Russia in Focus

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Regional Director

Coca-Cola HBC
The opportunity we see in Russia...

- **Russia GDP**
  - $2.5 Trillion
  - 7th in the world

- **NARTD market**
  - 2.2 Bn UC in 2012
  - ~3.1 Bn UC by 2020

- **Russia NARTD Per Caps**
  - ~45% Poland’s
  - ~46% Hungary

- **PDI Growth**
  - 5.6%

- **70% Urban**
  - Developing Retail Infrastructure

- **We have leading brands in all core NARTD categories**

- **CCH in 2012**
  - 371 MM UC
  - 73 per cap
  - 19.5% NARTD share

Source: All numbers are FY2012 data unless otherwise stated
EIU, Canadean, Compass, Nielsen, RosStat, Nielsen
*PDI= Personal Disposable Income
Favorable socio-economic trends

Middle class is expanding footprint

HH disposable income drives consumer spend

Employment trends fuel Retail turnover

GDP growth projected stable

Geo: Russia  Source: EIU, State Statistics, internal est
Russia’s NARTD opportunity is relatively underdeveloped

**NARTD per capita**

- Poland: 828
- Czech Rep: 815
- Hungary: 810
- Norway: 717
- Bulgaria: 639
- Romania: 544
- Sweden: 527
- Finland: 469
- Russia: 374

**WATER per capita**

- Hungary: 488
- Poland: 344
- Romania: 277
- Czech Rep: 265
- Bulgaria: 250
- Sweden: 100
- Norway: 87
- Russia: 81
- Finland: 78

**SSD per capita**

- Czech Rep: 483
- Norway: 441
- Bulgaria: 414
- Sweden: 292
- Poland: 251
- Hungary: 250
- Finland: 228
- Romania: 211
- Russia: 150

**JUICE per capita**

- Poland: 171
- Finland: 171
- Sweden: 142
- Norway: 135
- Hungary: 100
- Russia: 89
- Czech Republic: 88
- Bulgaria: 84
- Romania: 30

Source: Canadean
We have leading brands in >70% of NARTD

Source: Nielsen, Canadean
We have established a strong foothold in Russia


- Summer Olympics 1st KO beverage
- CCH takes all Russian operations
- 1st plant in Russia
- Investment in Aquavision bottling facilities
- Coke sells 100MUC in Russia
- Multon acquisition by CCH and TCCC
- TCCS commits $3Bln investment
- CCH Russia breaks 300MUC
- Sochi Olympics
- FIFA World Cup in Russia
We have built a leadership platform across key categories

- 2003 - Entered Sports and Energy
- 2004 – Nestea first aseptic Ice Tea in Russia
- 2005 - Multon acquisition
- 2010 – Coca-Cola > 100MM UC
- 2012 - CCH NARTD >300MM UC

*Other – Kvass, Sport, Minute Maid, Coffee
** Juice – 50% Multon with Export

10Y CAGR +10%
We have developed a very balanced business

Sales by Category*
- Sparkling: 63%
- Still: 21%
- Water: 16%

Sales by Channel**
- Immediate consumption: 18%
- Organized Trade: 32%
- Third Party: 30%

By Brand
- Coca-Cola: 37%
- Sprite: 10%
- BonAqua: 16%
- Nestea: 8%
- Dobriy: 11%
- Rich: 1%
- Other**: 8%
- Other**: 8%
- Burn: 1%

*Sparkling – Premium Sparkling, Value Sparkling, Kvass, Energy. Still – Tea, Juice 50% Multon, Sport.
**Other - Schweppes, Dobry Lemonade, Frukttime, Kruzhka&Bochka, Powerade, Nico, Yasli-Sad
*** Direct Sales, Multon 50% with Export
We have a broad portfolio of winning brands

Russia is world’s largest market

Source: Russia internal data
We have a growth engine in brand Coca-Cola

Coca-Cola Brand performance in Russia

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume MM UC</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>84</td>
<td>13.6%</td>
</tr>
<tr>
<td>2009</td>
<td>78</td>
<td>13.6%</td>
</tr>
<tr>
<td>2010</td>
<td>99</td>
<td>16.6%</td>
</tr>
<tr>
<td>2011</td>
<td>110</td>
<td>17.0%</td>
</tr>
<tr>
<td>2012</td>
<td>132</td>
<td>18.8%</td>
</tr>
</tbody>
</table>

Source: Russia internal data, Nielsen 2012 market share
Russia contributed 18% to CCH Group sales in 2012

Group Sales Mix

Emerging Markets 31%
Developing Markets 19%
Russia 18%
Established Markets 32%

Russia
Emerging Markets
Developing Markets
Established Markets
Group Sales Mix

Mln, UC


Core Business
Multon
vs PY

* Multon 50% sales with Export
Russia is a priority for the Global Coca-Cola System

<table>
<thead>
<tr>
<th>% growth vs. PY 2012</th>
<th>Global ranking among Top 22 in 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>NARTD</td>
<td>+8.1%</td>
</tr>
<tr>
<td>Sparkling</td>
<td>+12.6%</td>
</tr>
<tr>
<td>Coca-Cola</td>
<td>+20.3%</td>
</tr>
<tr>
<td>Fanta</td>
<td>+23.2%</td>
</tr>
<tr>
<td>Sprite</td>
<td>+10.4%</td>
</tr>
</tbody>
</table>
We have the largest supply chain infrastructure in Russia

- 14 Plants, strategically located across Russia
- 37 Lines: PET, Aseptic, NRGB, CAN, Hot fill
- 32 Juice Fillers
- Annual capacity 380MM physical cases
- Efficient and expandable infrastructure
Our supply chain capabilities ensure competitive advantage

Oryol – Samara = 1126 Km = Zurich – Krakow

Moscow – Novosibirsk = 3200 Km ~ Athens - London

Moscow - Vladivostok = 8900 Km= Athens – Toronto
Our Strategic Framework provides clarity and focus

Play to Win
With The Coca-Cola Company our partners in growth

Unparalleled Talent
High Performance Mindset

Community Trust  Consumer Relevance  Customer Preference  Cost Leadership
Everything starts with our people

- 13,000 Highly Engaged Employees
- Focus ensured thru 6 Regions, 26 Commercial Territories
- Market Developers (2,700) serving 300K customers direct
- 130 Management Trainees in 2013 – 2 year program
- 120 Internal Trainers - 350,000 training hours per year
- Best Company for Leadership – 3 Years running
- Top 10 Russian Employer’s 2011-12
The 4C’s ensure dedication of purpose

**Consumer Relevance**
- Brand Priorities
- OBPPC
- Single Serves
- Innovation

**Customer Preference**
- Joint Value Creation
- Customer Care Centers
- Marketplace Execution (RED, Hellenic Goodmorning Meeting)

**Cost Leadership**
- Infrastructure optimization
- Cost Ownership
- SAP Wave II exploitation
- Shared Services
- Management of Working Capital
- Logistics Excellence

**Community Trust**
- Wellbeing/Responsible Marketing
- Social Equity
- Community Contribution
- CSR Leadership
- Responsible Marketing
Clear brand priorities led by Coca-Cola

- Drive leadership in Juice & RTD Tea
  - OBPPC
  - Leverage “Assets”
- Responsible Marketing

Play to Win

With The Coca-Cola Company our partners in growth

- Unparalleled Talent
- High Performance Mindset
- Community Trust
- Consumer Relevance
- Customer Preference
- Cost Leadership

Consumer Relevance

• Clear brand priorities led by Coca-Cola
  • Drive leadership in Juice & RTD Tea
    • OBPPC
    • Leverage “Assets”
  • Responsible Marketing
Coca-Cola will remain our growth engine

**Recruit teens & young adults**
- Sochi Olympic full year IMC
- Sampling PRE-OTR/OTR
- Branding teens hot-spots

**Drive IC through key occasions**
- Cooler placement
- IC Coke & food activation

**Build home consumption**
- FC OBPPC

**Responsible Marketing**

**REMOVING BARRIERS:**
- No Preservatives
- Natural Claims
- Straight Facts

**ACTIVE HEALTHY LIVING**
- Olympic Torch-OTR
- Grassroots

**BRAND LOVE VIA ASSESTS**
- Olympics
- Christmas
We are fully leveraging our total SSD portfolio.
While continuing to grow our profitable stills business...

Go for leadership

ENERGY: 24/7 INNOVATION
- Tropic 2012
- Blue
- Gladiator

NESTEA: PREFERENCE & OPBCC

Grow the base

BONAQUA: SUSTAINABILITY
- Lake Baikal
- Glass
- New VIVA

KVASS: SUPERIOR TASTE

Pioneer new categories

POWERADE: SPORTS CREDENTIALS
- ION4
- Olympic Games

JUICE: HIGH MARGIN LAUNCHES
- Gemina
- Asceptic Leaf
- Pulpy
Smart innovation on Product/Brands

Coca-Cola & Flavoured Sparkling
OBPPC

- 0.237L recruitment
- 1.5L frequency
- Multipacks

Energy
High profitability

- Burn 0.33/.5L
- Gladiator

Nestea
New occasions

- NRGB pack
- At Home

Juices
Increase frequency

- Pulpy-Drinks
- Still
- 1L new pack

Water
Revenue growth

- At Home
- Flavored
- HoReCa
Beer presents a smart opportunity to expand NARTD

**NARTD 2012 Market Split and Beer opportunity**

<table>
<thead>
<tr>
<th>Volume (MN UC)</th>
<th>999</th>
<th>648</th>
<th>583</th>
<th>1,794</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value (BN USD)</td>
<td>5.8</td>
<td>2.3</td>
<td>5.1</td>
<td>21.0</td>
</tr>
</tbody>
</table>

- **Sparkling**
- **Water**
- **Still**
- **Beer**

80% of NARTD

160% of NARTD

Sources: Canadean, Nielsen, internal data
We are in a strong position to exploit the opportunities from beer

**PORTFOLIO**

2013 Key Initiatives
- Recruit beer switchers to kvass through Krushka & Bochka
- Capture the adult opportunity through a Schweppes relaunch

Production on CCH plants

**COOLERS**

2013-2014 Key Initiatives
- Replace Beer coolers in top outlets
- Activate Kiosks with Coke & Food
- Add 34K Coolers in ‘13 – Total 334K

**RTM**

2013-2015 Key Initiatives
- Capture Leisure At Home
- Capture Leisure Away From Home
- Parks
- Stadiums
- Hanging out
We are building a sustainable legacy with Sochi 2014

Create A Positive Change In Russian Lives And Accelerate Our Business Towards Our 2020 Vision

**People**
Unlock the pride, passion & love for Coca-Cola among our +13,000 System employees

**Reputation**
Be recognized as the most trusted Company in Russia

**Coca-Cola**
Grow Coca-Cola, enabling the brand to be integral to the new spirit of Russia, across all generations

**South Region**
Expand our leadership & showcase our excellence of execution lead by the South Region
Our story will be told in 3 phases, across 7 dedicated moments

COCA-COLA INVITES US TO JOIN IN THE SOCHI OLYMPICS.
COCA-COLA VLIVAISYAI

2012
London-Sochi “Handover” IMC
OTR Nomination IMC

2013
Consumer Promo
OTR
Christmas

2014
Olympic Games Time IMC
After Games Campaign
“VLIVAIISYA”
Customers are at the heart of everything we do

Play to Win

With The Coca-Cola Company our partners in growth

- Joint Value Creation
- Hellenic Good Morning Meetings
- Right Execution Daily
- Customer Care Centre
- Cross Functional Teams
  - DIFOTAI
Building excellence at the point of sale - RED

Improve ours and customers revenue and profit

In cooperation with our customers

2 ppt improvement in RED score = +1% volume

City > 2 months after launch
City has been recently launched

35 Cities > 40% Volume
Cost Leadership

- Move from fixed to variable models
- Logistics – 3PL
- SAP exploitation
- Shared Services
- Demand Planning
- Working Capital
- Personal Cost Ownership
Reinvesting efficiencies for sustainable growth

TPM
(Trade Promo Management)
Simulation Promo
P&L

3PL roll-out

Demand Planning
Improved forecasting and planning

DIFOTAI
75% in 2012
95% in Q1 2013

FSM
(Field Sales Management)
On-Line Data Access
Moving from fixed to variable in logistics through 3rd party logistics ("3PL")

- SAP is a key enabler
- Current RTM is predominantly DSD (77%)
  - In-House operations
- Convert 25* in house to 3PL over 3 years
- 2 Locations converted in ‘12, 8 planned in ’13

*Representing less than 3 Million Unit Cases Volume per location, not major cities
Community Trust

Play to Win
With The Coca-Cola Company our partners in growth

- Reputation – Olympic Legacy
- Active Healthy Living
- Water preservation
- Community activities
- Environmental programs
We will continue to be a force for good...

Refresh 2020: Holistic plan to step change perception

Active Healthy Living: Grassroots football

Water Preservation: Living Volga (with UNESCO)

Reputation Legacy: Sochi 2014

Community: Xmas Caravan

Responsible Marketing: No preservatives
Thank You
Q&A