

# Coca-Cola HBC

Armenia, Austria, Belarus, Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, FYROM, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Moldova, Nigeria, Northern Ireland, Poland, Romania, Russia, Serbia & Montenegro, Slovakia, Slovenia, Switzerland, Ukraine

## Results for the full year ended December 2005 (IFRS)

### Fifth consecutive year of strong growth

#### HIGHLIGHTS FOR THE FULL YEAR

- Volume (excluding acquisitions) of 1,542 million unit cases, 9% above prior year (including acquisitions: 1,578 million unit cases, 12% above 2004),
- Strong progress in underlying operating profit (EBIT) to €481 million, 11% above prior year (15% above 2004 including acquisitions),
- Underlying net profit of €304 million (reported: €308 million), 20% above prior year,
- Underlying EPS of €1.28 (reported: €1.29), 20% above prior year (including acquisitions €1.34 or 26% above prior year),
- Fifth year of strong growth in return on invested capital (ROIC) now reaching 9.4%, exceeding for the first time our weighted average cost of capital (WACC) of approximately 9.0%.

#### HIGHLIGHTS FOR THE FOURTH QUARTER

- Volume (excluding acquisitions) of 353 million unit cases, 8% above 2004 (including acquisitions: 367 million unit cases, 12% above 2004),
- Strong progress in underlying operating profit (EBIT) to €42 million, 26% above prior year (47% above 2004 including acquisitions),
- Underlying net profit of €6 million (reported: €8 million), versus a €1 million loss during prior year,
- Underlying EPS of €0.02 (reported: €0.03), including acquisitions the underlying EPS amounted to €0.05.

Doros Constantinou, Managing Director of Coca-Cola HBC, commented:

*'We are very pleased to report another year of strong performance, the fifth consecutive year since Coca-Cola HBC was formed. In 2005, we took a number of initiatives that were the drivers behind this growth with a key focus on marketplace execution, expansion of our product offerings and an on-going emphasis on supply chain improvements, mitigating the negative effect of significantly higher raw material costs. At the same time in line with our strategy on non-CSD expansion, we completed the acquisition of Multon juice in Russia, Vlasinka water in Serbia & Montenegro and Bankya water in Bulgaria together with The Coca-Cola Company.'*

*2005 has been a landmark year for CCHBC as our ROIC performance has continued to improve strongly and exceeded our weighted average cost of capital, (9%) this year, a year ahead of our original target. This achievement is by no means our final destination and shareholder value creation will continue to be a key area of focus in the future.*

# Coca-Cola HBC

Armenia, Austria, Belarus, Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia  
FYROM, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Moldova, Nigeria, Northern Ireland,  
Poland, Romania, Russia, Serbia & Montenegro, Slovakia, Slovenia, Switzerland, Ukraine

*The successful execution of our strategy continues to provide a robust platform for growth. We believe that we have the passion and expertise to continue to leverage the potential of our unique country portfolio and expect our ongoing initiatives to deliver yet another year of solid performance'.*

**15 February 2006**

*Note 1: Underlying financial indicators (Operating profit, EPS, etc.) exclude the recognition of pre-acquisition tax losses and restructuring costs as per notes 4 and 5, respectively, the amortisation of indefinitely-lived intangible assets as per note 1 and the results of the acquired entities in 2005.*

*Note 2: The Multon acquisition is being accounted for as a joint venture. As a result, we are consolidating our 50% share of the total business effective from 20 April 2005.*

**Coca-Cola HBC ('CCHBC' or the 'Group') is one of the world's largest bottlers of products of The Coca-Cola Company ('TCCC') and has operations in 26 countries serving a population of over 540 million people. CCHBC shares are listed on the Athens Exchange (ATHEX:EEEE), with secondary listings on the London (LSE:CCB) and Australian (ASX:CHB) Stock Exchanges. CCHBC's American Depositary Receipts (ADRs) are listed on the New York Stock Exchange (NYSE:CCH).**

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**Financial information in this announcement is presented on the basis of International Financial Reporting Standards ('IFRS'). CCHBC also prepares financial information under accounting principles generally accepted in the United States ('US GAAP'), which are available on our website: [www.coca-colahbc.com](http://www.coca-colahbc.com)**

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## **INQUIRIES:**

### **Company contacts:**

**Coca-Cola HBC**

Melina Androutsopoulou  
Investor Relations Director

**Tel: +30 210 618 3229**  
email: [melina.androutsopoulou@cchbc.com](mailto:melina.androutsopoulou@cchbc.com)

George Toulantas  
Investor Relations Associate

**Tel: +30 210 618 3255**  
email: [george.toulantas@cchbc.com](mailto:george.toulantas@cchbc.com)

Anna Konopliankova  
Investor Relations Analyst

**Tel: +30 210 618 3124**  
email: [anna.konopliankova@cchbc.com](mailto:anna.konopliankova@cchbc.com)

**European press contact:**  
Financial Dynamics London  
Greg Quine

**Tel: +44 20 7269 7206**  
email: [greg.quine@fd.com](mailto:greg.quine@fd.com)

**US press contact:**  
FD US  
Jim Olecki

**Tel: +1 212 850 5600**  
email: [jolecki@fd-us.com](mailto:jolecki@fd-us.com)

**Coca-Cola Hellenic Bottling Company S.A.**  
**Results for the year ended 31 December 2005 (IFRS)**

## **Overview**

During 2005, Coca-Cola HBC (CCHBC) delivered very strong organic volume growth, solid EPS growth and margin improvement despite the adverse impact of higher raw material costs. The key drivers of this performance were excellence in marketplace execution, continued roll out of cold drink equipment, improvements in mix and packaging and an on going focus on supply chain improvements.

Volume, excluding the impact of our recent acquisitions in Russia, Bulgaria and Serbia, grew by approximately 8% in the fourth quarter and 9% for the full year of 2005. Including acquisitions, volume grew by 12% in both the fourth quarter and the full year of 2005.

Strong volume growth was achieved in all product categories during both periods under review. It is important to note that during the fourth quarter and the full year of 2005 core CSD volume grew by mid single-digits, while water and other non-CSDs delivered strong double-digit volume growth. In addition, our continued focus on marketing activities and increased availability of Light/Diet CSDs, resulted in a low double-digit volume increase in this category.

In 2005, we continued to jointly invest with The Coca-Cola Company to expand our range of non-carbonated beverages, through targeted local brand acquisitions and new product innovation in order to meet the increasing demands of today's beverage consumers. Non-carbonated beverages now account for 28% of our total volume compared to 10% in 2001.

During 2005, we acquired, jointly with TCCC, Multon, a leading juice manufacturer in Russia, the Bankya water business in Bulgaria and the Vlasinka water business in Serbia & Montenegro. Following the success of Romerquelle Emotion in Austria, we launched a flavoured water range under the Valser umbrella brand in Switzerland. Other product innovations that were successful in 2005 include Cappy Ice Fruit in Poland and Czech Republic, Cappy Tempo in multiple flavours in Croatia and Romania, Bonaqua water in orange and lemon flavour in Czech Republic, Fanta Pink Grapefruit in Bulgaria, Fanta Free in Italy and Avra Bloom for children in Greece.

In 2005, we continued to invest in supporting our profitable growth by placing approximately an additional 140,000 coolers in the market. Cooler placements are a key part of our strategy to continue building brand equity, enhancing the availability of our products and driving volume growth in the more profitable immediate consumption channel.

Despite the significant pressure of higher raw material cost that we faced in 2005, our successful supply chain initiatives helped us offset a negative profit impact. This is an important area of focus for Coca-Cola HBC and a number of initiatives that are being rolled out across the group are expected to continue to yield cost savings in the future. In 2005, we focused primarily on 1) improving our system capabilities through the roll out of a new integrated operating platform which aligns supply chain and demand planning, 2) infrastructure rationalization and assets redeployment, 3) production capacity management which includes investments in aseptic lines to support the growth of our new non-carbonated beverages and 4) product cost efficiencies which includes the introduction of new ultra glass bottles, and lightweighting PET packages.

**Coca-Cola Hellenic Bottling Company S.A.**  
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**Operational Review by Reporting Segments**

	Volume (million unit cases)		
	2005	2004	% Change
<b>Full year</b>			
Established Markets	563.5	563.5	-
Developing Markets	305.9	268.3	+14%
Emerging Markets	672.7	580.9	+16%
<b>CCHBC excl. acquisitions</b>	<b>1,542.1</b>	<b>1,412.7</b>	<b>+9%</b>
<b>Acquisitions</b>	<b>36.0</b>	<b>-</b>	<b>n/a</b>
<b>CCHBC reported</b>	<b>1,578.1</b>	<b>1,412.7</b>	<b>+12%</b>

	Underlying EBIT (€ million)			Reported EBIT (€ million)		
	2005	2004	% Change	2005	2004	% Change
<b>Full year</b>						
Established Markets	271.5	257.6	+5%	235.9	107.0	>100%
Developing Markets	47.4	36.7	+29%	43.4	25.3	+72%
Emerging Markets	162.2	140.9	+15%	181.6	122.2	+49%
<b>CCHBC</b>	<b>481.1</b>	<b>435.2</b>	<b>+11%</b>	<b>460.9</b>	<b>254.5</b>	<b>+81%</b>

	Volume (million unit cases)			On a like-for-like basis
	2005	2004	% Change	
<b>4th Quarter</b>				
Established Markets	121.4	123.9	-2%	-5%
Developing Markets	72.0	64.1	+12%	+9%
Emerging Markets	159.4	140.1	+14%	+10%
<b>CCHBC excl. acquisitions</b>	<b>352.8</b>	<b>328.1</b>	<b>+8%</b>	<b>+4%</b>
<b>Acquisitions</b>	<b>14.3</b>	<b>-</b>	<b>n/a</b>	<b>n/a</b>
<b>CCHBC reported</b>	<b>367.1</b>	<b>328.1</b>	<b>+12%</b>	<b>+9%</b>

	Underlying EBIT (€ million)			Reported EBIT (€ million)		
	2005	2004	% Change	2005	2004	% Change
<b>4th Quarter</b>						
Established Markets	21.9	19.9	+10%	16.0	(50.4)	n/a
Developing Markets	0.0	(7.3)	n/a	(2.3)	(10.4)	n/a
Emerging Markets	20.0	20.6	-3%	26.6	16.1	+65%
<b>CCHBC</b>	<b>41.9</b>	<b>33.2</b>	<b>+26%</b>	<b>40.3</b>	<b>(44.7)</b>	<b>n/a</b>

*Note 1: Underlying financial indicators (Operating profit, EPS, etc.) exclude the recognition of pre-acquisition tax losses and restructuring costs as per notes 4 and 5, respectively, the amortisation of indefinitely-lived intangible assets as per note 1 and the results of the acquired entities in 2005.*

*Note 2: The Multon acquisition is being accounted for as a joint venture. As a result, we are consolidating our 50% share of the total business effective from 20 April 2005.*

### ***Established markets***

#### Volume

Unit case volume was 564 million in the full year 2005, flat versus the prior year and 121 million for the quarter, 2% below the fourth quarter of 2004.

Italy performed well and while volume growth for the full year was slightly below our expectations, we continued to gain market share and improved our product and package mix. The route to market project in three key cities delivered strong results during 2005 and will therefore be extended to the rest of our territory. Ireland ended the year with further expansion of its product portfolio. Some highlights included the successful roll out of product innovations such as Nestea and new exciting packaging for Deep River Rock and market share gains in both the water and the energy drinks category. At the same time, the acquisition of the vending operator Vendit has provided us with an opportunity for further expansion in the fast growing at-work channel in Ireland. In Greece, Switzerland and Austria, we continued to experience some softness in CSD volumes in 2005 with the exception of Light CSDs that continued to perform well together with non-CSDs.

#### Operating profit (EBIT)

Established markets contributed €272 million to the Group's underlying EBIT for the full year of 2005, 5% above the comparable prior year period and €22 million for the quarter, 10% above the prior year. Italy was one of the main contributors to this segment's year-on-year profit progress, mainly driven by commercial initiatives such as the route to market project and improved market execution as well as supply chain initiatives. Despite volume softness in Switzerland, we were able to achieve high double digit EBIT growth, behind cost efficiency gains and a new more effective commercial policy.

### ***Developing markets***

#### Volume

Unit case volume was 306 million for the full year and 72 million for the quarter, representing an increase of 14% and 12%, respectively, over corresponding prior year periods.

All our countries within the developing markets segment reported strong volume growth. In Poland, a key market within this segment, we gained market share across most categories and became the market leader in tea and water. Both Hungary and Czech Republic registered solid and well balanced volume growth across all product categories. As a result, in 2005 the share of non-carbonated beverages grew from 26% in 2004 to 31% in Hungary and from 28% to 31% in the Czech Republic on a year-on-year basis.

#### Operating profit (EBIT)

Developing markets contributed an underlying EBIT of €47 million for the full year of 2005 an increase of 29%, and break even for the quarter compared with a loss of €7.3 million in the fourth quarter of prior year. Poland, with a solid 21% volume growth year-on-year, was one of the main profit drivers in this segment. Also, the Czech Republic made significant profit progress as a result of volume and revenue growth and favourable product mix. Finally, in Hungary our focus on further enhancing our immediate consumption business and reducing our supply chain costs coupled with solid volume growth delivered good profit progress.

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***Emerging markets***

*Volume*

Unit case volume excluding acquisitions was 673 million for the full year of 2005, 16% above prior year (reported: 709 million unit cases, 22% above prior year) and 159 million for the quarter, 14% above prior year (reported: 174 million unit cases, 24% above prior year).

Russia, Romania, Bulgaria and Ukraine were the key performance drivers within this segment, all delivering strong double-digit volume growth during 2005. Russia (excluding Multon) performed very well with strong double-digit volume growth across all product categories. We continued to expand our portfolio, focusing on market execution through model outlets and the continuous roll out of coolers as well as the expansion of our outlet coverage and distribution. In Ukraine, CSDs, energy drinks and water under the Bonaqua trademark grew volume by double-digits, while Multon's juice brands Dobry and Rich which were launched in the second half of the year, all performed well. In Nigeria, despite the price increase in September of 2005, we were able to grow volume by approximately 10%, with strong performance across all product categories.

*Operating profit (EBIT)*

Emerging markets contributed €162 million to the Group's underlying EBIT for the full year of 2005 representing an increase of 15% over the prior year and €20 million for the quarter, 3% or approximately €0.6 million below prior year.

On a full year basis, Russia, Ukraine and Belarus all registered high double-digit EBIT growth during 2005, mainly driven by solid volume growth. Romania also continued its very good year-after-year profit progress, driven by volume and revenue growth and cost containment.

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**Group Financial Review**

	<b>Full year</b>		
	2005 € million	2004 € million	% Change
Volume in unit cases (in millions)	1,578.1	1,412.7	+12%
Volume excluding acquisitions in unit cases (in millions)	1,542.1	1,412.7	+9%
Net sales revenue	4,780.3	4,247.5	+13%
Cost of goods sold	(2,818.8)	(2,525.6)	+12%
Gross profit	1,961.5	1,721.9	+14%
Underlying operating expenses	(1,434.3)	(1,286.7)	+11%
Underlying operating profit (EBIT)	481.1	435.2	+11%
Underlying EBITDA	789.9	726.0	+9%
Underlying net profit attributable to shareholders	304.1	253.3	+20%
Underlying basic and diluted EPS (in euro)	1.28	1.06	+20%

	<b>Fourth quarter</b>		
	2005 € million	2004 € million	% Change
Volume in unit cases (in millions)	367.1	328.1	+12%
Volume excluding acquisitions in unit cases (in millions)	352.8	328.1	+8%
Net sales revenue	1,105.4	948.2	+17%
Cost of goods sold	(676.1)	(587.1)	+15%
Gross profit	429.3	361.1	+19%
Underlying operating expenses	(368.7)	(327.9)	+12%
Underlying operating profit (EBIT)	41.9	33.2	+26%
Underlying EBITDA	121.7	114.2	+7%
Underlying net profit attributable to shareholders	5.7	(1.1)	>100%
Underlying basic and diluted EPS (in euro)	0.02	0.00	>100%

*Note 1: Underlying financial indicators (Operating profit, EPS, etc.) exclude the recognition of pre-acquisition tax losses and restructuring costs as per notes 4 and 5, respectively, the amortisation of indefinitely-lived intangible assets as per note 1 and the results of the acquired entities in 2005.*

*Note 2: The Multon acquisition is being accounted for as a joint venture. As a result, we are consolidating our 50% share of the total business effective from 20 April 2005.*

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***Changes in accounting policies***

The Group made a number of changes to its accounting policies, with effect from 1 January 2005, in order to comply with revisions to International Financial Reporting Standards. These changes are detailed in the notes to the condensed consolidated financial statements. Of particular note, is the cessation of amortisation of intangible assets with indefinite useful lives and the recognition of stock option expenses in the income statement.

***Net sales revenue***

Underlying net sales revenue increased by approximately 10% for the full year of 2005 and by 12% for the fourth quarter versus the same period of 2004. On a currency neutral basis, underlying net sales revenue per unit case for the Group decreased by approximately 1.5% for the full year against 2004. Within the segments, the emerging markets achieved a 3% growth in net sales revenue per unit case on a currency neutral basis over the full year 2004, while the established markets were 0.5% above last year. The developing segment registered a net sales revenue per unit case decline of approximately 4% year-on-year, on a currency neutral basis in line with our plans for the year.

***Cost of goods sold***

Underlying cost of goods sold increased by 9% over the full year and by 11% over the fourth quarter versus the prior year period, driven by the growth in volume and higher raw material costs, primarily PET and sugar. Cost of goods sold per unit case on a currency neutral basis decreased by approximately 2% during 2005 versus prior year. On-going supply chain efficiency improvement initiatives more than compensated for the increases in raw material costs.

***Gross profit***

Underlying gross profit margin for the full year of 2005 was up to 41.0% versus 40.5% for the same period of 2004. For the fourth quarter, the underlying gross profit margin improved from 38.1% last year to 38.7% this year.

***Operating expenses***

Underlying operating expenses increased by 11% in the full year of 2005 and by 12% for the fourth quarter compared to the corresponding periods in 2004. In line with our strategy of driving continued top-line growth, we continued to invest savings from the containment of back office expenses, into enhancing our sales force capabilities.

***Operating profit (EBIT)***

Underlying operating profit (EBIT) increased by 11% for the full year from €435 million last year to €481 million and by 26% for the quarter from €33 million last year to €42 million. This result, in line with our plans, has been achieved through solid top line growth, continued realisation of operating efficiencies and a favourable currency impact.

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***Tax***

The underlying effective tax rate for the full year was approximately 26% versus 28% for the same period last year. These rates are calculated excluding the amortisation of, and other adjustments to, intangible assets and before any tax credit is recognised for the utilisation of previously unrecognised pre-acquisition accumulated tax assets.

***Net profit***

Underlying net profit for the full year of 2005 increased by 20% to €304 million from €253 million in the same period last year. For the fourth quarter, an underlying net profit of €6 million was realised against a loss of €1 million last year.

***Capital expenditure***

CCHBC's net capital expenditure, net of receipts from disposal of assets and including principal repayments of finance lease obligations, amounted to €411 million for the full year of 2005, up 16% versus prior year as planned. We continue to focus investment on increasing the availability of chilled beverages in the higher margin immediate consumption channel by investing in cold drink equipment. In addition, we continue to focus on growing return on invested capital (ROIC) by effectively redeploying assets and equipment within the Group to minimise cash outflows.

***Cash flow***

Cash flow generated from operating activities improved by a solid €85 million from €553 million last year to €638 million for the full year of 2005. After deducting higher capital expenditure as highlighted above, our cash flow was approximately €215 million during the full year of 2005, compared to approximately €191 million in the same period of 2004.

**Acquisition of Serbian water company Vlasinka**

On 14 April 2005, we completed the acquisition of the Serbian mineral water company Vlasinka, in conjunction with TCCC. The total consideration for the acquisition was €21.0 million (excluding acquisition costs), of which CCHBC's share was €10.5 million.

**Acquisition of Russian juice company Multon**

On 20 April 2005, we completed jointly with TCCC, the acquisition of the Multon group, a leading juice producer in the Russian Federation. The business will be run as a joint venture and is being accounted for as such. Multon has production facilities in Moscow and St. Petersburg and produces and distributes juice products under the brands 'Rich', 'Nico' and 'Dobry'. Total consideration for the acquisition was US \$471.0 million (€359.9 million) (excluding acquisition costs), plus the assumption of debt of US \$35.9 million (€27.4 million). CCHBC's share of the purchase price and debt was US \$253.5 million (€193.7 million).

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**Acquisition of Bulgarian water company Bankya**

On 2 June 2005, we completed the acquisition of the Bulgarian mineral water company, Bankya. The acquisition includes production facilities located just outside of Sofia and the mineral water brand 'Bankia'. The total consideration for the acquisition was €10.7 million (excluding acquisition costs), with the assumption of debt of an additional €2.2 million. The trademark was sold to TCCC in 2005.

**Acquisition of Irish vending operator Vendit**

On 28 September 2005, we completed the acquisition of Vendit, one of the largest independent vending operators in Ireland. The total consideration for the acquisition is subject to performance conditions and is currently estimated to be €5.9 million (excluding acquisition costs), with the assumption of debt of an additional €0.8 million.

**Public offer for the acquisition of Lanitis Bros Public Limited**

On 27 January 2006, our subsidiary 3E (Cyprus) Limited launched a Public Offer to the shareholders of Lanitis Bros Public Limited (Lanitis Bros) for the acquisition of up to 100% of the issued share capital of Lanitis Bros. The consideration offered for each share in Lanitis Bros is CYP 0.172 in cash. The acceptance period of the Public Offer began on 27 January 2006 and will end on 10 March 2006 at 12.30pm.

**Acquisition of Serbian juice company Fresh & Co**

On 20 January 2006, we announced that we have agreed to acquire, jointly with TCCC, 100% of Fresh & Co, one of the leading producers of fruit juices in Serbia & Montenegro. The acquisition includes a production facility located at Subotica and the juice and nectar brands "Next" and "Su-Voce". The net consideration for the transaction is €19.5 million (including the settlement of some of the company's financial obligations but excluding acquisition costs) and is subject to the company's indebtedness at closing not exceeding €23.1 million. The final purchase price is subject to certain adjustments. The transaction is subject to regulatory approval and is expected to be finalised by the end of February 2006.

**Acquisition of Italian water company Traficante**

On 14 February 2006, we announced that we have agreed to acquire, jointly with TCCC, 100% of Traficante Group, a producer of high quality mineral water in Italy with significant water reserves. The acquisition includes two production facilities in the south, as well as the national source-water brand "Lilia" and "Lilia Kiss" (still and sparkling). The total net consideration for the transaction is €35 million (including debt but excluding acquisition costs). The transaction is subject to regulatory approval and is expected to be finalised in the second quarter of 2006.

**Adoption of a commitment decision by the European Commission**

The European Commission announced on 22 June 2005 that it had adopted a Commitment Decision concerning the commercial practices of the Coca-Cola system in the European Economic Area as a basis for terminating its investigation over the past five years into various commercial practices of the Coca-Cola system in certain European countries. The Decision is based on an Undertaking that TCCC, CCHBC and other major European bottlers originally filed with the Commission in October 2004 and follows consultation with the

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European Commission and the National Competition Authorities of the European Union's Member States. The Undertaking will apply across 27 countries in Europe, in those channels of distribution where the carbonated soft drinks of TCCC account for over 40% of national sales and twice the nearest competitor's share.

### **Update on restructuring costs**

As communicated in 2004, we took certain initiatives to consolidate our manufacturing network through rationalising sites, relocating manufacturing lines, and streamlining our warehouses. These initiatives are focused primarily on the Republic of Ireland and Northern Ireland. In 2005, a decision was made to develop a single all-island facility located in Northern Ireland at Knockmore Hill. Restructuring costs totalled €13.8 million for the full year and €5.4 million for the fourth quarter.

In January of 2006, we announced restructuring initiatives in our Greek operation as part of our strategy to improve efficiency. These initiatives are expected to support the growth of the business as well as yield significant operating efficiency benefits in future years. The plan includes transferring production capacity and streamlining warehouses in Greece. Specifically, production currently carried out at the Athens plant will be relocated to the Schimatari plant (which is 40km away from Athens), and the warehouses of Messologi, Corfu and Rhodes will cease operations. These initiatives will impact approximately 150 employees out of a total of 2,400 employees of Coca-Cola HBC Greece. The company has begun consultations with the local unions to determine the final terms and conditions of the redundancy.

### **2006 full year outlook**

Our successful strategy continues to provide a solid platform for growth. In 2006, we expect to roll out strong innovation plans, enhance further our marketplace execution and commercial capabilities as well as continue realising supply chain efficiencies. As previously communicated, in 2006 we expect our financial targets to be in line with our long term growth model. Given the timing of raw material cost increases, particularly PET and sugar, as well as higher operating expenses from our early investment in sales force and capability building initiatives, we expect the first quarter of 2006 to be particularly impacted. Taking this into account and including the recently announced acquisitions of Lanitis in Cyprus and Fresh & Co in Serbia, but excluding amortisation, adjustments to goodwill and the restructuring charges discussed above, our financial targets for 2006 are as follows:

- Volume growth of approximately 8%
- EBIT growth of 11%-13%
- EPS of €1.50-€1.53, an increase of 12%-14%
- ROIC is expected to improve by 75 basis points

The recently acquired businesses of Lanitis and Fresh & Co are expected to contribute approximately 1.5% to volume growth, approximately 1% to EBIT growth and €0.01 to EPS in 2006. As we continue to invest in growing our business and as the acquisitions are finalised, we expect our net capital expenditure to be in the range of €460-480 million. In addition, it is anticipated that net capital expenditure related to the single all Ireland facility will be in the range of €40-45 million over the 2005-2007 period, with approximately €4 million having been spent to date.

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**Conference call**

CCHBC will host a conference call with financial analysts to discuss the 2005 full year and fourth quarter results on 15 February 2006 at 4:00 pm, Athens time (2:00 pm, London time and 9:00 am, New York time). Interested parties can access the live audio webcast of the call through CCHBC's website ([www.coca-colahbc.com](http://www.coca-colahbc.com)).

## **SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS**

*This document contains forward-looking statements that involve risks and uncertainties. These statements may generally, but not always, be identified by the use of words such as 'believe', 'outlook', 'guidance', 'intend', 'expect', 'anticipate', 'plan', 'target' and similar expressions to identify forward-looking statements. All statements other than statements of historical facts, including, among others, statements regarding our future financial position and results, business strategy and the effects of our recent acquisitions on our business and financial condition, our future dealings with TCCC, 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 these 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 in our annual report on Form 20-F filed with the U.S. Securities and Exchange Commission (File No 1-31466).*

*Although we believe that 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. Unless we are required by law to update these statements, we will not necessarily update any of these statements after the date of the consolidated financial statements included here, either to conform them to actual results or to changes in our expectations.*

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**Condensed consolidated income statement (unaudited)**

	Note	Year ended 31 December 2005 € million	Year ended 31 December 2004 € million
<b>Net sales revenue</b>	3	4,780.3	4,247.5
Cost of goods sold		<u>(2,818.8)</u>	<u>(2,525.6)</u>
<b>Gross profit</b>		1,961.5	1,721.9
Operating expenses		<u>(1,459.7)</u>	<u>(1,286.7)</u>
		501.8	435.2
Amortisation of intangible assets		(0.6)	(106.6)
Adjustments to intangible assets	4	(26.5)	(24.6)
Restructuring costs	5	(13.8)	(49.5)
Total operating expenses		<u>(1,500.6)</u>	<u>(1,467.4)</u>
<b>Operating profit (EBIT)</b>	3	460.9	254.5
Finance costs	6	(54.8)	(64.8)
Share of results of associates		<u>0.9</u>	<u>1.2</u>
<b>Profit before taxation</b>		407.0	190.9
<b>Taxation</b>	7	(86.6)	(69.9)
<b>Profit for the period</b>		<u><u>320.4</u></u>	<u><u>121.0</u></u>
Attributable to:			
Minority interests		12.3	14.3
Shareholders of the Group		308.1	106.7
<b>Basic &amp; diluted earnings per share (Euro)</b>	8	1.29	0.45
<b>Volume (million unit cases)</b>	3	1,578.1	1,412.7
<b>EBITDA (€ million)</b>	3	807.8	680.1

The notes on pages 19 to 26 are an integral part of these condensed consolidated financial statements

**Coca-Cola Hellenic Bottling Company S.A.**  
**Results for the year ended 31 December 2005 (IFRS)**

**Condensed consolidated income statement (unaudited)**

	Note	Three months to 31 December 2005 € million	Three months to 31 December 2004 € million
<b>Net sales revenue</b>	3	1,105.4	948.2
Cost of goods sold		(676.1)	(587.1)
<b>Gross profit</b>		<b>429.3</b>	361.1
Operating expenses		(379.8)	(327.9)
		<b>49.5</b>	33.2
Amortisation of intangible assets		(0.6)	(28.4)
Adjustments to intangible assets	4	(3.2)	-
Restructuring costs	5	(5.4)	(49.5)
<b>Total operating expenses</b>		<b>(389.0)</b>	<b>(405.8)</b>
<b>Operating profit /(loss) (EBIT)</b>	3	<b>40.3</b>	(44.7)
Finance costs	6	(16.6)	(19.2)
Share of results of associates		0.3	0.9
<b>Profit / (loss) before taxation</b>		<b>24.0</b>	(63.0)
<b>Taxation</b>	7	<b>(10.4)</b>	(3.6)
<b>Profit / (loss) for the period</b>		<b>13.6</b>	(66.6)
Attributable to:			
Minority interests		6.0	2.9
Shareholders of the Group		7.6	(69.5)
<b>Basic &amp; diluted earnings per share (Euro)</b>	8	<b>0.03</b>	(0.29)
<b>Volume (million unit cases)</b>	3	<b>367.1</b>	328.1
<b>EBITDA (€ million)</b>	3	<b>128.8</b>	68.3

The notes on pages 19 to 26 are an integral part of these condensed consolidated financial statements

**Coca-Cola Hellenic Bottling Company S.A.**  
**Results for the year ended 31 December 2005 (IFRS)**

**Condensed consolidated balance sheet (unaudited)**

	Note	As at 31 December 2005 € million	As at 31 December 2004 € million
<b>Assets</b>			
Intangible assets	9	1,846.8	1,683.5
Property, plant and equipment	9	2,287.4	2,061.1
Other non-current assets		87.5	77.1
<b>Total non-current assets</b>		<b>4,221.7</b>	<b>3,821.7</b>
Inventories		377.1	334.9
Trade and other receivables		803.7	671.9
Cash and cash equivalents	10	182.4	38.3
<b>Total current assets</b>		<b>1,363.2</b>	<b>1,045.1</b>
<b>Total assets</b>		<b>5,584.9</b>	<b>4,866.8</b>
<b>Liabilities</b>			
Short term borrowings	10	575.8	95.0
Other current liabilities		990.2	885.0
<b>Total current liabilities</b>		<b>1,566.0</b>	<b>980.0</b>
Long term borrowings	10	1,327.5	1,454.0
Other non-current liabilities		243.5	364.8
<b>Total non-current liabilities</b>		<b>1,571.0</b>	<b>1,818.8</b>
<b>Shareholders' equity</b>		<b>2,352.6</b>	<b>1,980.3</b>
Minority interests		95.3	87.7
<b>Total equity</b>		<b>2,447.9</b>	<b>2,068.0</b>
<b>Total equity and liabilities</b>		<b>5,584.9</b>	<b>4,866.8</b>

The notes on pages 19 to 26 are an integral part of these condensed consolidated financial statements

**Coca-Cola Hellenic Bottling Company S.A.**  
**Results for the year ended 31 December 2005 (IFRS)**

**Condensed consolidated cash flow statement (unaudited)**

	Note	Year ended 31 December 2005 € million	Year ended 31 December 2004 € million
Operating profit		460.9	254.5
Depreciation of property, plant and equipment	9	315.3	289.4
Amortisation of intangible assets		0.6	106.6
Adjustments to intangible assets	4	26.5	24.6
Employee share options		3.6	1.4
Other non-cash items		0.9	3.6
		<b>807.8</b>	<b>680.1</b>
Gain on disposal of non-current assets		(10.9)	(6.1)
Increase in inventories		(12.1)	(34.5)
Increase in trade and other receivables		(88.2)	(27.1)
Increase in trade payables and other liabilities		46.7	47.0
Taxation paid		(105.3)	(106.1)
<b>Cash flow generated from operating activities</b>		<b>638.0</b>	<b>553.3</b>
<b>Investing activities:</b>			
Payment for purchase of property, plant and equipment		(423.5)	(362.0)
Receipts from disposal of property, plant and equipment		29.7	21.2
Net (payments) receipts from investments		(0.2)	6.0
Proceeds from sale of trademarks		9.0	8.6
Net payments for acquisitions		(195.0)	(3.1)
<b>Net cash used in investing activities</b>		<b>(580.0)</b>	<b>(329.3)</b>
<b>Financing activities:</b>			
Return of capital to shareholders		-	(0.4)
Proceeds from shares issued to employees exercising stock options		36.6	19.2
Net increase (decrease) in borrowings		183.8	(125.6)
Principal repayments of finance lease obligations		(16.8)	(11.7)
Net interest paid		(43.2)	(55.3)
Net dividend paid to group shareholders and minority interests		(76.5)	(53.1)
<b>Net cash from (used in) financing activities</b>		<b>83.9</b>	<b>(226.9)</b>
		<b>141.9</b>	<b>(2.9)</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>141.9</b>	<b>(2.9)</b>
<b>Movement in cash and cash equivalents:</b>			
Cash and cash equivalents at 1 January		38.3	39.4
Increase (decrease) in cash and cash equivalents		141.9	(2.9)
Effect of changes in exchange rates		2.2	1.8
<b>Cash and cash equivalents at December 31 2005</b>		<b>182.4</b>	<b>38.3</b>

The notes on pages 19 to 26 are an integral part of these condensed consolidated financial statements

**Coca-Cola Hellenic Bottling Company S.A.**  
**Results for the year ended 31 December 2005 (IFRS)**

**Consolidated statement of movements in equity (unaudited)**

	Attributable to equity holders of the Group					Total € million	Minority interest € million	Total equity € million
	Share capital € million	Share premium € million	Exchange equalisation reserve € million	Other reserves € million	Accumulated deficit € million			
<b>Balance as at 31 December 2003</b>	<b>118.5</b>	<b>1,621.7</b>	<b>23.0</b>	<b>295.6</b>	<b>(187.0)</b>	<b>1,871.8</b>	<b>80.8</b>	<b>1,952.6</b>
Changes in accounting policy	-	-	-	(0.5)	(2.6)	(3.1)	-	(3.1)
Restated balance	<b>118.5</b>	<b>1,621.7</b>	<b>23.0</b>	<b>295.1</b>	<b>(189.6)</b>	<b>1,868.7</b>	<b>80.8</b>	<b>1,949.5</b>
Profit for the year	-	-	-	-	106.7	106.7	14.3	121.0
Valuation gains on available-for-sale investments taken to equity	-	-	-	0.6	-	0.6	-	0.6
Cash flow hedges:								
Losses taken to equity	-	-	-	(12.0)	-	(12.0)	-	(12.0)
Losses transferred to profit and loss for the period	-	-	-	6.3	-	6.3	-	6.3
Foreign currency translation	-	-	36.7	-	-	36.7	(2.0)	34.7
Tax on items taken directly to or transferred from equity	-	-	-	(0.2)	-	(0.2)	-	(0.2)
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>36.7</b>	<b>(5.3)</b>	<b>106.7</b>	<b>138.1</b>	<b>12.3</b>	<b>150.4</b>
Shares issued to employees exercising stock options	0.6	18.6	-	-	-	19.2	-	19.2
Share based compensation								
Options	-	-	-	1.4	-	1.4	-	1.4
Movement in shares held for equity compensations reserve	-	-	-	0.3	-	0.3	-	0.3
Acquisition of shares held by minority interests	-	-	-	-	-	-	0.1	0.1
Reinvestment of shares held by minority interests	-	-	-	-	-	-	(0.2)	(0.2)
Appropriation of reserves	-	-	-	15.0	(15.0)	-	-	-
Dividends	-	-	-	-	(47.4)	(47.4)	(5.3)	(52.7)
<b>Balance as at 31 December 2004</b>	<b>119.1</b>	<b>1,640.3</b>	<b>59.7</b>	<b>306.5</b>	<b>(145.3)</b>	<b>1,980.3</b>	<b>87.7</b>	<b>2,068.0</b>
Profit for the year	-	-	-	-	308.1	308.1	12.3	320.4
Valuation gains on available-for-sale investments taken to equity	-	-	-	1.4	-	1.4	-	1.4
Cash flow hedges:								
Losses taken to equity	-	-	-	(0.1)	-	(0.1)	-	(0.1)
Losses transferred to profit and loss for the period	-	-	-	3.7	-	3.7	-	3.7
Foreign currency translation	-	-	84.5	-	-	84.5	5.2	89.7
Tax on items taken directly to or transferred from equity	-	-	-	(0.1)	-	(0.1)	-	(0.1)
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>84.5</b>	<b>4.9</b>	<b>308.1</b>	<b>397.5</b>	<b>17.5</b>	<b>415.0</b>
Shares issued to employees exercising stock options	1.2	35.4	-	-	-	36.6	-	36.6
Share based compensation								
Options	-	-	-	3.6	-	3.6	-	3.6
Movement in shares held for equity compensations reserve	-	-	-	1.3	-	1.3	-	1.3
Acquisition of shares held by minority interests	-	-	-	-	-	-	(0.1)	(0.1)
Reinvestment of shares held by minority interests	-	-	-	-	-	-	0.1	0.1
Appropriation of reserves	-	-	-	(42.4)	42.4	-	-	-
Dividends	-	-	-	-	(66.7)	(66.7)	(9.9)	(76.6)
<b>Balance as at 31 December 2005</b>	<b>120.3</b>	<b>1,675.7</b>	<b>144.2</b>	<b>273.9</b>	<b>138.5</b>	<b>2,352.6</b>	<b>95.3</b>	<b>2,447.9</b>

The notes on pages 19 to 26 are an integral part of these condensed consolidated financial statements

**Coca-Cola Hellenic Bottling Company S.A.**  
**Results for the year ended 31 December 2005 (IFRS)**

**Condensed notes to the consolidated financial statements (unaudited)**

**1. Accounting policies**

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

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

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ('IAS') 34, *Interim Financial Reporting*, and should be read in conjunction with the 2004 annual financial statements, which include a full description of the Group's accounting policies.

**Changes in accounting policy**

In March 2004, the International Accounting Standards Board ('IASB') issued International Financial Reporting Standard ('IFRS') 3, *Business Combinations*, and revised standards IAS 36, *Impairment of Assets* and IAS 38, *Intangible Assets*. The main effect to the Group is that amortisation of goodwill and intangible assets with indefinite useful lives has ceased. Instead, the assets are tested for impairment annually or more frequently if events or changes in circumstances indicate a possible impairment. CCHBC has applied IFRS 3 and the revised provisions of IAS 36 and IAS 38 from 1 January 2005. As the standard is applicable prospectively, prior year comparatives have not been restated.

From 1 January 2005, the Group applied IFRS 2, *Share-Based Payments*. This standard requires compensation costs related to share based payments to be recognised in the financial statements. Under the standard, the compensation cost is determined based on the grant date fair value of the equity or liability instrument issued. The standard is applicable to grants of shares, share options or any equity instruments granted after 7 November 2002 and have not yet vested at the effective date of the standard. The adoption of IFRS 2 results in the Group reflecting a charge to the income statement for share options. In addition, there is a change to the timing of the charge for stock appreciation rights. As a consequence, prior year comparatives have been revised. The effect on the comparative net results for the full year of 2004 is a decrease of €1.4 million. The charge to the Group in the full year of 2005 for existing share options is €3.6 million.

In December 2003, the IASB published revisions to IAS 39, *Financial Instruments: Recognition and Measurement*. The revised standard was applied from 1 January 2005 and clarifies terms in relation to derecognition of financial assets, measurement of fair value, impairment, hedge accounting and embedded derivatives in non-financial contracts. The revised standard resulted in certain embedded derivatives no longer qualifying for separation. As a consequence, prior year comparatives have been revised. The effect on the comparative net results for the full year of 2004 is a decrease of €4.2 million with a reduction of net assets and total equity of €4.7 million. Also, gains or losses on available-for-sale financial assets are no longer recognised in the income statement. Instead, changes in the fair value of available-for-sale financial assets are recognised directly in equity until the financial assets are derecognised, at which time the cumulative gain or loss previously recognised in equity is recognised through the income statement. The effect on the comparative net results for the full year of 2004 is an decrease of €0.4 million.

**Coca-Cola Hellenic Bottling Company S.A.**  
**Results for the year ended 31 December 2005 (IFRS)**

**Condensed notes to the consolidated financial statements (unaudited)**

With effect from 2004, the Group changed its policy of revaluing land and buildings in accordance with the allowed alternative treatment under IAS 16, *Property, Plant and Equipment*, to carry land and buildings at cost. Prior to 2004, land and buildings were revalued by independent valuers every five years. Increases in the carrying amount of land and building arising on revaluation were credited to the revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset were charged against the revaluation reserve; all other decreases were charged to the income statement. The revaluation surplus included in equity was directly transferred to retained earnings when the surplus was realised. The change in accounting policy was undertaken to provide a more appropriate presentation of the results of the Group and in order to provide more consistency with other companies in the same or comparable industries, the majority of whom do not revalue their assets. In particular, our peer group generally report under US GAAP where asset revaluation is not permitted. Further, the policy change brings our accounting treatment in line with our US reporting. Prior year comparatives for the full year of 2004 have been restated in prior year's financial statements.

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

**2. Exchange rates**

For CCHBC, we believe that the euro is the most appropriate reporting currency, as it is the currency most closely aligned to the operating currencies of the Group. CCHBC translates the income statements of subsidiary operations to the euro at average exchange rates and the balance sheet at the closing exchange rate for the year.

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

	Average		Closing	
	Year to December 2005	2004	31 December 2005	31 December 2004
US dollar	1.24	1.25	1.19	1.36
UK sterling	0.68	0.68	0.69	0.71
Polish zloty	4.03	4.52	3.84	4.06
Nigerian naira	162.86	166.26	153.96	180.95
Hungarian forint	248.59	250.67	251.70	245.89
Swiss franc	1.55	1.54	1.56	1.54
Russian rouble	35.15	35.76	34.19	37.81
Romanian lei	3.63	4.06	3.68	3.94

**Coca-Cola Hellenic Bottling Company S.A.**  
**Results for the year ended 31 December 2005 (IFRS)**

**Condensed notes to the consolidated financial statements (unaudited)**

**3. Segmental analysis**

The Group has one business, being the production, distribution and sale of alcohol-free, ready-to-drink beverages. The Group operates in 26 countries, and its financial results are reported in the following segments:

**Established markets:** Austria, Greece, Italy, Northern Ireland, Republic of Ireland and Switzerland.

**Developing markets:** Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia.

**Emerging markets:** Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, FYROM, Moldova, Nigeria, Romania, Russia, Serbia & Montenegro, and Ukraine.

	Volume in unit cases million	Net sales revenue € million	EBITDA € million	EBIT € million
<b>Established markets</b>				
<b>3 months ended 31 December 2005</b>	121.4	489.1	49.3	16.0
<i>3 months ended 31 December 2004</i>	123.9	490.2	10.2	(50.4)
<b>12 months ended 31 December 2005</b>	563.5	2,262.3	382.3	235.9
<i>12 months ended 31 December 2004</i>	563.5	2,245.9	332.8	107.0
<b>Developing markets</b>				
<b>3 months ended 31 December 2005</b>	72.0	192.1	17.1	(2.3)
<i>3 months ended 31 December 2004</i>	64.1	170.1	9.9	(10.4)
<b>12 months ended 31 December 2005</b>	305.9	841.1	115.7	43.4
<i>12 months ended 31 December 2004</i>	268.3	732.6	100.7	25.3
<b>Emerging markets</b>				
<b>3 months ended 31 December 2005</b>	173.7	424.2	62.4	26.6
<i>3 months ended 31 December 2004</i>	140.1	287.9	48.2	16.1
<b>12 months ended 31 December 2005</b>	708.7	1,676.9	309.8	181.6
<i>12 months ended 31 December 2004</i>	580.9	1,269.0	246.6	122.2
<b>Total CCHBC</b>				
<b>3 months ended 31 December 2005</b>	367.1	1,105.4	128.8	40.3
<i>3 months ended 31 December 2004</i>	328.1	948.2	68.3	(44.7)
<b>12 months ended 31 December 2005</b>	1,578.1	4,780.3	807.8	460.9
<i>12 months ended 31 December 2004</i>	1,412.7	4,247.5	680.1	254.5

**Coca-Cola Hellenic Bottling Company S.A.**  
**Results for the year ended 31 December 2005 (IFRS)**

**Condensed notes to the consolidated financial statements (unaudited)**

**4. Adjustments to intangible assets**

During 2004 and 2005, CCHBC recognised deferred tax assets that had previously not been recognised on the acquisition of Coca-Cola Beverages plc by Hellenic Bottling Company S.A. In accordance with IAS 12 revised, *Income Taxes*, when deferred tax assets have not been recognised on acquisition and are subsequently recognised, both goodwill and deferred tax assets are adjusted with corresponding entries to operating expense and taxation in the income statement. Therefore, a charge of €26.5 million (2004: €24.6 million) has been recorded in operating expenses for the year and a deferred tax credit of €26.5 million (2004: €24.6 million) included within taxation on the income statement. The respective charge and deferred tax credit for the fourth quarter of 2005 is €3.2 million (2004: €0.0 million).

**5. Restructuring costs**

Restructuring costs totalled €13.8 million for the full year (2004: €49.5 million) and €5.4 million for the fourth quarter (2004: €49.5 million). This was comprised of €5.0 million (2004: €45.9 million) of redundancy charges, €0.9 million (2004: €3.6 million) of impairment losses and €7.9 million (2004: €0.0 million) of accelerated depreciation on plant and equipment identified as having a reduced useful life as a result of the restructuring. For the fourth quarter, the €5.4 million amount of restructuring costs was comprised of €1.4 million (2004: €45.9 million) of redundancy charges, €0.9 million (2004: €3.6 million) of impairment losses and €3.1 million (2004: €0.0 million) of accelerated depreciation.

**6. Finance costs**

	Year ended 31 December 2005 € million	Year ended 31 December 2004 € million
Interest expense	56.5	67.2
Net foreign exchange translation (gains)/losses	(0.9)	2.8
Fair value losses on interest rate swaps	2.9	1.5
Interest income	(3.7)	(6.7)
<b>Total finance costs</b>	<b>54.8</b>	<b>64.8</b>
	Three months to 31 December 2005 € million	Three months to 31 December 2004 € million
Interest expense	14.2	16.7
Net foreign exchange translation losses	4.0	3.3
Fair value losses on interest rate swaps	-	1.4
Interest income	(1.6)	(2.2)
<b>Total finance costs</b>	<b>16.6</b>	<b>19.2</b>

**Coca-Cola Hellenic Bottling Company S.A.**  
**Results for the year ended 31 December 2005 (IFRS)**

**Condensed notes to the consolidated financial statements (unaudited)**

**7. Taxation**

The effective tax rate for the Group differs from the 2005 Greek statutory rate of 32% (2004: 35%) as a consequence of a number of factors, the most significant of which are the non-deductibility of certain expenses and the fact that the tax rates in the countries in which the Group operates differ materially from the Greek statutory tax rate. The statutory tax rates applicable to the country operations of the Group range from 0%-37%.

A best estimate of the expected full year average annual income tax rate is made for each country and applied to the profits and losses for the period arising in the respective tax jurisdictions.

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

The reported effective tax rate (excluding the amortisation of, and other adjustments to, intangible assets) is approximately 26% for the full year 2005 (28% for 2004). This rate is calculated before any tax credit is recognised for the current recognition of previously unrecognised deferred tax assets, being predominantly accumulated tax losses. The reduction in effective tax rate between years is substantially related to the reduction in the statutory tax rates for Bulgaria, Greece and Romania.

**8. Earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of shares in issue during the period (2005 full year: 238,326,756, 2005 fourth quarter: 238,530,337, 2004 full year 236,958,191: 2004 fourth quarter: 237,057,295).

**9. Tangible and intangible assets**

	Property, plant and equipment	Intangible assets
	€ million	€ million
Opening net book value as at 1 January 2005	2,061.1	1,683.5
Additions	446.0	-
Arising on recognition of deferred tax assets in connection with the acquisition of Coca-Cola Beverages plc	-	(26.5)
Arising on current year acquisitions	32.1	183.2
Disposals	(26.1)	(6.4)
Depreciation / amortisation	(315.3)	(0.6)
Foreign exchange differences	89.6	13.6
<b>Closing net book value as at 31 December 2005</b>	<b>2,287.4</b>	<b>1,846.8</b>

**Coca-Cola Hellenic Bottling Company S.A.**  
**Results for the year ended 31 December 2005 (IFRS)**

**Condensed notes to the consolidated financial statements (unaudited)**

**10. Net debt**

	As at 31 December 2005 € million	As at 31 December 2004 € million
Long-term borrowings	1,327.5	1,454.0
Short-term borrowings	575.8	95.0
Cash and cash equivalents	(182.4)	(38.3)
<b>Net debt</b>	<b>1,720.9</b>	<b>1,510.7</b>

As of 31 December 2005, net debt increased by € 210.2 million primarily due to issuance of commercial paper under our € 1.0 billion global commercial paper program. Proceeds from the issuance were used mainly to fund the acquisitions of Russian juice maker Multon and the mineral water companies Vlasinka and Bankya in Serbia & Montenegro and Bulgaria, respectively (refer to note 14).

**11. Share capital**

On 21 December 2005, the share capital of the Company increased by €1,2 million by issuing 2,431,873 new ordinary shares, as a result of the exercise of stock options. The share premium increased by €35,4 million as a result of this increase. After the increase, the share capital amounts to €120,3 million and is divided into 240,692,002 shares with a nominal value of €0.50 each.

**12. Dividends**

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

**13. Contingencies**

On 29 June 2005, the Greek Competition Authority requested us to provide information on our commercial practices as a result of a complaint by certain third parties regarding our level of compliance with its decision of 25 January 2002. On 7 October 2005, we were served with notice to appear before the Competition Authority. On such date, we were also made aware that in its recommendation to the Competition Authority its Secretariat claims that we did not properly comply with its decision of 25 January 2002 during the period covered by its investigation and proposes the imposition of a fine on CCHBC of €5,869 for each day that we delayed to comply since the decision of 25 January 2002 which, through 30 September 2005, could amount up to approximately €7.9 million. The first hearing before the Competition Authority is currently scheduled for 16 February 2006.

We believe we have substantial legal and factual defenses to the Secretariat's claims. However, at this time we cannot predict the outcome of these proceedings.

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

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

**14. Recent acquisitions**

a) Vlasinka

On 14 April 2005, we completed the acquisition of the Serbian mineral water company Vlasinka, together with TCCC. The total consideration for the acquisition was €21.0 million (excluding acquisition costs). CCHBC effectively purchased the operating assets and liabilities at Surdulica in Southern Serbia & Montenegro for €10.5 million, whilst TCCC effectively purchased the mineral water brand 'Rosa' for €10.5 million. The acquisition has resulted in CCHBC recording €7.9 million of goodwill.

b) Multon

On 20 April 2005, we completed jointly with TCCC the acquisition of the Multon group, a leading juice producer in the Russian Federation. The business is being managed as a joint venture and is being accounted for as such. Multon has production facilities in Moscow and St. Petersburg and produces and distributes juice products under the brands 'Rich', 'Nico' and 'Dobry'. Total consideration for the acquisition was US \$471.0 million (€359.9 million) (excluding acquisition costs), plus the assumption of debt of US \$35.9 million (€27.4 million). CCHBC's share of the purchase price and debt was US \$253.5 million (€193.7 million). The acquisition has resulted in CCHBC recording €83.0 million of goodwill and €73.7 million of trademarks.

c) Bankya

On 2 June 2005, we completed the acquisition of the Bulgarian mineral water company, Bankya. The acquisition includes production facilities located just outside of Sofia and the mineral water brand 'Bankia'. Total consideration for the acquisition was €10.7 million (excluding acquisition costs), with the assumption of debt of an additional €2.2 million. The acquisition has resulted in CCHBC recording €4.5 million of goodwill, €6.4 million of trademarks and €1.0 million of water rights. The Bankia trademark was subsequently sold to TCCC in 2005 for €6.4 million.

**Condensed notes to the consolidated financial statements (unaudited)**

d) Vendit

On 28 September 2005, we completed the acquisition of Vendit, one of the largest independent vending operators in Ireland. The total consideration for the acquisition is currently estimated to be €5.9 million (excluding acquisition costs), with the assumption of debt of an additional €0.8 million. At this stage, the acquisition has resulted in the recording of €5.5 million of goodwill and €1.0 million of customer contracts. However the fair values of the significant assets acquired and liabilities assumed are preliminary and pending finalisation of the purchase price.

**15. Employee numbers**

The average number of full-time equivalent employees in the full year of 2005 was 41,101 (2004: 38,219).

**16. Post- balance sheet events**

On 27 January 2006, our subsidiary 3E (Cyprus) Limited launched a Public Offer to the shareholders of Lanitis Bros Public Limited (Lanitis Bros) for the acquisition of up to 100% of the issued share capital of Lanitis Bros. The consideration offered for each share in Lanitis Bros is CYP 0.172 in cash. The acceptance period of the Public Offer began on 27 January 2006 and will end on 10 March 2006 at 12.30pm.

On 20 January 2006, we announced that we have agreed to acquire, jointly with TCCC, 100% of Fresh & Co, one of the leading producers of fruit juices in Serbia & Montenegro. The acquisition includes a production facility located at Subotica and the juice and nectar brands "Next" and "Su-Voce". The net consideration for the transaction is €19.5 million (including the settlement of some of the company's financial obligations but excluding acquisition costs) and is subject to the company's indebtedness at closing not exceeding €23.1 million. The final purchase price is subject to certain adjustments. The transaction is subject to regulatory approval and is expected to be finalised by the end of February 2006.

In January of 2006, we announced restructuring initiatives in our Greek operation as part of our strategy to improve efficiency. These initiatives are expected to support the growth of the business as well as yield significant operating efficiency benefits in future years. The plan includes transferring of production capacity and streamlining warehouses in Greece. Specifically, production currently carried out at the Athens plant will be relocated to the Schimatari plant (which is 40km away from Athens) and the warehouses of Messologi, Corfu and Rhodes will cease operations. These initiatives will impact approximately 150 employees out of a total of 2,400 employees of Coca-Cola HBC Greece. The company has begun consultations with the local unions to determine the final terms and conditions of the redundancies.

On 14 February 2006, we announced that we have agreed to acquire, jointly with TCCC, 100% of Traficante Group, a producer of high quality mineral water in Italy with significant water reserves. The acquisition includes two production facilities in the south, as well as the national source-water brand "Lilia" and "Lilia Kiss" (still and sparkling). The total net consideration for the transaction is €35 million (including debt but excluding acquisition costs). The transaction is subject to regulatory approval and is expected to be finalised in the second quarter of 2006.

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**VOLUME BY COUNTRY FOR 2005, 2004 & 2003**

	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b><i>Established Markets</i></b>			
Austria	86.8	89.7	69.2
Greece	144.9	145.8	147.4
Ireland	75.8	72.9	72.0
Italy	180.4	178.0	180.3
Switzerland	75.6	77.1	83.9
<b>TOTAL</b>	<b>563.5</b>	<b>563.5</b>	<b>552.8</b>
<b><i>Developing Markets</i></b>			
Baltics	20.0	16.9	19.1
Croatia	25.4	23.5	25.2
Czech Republic	45.3	42.3	41.9
Hungary	74.7	69.2	73.3
Poland	118.7	98.0	94.6
Slovakia	17.4	14.4	17.8
Slovenia	4.4	4.0	4.5
<b>TOTAL</b>	<b>305.9</b>	<b>268.3</b>	<b>276.4</b>
<b><i>Emerging Markets</i></b>			
Armenia	4.2	4.1	3.7
Belarus	13.5	10.7	9.5
Bosnia and Herzegovina	12.5	13.1	13.3
Bulgaria	41.3	35.3	35.6
FYROM	8.3	8.7	9.8
Moldova	1.8	1.4	1.5
Nigeria	143.6	130.1	122.7
Romania	123.5	106.0	97.7
Russia	260.1	188.7	159.8
Ukraine	60.9	44.0	38.1
Serbia & Montenegro	39.0	38.8	38.4
<b>TOTAL</b>	<b>708.7</b>	<b>580.9</b>	<b>530.1</b>
<b>TOTAL CCHBC</b>	<b>1,578.1</b>	<b>1,412.7</b>	<b>1,359.3</b>

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**PERCENTAGE VOLUME CHANGE BY COUNTRY  
FOR 12 MONTHS TO 31 DECEMBER 2005 AND 2004**

	<b>2005 % change versus 2004</b>	<b>2004 % change versus 2003</b>
<b><i>Established Markets</i></b>		
Austria	- 3%	+ 30%
Greece	- 1%	- 1%
Ireland	+ 4%	+ 1%
Italy	+ 1%	- 1%
Switzerland	- 2%	- 8%
<b>TOTAL</b>	<b>+ 0%</b>	<b>+ 2%</b>
<b><i>Developing Markets</i></b>		
Baltics	+ 19%	- 12%
Croatia	+ 8%	- 7%
Czech Republic	+ 7%	+ 1%
Hungary	+ 8%	- 6%
Poland	+ 21%	+ 4%
Slovakia	+ 21%	-19%
Slovenia	+ 10%	- 11%
<b>TOTAL</b>	<b>+ 14%</b>	<b>- 3%</b>
<b><i>Emerging Markets</i></b>		
Armenia	+ 2%	+ 11%
Belarus	+ 26%	+ 13%
Bosnia and Herzegovina	- 5%	- 2%
Bulgaria	+ 17%	- 1%
FYROM	- 5%	- 11%
Moldova	+ 29%	- 7%
Nigeria	+ 10%	+ 6%
Romania	+ 17%	+ 8%
Russia	+ 38%	+ 18%
Ukraine	+ 38%	+ 15%
Serbia & Montenegro	+ 0%	+ 1%
<b>TOTAL</b>	<b>+ 22%</b>	<b>+ 10%</b>
<b>TOTAL CCHBC</b>	<b>+ 12%</b>	<b>+ 4%</b>