8.5	58.0	5.5	—	**72.0**
As at 31 December 2010	**284.1**	**2,098.0**	**143.5**	**—**	**2,525.6**
Net book value as at 1 January 2010	1,042.4	1,460.0	206.1	252.8	**2,961.3**
Net book value as at 31 December 2010	**1,180.8**	**1,566.9**	**209.5**	**165.7**	**3,122.9**

Assets under construction at 31 December 2011 include advances for equipment purchases of €17.8m (2010: €48.3m). Impairment of Property, Plant and Equipment of €21.0m relates to restructuring initiatives of €11.5m, €8.9 m and €0.6 m in the established, developing and emerging segments respectively.

5. Property, plant and equipment (Continued)

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

	2011 € million	2010 € million
As at 1 January	**235.0**	251.5
Additions	**4.3**	62.8
Disposals	**(53.5)**	(47.8)
Depreciation charge	**(22.4)**	(31.4)
Foreign currency translation	**(2.4)**	(0.1)
As at 31 December	**161.0**	**235.0**

Assets held under finance leases have been pledged as security in relation to the liabilities under the finance leases. The net book value of land and buildings held under finance leases as at 31 December 2011 was €44.7m (2010: €42.0m). The net book value of plant and equipment held under finance leases as at 31 December 2011 was €116.3m (2010: €193.0m).

6. Equity method investments

(a) Investments in associates

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

	Country of incorporation	Effective interest held 2011	Effective interest held 2010	Carrying value 2011 € million	Carrying value 2010 € million
Frigoglass Industries Limited	Nigeria	**24%**	16%	**15.6**	14.5
PET to PET Recycling Österreich GmbH	Austria	**20%**	20%	**0.9**	0.9
Total investments in associates				**16.5**	**15.4**

The Group holds an effective interest in Frigoglass Industries Limited through a 23.9% (2010: 23.9%) holding held by Nigerian Bottling Company plc in which the Group has a 100% (2010: 66.4%) interest since September 2011. There are restrictive controls on the movement of funds out of Nigeria.

Summarised financial information of the associates, concerning our effective interest held, is as follows:

	Frigoglass Industries Limited			PET to PET Recycling Österreich GmbH		
	2011 € million	2010 € million	2009 € million	2011 € million	2010 € million	2009 € million
Assets	**35.4**	19.9	14.5	**3.3**	3.4	3.2
Liabilities	**12.1**	6.4	3.9	**2.4**	2.6	2.4
Revenues	**23.9**	14.8	12.5	**2.6**	2.0	1.5
Total profit and loss for the year	**2.9**	2.0	1.3	**0.1**	0.1	0.1

6. Equity method investments (Continued)

(b) Jointly controlled entities

The effective interest held in and the carrying value of the Group's jointly controlled entities, which are accounted for using the equity method of accounting, as at 31 December are:

	Country of incorporation	Effective interest held 2011	Effective interest held 2010	Carrying value 2011 € million	Carrying value 2010 € million
Fonti Del Vulture S.r.l	Italy	**50%**	50%	**21.0**	20.8
Ilko Hellenic Partners GmbH	Austria	**0%**	33%	**—**	0.9
Multivita Sp. z o.o.	Poland	**50%**	50%	**3.0**	1.7
Valser Mineralquellen GmbH	Switzerland	**50%**	50%	**2.4**	2.3
Total investments in jointly controlled entities				**26.4**	25.7

Apart from the companies mentioned above, the Group holds 50% effective interest (2010: 50%) in two additional jointly controlled entities, Dorna Apemin S.A. in Romania and Vlasinka d.o.o., in Serbia, whose carrying values are not significant.

On 27 March 2008 the Group together with TCCC and Illycaffe S.p.A. formed a three-party joint venture, Ilko Hellenic Partners GmbH, for the manufacture, marketing, selling and distribution of premium ready-to-drink coffee under the "illy" brand across Coca-Cola Hellenic's territories. In 2011, the Group disposed its interest in the joint venture, which had no significant effect on the Group's financial statements (loss of €0.6m). The Group continues to sell and distribute ready-to-drink coffee under the "illy" brand across its territories.

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

	2011 € million	2010 € million	2009 € million
As at 1 January	**41.1**	36.2	38.8
Capital increase	**1.7**	2.9	—
Disposals	**(0.3)**	—	—
Share of results of equity method investments	**1.2**	2.5	(1.9)
Return of capital from associates	**—**	(1.9)	—
Foreign currency translation	**(0.8)**	1.4	(0.7)
As at 31 December	**42.9**	**41.1**	**36.2**

7. Available-for-sale financial assets

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

	2011 € million	2010 € million
As at 1 January	**1.8**	17.7
Purchases	**0.1**	0.3
Disposals	**(0.1)**	(16.7)
Unrealised (losses)/gains on available-for-sale financial assets	**(0.4)**	0.5
As at 31 December	**1.4**	**1.8**

Available-for-sale financial assets relate to listed equities €0.8m (2010: €1.5m) and other unlisted equities of €0.6m (2010: €0.3m). The fair values of available-for-sale financial assets are based on quoted market prices, where available, or discounted cash flow projections where quoted market prices are unavailable.

8. Financial Instruments

Categories of financial instruments at 31 December were as follows:

2011

Assets	Loans and receivables € million	Assets at FVTPL € million	Derivatives used for hedging € million	Held-to-maturity € million	Available-for-sale € million	Total € million
Investments	—	—	—	1.5	1.4	**2.9**
Derivative financial instruments	—	3.9	81.3	—	—	**85.2**
Trade and other receivables	1,018.4	—	—	—	—	**1,018.4**
Cash and cash equivalents	476.1	—	—	—	—	**476.1**
Total	**1,494.5**	**3.9**	**81.3**	**1.5**	**1.4**	**1,582.6**

Liabilities	Liabilities held at amortised cost € million	Liabilities at FVTPL € million	Derivatives used for hedging € million	Total € million
Trade and other payables	1,492.1	—	—	**1,492.1**
Borrowings	2,256.0	—	—	**2,256.0**
Derivative financial instruments	—	63.6	71.4	**135.0**
Total	**3,748.1**	**63.6**	**71.4**	**3,883.1**

8. Financial Instruments (Continued)

2010

Assets	Loans and receivables € million	Assets at FVTPL € million	Derivatives used for hedging € million	Held-to-maturity € million	Available-for-sale € million	Total € million
Investments	—	—	—	1.6	1.8	**3.4**
Derivative financial instruments	—	0.7	76.6	—	—	**77.3**
Trade and other receivables	1,003.6	—	—	—	—	**1,003.6**
Cash and cash equivalents	326.1	—	—	—	—	**326.1**
Total	**1,329.7**	**0.7**	**76.6**	**1.6**	**1.8**	**1,410.4**

Liabilities	Liabilities held at amortised cost € million	Liabilities at FVTPL € million	Derivatives used for hedging € million	Total € million
Trade and other payables	1,428.3	—	—	**1,428.3**
Borrowings	2,191.5	—	—	**2,191.5**
Derivative financial instruments	—	72.7	67.5	**140.2**
Total	**3,619.8**	**72.7**	**67.5**	**3,760.0**

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

	Assets € million	Liabilities € million
At 31 December 2011		
Current		
Foreign currency forward contracts	13.9	(2.4)
Foreign currency option contracts	1.8	(0.4)
Commodity swap contracts	—	(1.4)
Total current	**15.7**	**(4.2)**
Non-current		
Interest rate swap contracts	69.5	—
Cross-currency swap contracts	—	(130.8)
Total non-current	**69.5**	**(130.8)**
At 31 December 2010		
Current		
Foreign currency forward contracts	2.6	(4.1)
Foreign currency option contracts	1.6	—
Total current	**4.2**	**(4.1)**
Non-current		
Interest rate swap contracts	73.1	—
Cross-currency swap contracts	—	(136.1)
Total non-current	**73.1**	**(136.1)**

8. Financial Instruments (Continued)

As at 31 December 2011, other receivables of €26.3m (2010: €11.6m) served as collateral for net open position of interest rate and cross currency swap derivative financial instruments. The collateral resets monthly and earns interest based on Euro Overnight Index Average (EONIA) rate.

Net fair values of derivative financial instruments

(a) Cash flow hedges

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

	2011 € million	2010 € million
Contracts with positive fair values		
Foreign currency forward contracts	9.8	0.6
Foreign currency option contracts	1.4	1.2
Interest rate swap contracts	43.8	37.7
	55.0	**39.5**
Contracts with negative fair values		
Foreign currency forward contracts	(1.5)	(3.4)
Cross currency swap contracts	(69.9)	(63.5)
	(71.4)	**(66.9)**

Cash flows from the Group's cash flow hedges at 31 December 2011 are expected to occur and, accordingly, affect profit or loss in 2012, except for the combined interest rate/cross currency swap hedging contracts used for the US$400m bond for which cash flows are expected to occur and affect profit or loss up to 2015.

(b) Fair value hedges

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

	2011 € million	2010 € million
Contracts with positive fair values		
Foreign currency forward contracts	0.6	1.7
Interest rate swap contracts	25.7	35.4
	26.3	**37.1**
Contracts with negative fair values		
Foreign currency forward contracts	**—**	**(0.6)**

8. Financial Instruments (Continued)

(c) Undesignated hedges

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

	2011 € million	2010 € million
Contracts with positive fair values		
Foreign currency forward contracts	3.5	0.3
Foreign currency option contracts	0.4	0.4
	3.9	**0.7**
Contracts with negative fair values		
Foreign currency forward contracts	(0.9)	(0.1)
Foreign currency option contracts	(0.4)	—
Cross-currency swap contracts	(60.9)	(72.6)
Commodity swap contracts	(1.4)	—
	(63.6)	**(72.7)**

Foreign currency forward contracts and foreign currency option contracts

The Company uses a combination of foreign currency forward contracts and foreign currency option contracts to hedge foreign exchange transaction exposures. The notional principal amounts of the outstanding foreign currency forward contracts at 31 December 2011 totaled €419.3m (2010: €246.0m). The notional principal amounts of the outstanding foreign currency option contracts at 31 December 2011 totaled €64.3m (2010: €158.0m).

Commodity swap contracts

The Group purchases sugar on an ongoing basis to meet its operational needs. The increased volatility in commodity prices over the past 12 months has led to the decision to enter into commodity swap contracts in August 2011.

These contracts are expected to reduce volatility of cash flows in respect of sugar purchases attributable to the fluctuation of the sugar price for a period up to 36 months in accordance with the Group's risk management policy (see Note 30).

The notional principal amounts of the outstanding commodity swap contracts at 31 December 2011 totaled €40.9m (2010: nil).

Interest rate swap contracts

The Group uses interest rate swap contracts to hedge its exposure to changes in the fair value of its debt (refer to Notes 15 and 30), as well as to hedge the foreign exchange cash flow exposure on the $400m fixed rate debt. The notional principal amounts of the outstanding interest rate swap contracts totaled $900.0m (2010: $900.0m). In June and July 2010 the Group adjusted its interest rate profile by unwinding the euro denominated interest rate swap contracts maturing in 2011 and 2014. As a result an amount of €1.4m was credited to the income statement, in the interest expense line, in 2010.

8. Financial Instruments (Continued)

The interest rate swap contracts outstanding at 31 December 2011 can be summarised as follows:

Currency	Amount million	Start date	Maturity date	Receive fixed rate	Pay floating rate
US dollar	500.0	17 September 2003	17 September 2013	5.125%	Libor + margin
US dollar	400.0	17 September 2003	17 September 2015	5.500%	Libor + margin
	900.0				

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

Cross-currency swap contracts

The Group entered into cross-currency swap contracts to cover the currency risk related to its US dollar denominated debt (refer to Notes 15 and 30). At 31 December 2011 the fair value of the cross-currency swap contracts represented a liability of €130.8m (2010: €136.1m). The cross-currency swap contracts are recorded as long-term liabilities, as the maturities of the instruments match the underlying notes. The €5.3m gain (2010: €39.3m gain, 2009: €15.7m loss) on the cross-currency swap contracts during 2011 was more than offset by the €21.1m loss, (2010: €44.9m loss, 2009: €15.7m gain) recorded on the translation of the US dollar-denominated debt to euro.

Part of the restructuring of the Group's interest rate profile which took place in June and July 2010 was the change of the interest rate conditions of the paying leg of the cross currency swap contracts maturing in 2015 from Euribor plus margin to a fixed rate.The notional principal amounts of the outstanding cross-currency swap contracts at 31 December 2011 totaled €803.9m (2010: €803.9m). The cross-currency swap contracts outstanding at 31 December 2011 are summarised as follows:

US$ million	€ million	Start date	Maturity date	Receive floating rate	Pay rate
500.0	446.8	17 September 2003	17 September 2013	Libor + margin	Euribor + margin
250.0	223.2	17 September 2003	17 September 2015	Libor + margin	2.718%
100.0	89.3	17 September 2003	17 September 2015	Libor + margin	2.750%
50.0	44.6	17 September 2003	17 September 2015	Libor + margin	2.675%
900.0	**803.9**				

8. Financial Instruments (Continued)

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

	Ineffectiveness charged (credited) to the profit and loss € million	Fair value hedges charged to the profit and loss € million	Losses/(gains) released from equity to the profit and loss € million	Cash flow hedges losses/ (gains) taken to equity € million
31 December 2011				
Derivatives				
Interest rate swap contracts for fair value hedging	1.1	(9.7)	—	—
Interest rate and Cross currency swap contracts for cash flow hedging	5.5	—	—	9.7
Foreign currency forward contracts / Foreign currency option contracts	—	1.5	3.1	(15.0)
Commodity swap contracts	—	(1.4)	—	—
Hedged items				
Borrowings	—	9.7	—	(15.2)
Forecast transactions	—	—	—	15.0
Other foreign currency assets / liabilities	—	0.5	—	—
Total	**6.6**	**0.6**	**3.1**	**(5.5)**
Recorded in				
Operating expenses	—	0.6	3.1	
Interest expense	6.6	—	—	
Total	**6.6**	**0.6**	**3.1**	
31 December 2010				
Derivatives				
Interest rate swap contracts for fair value hedging	(3.8)	(27.7)	—	—
Interest rate and Cross currency swap contracts for cash flow hedging	2.8	—	—	8.3
Foreign currency forward contracts / Foreign currency option contracts	—	0.9	2.0	3.0
Hedged items				
Borrowings	—	27.7	—	(11.1)
Forecast transactions	—	—	—	(3.0)
Other foreign currency assets / liabilities	—	(0.3)	—	—
Total	**(1.0)**	**0.6**	**2.0**	**(2.8)**
Recorded in				
Operating expenses	—	0.6	2.0	
Interest expense	(1.0)	—	—	
Total	**(1.0)**	**0.6**	**2.0**	

8. Financial Instruments (Continued)

	Ineffectiveness charged to the profit and loss € million	Fair value hedges (credited) to the profit and loss € million	Losses/(gains) released from equity to the profit and loss € million	Cash flow hedges losses/ (gains) taken to equity € million
31 December 2009				
Derivatives				
Interest rate swap contracts	1.6	(41.3)	—	—
Foreign currency forward contracts / Foreign currency option contracts	—	(3.1)	(9.7)	6.4
Hedged items				
Borrowings	—	32.5	—	—
Forecast transactions	—	—	—	(6.4)
Other foreign currency assets / liabilities	—	3.1	—	—
Total	**1.6**	**(8.8)**	**(9.7)**	**—**
Recorded in				
Operating expenses	—	—	(9.7)	
Interest expense	1.6	(8.8)	—	
Total	**1.6**	**(8.8)**	**(9.7)**	

9. Deferred Tax

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

	2011 € million	2010 € million	2009 € million
Deferred tax assets	**35.2**	35.0	32.6
Deferred tax liabilities	**(171.5)**	(162.9)	(133.5)
Total deferred tax	**(136.3)**	**(127.9)**	**(100.9)**

9. Deferred Tax (Continued)

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

	2011 € million	2010 € million	2009 € million
Deferred tax assets			
To be recovered after more than 12 months	**72.5**	69.0	66.7
To be recovered within 12 months	**86.6**	94.6	87.8
	159.1	**163.6**	**154.5**
Deferred tax liabilities			
To be recovered after more than 12 months	**(288.3)**	(283.9)	(244.4)
To be recovered within 12 months	**(7.1)**	(7.6)	(11.0)
	(295.4)	**(291.5)**	**(255.4)**
Deferred tax liabilities (net)	**(136.3)**	**(127.9)**	**(100.9)**

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

	2011 € million	2010 € million	2009 € million
As at 1 January	**(127.9)**	(100.9)	(92.5)
Taken to the income statement (refer to Note 22)	**(16.1)**	(30.6)	(24.6)
Taken to equity	**5.2**	(0.3)	2.6
Pre-acquisition deferred tax assets in connection with acquisition of CCB, recognised subsequent to business combination (refer to Note 20 and Note 22)	**—**	10.2	1.6
Arising on current year acquisitions	**0.1**	—	—
Arising on prior year acquisitions	**—**	—	10.4
Arising on disposal of subsidiary	**0.7**	—	—
Foreign currency translation	**1.7**	(6.3)	1.6
As at 31 December	**(136.3)**	**(127.9)**	**(100.9)**

9. Deferred Tax (Continued)

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

Deferred tax liabilities	Tax in excess of book depreciation € million	Assets impairment € million	Capital investment incentives € million	Derivative instruments € million	Other deferred tax liabilities € million	Total € million
As at 1 January 2010	(239.4)	(2.9)	(2.2)	0.6	(11.5)	(255.4)
Taken to the income statement	(25.6)	(0.2)	—	—	(1.3)	(27.1)
Taken to equity	—	—	—	0.2	0.3	0.5
Transfer to deferred tax asset	—	—	—	—	2.6	2.6
Foreign currency translation	(11.3)	0.1	—	—	(0.9)	(12.1)
As at 31 December 2010	**(276.3)**	**(3.0)**	**(2.2)**	**0.8**	**(10.8)**	**(291.5)**
Taken to the income statement	(15.6)	3.0	—	—	2.1	(10.5)
Taken to equity	—	—	—	(2.8)	0.1	(2.7)
Arising on disposal of subsidiary	0.7	—	—	—	—	0.7
Transfer to deferred tax asset	0.5	—	—	—	2.7	3.2
Foreign currency translation	4.9	—	—	—	0.5	5.4
As at 31 December 2011	**(285.8)**	**—**	**(2.2)**	**(2.0)**	**(5.4)**	**(295.4)**

Deferred tax assets	Book in excess of tax depreciation € million	Provisions € million	Tax losses carry-forward € million	Leasing € million	Pensions and benefit plans € million	Other deferred tax assets € million	Total € million
As at 1 January 2010	1.7	65.5	18.4	13.7	20.0	35.2	154.5
Taken to the income statement	(0.1)	(6.6)	10.3	4.5	1.6	(3.0)	6.7
Taken to equity	—	(0.1)	—	—	(0.9)	0.2	(0.8)
Transfer (from)/to deferred tax liability	—	(2.5)	—	—	(1.1)	1.0	(2.6)
Foreign currency translation	—	2.8	1.1	—	0.6	1.3	5.8
As at 31 December 2010	**1.6**	**59.1**	**29.8**	**18.2**	**20.2**	**34.7**	**163.6**
Taken to the income statement	0.3	(8.4)	8.3	(4.0)	(3.4)	1.6	(5.6)
Taken to equity	—	—	—	—	6.5	1.4	7.9
Arising on current year acquisition	—	—	—	—	—	0.1	0.1
Transfer from deferred tax liability	(0.5)	(0.1)	—	—	(2.6)	—	(3.2)
Foreign currency translation	(0.5)	(1.4)	—	(0.2)	(0.2)	(1.4)	(3.7)
As at 31 December 2011	**0.9**	**49.2**	**38.1**	**14.0**	**20.5**	**36.4**	**159.1**

Deferred tax assets are recognised for tax losses carry-forward to the extent that realisation of the related tax benefit through the reduction of future taxes is probable. The Group has unrecognised deferred tax assets attributable to tax losses that are available to carry forward against future taxable income of €2.8m (2010: €3.3m). €1.8m of this unrecognised deferred tax asset is attributable to tax losses that expire between 2012 and 2016 and €1.0m is attributable to tax losses that will expire between 2017 and 2020.

9. Deferred Tax (Continued)

The aggregate amount of temporary differences associated with investment in subsidiaries and interests in joint ventures, for which deferred tax liabilities have not been recognised amount to €2,433.5m (2010: €2,143.6m). It is not practicable to compute the total amount of the potential income tax consequences that would result from the payment of dividends to shareholders.

10. Other non-current assets

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

	2011 € million	2010 € million	2009 € million
Non-current prepayments	**32.7**	31.3	29.4
Loans to non-related parties	**2.4**	4.5	7.8
Loans to related parties (refer to Note 34)	**0.3**	3.0	6.7
Held-to-maturity investments	**1.5**	1.6	1.6
Total other non-current assets	**36.9**	**40.4**	**45.5**

11. Inventories

Inventories consisted of the following at 31 December:

	2011 € million	2010 € million
Finished goods	**163.5**	195.7
Raw materials and work in progress	**182.3**	182.8
Consumables	**105.7**	103.2
Total inventories	**451.5**	**481.7**

The amount of inventories recognized as an expense during 2011 was €3,234.9m (2010: €3,066.6m, 2009: €3,001.1m). During 2011 provision of obsolete inventories recognised as an expense amounted to €2.9m (2010: €1.1m, 2009: €5.0m), whereas provision reversed in the period amounted to €1.3m (2010: €2.6m, 2009: €0.6m).

12. Trade receivables

Trade receivables consisted of the following at 31 December:

	2011 € million	2010 € million
Trade receivables	**930.7**	938.4
Less: Provision for doubtful debts	**(75.5)**	(68.2)
Total trade receivables	**855.2**	**870.2**

The credit period given to customers ranges from 7 days to 120 days depending on the country and customer type. In most territories, interest is not charged for late payment.

12. Trade receivables (Continued)

The Group provides for all receivables that are considered non-collectible on a specific basis after considering the circumstances of each case. Before accepting any new credit customers, the Group investigates the potential customer's credit quality (usually through external agents) and defines credit limits for each customer. Customers are reviewed on an ongoing basis and credit limits adjusted accordingly. There are no customers who represent more than 5% of the total balance of trade receivables for the Group. The Group's exposure to credit risk is managed by established policies and procedures regarding financial risk management as described in Note 30.

The trade receivables are as follows:

	2011 € million	2010 € million
Due within due date	**715.8**	706.1
Less: Provision for doubtful debts within due date	**(1.1)**	(3.5)
Past due	**214.9**	232.3
Less: Provision for doubtful debts past due	**(74.4)**	(64.7)
Total trade receivables	**855.2**	**870.2**

As at 31 December 2011, the Group held collateral, in the form of mortgages, bank guarantees, bills of exchange and credit insurance, as security against trade receivables with a carrying amount of €23.1m (2010: €22.1m).

As at 31 December 2011, trade receivables of €140.5m (2010: €167.6m) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2011 € million	2010 € million
Up to 3 months	**116.7**	140.7
3 to 6 months	**11.6**	16.9
6 to 9 months	**4.9**	5.8
More than 9 months	**7.3**	4.2
	140.5	**167.6**

As at 31 December 2011, trade receivables of €74.4m (2010: €64.7m) were past due and impaired or provided for. The ageing analysis of these receivables is as follows:

	2011 € million	2010 € million
Up to 3 months	**(12.2)**	(5.4)
3 to 6 months	**(6.0)**	(11.5)
6 to 9 months	**(3.3)**	(4.5)
More than 9 months	**(52.9)**	(43.3)
	(74.4)	**(64.7)**

12. Trade receivables (Continued)

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

	2011 € million	2010 € million	2009 € million
As at 1 January	**(68.2)**	(65.3)	(53.1)
Amounts written off during the year	**6.7**	7.7	7.9
Amounts recovered during the year	**4.5**	11.2	3.4
Increase in allowance recognised in profit or loss	**(19.0)**	(21.1)	(24.0)
Foreign currency translation	**0.5**	(0.7)	0.5
As at 31 December	**(75.5)**	**(68.2)**	**(65.3)**

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

13. Other receivables and assets

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

	2011 € million	2010 € million
Prepayments	**68.3**	100.1
Receivables from related parties (refer to Note 34)	**65.1**	55.1
VAT and other taxes receivable	**19.6**	20.1
Collateral for interest rate swap contracts (refer to Note 8)	**26.3**	11.6
Loans and advances to employees	**11.9**	8.2
Receivables from sale of property, plant and equipment	**0.8**	4.0
Assets classified as held for sale	**—**	1.8
Other receivables	**39.5**	32.6
Total other receivables and assets	**231.5**	**233.5**

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

	2011 € million	2010 € million
Due within due date	**61.0**	50.4
Past due	**4.1**	4.7
Total related party receivables	**65.1**	**55.1**
Collateral held against related party receivables	**—**	**0.3**

13. Other receivables and assets (Continued)

As at 31 December 2011, related party receivables of €4.1m (2010: €4.7m) were past due but not impaired. The ageing analysis of these related party receivables is as follows:

	2011 € million	2010 € million
Up to 3 months	**2.4**	3.0
3 to 6 months	**0.5**	0.5
6 to 9 months	**0.4**	0.1
More than 9 months	**0.8**	1.1
Total	**4.1**	**4.7**

During 2009, non-current assets with net book value of €1.4m were reclassified from property, plant and equipment to assets held for sale in our developing markets. These assets relate to vehicles and production equipment. As at 31 December 2009, plant and equipment with a net book value of €1.4m remained classified as held for sale. In 2010, €1.0m were reclassified to property, plant and equipment, and the depreciation charge for the year was adjusted for the depreciation that would have been recognized had the assets not been classified as held for sale, because the criteria for continued classification as held for sale were no longer met and €0.4m remained classified as held for sale since we expected that these vehicles would be sold during 2011.

During 2010, non-current assets with a net book value of €1.8m were classified from property, plant and equipment to assets held for sale. The amount of €1.2m concerns land and buildings in our established markets of which €0.4m was sold during 2010 and the amount of €0.6m concerns a plant in our emerging markets.

During 2011 no assets were classified as held for sale. Additionally, non-current assets with a net book value of €1.8m were reclassified to property, plant and equipment, and the depreciation charge for the year was adjusted for the depreciation that would have been recognized had the assets not been classified as held for sale, because the criteria for continued classification as held for sale were no longer met.

14. Cash and cash equivalents

Cash and cash equivalents at 31 December comprise the following:

	2011 € million	2010 € million
Cash at bank, in transit and in hand	**93.3**	72.8
Short-term deposits	**382.8**	253.3
Total cash and cash equivalents	**476.1**	**326.1**

14. Cash and cash equivalents (Continued)

Cash and cash equivalents are held in the following currencies:

	2011 € million	2010 € million
Euro	**373.0**	283.5
Nigerian naira	**51.7**	3.0
FYROM dinar	**11.9**	4.4
Russian rouble	**9.6**	3.7
Belorusian rouble	**6.6**	7.6
Croatian kuna	**5.0**	4.0
Serbian dinar	**3.9**	10.7
Bulgaria lev	**3.6**	2.0
Ukrainian hryvnia	**2.2**	1.6
Romanian leu	**2.0**	1.3
US dollar	**1.9**	0.6
Swiss franc	**1.5**	1.2
Moldovan leu	**0.7**	0.1
Polish zloty	**0.6**	0.4
Bosnia and Herzegovina convertible mark	**0.5**	0.9
Other	**1.4**	1.1
Total cash and cash equivalents	**476.1**	**326.1**

Under Nigerian naira currency, an equivalent amount of €43.7m relates to the outstanding balance of the bank account held for the repayment of the former minority shareholders' of the Company's subsidiary Nigerian Bottling Company plc (refer to Note 28).

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

15. Borrowings

The Group held the following borrowings at 31 December:

	2011 € million	2010 € million
Bank overdrafts	**37.5**	44.2
Bank loans	**9.8**	8.9
Current portion of long-term bonds, bills and unsecured notes	**—**	305.0
Commercial paper	**250.0**	127.0
Loan payable to related parties (refer to Note 34)	**2.3**	1.2
	299.6	486.3
Obligations under finance leases falling due within one year	**21.9**	48.8
Total borrowings falling due within one year	**321.5**	**535.1**
Borrowings falling due within one to two years		
Bonds, bills and unsecured notes	**411.1**	—
Borrowings falling due within two to five years		
Bonds, bills and unsecured notes	**1,446.5**	1,259.7
Loan payable to related parties (refer to Note 34)	**4.3**	3.1
Borrowings falling due in more than five years		
Bonds, bills and unsecured notes	**—**	298.4
	1,861.9	1,561.2
Obligations under finance leases falling due in more than one year	**72.6**	95.2
Total borrowings falling due after one year	**1,934.5**	**1,656.4**
Total borrowings	**2,256.0**	**2,191.5**

Commercial paper programme and committed credit facilities

In March 2002, Coca-Cola Hellenic established a €1.0bn global commercial paper programme to further diversify its short-term funding sources. The programme consists of a euro commercial paper facility and a US dollar-denominated US commercial paper facility, of which the later is currently not active. The commercial paper notes may be issued either as non-interest bearing notes sold at a discount or as interest bearing notes at a fixed or at a floating rate, or by reference to an index or formula. All commercial paper issued under the programme must be repaid within 1 to 365 days. The outstanding amount under the euro commercial paper facility at 31 December 2011 was €250.0m (2010: €127.0m).

In May 2011, Coca-Cola Hellenic replaced its existing €500.0m syndicated loan facility expiring on 17 December 2012, with a new €500.0m syndicated loan facility, issued through various financial institutions, expiring on 11 May 2016. As a result, an amount of €1.9m was charged to the income statement, in the finance costs line. This facility can be used for general corporate purposes and carries a floating interest rate over Euribor and Libor. The facility allows the Company to draw down, on three to five days notice, amounts in tranches and repay them in periods ranging from one to six months, or any other period agreed between the financial institutions and Coca-Cola Hellenic. No amounts have been drawn under this syndicated loan facility since inception. There are no financial covenants applicable to this facility.

15. Borrowings (Continued)

Euro medium-term note programme ('EMTN')

In 2001, the Group established a €2.0bn euro medium-term note programme. Bonds issued under the programme through the 100% owned subsidiary Coca-Cola HBC Finance B.V. are fully, unconditionally and irrevocably guaranteed by Coca-Cola Hellenic, as well as Coca-Cola HBC Finance plc (for issues prior to 2009), and are not subject to any financial covenants.

In July 2004, Coca-Cola Hellenic completed the issue of a €500.0m 7-year euro-denominated fixed rate bond. In December 2010 Coca-Cola Hellenic finalized a cash tender offer through its subsidiary Coca-Cola HBC Finance B.V. for the repurchase of its existing €500m. 4.375% fixed rate notes due in 15 July 2011. On 14 December 2010, Coca-Cola HBC Finance B.V. purchased an aggregate amount of €198.9m which is almost 40% of the total issued €500m euro-denominated bond. As a consequence, an amount of €1.7m was charged to the income statement, in the finance costs line.

In December 2008, Coca-Cola Hellenic completed the issue of a €500.0m 5-year euro-denominated fixed rate bond. Proceeds from the bond offering were partly used to pay for the acquisition of Socib S.p.A. and partly to refinance a floating rate bond that matured in March 2009.

In November 2009, Coca-Cola Hellenic completed the issue of a €300.0m 7-year euro-denominated fixed rate bond. Proceeds from the bond offering were used to fund the capital return payment (refer to Note 18) and it allowed Coca-Cola Hellenic to extend its debt maturity profile.

In March 2011, Coca-Cola Hellenic completed the successful offering of an additional €300m 4.25% fixed rate notes to be consolidated and form a single series with the existing €300m 4.25% fixed rate notes due 16 November 2016 issued on 16 November 2009. The new notes bring the total outstanding amount of the series to €600m. The proceeds of the issue were used to repay the maturity of the existing €301.1m notes due on 15 July.

As at 31 December 2011, a total of €1.1bn in bonds issued under the €2.0bn EMTN programme were outstanding. A further amount of €0.9bn is available for issuance. These bonds are not subject to financial covenants.

Notes issued in the US market

On 17 September 2003, Coca-Cola Hellenic successfully completed, through its 100% owned finance subsidiary Coca-Cola HBC Finance B.V., a $900.0m (€694.4m at 31 December 2011 exchange rates) global offering of privately placed notes with registration rights. The first tranche consisted of an aggregate principal amount of $500.0m (€385.8m at 31 December 2011 exchange rates) due in 2013 and the second tranche consisted of an aggregate principal amount of $400.0m (€308.6m at 31 December 2011 exchange rates) due in 2015. The net proceeds of the offering were used to refinance certain outstanding debt, the leveraged re-capitalisation of the Group and the acquisition of Römerquelle GmbH. In December 2003, an exchange offer was made by Coca-Cola Hellenic in order to effect the exchange of the privately placed notes for similar notes registered with the SEC. Acceptances under the offer, which was finalised in February 2004, were $898.1m. The notes are fully, unconditionally and irrevocably solely guaranteed by Coca-Cola Hellenic. These notes are not subject to financial covenants.

15. Borrowings (Continued)

Summary of bonds and notes outstanding

	Start date	Maturity date	Fixed coupon
$500m notes	17 September 2003	17 September 2013	5.125%
€500m bond	17 December 2008	15 January 2014	7.875%
$400m notes	17 September 2003	17 September 2015	5.500%
€300m bond	16 November 2009	16 November 2016	4.250%
€300m bond	2 March 2011	16 November 2016	4.250%

The fair value of bonds and notes payable, including the current portion, is €1,926.3m (2010: €1,919.0m) compared to their book value, including the current portion, of €1,857.6m (2010: €1,863.1m).

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

	2011 € million	2010 € million
Less than one year	**21.9**	48.8
Later than one year but less than two years	**13.7**	20.7
Later than two years but less than three years	**11.3**	14.6
Later than three years but less than four years	**5.0**	11.3
Later than four years but less than five years	**3.2**	4.6
Later than five years	**39.4**	44.0
Present value of finance lease liabilities	**94.5**	**144.0**

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

	2011 € million	2010 € million
Less than one year	**24.8**	53.2
Later than one year but less than two years	**16.8**	24.3
Later than two years but less than three years	**13.8**	17.0
Later than three years but less than four years	**7.4**	13.8
Later than four years but less than five years	**5.5**	6.8
Later than five years	**41.4**	46.8
	109.7	161.9
Future finance charges on finance leases	**(15.2)**	(17.9)
Present value of finance lease liabilities	**94.5**	**144.0**

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

15. Borrowings (Continued)

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

	Current 2011 € million	Non-current 2011 € million	Current 2010 € million	Non-current 2010 € million
Euro	**269.8**	**1,159.4**	487.7	881.2
US Dollar	**—**	**749.4**	—	744.1
Nigerian naira	**45.6**	**—**	23.6	—
Polish zloty	**3.1**	**8.3**	3.2	12.4
UK Sterling	**1.8**	**16.7**	6.0	18.1
Ukrainian hryvnia	**0.7**	**0.7**	9.4	0.6
Bulgarian lev	**0.1**	**—**	4.2	—
Other	**0.4**	**—**	1.0	—
Borrowings	**321.5**	**1,934.5**	**535.1**	**1,656.4**

The carrying amounts of the borrowings held at fixed and floating interest rate as at 31 December 2011, as well as the weighted average interest rates and maturities of fixed rate borrowings were as follows:

	Fixed interest rate € million	Floating interest rate € million	Total € million	Fixed rate liabilities weighted average interest rate	Weighted average maturity for which rate is fixed (years)
Euro	1,375.9	53.3	1,429.2	4.9%	3.1
US Dollar	749.4	—	749.4	5.3%	2.6
Nigerian naira	—	45.6	45.6	—	—
Polish zloty	—	11.4	11.4	—	—
UK Sterling	—	18.5	18.5	—	—
Ukrainian hryvnia	—	1.4	1.4	—	—
Other	0.3	0.2	0.5	—	—
Financial liabilities	**2,125.6**	**130.4**	**2,256.0**	**5.0%**	**2.9**

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

The $500m US dollar fixed rate debt has been fully swapped into a euro floating-rate obligation through a combination of interest rate and cross-currency swaps, with no residual currency risk for the life of the respective bond. In June and July 2010 the $400m US dollar fixed rate debt which was initially swapped into a euro floating-rate obligation was restructured to a €357m fixed-rate liability (refer to Note 8).

15. Borrowings (Continued)

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

Euro	6 month EURIBOR (European inter-bank offer rate)
Ukrainian hryvnia	3 month KIEVPRIME (Kiev inter-bank offer rate)
Nigerian naira	3 month NIBOR (Nigerian inter-bank offer rate)
Polish zloty	1 month WIBOR (Warsaw inter-bank offer rate)

16. Trade and other payables

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

	2011 € million	2010 € million
Trade payables	**423.5**	384.7
Accrued liabilities	**603.0**	594.9
Payables to related parties (refer to Note 34)	**188.6**	181.4
Deposit liabilities	**108.5**	107.3
Other tax and social security liabilities	**84.2**	77.6
Salaries and employee related payable	**57.9**	62.5
Current portion of provisions (refer to Note 17)	**52.0**	38.5
Derivative liabilities (refer to Note 8)	**4.2**	4.1
Deferred income	**8.7**	2.2
Other payables	**10.9**	10.9
Total trade and other payables	**1,541.5**	**1,464.1**

17. Provisions

Provisions consisted of the following at 31 December:

	2011 € million	2010 € million	2009 € million
Current			
Employee benefits	**23.9**	22.4	22.5
Restructuring and other	**28.1**	16.1	18.6
Total current provisions	**52.0**	**38.5**	**41.1**
Non-current			
Employee benefits	**146.5**	130.5	151.1
Other	**3.0**	13.7	19.3
Total non-current provisions	**149.5**	**144.2**	**170.4**
Total provisions	**201.5**	**182.7**	**211.5**

17. Provisions (Continued)

The movements in restructuring and other provisions comprise:

	2011 € million	2010 € million	2009 € million
As at 1 January	**29.8**	37.9	15.6
Arising during the year	**50.3**	35.0	34.6
Utilised during the year	**(44.0)**	(43.5)	(33.4)
Unused amount reversed	**(0.1)**	0.1	—
Arising on prior year acquisitions	**—**	—	21.4
Foreign currency translation	**(4.9)**	0.3	(0.3)
As at 31 December	**31.1**	**29.8**	**37.9**

Restructuring and other provisions comprise outstanding balances relating to restructuring of €23.9m (2010: €9.6m, 2009: €15.3m) that is expected to be completed in 2012 and a provision for long-term supply contracts in Italy of €3.2m (2010: €10.7m, 2009: €16.4m). In addition, 2011 included other items of €4.0m (2010: €9.5m, 2009: €6.2m).

Employee benefits

Employee benefits consisted of the following at 31 December:

	2011 € million	2010 € million	2009 € million
Defined benefit plans			
Employee leaving indemnities	**94.6**	99.4	113.4
Pension plans	**41.4**	19.5	25.0
Long service benefits—jubilee plans	**7.9**	7.7	7.0
Total defined benefits plans	**143.9**	**126.6**	**145.4**
Other employee benefits			
Annual leave	**9.2**	9.6	6.7
Stock appreciation rights	**—**	0.1	1.2
Other employee benefits	**17.3**	16.6	20.3
Total other employee benefits	**26.5**	**26.3**	**28.2**
Total employee benefits obligations	**170.4**	**152.9**	**173.6**

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

	2011 € million	2010 € million	2009 € million
Current	**23.9**	22.4	22.5
Non-current	**146.5**	130.5	151.1
Total employee benefits obligations	**170.4**	**152.9**	**173.6**

17. Provisions (Continued)

Employees of Coca-Cola Hellenic's subsidiaries in Austria, Bulgaria, Croatia, Greece, Italy, Montenegro, Nigeria, Poland, Romania, Serbia and Slovenia are entitled to employee leaving indemnities, generally based on each employee's length of service, employment category and remuneration.

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

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

Reconciliation of defined benefit obligation:

	2011 € million	2010 € million
Present value of defined benefit obligation at 1 January	**374.6**	352.9
Service cost	**13.0**	13.3
Interest cost	**15.8**	17.0
Plan participants' contributions	**5.0**	4.6
Past service cost arising from amendments	**0.2**	(2.2)
Curtailment/settlement	**(5.1)**	5.2
Benefits paid	**(31.6)**	(39.4)
Actuarial loss/(gain)	**14.9**	(3.3)
Foreign currency translation	**3.7**	26.5
Present value of defined benefit obligation at 31 December	**390.5**	**374.6**

Reconciliation of plan assets:

	2011 € million	2010 € million
Fair value of plan assets at 1 January	**248.9**	207.1
Expected return on plan assets	**13.3**	12.2
Actual employer's contributions	**10.0**	10.5
Actual participant's contributions	**5.0**	4.6
Actual benefits paid	**(11.1)**	(11.7)
Settlement	**(8.3)**	—
Actuarial loss	**(16.4)**	(0.1)
Foreign currency translation	**4.8**	26.3
Fair value of plan assets at 31 December	**246.2**	**248.9**

In determining its expected long-term rate of return assumption, the Group uses forward-looking assumptions in the context of historical returns and volatilities for each asset class, as well as correlations among asset classes. Adjustments are made to the expected long-term rate of return assumptions annually based upon revised expectations of future investment performance of the overall capital markets, as well as changes to local laws that may affect the investment strategy.

17. Provisions (Continued)

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

	2011 € million	2010 € million	2009 € million
Present value of funded obligations	**285.2**	264.6	229.1
Fair value of plan assets	**(246.2)**	(248.9)	(207.1)
	39.0	15.7	22.0
Present value of unfunded obligations	**105.3**	110.0	123.8
Unrecognised past service benefit	**(0.4)**	(0.5)	(0.6)
Defined benefit obligations	**143.9**	**125.2**	**145.2**
Plus: amounts recognised within long term assets	**—**	1.4	0.2
Total defined benefit obligations	**143.9**	**126.6**	**145.4**
Actual return on plan assets	**(3.1)**	**12.4**	**26.3**

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

	2011 € million	2010 € million
Defined benefit obligation as at 1 January	**125.2**	145.2
Expense recognised in the income statement	**18.6**	20.6
Actuarial loss/(gain) recognised in OCI	**31.8**	(2.7)
Employer contributions	**(10.0)**	(10.5)
Benefits paid	**(20.5)**	(27.7)
Foreign currency translation	**(1.2)**	0.3
Defined benefit obligation as at 31 December	**143.9**	**125.2**

The cumulative amount of actuarial losses recognised in Other Comprehensive Income is €98.2m.

The assumptions used in computing the defined benefit obligation comprised the following for the years ended 31 December:

	2011 %	2010 %
Discount rate	**4.21**	4.43
Expected return on plan assets	**4.42**	5.40
Rate of compensation increase	**3.08**	3.06
Pension increases	**0.94**	0.67

17. Provisions (Continued)

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

	2011 € million	2010 € million	2009 € million
Current service cost	**13.0**	13.3	12.4
Interest cost	**15.8**	17.0	15.9
Expected return on plan assets	**(13.3)**	(12.2)	(9.5)
Actuarial gain	**(0.5)**	(0.5)	(0.5)
Amortisation of unrecognised past service costs	**0.3**	(2.2)	0.6
Curtailment/settlement	**3.3**	5.2	2.8
Total	**18.6**	**20.6**	**21.7**

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

Plan assets are invested as follows:

	2011 %	2010 %
Asset category		
Equity securities	**38**	42
Debt securities	**43**	41
Real estate	**10**	10
Cash	**9**	7
Total	**100**	**100**

Equity securities were not invested in ordinary shares of the Company as at 31 December 2011 and as at 31 December 2010.

The total employer contributions expected to be paid in 2012 are €16.4m.

The history of experience adjustments is as follows:

	2011 € million	2010 € million	2009 € million	2008 € million	2007 € million
Present value of defined benefit obligations	390.5	374.6	352.9	336.0	334.0
Fair value of plan assets	(246.2)	(248.9)	(207.1)	(174.7)	(206.3)
Deficit	**144.3**	**125.7**	**145.8**	**161.3**	**127.7**
Experience adjustment on plan liabilities	1.7	8.8	3.5	(2.6)	(6.5)
Experience adjustment on plan assets	(16.4)	0.2	16.8	(47.8)	(2.7)

Defined contribution plans

The expense recognised in the income statement in 2011 for the defined contribution plan is €20.5m (2010: €15.5m, 2009: €10.6m). This is included in staff costs and recorded in cost of goods sold and operating expenses.

18. Share capital and share premium

	Number of shares (authorised and issued)	Share Capital € million	Share Premium € million	Total € million
As at 1 January 2009	365,402,097	182.7	1,665.0	**1,847.7**
Shares issued to employees exercising stock options	136,978	0.1	1.7	**1.8**
Capitalisation of share premium reserve	—	548.1	(548.1)	**—**
Expenses related to share capital increase (net of tax of €1.2m)	—	—	(4.8)	**(4.8)**
Return of capital to shareholders	—	(548.1)	—	**(548.1)**
Balance as at 31 December 2009	**365,539,075**	**182.8**	**1,113.8**	**1,296.6**
Shares issued to employees exercising stock options	597,365	0.3	5.4	**5.7**
Balance as at 31 December 2010	**366,136,440**	**183.1**	**1,119.2**	**1,302.3**
Shares issued to employees exercising stock options	405,568	0.2	4.5	**4.7**
Capitalisation of share premium reserve	—	549.7	(549.7)	**—**
Expenses related to share capital increase (net of tax of €1.2m)	—	—	(4.8)	**(4.8)**
Return of capital to shareholders	—	(183.2)	—	**(183.2)**
Balance as at 31 December 2011	**366,542,008**	**549.8**	**569.2**	**1,119.0**

During 2009, Coca-Cola Hellenic's Board of Directors resolved to increase the share capital of the Company by issuing 5,751 and 131,227 new ordinary shares, on 28 August and 23 November 2009 respectively following the exercise of stock options by option holders pursuant to the Company's stock option plan. Total proceeds from the issues of the shares were €1.8m.

On 18 September 2009, Coca-Cola Hellenic announced proposals for a recapitalisation, which resulted in a capital return of €548.1m to its shareholders, i.e. €1.50 per share. At an Extraordinary General Meeting of the Company held on 16 October 2009, shareholders approved an increase of the Company's share capital by €548.1m, through the capitalisation of share premium and an increase in the nominal value of each share by €1.50 per share. As a result, the nominal value of each share was increased from €0.50 to €2.00. At the same Extraordinary General Meeting, the shareholders also approved the decrease of the Company's share capital by €548.1m, through a reduction of the nominal value of the shares by €1.50 per share. As a result, the nominal value of the shares was decreased from €2.00 to €0.50 per share, and an equal amount of capital was returned to the shareholders in cash.

Following shareholder and regulatory approval, the Company realised the capital return on 2 December 2009. The capital return was financed through a combination of accumulated cash and new debt.

During 2010, Coca-Cola Hellenic's Board of Directors resolved to increase the share capital of the Company by issuing 163,354, 161,663, 102,700 and 169,648 new ordinary shares as announced on 26 February, 17 May, 24 August and 25 November 2010 respectively, following the exercise of stock options by option holders pursuant to the Company's stock option plan. Total proceeds from the issues of the shares were €5.7m.

18. Share capital and share premium (Continued)

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

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

After the above changes, the share capital amounts to €549.8 million and is comprised of 366,542,008 shares with a nominal value of €1.50 each. Each share provides the right to one vote at general meetings of Coca-Cola Hellenic and entitles the holder to dividends declared by Coca-Cola Hellenic.

19. Reserves

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

	2011 € million	2010 € million	2009 € million
Treasury shares	**(55.5)**	**(57.2)**	**(14.9)**
Exchange equalisation reserve	**(197.9)**	**(129.2)**	**(309.1)**
Other reserves			
Shares held for equity compensation plan	**(1.2)**	(0.8)	(1.0)
Hedging reserve (net of deferred tax of €2.7m gain; 2010: €0.2m expense; 2009: €3.4m expense)	**(4.7)**	(10.3)	(1.2)
Tax-free reserve	**251.6**	251.6	241.1
Statutory reserve	**78.1**	77.6	77.2
Stock option reserve	**45.6**	37.5	30.8
Available-for-sale financial assets valuation reserve	**0.5**	0.8	3.0
Other	**19.1**	19.0	18.9
Total other reserves	**389.0**	**375.4**	**368.8**
Total reserves	**135.6**	**189.0**	**44.8**

Treasury shares

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

19. Reserves (Continued)

Applicable law does not require any actual use of such approved share buy-back programmes. The Company may therefore, in its sole discretion, decide not to buy back any shares or to buy fewer shares than the maximum permissible number approved under the programme. The purchase of shares pursuant to the share buy-back programme is dependent upon a number of factors including, without limitation, the relative attractiveness of alternative investment opportunities and the availability of funds. As at 31 December 2011, 3,430,135 shares had been held by the Group pursuant to the share buy-back programme of a total value of €55.5m, bringing the shares in circulation to 363,111,873 (2010: 3,430,315 shares held of a total value of €57.2m, 2009: 1,111,781 shares held of a total value of €14.9m).

Exchange equalisation reserve

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

Other reserves

Shares held for equity compensation plan

Shares held for the Coca-Cola Hellenic Stock Purchase Plan, which is an equity compensation plan in which eligible employees may participate. The movement for share-based payment transactions in 2011 was a debit of €0.4m (2010: €0.2m credit, 2009: nil)

Hedging reserve

The hedging reserve reflects changes in the fair values of derivatives accounted for as cash flow hedges, net of the deferred tax related to such balances. The movement for 2011 relates to the movement in cash flow hedges of €5.6m credit, net of tax gain of €2.7m (2010: €9.1m debit, net of tax expense of €0.2m, 2009: €12.8m debit, net of tax expense of €3.4m).

Tax-free reserve

The tax-free reserve includes investment tax incentive and other tax-free or partially taxed reserves of the parent entity, Coca-Cola Hellenic. The tax-free reserve may be distributed if taxed, where applicable. There was no movement for the tax-free reserve in 2011 (2010: €10.5m credit, 2009: €17.9m credit for the establishment of additional reserves).

Statutory reserves

Statutory reserves are particular to the various countries in which the Group operates. The amount of statutory reserves of the parent entity, Coca-Cola Hellenic, with restrictions on distribution is €55.7m (2010: €55.7m, 2009: €55.7m). The movement in the statutory reserves for 2011 was a €0.5m credit (2010: €0.4m credit, 2009: €8.3m debit) and relates to the establishment of additional reserves.

Other reserves

Other reserves are particular to the various countries in which the Group operates. The movement in other reserves for 2011 was a €0.1m credit (2010: €0.1m credit, 2009: €7.4m debit).

19. Reserves (Continued)

Stock option reserve

The stock option reserve represents the cumulative charge to the income statement for employee stock option awards. The movement for the stock option reserve for 2011 was a €8.1m credit (2010: €6.7m credit, 2009: €6.4m credit).

Available-for-sale financial assets valuation reserve

The available-for-sale financial assets valuation reserve reflects changes in the fair values of available-for-sale financial assets. Amounts in this reserve are reclassified to profit or loss upon sale or impairment of the related investments. The movement for available-for-sale financial assets valuation reserve for 2011 was a €0.3m debit (2010: €2.2m debit, 2009: €6.3m credit) and relates to revaluation impact of listed and unlisted equities held.

20. Total operating costs

Total operating costs for the years ended 31 December comprised:

	2011 € million	2010 € million	2009 € million
Operating expenses	**2,055.6**	2,058.4	1,984.2
Restructuring costs	**71.5**	36.7	44.9
Other items	**—**	—	(32.8)
Total operating costs	**2,127.1**	**2,095.1**	**1,996.3**

a) Operating expenses

	2011 € million	2010 € million	2009 € million
Selling expenses	**1,008.5**	1,031.9	968.1
Delivery expenses	**629.8**	628.5	602.8
Administrative expenses	**406.0**	384.5	393.5
Stock option expense (refer to Note 26)	**8.1**	6.7	6.4
Amortisation of intangible assets (refer to Note 4)	**3.2**	6.8	4.7
Adjustments to intangible assets	**—**	—	2.2
Losses on available-for-sale financial assets transferred from equity	**—**	—	6.5
Operating expenses	**2,055.6**	**2,058.4**	**1,984.2**

In 2011, operating expenses included net losses on disposal of property, plant and equipment of €2.7m (2010: €13.2m losses, 2009: €10.5m losses).

(b) Adjustments to intangible assets

During 2010 and 2009, the Group recognized deferred tax assets on losses that had previously not been recognised on acquisition of CCB by HBC. Correspondingly, a deferred tax credit of €10.2m (2009: €1.6m) had been included within tax on the income statement. Based on the revised IFRS 3, *Business Combinations*, goodwill is no longer adjusted when deferred tax assets on losses have not been recognised on acquisition and are subsequently recognized. Therefore no charge has been included in the operating expenses of 2010 (2009: €2.2m). For the credit that has been included in taxes please refer to Note 22.

20. Total operating costs (Continued)

(c) Restructuring costs

As part of the effort to optimise its cost base and sustain competitiveness in the market place, the Company undertook restructuring initiatives in 2011 which amounted to €71.5m (2010: €36.7m, 2009: €44.9m) before tax. The Company recorded during 2011€47.6m (2010: €25.7m, 2009: €29.9m), €17.6m (2010: €2.3m, 2009: €10.8m) and €6.3m (2010: €8.7m, 2009: €4.2m) of restructuring charges in its established, developing and emerging markets, respectively. The restructuring concerns mainly employees' costs, outsourcing of certain functions and other costs.

(d) Other items

On 19 December 2008, it was announced that a production plant in Benin City, Nigeria, which was owned by the Nigerian Bottling Company plc, had been substantially damaged by fire. An impairment charge was recorded in December 2008 on certain assets totaling €15.8m. During 2009, €32.8m was received from the Company's insurers.

(e) Staff costs

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

	2011 € million	**2010 € million**	**2009 € million**
Wages and salaries	**828.4**	840.0	779.0
Social security costs	**175.7**	161.0	151.0
Pension and other employee benefits	**131.1**	124.6	159.6
Termination benefits	**48.6**	32.8	35.2
Total staff costs	**1,183.8**	**1,158.4**	**1,124.8**

Staff costs included in operating expenses amounted to €934.3m in 2011 (2010: €913.0m, 2009: €892.3m).

Staff costs included in cost of goods sold amounted to €249.5m in 2011 (2010: €245.4m, 2009: €232.5m).

The average number of full-time equivalent employees in 2011 was 41,715 (2010: 42,505, 2009: 44,231).

20. Total operating costs (Continued)

(f) Fees and other services of the statutory auditor

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

	2011 € million	2010 € million	2009 € million
Audit fees	**6.2**	6.2	6.7
Audit related fees	**0.4**	0.2	0.1
Other fees	**0.1**	0.2	—
Total audit and all other fees	**6.7**	**6.6**	**6.8**

21. Finance costs

Net finance costs for the years ended 31 December comprised:

	2011 € million	2010 € million	2009 € million
Interest income	**9.8**	7.4	9.4
Interest expense	**(87.2)**	(68.4)	(66.6)
Other finance cost	**(3.9)**	(8.2)	(1.1)
Net foreign exchange remeasurement gains/(losses)	**0.6**	(0.4)	(3.7)
Finance charges paid with respect to finance leases	**(5.6)**	(6.1)	(10.8)
Loss on net monetary position	**(7.8)**	—	—
Total finance costs	**(103.9)**	**(83.1)**	**(82.2)**
Total finance costs, net	**(94.1)**	**(75.7)**	**(72.8)**

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

Belarus was considered to be a hyperinflationary economy in 2011 as three year cumulative inflation exceeded 100% and therefore Belarus is consolidated in terms of the measuring unit at the balance sheet date and translated at the closing exchange rate. The restatement was based on conversion factors derived from the Belarusian Consumer Price Index (CPI) as compiled by the National Statistical Committee of the Republic of Belarus. The conversion factor used for December 2011 was 2.08 which resulted in a net monetary loss for 2011 of €7.8m.

Capitalised borrowing costs in 2011 amounted to €1.6m (2010: €1.4m, 2009: €4.3m). The interest rate used to capitalise borrowing costs of the Group for 2011 was 3.83% (2010: 3.16%, 2009: 2.59%).

22. Tax

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the statutory tax rate in Greece as follows:

	2011 € million	2010 € million	2009 € million
Profit before tax per the income statement	**375.5**	576.7	567.9
Tax calculated at a tax rate of 20% (2010: 24% and 2009: 25%)	**75.1**	138.4	142.0
Effect of different tax rates in foreign jurisdictions	**5.2**	(24.6)	(28.9)
Additional local taxes in foreign jurisdictions	**13.6**	13.2	17.4
Special tax in Greece	**—**	21.2	19.8
Tax holidays in foreign jurisdictions	**(2.4)**	(2.0)	(2.3)
Expenses non-deductible for tax purposes	**51.0**	41.1	32.5
Income not subject to tax	**(28.5)**	(22.0)	(34.9)
Changes in tax laws and rates	**0.4**	(1.7)	(1.7)
Current year tax losses not recognised	**0.2**	0.5	2.0
Recognition of pre-acquisition deferred tax assets	**—**	(10.2)	(1.6)
Utilisation of previously unrecognised post-acquisition tax losses	**(0.1)**	(6.2)	—
Recognition of previously unrecognised post-acquisition tax losses	**(7.9)**	(6.5)	—
Other	**(3.9)**	(3.2)	(1.4)
Income tax charge per the income statement	**102.7**	**138.0**	**142.9**

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

Special tax in Greece

On 6 May 2010, the Greek Government enacted the 'Extraordinary Contribution of Social Responsibility' (Law Nr. 3845/2010). According to article 5, the 'Extraordinary Social Contribution Tax' was applied retrospectively on the parent Company's 2009 total net income. The amount of such 'Extraordinary Social Contribution Tax' applicable to 2009 was €21.2m. As a result the Group recorded a tax charge of €21.2m in 2010.

On 10 December 2009, the Greek Government had introduced the 'Extra Contribution of Social Responsibility by the Large Companies'. This law (Law Nr. 3808/2009) provided for a special additional tax on the parent Company's 2008 total net income. As a result, the Group recorded a tax charge of €19.8m in 2009.

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

	2011 € million	2010 € million	2009 € million
Current tax charge	**86.6**	117.6	119.9
Deferred tax charge (refer to Note 9)	**16.1**	30.6	24.6
Pre-acquisition deferred tax assets recognised subsequent to acquisition of CCB (refer to Note 20)	**—**	(10.2)	(1.6)
Total income tax charge	**102.7**	**138.0**	**142.9**

23. Earnings per share

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

	2011	2010	2009
Net profit attributable to the owners of the parent (€ million)	**268.9**	426.6	402.6
Weighted average number of ordinary shares for the purposes of basic earnings per share (million)	**363.0**	363.3	364.9
Effect of dilutive stock options (million)	**0.8**	0.2	0.7
Weighted average number of ordinary shares for the purposes of diluted earnings per share (million)	**363.8**	363.5	365.6
Basic and diluted earnings per share (€)	**0.74**	**1.17**	**1.10**

Given the effect of rounding, basic and diluted earnings per share are equal. Outstanding stock options that have an anti-dilutive effect and therefore excluded from diluted earnings per share in 2011 were 4.4m (2010: 3.4m, 2009: 4.4m).

24. Components of other comprehensive income

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

	2011			2010			2009		
	Before-tax amount € million	Tax (expense)/ benefit € million	Net-of-tax amount € million	Before-tax amount € million	Tax (expense)/ benefit € million	Net-of-tax amount € million	Before-tax amount € million	Tax (expense)/ benefit € million	Net-of-tax amount € million
Available-for-sale financial assets	**(0.4)**	**0.1**	**(0.3)**	(2.3)	0.1	**(2.2)**	6.4	(0.1)	**6.3**
Cash flow hedges	**8.4**	**(2.7)**	**5.7**	(9.3)	0.2	**(9.1)**	(16.1)	3.3	**(12.8)**
Foreign currency translation	**(54.2)**	**—**	**(54.2)**	181.5	—	**181.5**	(79.5)	—	**(79.5)**
Actuarial (losses) / gains	**(31.8)**	**6.5**	**(25.3)**	2.7	(0.6)	**2.1**	4.4	(0.4)	**4.0**
Share of other comprehensive income of equity method investments	**(0.8)**	**—**	**(0.8)**	1.4	—	**1.4**	(0.7)	—	**(0.7)**
Other comprehensive income	**(78.8)**	**3.9**	**(74.9)**	**174.0**	**(0.3)**	**173.7**	**(85.5)**	**2.8**	**(82.7)**

25. Shares held for equity compensation plan

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

25. Shares held for equity compensation plan (Continued)

Under the terms of this plan, employees have the opportunity to invest 1% to 15% of their salary in ordinary Coca-Cola Hellenic shares by contributing to the plan monthly. Coca-Cola Hellenic will match up to a maximum of 3% of the employee's salary by way of contribution. Employer contributions are used to purchase matching shares on a monthly basis on the open market, currently the Athens Exchange. Shares are either held in the employees name or by a trust, The Coca-Cola Hellenic Employee Stock Purchase Trust. Matching shares vest one year after the purchase. However, forfeited shares are held in a reserve account of the plan, do not revert back to the Company and may be used to reduce future employer contributions. Dividends received in respect of shares held by the trust are used to purchase additional shares and accrue to the employees.

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

During 2011, 346,996 shares were purchased by Coca-Cola Hellenic (2010: 272,279, 2009: 334,859) as matching shares to employee investments. The charge to the income statement totalled €5.3m (2010: €5.2m, 2009: €4.8m). Of this amount, €1.1m represented employer contributions made for Greek resident employees (2010: €1.1m, 2009: €1.0m). The cost of unvested matching shares held by the trust at the end of 2011, before they vest to employees, was €4.1m (2010: €4.1m, 2009: €3.8m). The total number of shares held by the trust at 31 December 2011 was 2,701,979 (2010: 2,428,353, 2009: 2,327,925). The total contributions made by employees to the trust during 2011 were €6.1m (2010: €6.0m, 2009: €5.5m).

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

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

26. Stock option compensation plans

Coca-Cola Hellenic operates an equity compensation plan, under which senior managers are granted awards of stock options, based on performance, potentiality and level of responsibility. Options are granted at an exercise price equal to the closing price of the Company's shares trading on the Athens Exchange on the day of the grant(1). Options vest in one-third increments each year for three years and can be exercised for up to ten years from the date of award. When the options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (at the nominal value) and share premium.

Incremental fair value is calculated using the binomial stock option valuation model and represents the difference between the fair value of an option immediately after the modification and the original fair value of the respective option, measured immediately before the modification.

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(1) From December 2008 the exercise price of stock options is determined by reference to the share price of the Company's share at the close of trading on the date of the grant instead of the weighted average share price during the ten working days prior to the date of the grant.

26. Stock option compensation plans (Continued)

The following table summarises information regarding outstanding stock options exercisable at 31 December 2011 and stock options exercised during 2011:

	Exercise price after the capital return (€)	Vesting status 2011	Vesting dates for further increments			End of option period	Number of stock options outstanding
2003-2004 Plan/2003 Grant	9.17	fully vested	—	—	—	14.12.2013	3,250
2003-2004 Plan/2004 Grant	10.42	fully vested	—	—	—	02.12.2014	86,827
2005-2009 Plan/2005 Grant	13.53	fully vested	—	—	—	01.12.2015	571,883
2005-2009 Plan/2006A Grant	14.57	fully vested	—	—	—	20.03.2016	50,001
2005-2009 Plan/2006 Grant	16.71	fully vested	—	—	—	12.12.2016	1,066,151
2005-2009 Plan/2007 Grant	26.75	fully vested	—	—	—	12.12.2017	1,301,450
2005-2009 Plan/2008A Grant	22.54	fully vested	—	—	—	19.06.2018	30,000
2005-2009 Plan/2008 Grant	9.36	fully vested	—	—	—	10.12.2018	1,344,840
2009-2011 Plan/2009 Grant	16.04	two thirds	10.12.2012	—	—	09.12.2019	1,652,300
2009-2011 Plan/2010A Grant	19.50	one third	18.03.2012	18.03.2013	—	17.03.2020	30,000
2009-2011 Plan/2010 Grant	19.65	one third	09.12.2012	09.12.2013	—	08.12.2020	1,913,100
2009-2011 Plan/2011A Grant	18.87	none	16.03.2012	16.03.2013	16.03.2014	15.03.2021	75,000
2009-2011 Plan/2011B Grant	18.50	none	24.06.2012	24.06.2013	24.06.2014	23.06.2021	10,000
2009-2011 Plan/2011 Grant	12.32	none	16.12.2012	16.12.2013	16.12.2014	15.12.2021	1,632,500
Total							**9,767,302**

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

	Number of stock options 2011	Weighted average exercise price before the capital return 2011 (€)	Weighted average exercise price after the capital return 2011 (€)	Number of stock options 2010	Weighted average exercise price 2010 (€)
Outstanding at January 1	**8,759,862**	**17.65**	**n/a**	7,415,442	16.33
Granted	**1,717,500**	**n/a**	**12.64**	2,010,100	20.15
Exercised	**(405,568)**	**11.69**	**11.19**	(597,365)	9.59
Expired	**(3,151)**	**8.19**	**7.69**	(1,453)	8.29
Forfeited	**(301,341)**	**19.48**	**18.98**	(66,862)	18.08
Outstanding at December 31	**9,767,302**	**n/a**	**16.55**	**8,759,862**	**17.65**
Exercisable at December 31	**6,192,606**	**n/a**	**17.04**	**5,001,036**	**17.77**

The charge to the income statement for employee stock option awards for 2011 amounted to €8.1m (2010: €6.7m, 2009: €6.4m).

As a result of the capital return (refer to Note 18) of €0.50, a corresponding €0.50 reduction was made to the exercise price of each unexercised stock option under each plan. The modification to the exercise price ensured the intrinsic value of each stock option was retained and did not result in incremental fair value for any of the unexercised stock options. Incremental fair value is calculated using the binomial stock option valuation model and represents the difference between the fair value of an option immediately after the modification and the original fair value of the respective option, measured immediately before the modification.

26. Stock option compensation plans (Continued)

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

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

	2011	2010	2009
Weighted average fair value of options granted	**€2.9**	€5.2	€3.6
Risk free interest rates	**2.4%**	3.0%	3.3%
Expected volatility	**33.2%**	32.2%	28.2%
Dividend yield	**2.5%**	1.5%	1.7%
Expected life	**4.1 years**	4.0 years	3.6 years

The weighted average remaining contractual life of share options outstanding under the stock option compensation plans at 31 December 2011 was 7.5 years (2010: 7.8 years, 2009: 7.9 years).

27. Stock appreciation rights

The Company operated in the past a stock-based compensation plan, under which certain key employees were granted stock appreciation rights ('SARs'), based on an employee's performance, potentiality and level of responsibility. There were some stock appreciation rights that remained unexercised from grants that occurred in the past. These remaining stock appreciation rights were exercised during 2011. The terms of the SARs were based upon the basic terms and conditions of stock option grants, except that instead of shares, the holders received a payment equal to the positive difference between the market price of Coca-Cola Hellenic's shares at the closing time of the Athens Exchange at the date of exercise and the exercise price. SARs vested in one-third increments each year for three years and could be exercised for up to ten years from the date of award.

After the remaining SARs from previous grants were exercised in 2011, on December 31, 2011, there were no outstanding stock appreciation rights.

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

	Number of SARs 2011	Weighted average exercise price 2011 (€)	Weighted average exercise price after the capital return 2011 (€)	Number of SARs 2010	Weighted average exercise price 2010 (€)
Outstanding on 1 January	**13,950**	**8.19**	**n/a**	77,250	9.60
Exercised	**(13,950)**	**8.19**	**7.69**	(63,300)	9.91
Outstanding and exercisable on 31 December	**—**	**—**	**—**	**13,950**	**8.19**

27. Stock appreciation rights (Continued)

The inputs used for the valuation of SARs are the same as those used for equity settled share based payments with the exception of risk-free interest rates. The compensation expense relating to SARs recorded for 2011 amounted to a debit of €0.1m (2010: a credit of €0.5m, 2009: debit of €0.5m).

28. Business combinations and acquisition of non-controlling interests

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

	Location	Net tangible assets applicable € million	Goodwill arising € million	Acquisition of trademarks € million	Amount of consideration € million
Acquired business:					
MS Foods UAB	Belarus	(0.4)	2.7	0.2	2.5
Acquisition of non-controlling interests:					
Nigerian Bottling Company plc	Nigeria	—	—	—	100.2
Coca -Cola HBC-Srbija d.o.o.	Serbia	—	—	—	17.7
AD Pivara Skopje	FYROM	—	—	—	39.8
Total acquisitions as at 31 December 2011		**(0.4)**	**2.7**	**0.2**	**160.2**

	€ million
Total consideration	**160.2**
Less: payment deferred until 2012	(43.7)
Cash outflow included in cash flow	**116.5**

Acquisition of MS Foods UAB

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

28. Business combinations and acquisition of non-controlling interests (Continued)

Details of the acquisition are as follows:

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

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

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

Acquisitions of non controlling interests

In 2011 the Group acquired non controlling interests as follows:

On 8 June 2011, the Board of Directors of the Company's subsidiary Nigerian Bottling Company plc ("NBC") resolved to propose a scheme of arrangement between NBC and its minority shareholders, involving the cancellation of part of the share capital of NBC. The transaction was approved by the Board of Directors and General Assembly of NBC on 8 June 2011 and 22 July 2011 respectively and resulted in acquisition of the remaining 33.6% of the voting shares of NBC bringing the Group's interest in the subsidiary to 100%. The transaction was completed in September 2011 and NBC was de-listed from the Nigerian Stock Exchange. The consideration for the acquisition of non controlling interests was €100.2m, including transaction costs of €1.8m, out of which €56.5m was paid as of 31 December 2011. The difference between the consideration and the carrying value of the interest acquired (€60.1m) has been recognized in retained earnings while the accumulated components recognized in other comprehensive income have been reallocated within the equity of the Group.

28. Business combinations and acquisition of non-controlling interests (Continued)

On 25 June 2010, the Group initiated a tender offer to purchase all of the remaining shares of the non-controlling interest in Coca-Cola HBC—Srbija d.o.o. ("CCH Serbia"). The tender offer was completed on 2 August 2010 and resulted in the Group increasing its stake in CCH Serbia to 91.2% as of 31 December 2010. In 2011, the Group acquired all the remaining interest in the subsidiary. The consideration paid for the acquisition of non controlling interest acquired in 2011 was €17.7m, including transaction costs of €0.4m and the carrying value of the additional interest acquired was €11.4m. The difference between the consideration and the carrying value of the interest acquired has been recognized in retained earnings.

On 16 December 2011, the Group announced that it had increased its share to A.D. Pivara Skopje, the beer and alcohol-free beverages business in the Former Yugoslav Republic of Macedonia, that is jointly controlled with Heineken, by acquiring together with Heineken 41.2% of non controlling interests. The consideration paid collectively with Heineken was €79.6m including acquisition costs of €0.2m, and was equally divided between the Group and Heineken. The carrying value of the non-controlling interest acquired was €22.9m. After the acquisition the Group owns 48.24% (2010: 27.64%) of the voting rights of A.D. Pivara Skopje and controls jointly with Heineken 96.48% of voting rights in A.D. Pivara Skopje. The difference between the consideration and the carrying value of the interest acquired has been recognized in retained earnings.

Disposal of Eurmatik S.r.l

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

29. Dividends

The reported net results of the parent company's statutory accounts do not allow for 2011 and 2010 statutory minimum annual dividend payment. As a result the Group has not recorded a dividend liability in respect of 2011 and 2010.

During 2010, a dividend of €0.30 per share totalling €102.0m was paid. During 2009, a dividend of €0.28 per share totaling €102.3m was paid.

The statutory minimum dividend recognised for 2009 amounted to €41.6m and was recorded as liability under 'Other payables' in the consolidated balance sheet. The remaining dividend of €68.1m was recorded in shareholders' equity in the second quarter of 2010 as an appropriation of retained earnings.

30. Financial risk management

Financial risk factors

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

30. Financial risk management (Continued)

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

Market Risk

Foreign currency risk

The Group is exposed to the effect of foreign currency risk on future commercial transactions, recognized monetary assets and liabilities that are denominated in currencies other than the local entity's functional currency, as well as net investments in foreign operations. Foreign currency forward contracts and foreign currency option contracts are used to hedge a portion of the Group's foreign currency risk. The majority of the foreign currency forward contracts and foreign currency option contracts have maturities of less than one year after the balance sheet date and consequently the net fair value of the gains or losses on these contracts will be transferred from the hedging reserve to the income statement at various dates during this period. The foreign currency risk arising from the investment in foreign operations is not hedged.

Management has set up a policy that requires Group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised monetary assets and liabilities, entities in the Group use foreign currency forward contracts and foreign currency option contracts transacted with Group Treasury. Foreign exchange risk arises when future commercial transactions or recognised monetary assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group Treasury's risk management policy is to hedge between 25% and 80% of anticipated cash flows in each major foreign currency for the subsequent twelve months. Each subsidiary designates contracts with Group Treasury as fair value hedges or cash flow hedges, as appropriate. External foreign exchange contracts are designated at Group level as hedges of foreign exchange risk on specific monetary assets, monetary liabilities or future transactions on a gross basis.

The following tables present details of the Group's sensitivity to reasonably possible increases and decreases in the euro and US dollar against the relevant foreign currencies. In determining reasonable possible changes, the historical volatility over a twelve-month period of the respective foreign currencies in relation to the euro and the US dollar, has been considered. The sensitivity analysis determines the potential gains and losses in the income statement or equity arising from the Group's foreign exchange positions as a result of the corresponding percentage increases and decreases in the Group's main foreign currencies, relative to the euro and the US dollar. The sensitivity analysis includes outstanding foreign currency denominated monetary items, external loans as well as loans between operations within the Group where the denomination of the loan is in a currency other than the currency of the local entity. The sensitivity analysis for exchange risk for 2011, 2010 and 2009 was as follows:

30. Financial risk management (Continued)

2011 exchange risk sensitivity analysis

	% change	Euro strengthens against local currency		Euro weakens against local currency	
		Loss/(Gain) in income statement € million	(Gain)/loss in equity € million	(Gain)/loss in income statement € million	(Gain)/loss in equity € million
Armenian dram	12.04%	0.4	—	(0.5)	—
Belarusian rouble	30.00%	(1.9)	—	3.6	—
Bulgarian lev	0.47%	(0.2)	—	0.2	—
Croatian kuna	1.68%	—	(0.1)	—	0.1
Czech koruna	6.71%	(1.6)	(1.3)	2.1	0.9
Hungarian forint	11.70%	(0.1)	(1.3)	0.1	1.4
Latvian lati	1.48%	(0.1)	—	0.1	—
FYROM dinar	12.05%	(1.1)	—	1.4	—
Moldovan leu	12.66%	0.2	1.0	(0.3)	(1.3)
Nigerian naira	15.46%	1.2	—	(1.6)	—
Polish zloty	10.31%	(1.0)	(4.5)	0.6	4.7
Romanian leu	4.76%	0.1	(1.4)	(0.2)	1.4
Russian rouble	8.66%	0.2	(3.4)	(1.3)	2.8
Serbian dinar	9.11%	—	0.5	—	(0.6)
Swiss franc	14.95%	3.5	(4.5)	(3.8)	4.6
UK sterling	8.02%	1.7	5.7	(1.6)	(6.8)
Ukrainian hryvnia	12.18%	0.8	—	(1.0)	—
US dollar	11.09%	20.8	6.6	(26.4)	(7.2)
		22.9	**(2.7)**	**(28.6)**	**—**

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

30. Financial risk management (Continued)

2010 exchange risk sensitivity analysis

		Euro strengthens against local currency		Euro weakens against local currency	
	% change	Loss/(Gain) in income statement € million	Loss/(Gain) in equity € million	Loss/(Gain) in income statement € million	(Gain)/loss in equity € million
Armenian dram	12.25%	—	—	—	—
Belarusian rouble	9.82%	(0.6)	—	0.7	—
Bulgarian lev	0.59%	(0.1)	—	0.1	—
Croatian kuna	1.84%	—	(0.1)	—	0.1
Czech koruna	6.22%	(1.4)	(1.0)	1.6	0.9
Estonian kroon	0.46%	(0.1)	—	0.1	—
Hungarian forint	11.28%	(1.2)	(1.6)	2.0	1.1
FYROM dinar	9.48%	(1.0)	—	1.2	—
Moldovan leu	12.38%	0.1	1.0	(0.1)	(1.3)
Nigerian naira	10.66%	0.5	—	(0.7)	—
Polish zloty	10.56%	(0.4)	(4.4)	2.6	1.7
Romanian leu	5.14%	1.2	(1.2)	(0.4)	—
Russian rouble	8.64%	(0.2)	(0.8)	(0.7)	0.5
Serbian dinar	4.91%	0.1	0.3	(0.1)	(0.3)
Swiss franc	8.65%	(1.6)	(1.9)	1.8	1.8
UK sterling	8.38%	(0.1)	6.0	0.5	(7.0)
Ukrainian hryvnia	10.87%	0.2	—	(0.2)	—
US dollar	10.25%	5.4	3.9	(6.7)	(3.3)
		0.8	**0.2**	**1.7**	**(5.8)**

		US dollar strengthens against local currency		US dollar weakens against local currency	
	% change	(Gain)/loss in income statement € million	(Gain)/loss in equity € million	Loss/(Gain) in income statement € million	Loss/(Gain) in equity € million
Belarusian rouble	2.87%	0.1	—	(0.1)	—
Bulgarian lev	10.22%	0.6	(0.1)	(0.8)	0.1
Croatian kuna	11.05%	—	(0.1)	—	0.1
Euro	10.25%	(5.5)	(3.0)	6.8	3.7
Nigerian naira	4.18%	0.1	1.5	(0.1)	(1.7)
Romanian leu	12.47%	—	(0.3)	—	0.3
Russian rouble	8.94%	0.4	(2.2)	(0.6)	0.5
Serbian dinar	11.56%	—	—	—	—
Ukrainian hryvnia	3.21%	(0.9)	—	1.0	—
		(5.2)	**(4.2)**	**6.2**	**3.0**

30. Financial risk management (Continued)

2009 exchange risk sensitivity analysis

		Euro strengthens against local currency		Euro weakens against local currency	
	% change	(Gain)/loss in income statement € million	(Gain)/loss in equity € million	Loss/(Gain) in income statement € million	(Gain)/loss in equity € million
Armenian dram	27.13%	—	—	—	—
Belarusian rouble	8.04%	(0.3)	—	0.4	—
Bulgarian lev	0.40%	(0.1)	—	0.1	—
Croatian kuna	3.22%	—	(0.1)	—	0.1
Czech koruna	8.16%	(0.4)	(1.0)	0.7	0.4
Hungarian forint	9.83%	(0.9)	(1.7)	0.5	(0.5)
FYROM dinar	3.89%	(0.1)	—	0.1	—
Moldovan leu	10.54%	0.2	—	(0.3)	—
Nigerian naira	12.44%	0.1	—	(0.3)	—
Polish zloty	11.04%	(8.8)	(2.4)	11.5	0.3
Romanian leu	3.36%	1.0	(0.4)	(0.4)	0.3
Russian rouble	6.90%	3.5	(1.7)	(3.6)	1.5
Serbian dinar	3.50%	—	—	—	—
Swiss franc	3.00%	—	(0.4)	—	0.4
UK sterling	10.23%	2.9	(0.2)	(4.5)	—
Ukrainian hryvnia	15.27%	0.2	—	(0.3)	—
US dollar	10.39%	(5.2)	3.0	5.9	(3.6)
		(7.9)	**(4.9)**	**9.8**	**(1.1)**

		US dollar strengthens against local currency		US dollar weakens against local currency	
	% change	Loss/(Gain) in income statement € million	(Gain)/loss in equity € million	(Gain)/loss in income statement € million	(Gain)/loss in equity € million
Belarusian rouble	7.45%	0.1	—	(0.1)	—
Bulgarian lev	10.74%	0.1	—	(0.1)	—
Euro	10.39%	3.0	(2.5)	(3.7)	3.0
Nigerian naira	7.52%	1.5	—	(1.7)	—
Romanian leu	11.60%	(0.1)	(1.0)	0.1	1.0
Russian rouble	11.29%	(0.2)	(0.2)	—	(1.0)
Serbian dinar	10.19%	0.1	—	(0.1)	—
Ukrainian hryvnia	15.91%	—	3.6	—	(5.0)
		4.5	**(0.1)**	**(5.6)**	**(2.0)**

Commodity price risk

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

30. Financial risk management (Continued)

Due to the significantly increased volatility of commodity prices, the Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. Although the Group continues to contract prices with suppliers in advance, to reduce its exposure to the effect of short-term changes in the price of sugar, fructose and aluminium, in addition, based on a rolling 36 month forecast about the required sugar supply, the Group hedges the purchase price of sugar using commodity swap contracts, even though these contracts do not qualify for hedge accounting.

The following table presents details of the Group's income statement and equity sensitivity to increases and decreases in sugar prices. The table does not show the sensitivity to the Group's total underlying sugar exposure or the impact of changes in volumes that may arise from increase or decrease in sugar prices. The sensitivity analysis determines the potential effect on profit or loss and equity arising from the Group's commodity swap contract positions as a result of the reasonably possible increases or decreases of the sugar price. The sensitivity analysis for sugar price risk for 2011 was as follows:

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

Interest rate risk

The fair value of interest rate swap agreements utilised by the Group modifies the Group's exposure to interest rate risk and the changes in fair value of debt by converting the Group's fixed rate debt into floating rate obligation based on Euribor over the life of the underlying US$500.0 million notes. The agreements involve the receipt of fixed rate interest payments in exchange of floating rate interest payments over the life of the agreement without an exchange of the underlying principal amount. In June and July 2009, the Group unwound two euro interest rate swap contracts with a notional value of €207.5m, while in June and July 2010 the Group unwound the remaining interest rate swap contracts with a notional value of €292.5m, all of which related to the €500.0m 7-year euro-denominated fixed rate bond that matured in 2011. Furthermore, in June and July 2010, the Group unwound the interest rate swap contracts with notional value of €500.0m which related to the €500.0m 5-year euro-denominated fixed rate bond that matures in 2014.

During 2009, Coca-Cola Hellenic purchased interest rate option contracts on floating rate debt in order to continue to benefit from lower floating interest rates whilst ensuring protection against adverse interest rate movements. These interest rate options were sold in June and July 2010.

During 2011, we recognized in interest expense a loss of €6.6m in relation to the ineffective portion of swaps which qualified for hedge accounting compared to a gain of €1.0m in 2010 and a loss of €1.6m in 2009.

30. Financial risk management (Continued)

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

If interest rates had been 100 basis points higher and all other variables were held constant, the Group's profit for the year ended 31 December 2011 would have decreased by €5.0m (2010: €1.8m, 2009: €19.0m). If interest rates had been 100 basis points lower and all other variables were held constant, the Group's profit for the year ended 31 December 2011 would have increased by €5.0m (2010: €1.8m, 2009: €19.0m). This is mainly attributable to the Group's exposure to interest rates on its fixed rate bond that have been swapped to a floating rate obligation.

Credit risk

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

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 December 2011 in relation to each class of recognised financial asset, is the carrying amount of those assets as indicated on the balance sheet.

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

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

The Group only undertakes investment transactions with banks and financial institutions that have a minimum credit rating of 'A+/A1' from Standard & Poor's or 'A1/P1' from Moody's. In relation to derivative transactions, the financial institutions are required to have at least one long-term credit rating of 'A+' or 'A1' from Standard & Poor's or Moody's respectively.

Liquidity risk

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

30. Financial risk management (Continued)

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity requirements. The Group manages liquidity risk by maintaining adequate cash reserves and committed banking facilities, access to the debt capital markets, and by continuously monitoring forecasted and actual cash flows. Included in Note 15 is a listing of the undrawn facilities that the Group has at its disposal to manage liquidity risk.

The following tables detail the Group's remaining contractual maturities for its financial liabilities. The tables include both interest and principal undiscounted cash flows assuming that interest rates remain constant from 31 December 2011.

	€ million up to 1 year	€ million 1-2 yrs	€ million 2-5 yrs	€ million over 5 years
Borrowings	413.0	511.7	1,610.5	44.8
Derivative liabilities	4.0	0.2	—	—
Trade and other payables	1,485.3	—	—	6.8
As at 31 December 2011	**1,902.3**	**511.9**	**1,610.5**	**51.6**
Borrowings	623.8	92.4	1,451.7	361.3
Derivative liabilities	4.1	—	—	—
Trade and other payables	1,421.5	—	—	6.8
As at 31 December 2010	**2,049.4**	**92.4**	**1,451.7**	**368.1**

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

Capital risk

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

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

30. Financial risk management (Continued)

The Group's goal is to maintain a conservative financial profile. This is evidenced by the strong credit ratings maintained with Standard & Poor's and Moody's. The corporate credit ratings by Standard & Poor's remained unchanged over the period, i.e. "A" long term, "A1" short term and stable outlook. In November 2011, Moody's affirmed Coca-Cola Hellenic's "A3" long-term, "P2" short-term corporate credit ratings but changed the outlook to negative. The Group monitors its capital structure on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Total capital is calculated as 'Total equity' plus 'Net debt' as shown in the consolidated balance sheet. The Group's strategy is to maintain a gearing ratio within a 35% to 45% range. The gearing ratios at 31 December 2011 and 2010 were as follows:

	2011 € million	2010 € million
Total borrowings (refer to Note 15)	**2,256.0**	2,191.5
Less: Cash and cash equivalents (refer to Note 14)	**(476.1)**	(326.1)
Net debt	**1,779.9**	**1,865.4**
Total equity	**2,913.2**	3,060.8
Total capital	**4,693.1**	**4,926.2**
Gearing ratio	**38%**	**38%**

The gearing ratio in 2011 remained constant compared to the prior year (refer to Note 15).

Fair values of financial assets and liabilities

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

Level 1

The fair value of available-for-sale listed equity securities is based on quoted market prices at 31 December 2011.

Level 2

The fair value of foreign currency forward contracts, foreign currency option contracts, commodity swap contracts, bonds and notes payable, interest rate swap contracts and cross-currency swap contracts is determined by using valuation techniques. These valuation techniques maximise the use of observable market data. The fair value of the foreign currency forward contracts, foreign currency option contracts, commodity swap contracts and cross-currency swap contracts is calculated by reference to quoted forward exchange, deposit rates and forward rate curve of the underlying commodity at 31 December 2011 for contracts with similar maturity dates. The fair value of interest rate option contracts is calculated by reference to the Black and Scholes valuation model and implied volatilities. The fair value of bonds and notes payable has been determined on the basis of the estimated present value of future cash flows based on observable yield curves. The fair value of interest rate swap contracts is determined as the difference in the present value of the future interest cash inflows and outflows based on observable yield curves.

30. Financial risk management (Continued)

Level 3

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

The following table provides the fair value hierarchy in which fair value measurements are categorised for assets and liabilities at 31 December 2011:

	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Financial assets at FVTPL				
Foreign currency forward contracts	—	3.5	—	**3.5**
Foreign currency option contracts	—	0.4	—	**0.4**
Derivative financial assets used for hedging				
Fair value hedges				
Foreign currency forward contracts	—	0.6	—	**0.6**
Interest rate swap contracts	—	25.7	—	**25.7**
Cash flow hedges				
Foreign currency forward contracts	—	9.8	—	**9.8**
Foreign currency option contracts	—	1.4	—	**1.4**
Interest rate swap contracts	—	43.8	—	**43.8**
Available-for-sale financial assets				
Equity securities	**0.8**	—	**0.6**	**1.4**
Total financial assets	**0.8**	**85.2**	**0.6**	**86.6**
Financial liabilities at FVTPL				
Foreign currency forward contracts	—	(0.9)	—	**(0.9)**
Foreign currency option contracts	—	(0.4)	—	**(0.4)**
Cross-currency swap contracts	—	(60.9)	—	**(60.9)**
Commodity swap contracts	—	(1.4)	—	**(1.4)**
Hedged financial liabilities				
Bonds and notes payable	—	(749.4)	—	**(749.4)**
Derivative financial liabilities used for hedging				
Cash flow hedges				
Foreign currency forward contracts	—	(1.5)	—	**(1.5)**
Cross-currency swap contracts	—	(69.9)	—	**(69.9)**
Total financial liabilities	**—**	**(884.4)**	**—**	**(884.4)**

There were no material changes in fair value measurements for Level 3 items for the year ended 31 December 2011.

30. Financial risk management (Continued)

The following table provides the fair value hierarchy in which fair value measurements are categorised for assets and liabilities at 31 December 2010:

	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Financial assets at FVTPL				
Foreign currency forward contracts	—	0.3	—	**0.3**
Foreign currency option contracts	—	0.4	—	**0.4**
Derivative financial assets used for hedging				
Fair value hedges				
Foreign currency forward contracts	—	1.7	—	**1.7**
Interest rate swap contracts	—	35.4	—	**35.4**
Cash flow hedges				
Foreign currency forward contracts	—	0.6	—	**0.6**
Foreign currency option contracts	—	1.2	—	**1.2**
Interest rate swap contracts	—	37.7	—	**37.7**
Available-for-sale financial assets				
Equity securities	1.5	—	0.3	**1.8**
Total financial assets	**1.5**	**77.3**	**0.3**	**79.1**
Financial liabilities at FVTPL				
Foreign currency forward contracts	—	(0.1)	—	**(0.1)**
Cross-currency swap contracts	—	(72.6)	—	**(72.6)**
Hedged financial liabilities				
Bonds and notes payable	—	(744.1)	—	**(744.1)**
Derivative financial liabilities used for hedging				
Fair value hedges				
Foreign currency forward contracts	—	(0.6)	—	**(0.6)**
Cash flow hedges				
Foreign currency forward contracts	—	(3.4)	—	**(3.4)**
Cross-currency swap contracts	—	(63.5)	—	**(63.5)**
Total financial liabilities	**—**	**(884.3)**	**—**	**(884.3)**

The following table presents changes in fair value measurements for Level 3 items for the year ended 31 December 2010:

	€ million
As at 1 January 2010	15.6
Total gains for the year	
In profit and loss	1.0
Settlements	(16.3)
As at 31 December 2010	**0.3**
Total gains for the year included in profit or loss for assets held at 31 December 2010	**1.0**

Total gains for the year included in profit or loss for available-for-sale equity securities amounted to €1.0m, related to assets held at 31 December 2010 and were recorded within operating expenses.

31. Contingencies

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

In relation to the Greek Competition Authority's decision of 25 January 2002, one of the Company's competitors has filed a lawsuit claiming damages in an amount of €7.7m. The court of first instance heard the case on 21 January 2009 and subsequently rejected the lawsuit. The plaintiff has appealed the judgment. At present, it is not possible to predict the final outcome of this lawsuit or quantify the likelihood or materiality of any potential liability arising from it. We have not provided for any losses related to this case.

On 1 February 2012, the Greek Competition Commission conducted an inspection of the Company's Greek operations as part of an investigation into the sparkling, juice and water categories. The Company has a policy of strict compliance with Greek and EU competition law and it is cooperating fully with the Commission.

In the second quarter of 2010, the Serbian Competition Authority opened an investigation into the commercial practices of the Company's Serbian subsidiary for potential abuse of dominance in the market for distribution of alcoholic and non-alcoholic beverages. The authority published an invitation for comments by third parties. At present, it is not possible to predict the final outcome of this investigation or quantify the likelihood or materiality of any potential liability arising from it.

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

31. Contingencies (Continued)

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

32. Commitments

(a) Operating leases

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

	2011 € million	2010 € million
Less than one year	**55.1**	62.6
Later than one year but less than five years	**107.8**	141.3
Later than five years	**19.1**	26.8
Future minimum lease payments	**182.0**	**230.7**

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

	2011 € million	2010 € million	2009 € million
Plant and equipment	**67.9**	57.4	53.0
Property	**47.2**	46.1	46.8
Total operating lease charges	**115.1**	**103.5**	**99.8**

(b) Capital commitments

At 31 December 2011 the Group had capital commitments amounting to €93.9m (2010: €66.3m). Of this, €2.5m related to the Company's share of the commitments of its joint ventures (2010: €0.5m).

(c) Long-term commitments

At 31 December 2011 the Group had commitments to purchase raw materials and receive services amounting to €355.3m (2010: €203.8m). Of this, €7.8m related to the Company's share of the commitments of its joint ventures (2010: €13.2m).

33. Directors' and senior management remuneration

The total remuneration paid to or accrued for directors and the senior management team during 2011 amounted to €14.4m (2010: €14.1m, 2009: €12.6m). Out of this, the amount paid or accrued for stock option grants during 2011 was €4.6m (2010: €4.2m, 2009: €3.9m). Pension and post employment benefits for directors and the senior management team during 2011 amounted to €0.8m (2010: €0.9m, 2009: €1.1m).

The total number of stock options granted to the Chief Executive Officer and the senior management team in 2011 amounted to 0.9m (2010: 1.2m, 2009: 1.2m).

34. Related party transactions

a) The Coca-Cola Company

As at 31 December 2011, TCCC indirectly owned 23.2% (2010: 23.2%, 2009: 23.3%) of the issued share capital of Coca-Cola Hellenic. TCCC considers Coca-Cola Hellenic to be a 'key bottler' and has entered into bottler's agreements with Coca-Cola Hellenic in respect of each of Coca-Cola Hellenic's territories. All the bottler's agreements entered into by TCCC and Coca-Cola Hellenic are Standard International Bottler's ('SIB') agreements. The terms of the bottler's agreements grant Coca-Cola Hellenic the right to produce and the exclusive right to sell and distribute the beverages of TCCC in each of the countries Coca-Cola Hellenic operates. Consequently, Coca-Cola Hellenic is obliged to purchase all concentrate for TCCC's beverages from TCCC, or its designee, in the ordinary course of business. These agreements extend to 2013 and may be renewed at TCCC's discretion until 2023. On 29 December 2008, Kar-Tess Holding and TCCC agreed to extend their existing shareholders' agreement, whereby the combined shareholdings of Kar-Tess Holding and TCCC will not fall below 44% for the period up to January 2014 and not below 40% for the period thereafter until 31 December 2018.

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

Total purchases of concentrate, finished products and other materials from TCCC and its subsidiaries during 2011 amounted to €1,305.4m (2010: €1,372.9m, 2009: €1,283.6m).

TCCC makes discretionary marketing contributions to Coca-Cola Hellenic's operating subsidiaries. The participation in shared marketing agreements is at TCCC's discretion and, where co-operative arrangements are entered into, marketing expenses are shared. Such arrangements include the development of marketing programmes to promote TCCC's beverages. Total net contributions received from TCCC for marketing and promotional incentives during the year amounted to €76.5m (2010: €60.8m, 2009: €56.9m). Contributions for price support and marketing and promotional campaigns in respect of specific customers are recorded in net sales revenue as an offset to promotional incentives paid to customers. In 2011, such contributions totalled €49.0m (2010: €48.8m, 2009: €39.9m). Contributions for general marketing programmes are recorded as an offset to selling expenses. In 2011, such contributions made by TCCC to Coca-Cola Hellenic totalled €21.9m (2010: €19.8m, 2009: €22.5m) and the contributions of Coca-Cola Hellenic to TCCC totalled €9.0m (2010: €7.8m, 2009: €5.5m). TCCC has also customarily made additional payments for marketing and advertising directly to suppliers as part of the shared marketing arrangements. The proportion of direct and indirect payments, made at TCCC's discretion, will not necessarily be the same from year to year. In addition, support payments received from TCCC for the placement of cold drink equipment were €14.6m for the year ended 31 December 2011 (2010 and 2009: nil).

In 2011, the Group did not record any gain from the sale of property, plant and equipment to TCCC (2010: nil, 2009: €0.2m).

During the year, the Group sold €32.8m of finished goods and raw materials to TCCC (2010: €19.0m, 2009: €20.5m).

Other income primarily comprises rent, facility and other items of €1.2m (2010: €14.3m, 2009: €4.4m) and a toll-filling relationship in Poland of €13.8m (2010: €17.6m, 2009: €15.0m). Other expenses related to facility costs charged by TCCC and shared costs included in operating expenses amounted to €4.0m (2010: nil, 2009: €1.5m).

34. Related party transactions (Continued)

During 2011 the Group did not make any purchases of franchise rights (2010: €4.4m, 2009: nil) and did not receive any income from the sale of available-for-sale assets to TCCC (2010: €4.9m, 2009: nil).

As at 31 December 2011, the Group had a total amount due from TCCC of €63.2m (2010: €53.8m, 2009: €64.2m), of which €0.3m (2010: €3.0m, 2009: €6.7m,) related to loans to joint ventures with TCCC, and a total amount due to TCCC of €172.2m of trade payables (2010: €166.0m, 2009: €125.1m) and €7.6m of other liabilities (2010: nil, 2009: nil).

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

Frigoglass, a company listed on the Athens Exchange, is a manufacturer of coolers, glass bottles and crowns. Frigoglass is related to Coca-Cola Hellenic by way of 43.7% ownership by the parent of Kar-Tess Holding (see below). Frigoglass has a controlling interest in Frigoglass Industries Limited, a company in which Coca-Cola Hellenic has a 23.9% effective interest, through its investment in Nigerian Bottling Company plc (refer to Note 6).

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

During 2011, the Group made purchases of €148.0m (2010: €101.0m, 2009: €58.8m) of coolers, glass bottles and crowns from Frigoglass and its subsidiaries and incurred maintenance and other expenses of €6.4m (2010: €5.7m, 2009: €5.3m). In addition the Group recorded other income of €1.0m (2010: €0.5m, 2009: €0.7m). As at 31 December 2011, Coca-Cola Hellenic owed €14.4m (2010: €13.9m, 2009: €3.6m) to, and was owed €1.2m (2010: €1.2m, 2009: €4.7m) by Frigoglass.

(c) Directors

Mr George A. David, Mr Haralambos K. Leventis, Mr Anastasios P. Leventis and Mr Anastassis G. David have been nominated by Kar-Tess Holding to the board of Coca-Cola Hellenic. Mr Irial Finan and Mr John Hunter have been nominated by TCCC to the board of Coca-Cola Hellenic. There have been no transactions between Coca-Cola Hellenic and the directors except for remuneration (refer to Note 33).

(d) Other

Beverage Partners Worldwide ('BPW')

BPW is a 50/50 joint venture between TCCC and Nestlé. During 2011, the Group purchased inventory from BPW amounting to €99.6m (2010: €89.4m, 2009: €70.0m) and did not record any income (2010: €0.1m, 2009: €0.1m). As at 31 December 2011, Coca-Cola Hellenic owed €4.4m (2010: €4.4m, 2009: €1.7m) to, and was owed €0.1m (2010: nil, 2009: €0.3m) by BPW.

34. Related party transactions (Continued)

Kar-Tess Holding

As at 31 December 2011, Kar-Tess Holding owned 23.3% (2010: 23.3%, 2009: 29.5%) of the issued share capital of Coca-Cola Hellenic.

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

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

The Leventis Companies are related to Coca-Cola Hellenic by way of common directors, as a result of which significant influence is considered to exist. During 2011, the Group purchased €14.9m (2010: €10.8m, 2009: €10.0m) of finished goods and other materials and had no purchases of fixed assets (2010: nil, 2009: €0.4m) from the Leventis Companies. Furthermore the Group did not record any sales of finished goods and raw materials to the Leventis Companies (2010: €0.1m, 2009: nil) and incurred rental expenses of €2.8m (2010: €0.6m, 2009: €2.9m) from the Leventis Companies. In addition during 2011 the Group incurred other expenses of €0.3m (2010: €0.4m, 2009: nil) and recorded other income of €0.3m (2010: €1.0m, 2009: nil) with the Leventis Companies. As at 31 December 2011, the Group owed €3.8m (2010: €1.3m, 2009: €2.2m) to, and was owed €0.2m (2010: €0.8m, 2009: €0.2m) by the Leventis Companies.

Other Coca-Cola bottlers

The Group sold €1.6m of finished goods (2010: €1.3m, 2009: nil), purchased €2.0m of finished goods (2010: €0.5m, 2009: nil), incurred expenses of €0.1m (2010: €0.1m, 2009: €0.1m) and did not record any income (2010: €0.3m, 2009: €0.4m) from other Coca-Cola bottlers over which TCCC has significant influence. Furthermore during 2011 the Group received reimbursement for direct marketing expenses incurred of €0.1m (2010: €0.8m, 2009: €0.5m) from other Coca-Cola bottlers. At 31 December 2011, the receivables from such Coca-Cola bottlers were €0.3m (2010: €1.5m, 2009: €1.3m).

Other related parties

The Group purchased €1.5m (2010: €1.4m, 2009: €2.1m) of raw materials and finished goods and did not perform any purchases of fixed assets from other related parties (2010: €0.3m, 2009: €0.2m). Further, the Group incurred expenses of €2.6m (2010: €2.1m, 2009: €1.0m) and recorded income of €0.3m (2010: €0.2m, 2009: €0.2m). At 31 December 2011, the Group owed €0.3m (2010: €0.1m, 2009: €0.4m) to, and was owed €0.4m (2010: €0.8m, 2009: nil) by other related parties.

There are no significant transactions with other related parties for the year ended 31 December 2011.

35. List of principal Group companies

The following are the principal Group companies at 31 December:

	Country of registration	% ownership 2011	2010
3E (Cyprus) Limited	Cyprus	100.0%	100.0%
AS Coca-Cola HBC Eesti	Estonia	100.0%	100.0%
Bankya Mineral Waters Bottling Company EOOD	Bulgaria	100.0%	100.0%
Brewinvest S.A. Group[1]	Greece	50.0%	50.0%
CC Beverages Holdings II B.V.	The Netherlands	100.0%	100.0%
CCB Management Services GmbH	Austria	100.0%	100.0%
CCB Services Limited	England and Wales	100.0%	100.0%
CCBC Services Limited	Republic of Ireland	100.0%	100.0%
CCHBC Armenia CJSC	Armenia	90.0%	90.0%
CCHBC Bulgaria AD	Bulgaria	85.4%	85.4%
CCHBC Insurance (Guernsey) Limited	Guernsey	100.0%	100.0%
CCHBC IT Services Limited	Bulgaria	100.0%	100.0%
Coca-Cola Beverages Austria GmbH	Austria	100.0%	100.0%
Coca-Cola Beverages Belorussiya	Belarus	100.0%	100.0%
Coca-Cola Beverages Ceska republika, s.r.o.	Czech Republic	100.0%	100.0%
Coca-Cola Beverages Hrvatska d.o.o.	Croatia	100.0%	100.0%
Coca-Cola Beverages Ukraine Ltd	Ukraine	100.0%	100.0%
Coca-Cola Bottlers Chisinau S.R.L.	Moldova	100.0%	100.0%
Coca-Cola Bottlers Iasi Srl	Romania	99.2%	99.2%
Coca-Cola Bottling Company (Dublin) Limited	Republic of Ireland	100.0%	100.0%
Coca-Cola HBC Balkan Holding B.V.	The Netherlands	100.0%	100.0%
Coca-Cola HBC-Srbija d.o.o.[2]	Serbia	100.0%	91.2%
Coca-Cola HBC B-H d.o.o. Sarajevo	Bosnia and Herzegovina	100.0%	100.0%
Coca-Cola HBC Finance B.V.	The Netherlands	100.0%	100.0%
Coca-Cola HBC Finance plc	England and Wales	100.0%	100.0%
Coca-Cola HBC Hungary Ltd.	Hungary	100.0%	100.0%
Coca-Cola HBC Ireland Limited	Republic of Ireland	100.0%	100.0%
Coca-Cola HBC Italia S.r.l.	Italy	100.0%	100.0%
Coca-Cola HBC Kosovo L.L.C.	Kosovo	100.0%	100.0%
Coca-Cola HBC Northern Ireland Limited	Northern Ireland	100.0%	100.0%
Coca-Cola HBC Polska sp. z o.o.	Poland	100.0%	100.0%
Coca-Cola HBC Romania Ltd	Romania	100.0%	100.0%
Coca-Cola HBC Slovenija d.o.o.	Slovenia	100.0%	100.0%
Coca-Cola HBC Slovenska republika, s.r.o.	Slovakia	100.0%	100.0%
Coca-Cola HBC Switzerland Ltd	Switzerland	99.9%	99.9%
Coca-Cola Hellenic Bottling Company-Crna Gora d.o.o., Podgorica	Montenegro	100.0%	91.2%
Coca-Cola Hellenic Business Service Organization[3]	Bulgaria	100.0%	—
Coca-Cola Hellenic Procurement GmbH	Austria	100.0%	100.0%
Deepwaters Investments Ltd	Cyprus	50.0%	50.0%
Dorna Apemin S.A.[1]	Romania	50.0%	50.0%
Dorna Investments Limited	Guernsey	50.0%	50.0%

35. List of principal Group companies (Continued)

	Country of registration	% ownership 2011	2010
Dunlogan Limited	Northern Ireland	100.0%	100.0%
Elxym S.A.	Greece	100.0%	100.0%
Eurmatik S.r.l.[4]	Italy	—	100.0%
Fonti del Vulture S.r.l.[1]	Italy	50.0%	50.0%
Fresh & Co. d.o.o., Subotica[1]	Serbia	50.0%	50.0%
Ilko Hellenic Partners GmbH[1][5]	Austria	—	33.3%
Lanitis Bros Ltd	Cyprus	100.0%	100.0%
Leman Beverages Holding S.à.r.l.	Luxembourg	90.0%	90.0%
LLC Coca-Cola HBC Eurasia	Russia	100.0%	100.0%
MTV West Kishinev Bottling Company S.A.	Moldova	100.0%	100.0%
Multivita Sp. Zo.o.[1]	Poland	50.0%	50.0%
Multon Z.A.O. Group[1][6]	Russia	50.0%	50.0%
Nigerian Bottling Company plc[7]	Nigeria	100.0%	66.4%
Panpak Limited	Republic of Ireland	100.0%	100.0%
Römerquelle Beteiligungsverwaltungs GmbH[1]	Austria	50.0%	50.0%
Römerquelle Liegenschaftsverwaltungs GmbH	Austria	100.0%	100.0%
SIA Coca-Cola HBC Latvia	Latvia	100.0%	100.0%
Softbev Investments Limited	Cyprus	100.0%	100.0%
Star Bottling Limited	Cyprus	100.0%	100.0%
Star Bottling Services Corp.	British Virgin Islands	100.0%	100.0%
Tsakiris S.A.	Greece	100.0%	100.0%
UAB Coca-Cola HBC Lietuva	Lithuania	100.0%	100.0%
Valser Mineralquellen GmbH[1]	Switzerland	50.0%	50.0%
Valser Services AG[3]	Switzerland	99.9%	—
Vendit Ltd	Republic of Ireland	100.0%	100.0%
Vlasinka d.o.o. Beograd-Zemun[1]	Serbia	50.0%	50.0%
Yoppi Hungary Kft.	Hungary	100.0%	100.0%

(1) Joint venture.

(2) On 25 June 2010, the Group initiated a tender offer to purchase all of remaining shares of the non-controlling interest in Coca-Cola HBC—Srbija A.D., Zemun (“CCH Serbia”). The tender offer was completed on 2 August 2010 and resulted in the Group increasing its stake in CCH Serbia to 91.2% as of 31 December 2010. In 2011, the Group acquired all the remaining interest in the subsidiary (refer to Note 28).

(3) Incorporated in 2011.

(4) In February 2011, we sold all of our interests in Eurmatik S.r.l., the vending operator in Italy (refer to Note 28).

(5) In 2011, the Group disposed of its interest in the Ilko joint venture (refer to Note 6).

(6) On 20 April, 2011 the Group along with TCCC, acquired through Multon Z.A.O., MS Foods UAB, a company that owns 100% of the equity of Vlanpak FE, a fruit juice and nectar producer in Belarus (refer to Note 28).

35. List of principal Group companies (Continued)

(7) On 8 June 2011, the Board of Directors of the Company's subsidiary Nigerian Bottling Company plc ("NBC") resolved to propose a scheme of arrangement between NBC and its minority shareholders, involving the cancellation of part of the share capital of NBC. The transaction was approved by the Board of Directors and General Assembly of NBC on 8 June 2011 and 22 July 2011 respectively and resulted in acquisition of the remaining 33.6% of the voting shares of NBC bringing the Group's interest in the subsidiary to 100%. The transaction was completed in September 2011 (refer to Note 28).

36. Joint ventures

The Group has a 50% interest in four joint ventures, Brewinvest S.A., a group of companies engaged in the bottling and distribution of beer in Bulgaria and beer and soft drinks in FYROM, the Multon Z.A.O. Group of companies, which is engaged in the production and distribution of juices in Russia, Fresh & Co. d.o.o., which is engaged in the production and distribution of juices in Serbia, and the Römerquelle group, which is engaged in the bottling and distribution of water in Austria, which are accounted for as either jointly controlled operations or jointly controlled assets, depending on their structure, whereby the Group's proportional share of related assets, liabilities, revenues and expenses are recognised in the consolidated financial statements.

The following amounts are recognised in the consolidated financial statements as a result of its interests in these joint ventures at 31 December and for the years then ended:

	2011 € million	2010 € million	2009 € million
Balance sheet			
Non-current assets	**314.5**	317.5	298.6
Current assets	**122.9**	147.4	149.1
Total assets	**437.4**	**464.9**	**447.7**
Non-current liabilities	**(15.0)**	(10.9)	(37.1)
Current liabilities	**(64.4)**	(91.3)	(82.0)
Total liabilities	**(79.4)**	**(102.2)**	**(119.1)**
Net assets	**358.0**	**362.7**	**328.6**
Income statement			
Income	**242.9**	256.2	243.2
Expenses	**(234.5)**	(232.8)	(235.5)
Net profit	**8.4**	**23.4**	**7.7**

In addition, the Group has an interest in five jointly controlled entities, which are accounted for using the equity method (refer to Note 6). Concerning the commitments from joint ventures please refer to Note 32.

37. Post balance sheet events

During the first months of 2012 the Group incurred €4.4m of restructuring costs before tax, €3.6m in its developing and €0.8m in its emerging countries.