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Hellenic Bottling Company

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ROBUST PERFORMANCE IN DIFFICULT MARKET CONDITIONS

Coca-Cola HBC AG, the second largest bottler of the brands of The Coca-Cola Company, reports its financial results for the six-month period ended 27 June 2014.

Second quarter and half-year highlights

- Gained or maintained market share in volume and value in 15 markets in Sparkling beverages and in 13 markets in NARTD[1]
- Increase in the pace of growth in currency-neutral net sales revenue per unit case – up 3% in the quarter - mainly as a result of continued successful implementation of our revenue growth management initiatives, pricing (including measures to mitigate incidence rate increase and foreign exchange movements) and value-accretive volume strategy in Developing markets
- Volume declined in the quarter at a slower pace than in Q1 as a result of the overall improvement in Established and Developing markets and Nigeria's return to growth; Czech Republic, Italy, Poland, Romania and Russia drove the decline compared to the prior-year period
- Gross profit margin increased on prior year both in Q2 and the half year, driven by the acceleration in currency-neutral net sales revenue per case growth rate and the favourable input cost environment
- Operating expenses as a percentage of net sales revenue improved by 50 bps in Q2
- Comparable EBIT and EBIT margin demonstrated solid growth in Q2 compared to the first quarter and prior-year quarter
- Strong free cash flow generation in Q2, with continued reduction in the working capital balance

	Q2 2014	Q2 2013	Change
Volume (m unit cases)	**561**	578	-3%
Net Sales Revenue (€ m)	**1,852**	1,949	-5%
Net Sales Revenue per Unit Case (€)	**3.30**	3.37	-2%
Currency Neutral Net Sales Revenue per Unit Case (€)	**3.30**	3.21	3%
Comparable EBIT (€ m)	**194**	179	8%
Comparable EBIT margin (%)	**10.4**	9.2	120bps
Comparable Net Profit* (€ m)	**135**	127	6%
Comparable EPS (€)	**0.37**	0.34	9%
	Half year 2014	**Half year 2013**	**Change**
Volume (m unit cases)	**970**	1,004	-3%
Net Sales Revenue (€ m)	**3,183**	3,381	-6%
Net Sales Revenue per Unit Case (€)	**3.28**	3.37	-3%
Currency Neutral Net Sales Revenue per Unit Case (€)	**3.28**	3.20	3%
Comparable EBIT (€ m)	**167**	178	-6%
Comparable EBIT margin (%)	**5.2**	5.3	-10bps
Comparable Net Profit* (€ m)	**99**	111	-11%
Comparable EPS (€)	**0.27**	0.31	-13%

** Comparable Net Profit refers to comparable net profit after tax attributable to owners of the parent.*

Dimitris Lois, Chief Executive Officer of Coca-Cola HBC AG, commented:

"We continue to take action to mitigate the impact of the difficult trading conditions caused by depressed consumer sentiment and foreign exchange headwinds, while input cost pressures have abated. Our ongoing initiatives produced another quarter of growth in currency-neutral net sales revenue per case, and we are pleased with our efforts to reduce operating expenses as a percentage of net sales revenue in a very challenging volume environment.

For the full year, we expect the positive trends in currency-neutral net sales revenue per case, input and operating costs, combined with less foreign exchange pressure than previously anticipated, to offset the continuing challenging volume environment in our markets."

[1] *Nielsen May year-to-date data based on 23 measured markets in Sparkling beverages and 21 measured markets in NARTD*

SPECIAL NOTE REGARDING THE INFORMATION SET OUT HEREIN

Unless otherwise indicated, the condensed consolidated financial statements and the financial and operating data or other information included herein relate to Coca-Cola HBC AG and its subsidiaries ("Coca-Cola HBC" or the "Company" or "we" or the "Group").

This document contains forward-looking statements that involve risks and uncertainties. These statements may generally, but not always, be identified by the use of words such as "believe", "outlook", "guidance", "intend", "expect", "anticipate", "plan", "target" and similar expressions to identify forward-looking statements. All statements other than statements of historical facts, including, among others, statements regarding our future financial position and results, our outlook for 2014 and future years, business strategy and the effects of the global economic slowdown, the impact of the sovereign debt crisis, currency volatility, our recent acquisitions, and restructuring initiatives on our business and financial condition, our future dealings with The Coca-Cola Company, budgets, projected levels of consumption and production, projected raw material and other costs, estimates of capital expenditure, free cash flow, effective tax rates and plans and objectives of management for future operations, are forward-looking statements. 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 and events could differ materially from those anticipated in the forward-looking statements for many reasons, including the risks described in the UK Annual Financial Report for Coca-Cola HBC AG and its subsidiaries for the year ended 31 December 2013.

Although we believe that, as of the date of this document, the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. Moreover, neither we, nor our directors, employees, advisors nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. After the date of the condensed consolidated financial statements included in this document, unless we are required by law or the rules of the UK Financial Conduct Authority to update these forward-looking statements, we will not necessarily update any of these forward-looking statements to conform them either to actual results or to changes in our expectations.

Reconciliation of Reported to Comparable Financial Indicators *(numbers in € million except per share data)*

Group Financial Results	Second quarter 2014							
	COGS[1]	Gross Profit[2]	Operating Expenses[3]	EBIT[4]	Adjusted EBITDA[5]	Finance Costs[6]	Net Profit[7]	EPS[8] (€)
Reported	**(1,154.5)**	**697.5**	**(499.1)**	**193.3**	**282.9**	**(18.4)**	**134.3**	**0.37**
Restructuring costs	**-**	**-**	**-**	**5.1**	**5.1**	**-**	**3.9**	**0.01**
Commodity hedging[9]	**(4.7)**	**(4.7)**	**-**	**(4.7)**	**(4.7)**	**-**	**(3.6)**	**(0.01)**
Comparable	**(1,159.2)**	**692.8**	**(499.1)**	**193.7**	**283.3**	**(18.4)**	**134.6**	**0.37**

Group Financial Results	Second quarter 2013							
	COGS[1]	Gross Profit[2]	Operating Expenses[3]	EBIT[4]	Adjusted EBITDA[5]	Finance Costs[6]	Net Profit[7]	EPS[8] (€)
Reported	(1,235.8)	713.4	(551.9)	145.3	244.6	(29.7)	90.0	0.25
Restructuring costs	-	-	-	16.2	10.8	-	11.9	0.03
Commodity hedging[9]	1.8	1.8	-	1.8	1.8	-	1.3	-
Non-recurring items[10]	-	-	15.9	15.9	15.9	9.2	23.4	0.06
Comparable	(1,234.0)	715.2	(536.0)	179.2	273.1	(20.5)	126.6	0.34

Group Financial Results	Half year 2014							
	COGS[1]	Gross Profit[2]	Operating Expenses[3]	EBIT[4]	Adjusted EBITDA[5]	Finance Costs[6]	Net Profit[7]	EPS[8] (€)
Reported	**(2,033.4)**	**1,149.7**	**(973.7)**	**164.1**	**347.7**	**(38.9)**	**95.1**	**0.26**
Restructuring costs	**-**	**-**	**-**	**11.9**	**11.7**	**-**	**10.2**	**0.03**
Commodity hedging[9]	**(9.1)**	**(9.1)**	**-**	**(9.1)**	**(9.1)**	**-**	**(6.5)**	**(0.02)**
Comparable	**(2,042.5)**	**1,140.6**	**(973.7)**	**166.9**	**350.3**	**(38.9)**	**98.8**	**0.27**

Group Financial Results	Half year 2013							
	COGS[1]	Gross Profit[2]	Operating Expenses[3]	EBIT[4]	Adjusted EBITDA[5]	Finance Costs[6]	Net Profit[7]	EPS[8] (€)
Reported	(2,187.3)	1,193.8	(1,037.4)	134.0	327.9	(49.4)	65.6	0.18
Restructuring costs	-	-	-	22.4	17.0	-	17.3	0.05
Commodity hedging[9]	4.1	4.1	-	4.1	4.1	-	2.8	0.01
Non-recurring items[10]	-	-	17.7	17.7	17.7	9.2	25.0	0.07
Comparable	(2,183.2)	1,197.9	(1,019.7)	178.2	366.7	(40.2)	110.7	0.31

1 *Reported COGS refers to cost of goods sold.*

2 *Reported Gross Profit refers to gross profit.*

3 *Reported Operating Expenses refers to operating expenses.*

4 *Reported EBIT refers to operating profit.*

5 *Adjusted EBITDA refers to operating profit before deductions for depreciation and impairment of property, plant and equipment (included both in cost of goods sold and in operating expenses), amortisation and impairment of intangible assets, employee share options and other non-cash items, if any (refer to 'Supplementary information' section).*

6 *Reported Finance Costs refers to total net finance costs.*

7 *Reported Net Profit refers to profit after tax attributable to owners of the parent.*

8 *Reported EPS refers to basic earnings per share.*

9 *The Group has entered into certain commodity derivative transactions in order to mitigate its exposure to commodity price risk. Although these transactions are economic hedging activities that aim to manage our exposure to sugar and aluminium price volatility, they do not qualify for hedge accounting. The fair value gains and losses on the derivatives are immediately recognised in the income statement in the cost of goods sold line item. The Group's comparable results exclude the unrealised gains or losses resulting from the mark-to-market valuation of this hedging activity. These gains or losses will be reflected in the comparable results in the period when the underlying transactions will occur, to match the profit or loss impact of the underlying transactions.*

10 *Non-recurring items refer mainly to the transactions costs related to the re-domiciliation and the admission of the Group to listing on the premium segment of the London Stock Exchange. Further to that, non-recurring finance costs also relate to the tender offer for the €500 million bond matured in January 2014.*

Group Operational Review

As the year progresses, there is increasing evidence that the trading conditions we have seen so far are unlikely to improve during 2014. Although macroeconomic forecasts are being revised marginally upwards in some of the countries where we operate, unemployment levels remain high and disposable income is still constrained. Moreover, the escalation of the geopolitical situation in Russia and Ukraine has affected consumer spending in this region.

Volume decline in our business decelerated in the second quarter. We are encouraged to see that the improvement in net sales revenue per case combined with the favourable input cost environment and operating expense reductions have improved absolute EBIT and EBIT margin in the second quarter compared to the prior-year quarter.

In the period, we gained or maintained share in volume and value in 15 markets[1] in Sparkling beverages. The biggest improvements were in Austria, Belarus, Romania, Serbia, Switzerland and Ukraine. In NARTD, we gained or maintained volume and value share in 13 markets[1] including Austria, Belarus, Bosnia, Ireland, Romania, Russia, Serbia and Ukraine.

Volume declined by 3% in the second quarter and the first half of 2014. Established markets, which had a slow start to the year, showed a sequential improvement with 2% decline in the quarter, bringing the half-year decline rate to -4%. Italy, Ireland and Switzerland showed sequential improvement, partly due to Easter falling in the second quarter. Volume in Developing markets declined by 5% in the quarter, reflecting our strategic decision to focus on value-accretive volume in Poland and the Czech Republic. Hungary on the other hand, demonstrated growth in nearly every category. This segment has also shown an improving trend compared to the first quarter, bringing the half-year decline rate to under 7%. Emerging market volumes, down 3% in the second quarter and 2% in the first half, were disappointing. While Nigeria resumed growth in the quarter after a slow start to the year, we saw a decline in volumes in Russia and continued volume weakness in Ukraine and Romania.

Sparkling beverage volumes decreased by 2% in the quarter, cycling 1% growth in the prior-year period and moderating the half-year decline to 4%. The weakness in the category was broad-based across most of our major markets with the exception of Nigeria, Ireland and Austria. Trademark Coca-Cola declined by 1%, while Coke Zero maintained its positive momentum in all three segments and continued to outperform the category with 7% growth, following 18% growth in the prior-year period.

Juice sustained its upward trend and grew by 2% in the quarter and in the first half, with good growth in Cappy Pulpy in Romania. Energy grew by 1% in the quarter, marking the seventeenth consecutive quarter of volume growth, driven by a strong performance in Established and Developing markets offset by Emerging markets. RTD Tea declined in the quarter by 11%, demonstrating weak performance across the board. Water volumes decreased by 5% in the quarter.

Single-serve packages decreased by 2%, while multi-serves declined by 4% in the second quarter, leading to a 0.5 percentage point mix improvement. As shifting consumption to single-serve packages is an effective way of improving the value we get from our products, it is pleasing to see improved mix for the fifth consecutive quarter. Water had a considerable shift to single-serve, demonstrating a 2.2 percentage point package mix improvement, while Sparkling improved by 0.3 percentage points. On a segmental basis, single-serve contribution improved in the Emerging and Established markets and deteriorated slightly in the Developing markets.

Our consistent focus on the occasion-based brand, package, price and channel ("OBPPC") strategy combined with our efforts to mitigate the impacts of foreign exchange movements and the incidence rate increase, has resulted in a 3% increase in currency-neutral net sales revenue per unit case, marking the 12th consecutive quarter of improvement and bringing the half-year pace to nearly 3%. While our Developing and Emerging markets continued to improve, the main contribution to growth came from Established markets.

The input cost environment continued to be favourable in the quarter. As a result, we have seen a mid single-digit decrease in currency-neutral input cost per case, slightly better than the overall trend in the first quarter.

[1] *Nielsen May year-to-date data based on 23 measured markets in Sparkling beverages and 21 measured markets in NARTD*

Group Operational Review (continued)

Reducing operating expenses as a percent of net sales revenue remains a key priority. Our consistent efforts have delivered a 50 basis point reduction in operating expenses as a percent of net sales revenue in the second quarter, driven by lower warehousing, distribution and marketing expenses, particularly in the Established and Developing segments.

Comparable EBIT amounted to €194 million in the quarter, €15 million higher than the prior period, leading to a 130bps margin expansion to 10.5%. EBIT growth realised in Developing and Established markets, compensated for the EBIT decline in Emerging markets driven by Russia and Ukraine. Overall, positive developments in currency-neutral net sales revenue per case, lower input costs and lower operating expenses more than offset the impact of unfavourable foreign exchange movements and the shortfall in volumes.

In the first half of the year, we incurred €11.9 million in pre-tax restructuring charges, €5 million of which was incurred in the second quarter. We continue to execute on our restructuring plans for 2014, which are expected to create a more agile and efficient organisation.

In the second quarter, we generated free cash flow of €176 million, which is €38 million higher than in the prior-year period. The key drivers were an increase in operating profitability and slightly lower capital expenditure. Working capital improved year on year in terms of both balance sheet position and working capital days across all three segments. We remain committed to continued improvements in the remainder of the year as well.

Sustainability is deeply embedded in our corporate culture. In this respect, we are very proud to have published our second Integrated Report titled "The best is yet to come". This follows the success of our first report last year, which was noted by industry experts as a 'best case example' of this new approach to reporting.

Deeply affected by the devastation caused by the unprecedented flooding in Serbia, Croatia and Bosnia & Herzegovina, Coca-Cola HBC and The Coca-Cola Company responded promptly to the humanitarian disaster by working closely with local authorities and the Red Cross. Support spanned from financial contributions and employee volunteers to distributing supplies, as well as donations of much needed bottled water, along with canned food supplies.

Half-yearly financial report

Our half-yearly financial report for the six months ended 27 June 2014 will be released on Monday 11 August 2014 and will be available from our website www.coca-colahellenic.com with effect from such date.

Operational Review by Reporting Segment

Established markets

	Q2 2014	Q2 2013	Change	**Half year 2014**	Half year 2013	Change
Volume (m unit cases)	**174.6**	177.5	-2%	**305.9**	319.4	-4%
Net sales revenue (€ m)	**700.1**	697.2	-	**1,228.0**	1,267.7	-3%
Net Sales Revenue per Unit Case (€)	**4.01**	3.93	2%	**4.01**	3.97	1%
Currency Neutral Net Sales Revenue per Unit Case (€)	**4.01**	3.95	2%	**4.01**	3.98	1%
Operating profit (EBIT in € m)	**70.0**	30.5	>100%	**58.9**	33.9	74%
Comparable operating profit (Comparable EBIT in € m)	**70.5**	50.5	40%	**64.3**	61.6	4%
Comparable EBIT margin (%)	**10.1**	7.2	290bps	**5.2**	4.9	30bps

- Unit case volume in our Established markets segment decreased by 2% in the second quarter of 2014 and by 4% in the first half. This follows a 6% decline in both of the comparable prior-year periods. In a difficult underlying trading environment, we saw a moderation of the negative trends experienced at the beginning of the year in most countries in the segment. This was helped by the Easter trade and dissipation of some of the one-off country specific issues.
- Net sales revenue was marginally higher in the second quarter, narrowing the decline to 3% for the first half of the year. Lower volume and to a lesser extent unfavourable category mix were more than offset by the benefits of favourable package and price mix. Currency-neutral revenue per case returned to growth, rising by 2% in the quarter and 1% in the first half.
- In line with our expectations, volume decline in Italy moderated to mid single digits in the second quarter, resulting in high single-digit decline for the first half of the year. Sparkling beverages were more resilient in the quarter, with Trademark Coca-Cola products growing by just under 1% supported by a 6% increase in Coca-Cola Zero. Water and RTD Tea were the key underperformers. Package mix improved, driven by higher proportion of single-serve packages sold in the water category. Despite GDP and other macroeconomic indicators showing an improvement in the second quarter, the underlying trading environment remains challenging, with unemployment at near record high levels of 13% and persistent pressures on disposable income. Additionally, we continue to experience some impact on our business from de-stocking and tighter credit management.
- Volume in Greece declined by low single digits in the second quarter, cycling low double-digit decline in the prior-year quarter. Volume for the first half grew by low single digits. Water was the key growth category, while in the sparkling category the pace of decline remained in the low single-digit range. Whilst we are pleased to see volume trends in Greece stabilising after several quarters of double-digit decline, we remain cautious. Trading conditions are still challenging, unemployment remains at near historic highs of 26% and disposable income is not forecast to return to growth until 2015.
- Volume in Switzerland declined by low single digits both in the second quarter and the first half of the year. Water and Juice were the category outperformers supported by new product launches and increased promotional activities. Sparkling beverages declined by low single digits, with volume pressure partly offset by 6% growth in Coca-Cola Zero and 18% growth in Fanta. Package mix improved in both the sparkling and water categories driven by our OBPPC initiatives.
- Volume in Ireland grew by mid single digits in the quarter and by low single digits in the first half of the year. Volume grew across all key categories during the quarter, positively affected by increased activation, timing of Easter and favourable weather in June. Sparkling beverages grew by mid single digits, while Coca-Cola Zero maintained its solid growth and package mix continued to improve.

Operational Review by Reporting Segment (continued)

Established markets

- Comparable operating profit in the Established markets segment increased by €20 million in the second quarter, bringing the comparable operating profit in the first half of the year to €64 million which is €3 million better than the prior-year period. Benefits from our revenue growth initiatives, restructuring, tighter operating expense management and lower raw material costs more than offset the impact of lower volume and higher concentrate costs in the second quarter.

Operational Review by Reporting Segment (continued)

Developing markets

	Q2 2014	Q2 2013	Change	**Half year 2014**	Half year 2013	Change
Volume (m unit cases)	**100.3**	105.5	-5%	**170.3**	182.3	-7%
Net sales revenue (€ m)	**299.5**	308.5	-3%	**504.7**	525.7	-4%
Net Sales Revenue per Unit Case (€)	**2.99**	2.92	2%	**2.96**	2.88	3%
Currency Neutral Net Sales Revenue per Unit Case (€)	**2.99**	2.90	3%	**2.96**	2.84	4%
Operating profit (EBIT in € m)	**32.8**	15.4	>100%	**22.8**	0.5	>100%
Comparable operating profit (Comparable EBIT in € m)	**32.4**	18.6	74%	**23.4**	3.9	>100%
Comparable EBIT margin (%)	**10.8**	6.0	480bps	**4.6**	0.7	390bps

- Unit case volume in our Developing markets segment decreased by 5% in the second quarter and 7% in the first half. This follows a 3% decline in the comparable prior-year periods. Volume performance in the segment has been impacted by our strategic decision to focus on value-accretive volume, particularly in Poland and the Czech Republic.
- Net sales revenue declined by 3% in the quarter. Benefits of improved package mix and pricing were more than offset by lower volume and negative currency impact. On a currency-neutral basis, net sales revenue per case increased by 3% in the second quarter and by 4% in the first half of 2014.
- In Poland, volume declined by high single digits in both the second quarter and half year periods. This follows a low single-digit decrease and a mid single-digit decline in the respective prior-year periods. Volume declined across all key categories, while the pace of decline in sparkling beverages moderated further to mid single digits. Although we are encouraged by the positive trends seen in unemployment and disposable income, this is yet to translate into consumer spending. Additionally, our strategic decision to focus on sustainable value-accretive volume in an environment which is highly driven by discounters contributed to the overall decline.
- Volume in Hungary grew by low single digits in both the second quarter and half year periods. This is the third sequential quarterly improvement and the first positive quarter following eight consecutive quarters of decline. Growth was registered in all key categories. Sparkling beverages grew by low single digits, with continued strong double-digit growth in Coca-Cola Zero, as well as good growth in Fanta and Sprite. Our volume growth in Energy remained in double-digit territory, cycling very strong growth in the prior-year period and reflecting the solid performance of our new product and flavour launches. Juice increased by low-teens in the quarter, helped by the positive impact of the Cappy Pulpy launch and the introduction of new flavours. Package mix improved by 0.6 percentage points in the quarter, driven by increased volume of single-serve packages in the sparkling beverages category.
- Volume decline in the Czech Republic moderated to high single digits in the second quarter, leading to a low teens decline in the half year. Volume performance was a result of our strategic decision to focus on value-accretive volume. Sparkling recorded a high single-digit decline, with Coca-Cola Zero growing by low double digits in the quarter, helped by increased distribution and activation in the organised trade. Juice posted double-digit growth in the quarter, helped by the positive impact of new Cappy packs.
- Developing markets posted a €14 million improvement in comparable operating profit in the second quarter, bringing the comparable operating profit in the first half of the year to €23 million which is €20 million higher than the prior-year period. Favourable price/mix, lower input costs and operating expenses more than offset the impact from weak volumes, higher concentrate costs and the negative impact of foreign exchange movements.

Operational Review by Reporting Segment (continued)

Emerging markets

	Q2 2014	Q2 2013	Change	**Half year 2014**	Half year 2013	Change
Volume (m unit cases)	**285.7**	294.7	-3%	**494.0**	502.7	-2%
Net sales revenue (€ m)	**852.4**	943.5	-10%	**1,450.4**	1,587.7	-9%
Net Sales Revenue per Unit Case (€)	**2.98**	3.20	-7%	**2.94**	3.16	-7%
Currency Neutral Net Sales Revenue per Unit Case (€)	**2.98**	2.87	4%	**2.94**	2.83	4%
Operating profit (EBIT in € m)	**90.5**	99.4	-9%	**82.4**	99.6	-17%
Comparable operating profit (Comparable EBIT in € m)	**90.8**	110.0	-17%	**79.2**	112.7	-30%
Comparable EBIT margin (%)	**10.6**	11.6	-100bps	**5.5**	7.1	-160bps

- Unit case volume in our Emerging markets segment declined by 3% in the second quarter and by 2% in the first half of the year, following 2% and 4% growth respectively in the prior-year periods. In the second quarter, volume declines principally in Romania, Russia and Ukraine more than offset good performances in Nigeria and Serbia.
- Net sales revenue declined by 10% in the second quarter. Positive pricing and package mix were not enough to compensate for the negative impact from currency translation and volume weakness. Currency neutral revenue per case grew by 4% in the quarter, building on the good performance seen in the first quarter.
- Volume in Russia declined by low single digits in the second quarter, following a mid single-digit increase in the comparable prior-year period. For the first six months, volume increased by low single digits, following a mid single-digit growth rate in the prior-year period. The current geopolitical developments impacting the economy and the consumer sentiment in the country are the main reason behind the decline in the quarter, which is broad-based, with all major categories except Juice posting lower volume. Trademark Coca-Cola declined by 5% and Sparkling by 4%, with only Fanta recording substantial growth, supported by the launch of new flavours. Our RTD-Tea products registered a low single-digit decline, following strong mid-teens increase in the prior-year quarter. Volume in the juice category continued to grow, though at a slower pace. With growth coming from both our mainstream brand Dobry, as well as our premium brand Rich, we expanded our volume and value share in Juice. Overall, we grew volume and value share in both Sparkling and NARTD.
- In Nigeria, the resolution of temporary SAP related disruptions helped to resume volume growth, resulting in mid single–digit volume growth in the second quarter of the year. In the first half of the year, volume increased by low single digits. Robust underlying demand and strong execution helped Brand Coca-Cola grow by mid single digits in the quarter. Meanwhile Water, which demonstrated low teens volume increase in the quarter marking the ninth consecutive quarter of growth, contributed to the overall growth in the quarter.
- Volume in Romania declined by 10% in the second quarter and by high single digits in the first six months of the year. Performance continues to be negatively affected by the difficult trading environment and competitive promotional pressures. In an NARTD market which fell by mid single digits compared to the prior-year period, our volume declined in the quarter in all key categories, with the exception of Juice, which more than doubled, supported by the Cappy Pulpy launch and strong marketing activation. Package mix improved in the second quarter of the year driven by both water and sparkling beverages. Overall, we gained volume and value share in Sparkling and NARTD.

Operational Review by Reporting Segment (continued)

Emerging markets

- Volume in Ukraine declined by high single digits in the second quarter and by low double digits for the first half of the year, following mid-teens and high single-digit decline in the prior-year period. The current political environment remains very difficult, severely impacting consumer demand. Against this backdrop, Sparkling beverages was the most resilient category in the quarter, with Trademark Coca-Cola products declining by low single digits. Overall, we gained volume and value share in Sparkling beverages.
- Our Emerging markets segment posted an operating profit of €91 million, €19 million lower compared to the operating profit in the same period last year. Price mix improvements and lower input costs were more than offset by the significant negative currency impact, higher concentrate costs, the volume gap and higher operating expenses.

Business Outlook

The prevailing difficult economic and trading conditions, the sudden deterioration in Russia and the evolving trends in a small number of other markets have led us to review our volume outlook. We now expect the volume decline trend we have seen in the first half to persist in the remainder of the year.

We have made good progress in implementing price initiatives in order to mitigate the impact of foreign exchange movements resulting from the geopolitical developments in Russia and Ukraine, and the previously-announced increases in incidence rates for concentrate. We expect that these actions, in combination with our ongoing revenue growth management initiatives, will ensure an improvement in currency-neutral revenue per case in 2014 at a higher rate than in 2013.

Taking into account the timing and level of our hedged positions and coverage, we continue to expect currency-neutral input costs per case to be more favourable year on year.

We continue to execute well in every area where we have control. Operating expense management is a key pillar of this effort, and we are working to make progress in operating expenses as a percentage of net sales revenue, taking into account the adverse impact of volume leverage.

Taking into account the current spot rates and our hedged positions, we now expect the foreign currency impact to be within the €80-90 million range, €10 million lower than the range we had indicated at the time of the first quarter results.

For the full year, we expect the positive trends in currency-neutral net sales revenue per case, input and operating costs, combined with less foreign exchange pressure than previously anticipated, to offset the continuing challenging volume environment in our markets.

We manage our business for the long term. We are confident that we have the right strategy in place to grow in a sustainable and profitable way. Our product portfolio contains some of the world's best known and loved brands and we operate across 28 countries, largely characterized by low per capita consumption of our products, giving us excellent growth opportunities.

Technical guidance

We continue to implement initiatives that further improve operational efficiencies, including SAP Wave 2 exploitation, expansion of the scope of our shared services centre, route-to-market optimization and other restructuring initiatives. For 2014, we have increased the restructuring initiatives by €10 million to approximately €45 million. We expect these initiatives to yield €35 million in annualised benefits from 2015 onwards, while the initiatives already taken in 2013 and those that we will take in 2014 are expected to yield approximately €35 million of total benefits in 2014.

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

Our emphasis on free cash flow generation and tight working capital management delivered good results in 2013, and we believe we can make further progress in 2014. We therefore continue to expect that during the three-year period between 1 January 2013 and 31 December 2015, we will generate free cash flow of approximately €1.3 billion.

Annual capital expenditure over the medium term is still expected to range between 5.5% and 6.5% of net sales revenue, reflecting our commitment to invest in the long-term development of our business.

Group Financial Review

Selected income statement and other items

	Second Quarter		
	2014 € million	**2013 € million**	**% Change**
Volume (m unit cases)	**560.6**	577.7	-3%
Net sales revenue	**1,852.0**	1,949.2	-5%
Net Sales Revenue per Unit Case (€)	**3.30**	3.37	-2%
Currency Neutral Net Sales Revenue per Unit Case (€)	**3.30**	3.21	3%
Cost of goods sold	**(1,154.5)**	(1,235.8)	-7%
Comparable cost of goods sold[1]	**(1,159.2)**	(1,234.0)	-6%
Gross profit	**697.5**	713.4	-2%
Comparable gross profit[1]	**692.8**	715.2	-3%
Operating expenses	**(499.1)**	(551.9)	-10%
Comparable operating expenses[1]	**(499.1)**	(536.0)	-7%
Operating profit (EBIT)	**193.3**	145.3	33%
Comparable operating profit (EBIT)[1]	**193.7**	179.2	8%
Adjusted EBITDA[2]	**282.9**	244.6	16%
Comparable adjusted EBITDA[1]	**283.3**	273.1	4%
Total net finance costs	**(18.4)**	(29.7)	-38%
Comparable total net finance costs[1]	**(18.4)**	(20.5)	-10%
Tax	**(44.3)**	(30.1)	47%
Profit after tax attributable to owners of the parent	**134.3**	90.0	49%
Comparable profit after tax attributable to owners of the parent[1]	**134.6**	126.6	6%
Basic earnings per share (€)	**0.37**	0.25	48%
Comparable basic earnings per share (€)[1]	**0.37**	0.34	9%
Net cash from operating activities[2]	**269.0**	237.4	13%
Capital expenditure[2]	**(93.4)**	(100.2)	-7%
Free cash flow[2]	**175.6**	137.2	28%

Selected income statement and other items

	Half Year		
	2014 € million	**2013 € million**	**% Change**
Volume (m unit cases)	**970.2**	1,004.4	-3%
Net sales revenue	**3,183.1**	3,381.1	-6%
Net Sales Revenue per Unit Case (€)	**3.28**	3.37	-3%
Currency Neutral Net Sales Revenue per Unit Case (€)	**3.28**	3.20	3%
Cost of goods sold	**(2,033.4)**	(2,187.3)	-7%
Comparable cost of goods sold[1]	**(2,042.5)**	(2,183.2)	-6%
Gross profit	**1,149.7**	1,193.8	-4%
Comparable gross profit[1]	**1,140.6**	1,197.9	-5%
Operating expenses	**(973.7)**	(1,037.4)	-6%
Comparable operating expenses[1]	**(973.7)**	(1,019.7)	-5%
Operating profit (EBIT)	**164.1**	134.0	23%
Comparable operating profit (EBIT)[1]	**166.9**	178.2	-6%
Adjusted EBITDA[2]	**347.7**	327.9	6%
Comparable adjusted EBITDA[1]	**350.3**	366.7	-5%
Total net finance costs	**(38.9)**	(49.4)	-21%
Comparable total net finance costs[1]	**(38.9)**	(40.2)	-3%
Tax	**(34.1)**	(23.5)	45%
Profit after tax attributable to owners of the parent	**95.1**	65.6	45%
Comparable profit after tax attributable to owners of the parent[1]	**98.8**	110.7	-11%
Basic earnings per share (€)	**0.26**	0.18	44%
Comparable basic earnings per share (€)[1]	**0.27**	0.31	-13%
Net cash from operating activities[2]	**234.9**	249.8	-6%
Capital expenditure[2]	**(140.1)**	(152.2)	-8%
Free cash flow[2]	**94.8**	97.6	-3%

[1] *Refer to the 'Reconciliation of Reported to Comparable Financial Indicators' section.*

[2] *Refer to 'Supplementary Information' section.*

Group Financial Review (continued)

Net sales revenue

Net sales revenue per unit case decreased by 2% during the second quarter of 2014 compared to the respective prior year period, on a reported basis. On a currency neutral basis, net sales revenue per unit case increased by 3% in the second quarter of 2014 compared to the respective prior year period. For the first half of 2014, net sales revenue per unit case decreased by 3% compared to the respective prior year period, on a reported basis and increased by 3% on a currency neutral basis.

Cost of goods sold

Comparable cost of goods sold decreased by 6% in both the second quarter and the first half of 2014, compared to the respective prior year periods, as the input cost environment continued to be favourable.

Gross profit

Comparable gross profit margin increased from 36.7% in the second quarter of 2013 to 37.4% in the second quarter of 2014 and from 35.4% in the first half of 2013 to 35.8% in the first half of 2014.

Operating expenses

Comparable operating expenses decreased by 7% during the second quarter and by 5% during the first half of 2014 versus the respective prior year periods, mainly reflecting the benefits of our restructuring initiatives as well as lower period over period marketing, warehousing and distribution expenses, particularly in the Established and Developing segments.

Operating profit

Comparable operating profit increased by 8% in the second quarter of 2014 as the benefits from our revenue growth initiatives, the favourable input costs and the lower operating expenses more than offset the impact of the negative operational leverage from lower sales volumes, the higher foreign currency impact and the higher concentrate costs. Comparable operating profit decreased by 6% in the first half of 2014, as the lower volume, higher concentrate cost and the adverse foreign currency impact more than offset the benefits from our revenue management initiatives, the favourable input costs and the lower operating expenses.

Total net finance costs

Comparable total net finance costs decreased by €11.3 million during the second quarter and by €1.3 million during the first half of 2014, compared to the respective prior year periods.

Tax

On a comparable basis, Coca-Cola HBC's effective tax rate for the first half of 2014 was approximately 25% compared to 23% in the first half of 2013. The Group's effective tax rate varies quarterly depending on the mix of taxable profits by territory, the non-deductibility of certain expenses, non-taxable income and other one-off tax items across its territories.

Profit after tax attributable to owners of the parent

On a comparable basis, profit after tax attributable to owners of the parent increased by 6% for the second quarter compared to the respective prior year period, as the increased operating profit and lower total net finance costs were only partially offset by higher income tax. Comparable profit after tax attributable to owners of the parent decreased by 11% in the first half of 2014 compared to the respective prior year period driven by lower operating profitability and increased tax charges, partially counterbalanced by lower net finance costs.

Net cash from operating activities

Net cash from operating activities increased by 13% in the second quarter of 2014 compared to the respective prior year period, mainly reflecting the increased operating profitability. For the first half of 2014, net cash flow from operating activities decreased by 6% compared to the respective prior year period, mainly on the back of the increased operating profitability during the period which was more than offset by the adverse working capital movement.

Group Financial Review (continued)

Cash flow from operating activities net of capital expenditure increased by 28% during the second quarter versus the respective prior year period, reflecting mainly the increased cash from operating activities. For the first half of 2014, cash flow from operating activities net of capital expenditure decreased by 3% versus the respective prior year period, mainly on the back of the decreased cash from operating activities.

Capital expenditure

Capital expenditure, net of receipts from the disposal of assets and including principal repayments of finance lease obligations, reduced by 7% in the second quarter and by 8% in the first half of 2014, compared to the respective prior year periods. In the first half of 2014, capital expenditure amounted to €140.1 million of which 54% was related to investment in production equipment and facilities and 22% to the acquisition of marketing equipment. In the first half of 2013, capital expenditure amounted to €152.2 million of which 42% was related to investment in production equipment and facilities and 23% to the acquisition of marketing equipment.

Supplementary Information

The financial measures Adjusted EBITDA, Capital Expenditure and Free Cash Flow consist of the following reported amounts in the condensed consolidated interim financial statements:

	Second quarter 2014 € million	Second quarter 2013 € million
Profit after tax	**134.4**	89.9
Tax charged to the income statement	**44.3**	30.1
Total finance costs, net	**18.4**	29.7
Share of results of equity method investments	**(3.8)**	(4.4)
Operating profit (EBIT)	**193.3**	**145.3**
Depreciation of property, plant and equipment	**86.3**	97.5
Amortisation of intangible assets	**0.1**	0.3
Employee share options	**3.2**	1.5
Adjusted EBITDA[1]	**282.9**	**244.6**
Gains on disposal of non-current assets	**(1.5)**	(1.4)
(Increase)/decrease in working capital	**(1.8)**	1.3
Tax paid	**(10.6)**	(7.1)
Net cash from operating activities	**269.0**	**237.4**
Payments for purchases of property, plant and equipment	**(91.7)**	(97.4)
Principal repayments of finance lease obligations	**(3.4)**	(4.1)
Proceeds from sale of property, plant and equipment	**1.7**	1.3
Capital expenditure	**(93.4)**	**(100.2)**
Net cash from operating activities	**269.0**	237.4
Capital expenditure	**(93.4)**	(100.2)
Free cash flow	**175.6**	**137.2**

	Half year 2014 € million	Half year 2013 € million
Profit after tax	**95.1**	65.5
Tax charged to the income statement	**34.1**	23.5
Total finance costs, net	**38.9**	49.4
Share of results of equity method investments	**(4.0)**	(4.4)
Operating profit (EBIT)	**164.1**	**134.0**
Depreciation of property, plant and equipment	**176.7**	191.2
Amortisation of intangible assets	**0.2**	0.6
Employee share options	**6.7**	2.1
Adjusted EBITDA[1]	**347.7**	**327.9**
Gains on disposal of non-current assets	**(2.6)**	(2.7)
Increase in working capital	**(88.6)**	(55.9)
Tax paid	**(21.6)**	(19.5)
Net cash from operating activities	**234.9**	**249.8**
Payments for purchases of property, plant and equipment	**(137.3)**	(146.9)
Principal repayments of finance lease obligations	**(6.6)**	(8.0)
Proceeds from sale of property, plant and equipment	**3.8**	2.7
Capital expenditure	**(140.1)**	**(152.2)**
Net cash from operating activities	**234.9**	249.8
Capital expenditure	**(140.1)**	(152.2)
Free cash flow	**94.8**	**97.6**

[1] *Adjusted EBITDA refers to operating profit before deductions for depreciation and impairment of property, plant and equipment (included both in cost of goods sold and in operating expenses), amortisation and impairment of intangible assets, employee share options and other non-cash items, if any.*

Coca-Cola HBC Group

Coca-Cola HBC is the second-largest bottler of the brands of The Coca-Cola Company in terms of volume with sales of more than 2 billion unit cases. It has a broad geographic footprint with operations in 28 countries serving a population of approximately 585 million people. Coca-Cola HBC offers a diverse range of non-alcoholic ready to drink beverages in the sparkling, juice, water, sport, energy, tea and coffee categories. Coca-Cola HBC is committed to promoting sustainable development in order to create value for its business and for society. This includes providing products that meet the beverage needs of consumers, fostering an open and inclusive work environment, conducting its business in ways that protect and preserve the environment and contribute to the socio-economic development of the local communities.

Coca-Cola HBC has a premium listing on the London Stock Exchange (LSE: CCH) and its shares are listed on the Athens Exchange (ATHEX: EEE). Coca-Cola HBC is included in the Dow Jones Sustainability and FTSE4Good Indexes. For more information, please visit http://www.coca-colahellenic.com.

Financial information in this announcement is presented on the basis of International Financial Reporting Standards ('IFRS').

Conference call

Coca-Cola HBC will host a conference call with financial analysts to discuss the second quarter and half year 2014 financial results on 7 August 2014 at 10:00 am, Swiss time (9:00 am London, 11:00am Athens, and 4:00 am New York time). Interested parties can access the live, audio webcast of the call through Coca-Cola HBC's website (www.coca-colahellenic.com/investorrelations/webcasts).

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Condensed consolidated interim balance sheet (unaudited)

	Note	As at 27 June 2014 € million	As at 31 December 2013 € million
Assets			
Intangible assets	4	**1,933.9**	1,921.3
Property, plant and equipment	4	**2,814.9**	2,901.9
Other non-current assets		**305.0**	300.0
Total non-current assets		**5,053.8**	**5,123.2**
Inventories		**564.2**	429.0
Trade and other receivables		**1,158.6**	985.1
Cash and cash equivalents	5	**557.1**	737.5
Total current assets		**2,279.9**	2,151.6
Total assets		**7,333.7**	**7,274.8**
Liabilities			
Short-term borrowings	5	**228.0**	446.2
Other current liabilities		**1,982.1**	1,619.9
Total current liabilities		**2,210.1**	**2,066.1**
Long-term borrowings	5	**1,855.0**	1,853.6
Other non-current liabilities		**395.4**	387.8
Total non-current liabilities		**2,250.4**	**2,241.4**
Total liabilities		**4,460.5**	**4,307.5**
Equity			
Owners of the parent		**2,868.1**	2,962.2
Non-controlling interests		**5.1**	5.1
Total equity		**2,873.2**	**2,967.3**
Total equity and liabilities		**7,333.7**	**7,274.8**

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

Condensed consolidated interim income statement (unaudited)

	Note	**Three months to 27 June 2014 € million**	Three months to 28 June 2013 € million
Net sales revenue	3	**1,852.0**	1,949.2
Cost of goods sold		**(1,154.5)**	(1,235.8)
Gross profit		**697.5**	**713.4**
Operating expenses		**(499.1)**	(551.9)
Restructuring costs	7	**(5.1)**	(16.2)
Operating profit	3	**193.3**	**145.3**
Total finance costs, net	8	**(18.4)**	(29.7)
Share of results of equity method investments		**3.8**	4.4
Profit before tax		**178.7**	**120.0**
Tax	9	**(44.3)**	(30.1)
Profit after tax		**134.4**	**89.9**
Attributable to:			
Owners of the parent		**134.3**	90.0
Non-controlling interests		**0.1**	(0.1)
		134.4	**89.9**
Basic and diluted earnings per share (€)	10	**0.37**	**0.25**

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

Condensed consolidated interim statement of comprehensive income (unaudited)

	Three months to 27 June 2014 € million	Three months to 28 June 2013 € million
Profit after tax for the period	**134.4**	**89.9**
Other comprehensive income:		
Items that may be subsequently reclassified to income statement:		
Available-for-sale financial assets:		
Valuation (losses)/ gains during the period	**(0.1)**	0.4
Cash flow hedges:		
Amounts of (losses)/ gains during the period	**(10.3)**	3.1
Amounts of losses reclassified to profit and loss for the period	**3.4**	2.6
Transfers to inventory for the period	**(0.4)**	-
Foreign currency translation	**48.6**	(76.6)
Share of other comprehensive income of equity method investments	**0.3**	(0.7)
Income tax relating to items that may be subsequently reclassified to income statement	**1.7**	(1.0)
	43.2	**(72.2)**
Items that will not be subsequently reclassified to income statement:		
Actuarial (losses)/ gains	**(16.1)**	17.6
Income tax relating to components of other comprehensive income	**3.3**	(3.3)
	(12.8)	**14.3**
Other comprehensive income for the period, net of tax	**30.4**	**(57.9)**
Total comprehensive income for the period	**164.8**	**32.0**
Total comprehensive income attributable to:		
Owners of the parent	**164.7**	32.1
Non-controlling interests	**0.1**	(0.1)
	164.8	**32.0**

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

Condensed consolidated interim income statement (unaudited)

	Note	**Six months to 27 June 2014 € million**	Six months to 28 June 2013 € million
Net sales revenue	3	**3,183.1**	3,381.1
Cost of goods sold		**(2,033.4)**	(2,187.3)
Gross profit		**1,149.7**	**1,193.8**
Operating expenses		**(973.7)**	(1,037.4)
Restructuring costs	7	**(11.9)**	(22.4)
Operating profit	3	**164.1**	**134.0**
Total finance costs, net	8	**(38.9)**	(49.4)
Share of results of equity method investments		**4.0**	4.4
Profit before tax		**129.2**	**89.0**
Tax	9	**(34.1)**	(23.5)
Profit after tax		**95.1**	**65.5**
Attributable to:			
Owners of the parent		**95.1**	65.6
Non-controlling interests		**-**	(0.1)
		95.1	**65.5**
Basic and diluted earnings per share (€)	10	**0.26**	**0.18**

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

Condensed consolidated interim statement of comprehensive income (unaudited)

	Six months to 27 June 2014 € million	Six months to 28 June 2013 € million
Profit after tax for the period	**95.1**	**65.5**
Other comprehensive income :		
Items that may be subsequently reclassified to income statement:		
Available-for-sale financial assets:		
Valuation gains during the period	**0.1**	0.3
Cash flow hedges:		
Amounts of (losses)/ gains during the period	**(6.7)**	6.6
Amounts of losses reclassified to profit and loss for the period	**3.8**	6.6
Transfers to inventory for the period	**(2.2)**	-
Foreign currency translation	**(46.3)**	(68.7)
Share of other comprehensive income of equity method investments	**0.1**	(0.2)
Income tax relating to items that may be subsequently reclassified to income statement	**1.2**	(2.0)
	(50.0)	**(57.4)**
Items that will not be subsequently reclassified to income statement:		
Actuarial (losses)/ gains	**(22.0)**	19.7
Income tax relating to items that will not be subsequently reclassified to income statement	**4.3**	(3.4)
	(17.7)	**16.3**
Other comprehensive income for the period, net of tax	**(67.7)**	**(41.1)**
Total comprehensive income for the period	**27.4**	**24.4**
Total comprehensive income attributable to:		
Owners of the parent	**27.4**	24.5
Non-controlling interests	**-**	(0.1)
	27.4	**24.4**

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

Condensed consolidated interim statement of changes in equity (unaudited)

	Attributable to owners of the parent									
	Share capital[2] € million	Share Premium[2] € million	Group organizatio n reserve[2] € million	Treasury shares[2] € 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 2013	**370.2**	**569.3**	**-**	**(54.3)**	**(168.1)**	**376.6**	**1,895.0**	**2,988.7**	**17.8**	**3,006.5**
Shares issued to employees exercising stock options	1.6	2.8	-	-	-	-	-	**4.4**		**4.4**
Share-based compensation:										
Options	-	-	-	-	-	2.1	-	**2.1**	-	**2.1**
Hyperinflation impact	-	-	-	-	-	-	2.1	**2.1**	-	**2.1**
Appropriation of reserves	-	-	-	-	-	0.3	(0.3)	**-**	-	**-**
Purchase of shares held by non-controlling interest	-	-	-	-	-	-	(5.1)	**(5.1)**	(8.2)	**(13.3)**
Change of parent company to Coca-Cola HBC AG	1,620.7	4,832.6	(6,472.1)	(16.4)	-	1.5	-	**(33.7)**	-	**(33.7)**
Dividends (note 13)	-	(124.7)	-	-	-	-	1.2	**(123.5)**	(4.5)	**(128.0)**
	1,992.5	**5,280.0**	**(6,472.1)**	**(70.7)**	**(168.1)**	**380.5**	**1,892.9**	**2,835.0**	**5.1**	**2,840.1**
Profit for the period net of tax	-	-	-	-	-	-	65.6	**65.6**	(0.1)	**65.5**
Other comprehensive income for the period, net of tax	-	-	-	-	(68.9)	11.5	16.3	**(41.1)**	-	**(41.1)**
Total comprehensive income for the period, net of tax[1]	-	-	-	-	(68.9)	11.5	81.9	**24.5**	(0.1)	**24.4**
Balance as at 28 June 2013	**1,992.5**	**5,280.0**	**(6,472.1)**	**(70.7)**	**(237.0)**	**392.0**	**1,974.8**	**2,859.5**	**5.0**	**2,864.5**
Shares issued to employees exercising stock options	4.9	7.1	-	-	-	-	-	**12.0**	-	**12.0**
Share-based compensation:										
Options	-	-	-	-	-	4.2	-	**4.2**	-	**4.2**
Movement in treasury shares	-	-	-	-	-	(0.1)	-	**(0.1)**	-	**(0.1)**
Hyperinflation impact	-	-	-	-	-	-	(0.3)	**(0.3)**	-	**(0.3)**
Appropriation of reserves	-	-	-	-	-	(1.5)	1.5	-	-	-
Dividends	-	-	-	-	-	-	(0.2)	**(0.2)**	-	**(0.2)**
	1,997.4	**5,287.1**	**(6,472.1)**	**(70.7)**	**(237.0)**	**394.6**	**1,975.8**	**2,875.1**	**5.0**	**2,880.1**
Profit for the period net of tax	-	-	-	-	-	-	155.6	**155.6**	0.1	**155.7**
Other comprehensive income for the period, net of tax	-	-	-	-	(56.3)	(5.9)	(6.3)	**(68.5)**	-	**(68.5)**
Total comprehensive income for the period, net of tax	-	-	-	-	(56.3)	(5.9)	149.3	**87.1**	0.1	**87.2**
Balance as at 31 December 2013	**1,997.4**	**5,287.1**	**(6,472.1)**	**(70.7)**	**(293.3)**	**388.7**	**2,125.1**	**2,962.2**	**5.1**	**2,967.3**

[1] The amount included in the exchange equalisation reserve of €68.9 million loss for the first half of 2013 represents the exchange loss attributed to the owners of the parent of €68.7 million plus the share of equity method investments of €0.2 million loss.

The amount included in other reserves of €11.5 million gain for the first half of 2013 consists of gains on valuation of available-for-sale financial assets of €0.3 million, cash flow hedges gain of €13.2 million (of which €6.6 million represents revaluation gains for the period and €6.6 million represents revaluation losses reclassified to profit and loss for the period) and the deferred income tax charge of €2.0 million.

The amount of €81.9 million gain comprises a gain for the period of €65.6 million, plus the actuarial gains of €19.7 million less deferred income tax charge of €3.4 million.

The amount of €0.1 million loss included in non-controlling interests for the first half of 2013 represents the share of non-controlling interests in the retained earnings.

[2] As these condensed consolidated interim financial statements are a continuation of the consolidated financial statements of Coca-Cola Hellenic Bottling Company S.A., for the period 1 January 2012 to 25 April 2013 these components of equity reflect the capital structure of Coca-Cola Hellenic Bottling Company S.A. and following the reorganisation reflect the capital structure of Coca-Cola HBC AG.

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

Condensed consolidated interim statement of changes in equity (unaudited)

	Share capital € million	Share premium € million	Group Reorganization reserve € million	Treasury shares € million	Exchange qualisation reserve € million	Other reserves € million	Retained earnings € million	**Total € million**	Non-controlling interests € million	**Total equity € million**
Balance as at 1 January 2014	**1,997.4**	**5,287.1**	**(6,472.1)**	**(70.7)**	**(293.3)**	**388.7**	**2,125.1**	**2,962.2**	**5.1**	**2,967.3**
Shares issued to employees exercising stock options	0.3	0.3	-	-	-	-	-	**0.6**	-	**0.6**
Share-based compensation:										
Options	-	-	-	-	-	6.7	-	**6.7**	-	**6.7**
Movement in treasury shares	-	-	-	-	-	(1.9)	-	**(1.9)**	-	**(1.9)**
Hyperinflation impact	-	-	-	-	-	-	2.1	**2.1**	-	**2.1**
Appropriation/transfer of reserves	-	-	-	-	-	(134.3)	134.3	**-**	**-**	**-**
Dividends (note 13)	-	(130.2)	-	-	-	-	1.2	**(129.0)**	**-**	**(129.0)**
	1,997.7	**5,157.2**	**(6,472.1)**	**(70.7)**	**(293.3)**	**259.2**	**2,262.7**	**2,840.7**	**5.1**	**2,845.8**
Profit for the period net of tax	-	-	-	-	-	-	95.1	**95.1**	-	**95.1**
Other comprehensive income for the period, net of tax[3]	-	-	-	-	(46.2)	(3.8)	(17.7)	**(67.7)**	-	**(67.7)**
Total comprehensive income for the period net of tax	-	-	-	-	(46.2)	(3.8)	77.4	**27.4**	-	**27.4**
Balance as at 27 June 2014	**1,997.7**	**5,157.2**	**(6,472.1)**	**(70.7)**	**(339.5)**	**255.4**	**2,340.1**	**2,868.1**	**5.1**	**2,873.2**

[3] *The amount included in the exchange equalisation reserve of €46.2 million loss for the first half of 2014 represents the exchange loss attributed to the owners of the parent of €46.3 million plus the share of equity method investments of €0.1 million gain.*

The amount included in other reserves of €3.8 million loss for the first half of 2014 consists of gains on valuation of available-for-sale financial assets of €0.1 million, cash flow hedges losses of €5.1 million (of which €6.7 million represents revaluation loss for the period, €3.8 million represents revaluation loss reclassified to profit and loss for the period and €2.2 million represents revaluation gains reclassified to inventory for the period) and the deferred income tax credit of €1.2 million.

The amount of €77.4 million gain comprises a gain for the period of €95.1 million plus actuarial loss of €22.0 million less deferred income tax credit of €4.3 million.

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

Condensed consolidated interim cash flow statement (unaudited)

	Note	**Six months to 27 June 2014 € million**	Six months to 28 June 2013 € million
Operating activities			
Profit after tax for the period		**95.1**	65.5
Total finance costs, net	8	**38.9**	49.4
Share of results of equity method investments		**(4.0)**	(4.4)
Tax charged to the income statement		**34.1**	23.5
Depreciation of property, plant and equipment	4	**176.7**	191.2
Employee share options		**6.7**	2.1
Amortisation of intangible assets	4	**0.2**	0.6
		347.7	**327.9**
Gains on disposal of non-current assets		**(2.6)**	(2.7)
Increase in inventories		**(135.8)**	(138.6)
Increase in trade and other receivables		**(194.6)**	(139.8)
Increase in trade and other payables		**241.8**	222.5
Tax paid		**(21.6)**	(19.5)
Net cash from operating activities		**234.9**	**249.8**
Investing activities			
Payments for purchases of property, plant and equipment		**(137.3)**	(146.9)
Payments for purchase of intangible assets	17	**(14.1)**	-
Proceeds from sales of property, plant and equipment		**3.8**	2.7
Net receipts from / (payments for) investments		**1.2**	(6.1)
Interest received		**4.5**	2.7
Net cash used in investing activities		**(141.9)**	**(147.6)**
Financing activities			
Payments for buy-out minorities of Coca-Cola Hellenic Bottling Company SA		**-**	(1.0)
Proceeds from shares issued to employees exercising stock options		**0.6**	4.4
Purchase of shares held by non-controlling interests	12	**-**	(15.3)
Dividends paid		**-**	(4.5)
Proceeds from external borrowings		**647.0**	1,226.8
Repayments of external borrowings		**(858.8)**	(609.3)
Principal repayments of finance lease obligations		**(6.6)**	(8.0)
Interest paid		**(54.8)**	(73.0)
Net cash (used in)/ from financing activities		**(272.6)**	**520.1**
(Decrease) / increase in cash and cash equivalents		**(179.6)**	**622.3**
Movement in cash and cash equivalents			
Cash and cash equivalents at 1 January		**737.5**	439.1
(Decrease) / increase in cash and cash equivalents		**(179.6)**	622.3
Effect of changes in exchange rates		**(1.3)**	-
Effect of consolidation of Coca-Cola HBC AG		**-**	1.8
Hyperinflation impact on cash		**0.5**	0.3
Cash and cash equivalents at the end of the period		**557.1**	**1,063.5**

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

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

1. Accounting policies

The accounting policies used in the preparation of the condensed consolidated interim financial statements of Coca-Cola HBC AG ('Coca-Cola HBC', the 'Company' or the 'Group') are consistent with those used in the annual financial statements for the year ended 31 December 2013, except for the adoption, as of 1 January 2014, the amendment to IAS 32 *Financial Statement Presentation*, on asset and liability offsetting; amendment to IAS 36 *Impairment of assets*, on recoverable amount disclosures; amendment to IAS 39 *Financial Instruments: Recognition and Measurement*, on novation of derivatives, and IFRIC 21 *Levies*. The adoption of the new interpretation and amended standards did not have a significant impact on the current or prior periods.

Basis of preparation

Operating results for the second quarter of 2014 are not indicative of the results that may be expected for the year ending 31 December 2014 because of business seasonality. Business seasonality results from higher unit sales of the Group's products in the warmer months of the year. The Group's methods of accounting for fixed costs such as depreciation and interest expense are not significantly affected by business seasonality.

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.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

These condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to Interim Financial Reporting ("IAS 34"). These condensed consolidated interim financial statements should be read in conjunction with the 2013 annual financial statements, which include a full description of the Group's accounting policies.

2. Exchange rates

The Group's reporting currency is the euro (€). Coca-Cola HBC 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 period, except for subsidiaries operating in a hyperinflationary environment as explained in Note 8.

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

	Average for the six months period ended		**Closing as at**	
	27 June 2014	28 June 2013	**27 June 2014**	31 December 2013
US dollar	**1.37**	1.31	**1.36**	1.38
UK sterling	**0.82**	0.85	**0.80**	0.84
Polish zloty	**4.17**	4.19	**4.15**	4.15
Nigerian naira	**213.57**	203.87	**211.90**	214.41
Hungarian forint	**307.53**	295.90	**306.09**	296.36
Swiss franc	**1.22**	1.23	**1.22**	1.23
Russian Rouble	**47.74**	40.68	**46.19**	44.98
Romanian leu	**4.47**	4.38	**4.39**	4.46
Serbian dinar	**115.69**	111.94	**115.54**	114.62
Czech koruna	**27.45**	25.75	**27.43**	27.48
Ukrainian hryvnia	**14.25**	10.46	**16.18**	10.94

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

3. Segmental analysis

The Group has one business, being the production, sale and distribution of ready -to- drink primarily non-alcoholic, beverages. The Group operates in 28 countries and its financial results are reported in the following three reportable segments:

Established markets:	Austria, Cyprus, 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, Montenegro, Nigeria, Romania, the Russian Federation, Serbia (including the Republic of Kosovo) and Ukraine.

Information on the Group's segments is as follows:

	Three months ended		Six months ended	
	27 June 2014	28 June 2013	27 June 2014	28 June 2013
Volume in unit cases[1] (million)				
Established countries	**174.6**	177.5	**305.9**	319.4
Developing countries	**100.3**	105.5	**170.3**	182.3
Emerging countries	**285.7**	294.7	**494.0**	502.7
Total volume	**560.6**	**577.7**	**970.2**	**1,004.4**
Net sales revenue (€ million)				
Established countries	**700.1**	697.2	**1,228.0**	1,267.7
Developing countries	**299.5**	308.5	**504.7**	525.7
Emerging countries	**852.4**	943.5	**1,450.4**	1,587.7
Total net sales revenue	**1,852.0**	**1,949.2**	**3,183.1**	**3,381.1**
Operating profit (€ million)				
Established countries	**70.0**	30.5	**58.9**	33.9
Developing countries	**32.8**	15.4	**22.8**	0.5
Emerging countries	**90.5**	99.4	**82.4**	99.6
Total operating profit	**193.3**	**145.3**	**164.1**	**134.0**
Reconciling items (€ million)				
Finance costs, net	**(18.4)**	(29.7)	**(38.9)**	(49.4)
Tax	**(44.3)**	(30.1)	**(34.1)**	(23.5)
Share of results of equity method investments	**3.8**	4.4	**4.0**	4.4
Non-controlling interests	**(0.1)**	0.1	**-**	0.1
Profit after tax attributable to owners of the parent	**134.3**	**90.0**	**95.1**	**65.6**

[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.*

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

4. Tangible and intangible assets

	Property, plant and equipment € million	Intangible assets € million
Opening net book value as at 1 January 2014	2,901.9	1,921.3
Additions	137.3	14.1
Disposals	(1.6)	-
Depreciation and amortisation	(176.7)	(0.2)
Foreign exchange differences	(46.3)	(1.3)
Effect of hyperinflation	0.3	-
Closing net book value as at 27 June 2014	**2,814.9**	**1,933.9**

5. Net debt

	As at	
	27 June 2014 € million	31 December 2013 € million
Long-term borrowings	**1,855.0**	1,853.6
Short-term borrowings	**228.0**	446.2
Cash and cash equivalents	**(557.1)**	(737.5)
Net debt	**1,525.9**	1,562.3

During January 2014, the remaining amount of the €500 million bond issued on 2008 (€317.0 million) was repaid using part of the cash balance.

6. Fair value

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and commodity price risk), credit risk, liquidity risk and capital risk. There have been no changes in the risk management policies since the year end.

The Group's financial instruments recorded at fair value are included in Level 2 within the fair value hierarchy and comprise derivatives. There have been no changes in valuation techniques and inputs used to determine their fair value since 31 December 2013 (as described in the 2013 Annual Report available on the Coca-Cola HBC's web site: www.coca-colahellenic.com). As at 27 June 2014, the total financial assets included in Level 2 was €20.9 million and the total financial liabilities €86.1 million.

There were no transfers between level 1, 2 and 3 during the first half of 2014. The fair value of bonds and notes payable as at 27 June 2014, including the current portion, is €1,790.0 million, compared to their book value of €1,695.6 million, including the current portion.

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

7. Restructuring costs

Restructuring costs amounted to €5.1 million before tax in the second quarter of 2014. The Group recorded €1.1 million, €0.3 million and €3.7 million of restructuring charges in its established, developing and emerging countries respectively. For the second quarter of 2013, restructuring costs amounted to €16.2 million, of which €14.9 million, €0.3 million and €1.0 million related to the Group's established, developing and emerging countries, respectively. The restructuring costs mainly concern redundancy costs.

Restructuring costs amounted to €11.9 million before tax in the first half of 2014. The Group recorded €5.8 million, €1.1 million and €5.0 million of restructuring charges in its established, developing and emerging countries respectively. For the first half of 2013, restructuring costs amounted to €22.4 million, of which €21.0 million, €0.3 million and €1.1 million related to the Group's established, developing and emerging countries, respectively. The restructuring costs mainly concern redundancy costs.

8. Total finance costs, net

	Three months ended	
	27 June 2014 € million	28 June 2013 € million
Interest income	**(2.4)**	(2.6)
Finance costs	**17.4**	31.8
Net foreign exchange losses	**1.9**	0.5
Loss on net monetary position	**1.5**	-
Total finance costs, net	**18.4**	**29.7**

	Six months ended	
	27 June 2014 € million	28 June 2013 € million
Interest income	**(4.7)**	(4.1)
Finance costs	**34.4**	52.8
Net foreign exchange losses/(gains)	**6.7**	(0.3)
Loss on net monetary position	**2.5**	1.0
Total finance costs, net	**38.9**	**49.4**

Total net finance costs for the second quarter and first half of 2014 were lower by €11.3 million and €10.5 million respectively, compared to the same prior year periods, mainly due to the one-off impact of the tender of the €500 million Bond (fully repaid in January) incurred in June 2013.

Hyperinflation

Belarus has been considered to be a hyperinflationary economy since the fourth quarter of 2011. The three year cumulative inflation exceeded 100% and therefore Belarus was 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 June 2014 was 1.101 which resulted in a net monetary loss for the first half of 2014 of €2.5 million.

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

9. Tax

The Group's effective tax rate for 2014 may differ from the parent company statutory tax rate as a consequence of a number of factors, the most significant of which are: the statutory tax rates of the countries in which the Group operates, the non-deductibility of certain expenses, non-taxable income and one off tax items.

10. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to the owners of the parent by the weighted average number of shares outstanding during the period (second quarter of 2014: 364,284,408, first half of 2014: 364,287,740, second quarter of 2013: 363,203,865, first half of 2013: 363,164,293). Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive ordinary shares arising from exercising employee stock options.

11. Share capital

On 25 April 2013, Coca-Cola HBC acquired 96.85% (355,009,014 shares) of the issued Coca-Cola Hellenic Bottling Company SA ("CCHBC SA") shares, including shares represented by American depositary shares, following the successful completion of its voluntary share exchange offer and became the new parent company of the Group.

On 17 June 2013, Coca-Cola HBC completed its statutory buy-out of the remaining shares of CCHBC SA that it did not acquire upon completion of its voluntary share exchange offer. Consequently, CCHBC SA is now a 100% owned subsidiary of Coca-Cola HBC. Out of the remaining 3.15% interest acquired in CCHBC SA, representing 11,544,493 shares, 11,467,206 shares were exchanged for equal number of Coca-Cola HBC shares and 77,287 shares were acquired for a cash consideration of €1.0 million.

In 2013, the share capital of Coca-Cola HBC increased by the issue of 1,199,080 new ordinary shares following the exercise of stock options pursuant to the Coca-Cola HBC AG's employees' stock option plan. Total proceeds from the issuance of the shares under the stock option plan amounted to €16.4 million.

In the first quarter of 2014, the share capital of Coca-Cola HBC increased by the issue of 38,245 new ordinary shares following the exercise of stock options pursuant to the Coca-Cola HBC AG's employees' stock option plan. Total proceeds from the issuance of the shares under the stock option plan amounted to €0.4 million.

In the second quarter of 2014, the share capital of Coca-Cola HBC increased by the issue of 18,663 new ordinary shares following the exercise of stock options pursuant to the Coca-Cola HBC AG's employees' stock option plan. Total proceeds from the issuance of the shares under the stock option plan amounted to €0.2 million.

Following the above changes, and including 3,445,060 ordinary shares held as treasury shares, out of which 14,925 shares represent the initial ordinary shares of Coca-Cola HBC, on 27 June 2014 the share capital of the Group amounted to €1,997.7 million and comprised 367,747,133 shares with a nominal value of CHF 6.70 each.

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

12. Non-controlling interests

On 8 June 2011, the Board of Directors of the Coca-Cola HBC'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 the 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 €100.2 million, including transaction costs of €1.8 million, out of which €75.2 million was paid as of 27 June 2014 (as of 31 December 2013: €75.2 million). The difference between the consideration and the carrying value of the interest acquired (€60.1 million) has been recognised in retained earnings while the accumulated components recognised in other comprehensive income have been reallocated within the equity of the Group.

On 14 January 2013, the Group acquired 14% of Coca-Cola Hellenic Bottling Company Bulgaria AD, bringing the Group's interest in the subsidiary to 99.39%. The consideration paid for the acquisition of non controlling interests acquired was €13.3 million and the carrying value of the additional interest acquired was €8.2 million. The difference between the consideration and the carrying value of the interest acquired has been recognised in retained earnings.

13. Dividends

The shareholders of Coca-Cola HBC AG approved the dividend distribution of 0.354 euro cents per share at the Annual General Meeting held on 25 June 2014. The total dividend amounted to €130.2 million and was paid on 29 July 2014.

On 19 June 2013, the extraordinary general meeting of Coca-Cola HBC AG approved the distribution of a €0.34 dividend per share. The total dividend amounted to €124.7 million and was paid on 23 July 2013.

14. Contingencies

There have been no significant changes in contingencies since 31 December 2013 (as described in the 2013 UK Annual Financial Report available on the Coca-Cola Hellenic's web site: www.coca-colahellenic.com).

15. Commitments

As of 27 June 2014 the Group has capital commitments of €118.2 million (31 December 2013: €80.0 million), which mainly relate to plant and machinery equipment.

16. Number of employees

The average number of full-time equivalent employees in the first half of 2014 was 36,857 (38,167 for the first half of 2013).

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

17. Related party transactions

a) The Coca-Cola Company

As at 27 June 2014, The Coca-Cola Company and its subsidiaries (collectively, 'TCCC") indirectly owned 23.1% (2013: 23.2%) of the issued share capital of Coca-Cola HBC.

Total purchases of concentrate, finished products and other materials from TCCC and its subsidiaries during the first half and the second quarter of 2014 amounted to €746.7 million and €421.4 million (€715.8 million and €394.2 million in the respective prior year period). Total net contributions received from TCCC for marketing and promotional incentives during the same period amounted to €30.6 million and €21.2 million (€42.1 million and €26.4 million in the respective prior year period).

During the first half and the second quarter of 2014, the Group sold €11.9 million and €7.0 million of finished goods and raw materials respectively to TCCC (€13.8 million and €7.7 million in the respective prior year period) while other income from TCCC was €8.6 million and €5.1 million respectively (€9.2 million and €7.5 million in the prior year period). Other expenses from TCCC amounted to €0.1 million and nil for the first half and second quarter of 2014 (€2.6 million and €1.3 million in the respective prior year periods).

As at 27 June 2014, the Group had a total amount of €88.2 million (€73.6 million as at 31 December 2013) due from TCCC, and had a total amount of €272.4 million (€215.4 million as at 31 December 2013) due to TCCC.

An amount of €14.1 million was paid to TCCC in the second quarter of 2014 in relation to the acquisition of certain intangible assets.

b) Kar-Tess Holding

Frigoglass S.A. ('Frigoglass')

Frigoglass, a company listed on the Athens Exchange, is a manufacturer of coolers, cooler parts, glass bottles, crowns and plastics. Truad Verwaltungs AG, in its capacity as trustee of a private discretionary trust established for the primary benefit of present and future members of the family of the late Anastasios George Leventis, currently indirectly owns 44.5% of Frigoglass through Torval Investment Corp., Lavonos Limited, Thrush Investments Holdings, Tinola Holdings S.A., Boval Limited, Boval S.A., Rondo Holding S.A. and Eagle Enterprises A.E. Truad Verwaltungs AG, in its capacity as trustee of a private discretionary trust established for the primary benefit of present and future members of the family of the late Anastasios George Leventis, holds 100% of the share capital of Torval Investment Corp., whose 100% owned subsidiary Lavonos Limited holds 100% of the share capital of Boval Limited as nominee for Torval Investment Corp, where Boval Limited controls its 100% owned subsidiary Boval S.A., which controls Kar Tess Holding, which holds approximately 23.2% (2013: 23.2%) of Coca Cola HBC's total issued capital. Frigoglass has a controlling interest in Frigoglass Industries Limited, a company in which Coca-Cola HBC has a 23.9% effective interest, through its investment in NBC.

During the first half and the second quarter of 2014, the Group made purchases of €41.9 million and €32.2 million respectively (€63.9 million and €40.4 million in the prior-year periods) of coolers, raw materials and containers from Frigoglass and its subsidiaries and incurred maintenance and other expenses of €6.5 million and €4.9 million respectively (€5.1 million and €2.5 million in the prior-year periods). The Group did not record any other income from Frigoglass both during the first half and the second quarter of 2014 (€0.1 million for both prior-year periods under review). As at 27 June 2014, Coca-Cola HBC owed €20.1 million (€11.7 million as at 31 December 2013) to, and was owed €0.5 million (€0.5 million as at 31 December 2013) by Frigoglass.

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

17. Related party transactions (continued)

c) Other related parties

During the first half and the second quarter of 2014, the Group purchased €60.9 million and €39.5 million of raw materials and finished goods respectively (€66.8 million and €42.3 million in the prior year period). In addition, the Group did not receive reimbursement for direct marketing expenses for both of the first half and the second quarter of 2014 (€0.4 million for both prior year periods under review). Furthermore the Group added €1.0 million tangible fixed assets during the first half and the second quarter of 2014, (nil for both prior year periods under review). During the first half and the second quarter of 2014 the Group incurred other expenses of €17.8 million and €9.2 million (€18.6 million and €9.9 million in the prior year period) and recorded income of €0.3 million and €0.2 million respectively (€3.4 million and €0.3 million in the prior year period). As at 27 June 2014, the Group owed €24.1 million (€6.8 million as at 31 December 2013) to, and was owed €5.4 million (€5.7 million as at 31 December 2013) by other related parties.

d) Joint Ventures

During the first half and the second quarter of 2014, the Group purchased €10.8 million and €7.0 million of finished goods (€13.1 million and €7.8 million in the prior-year periods) from joint ventures. In addition, during the first half and the second quarter of 2014, the Group incurred expenses of €0.4 million and €0.2 million (€0.2 million and €0.1 respectively in the prior-year periods) and recorded other income for the first half and the second quarter of €0.8 million and €0.4 from joint ventures (€0.2 million and nil in the prior-year periods). As at 27 June 2014, the Group owed €66.4 million (€63.6 million as at 31 December 2013) to, and was owed €10.4 million (€9.1 million as at 31 December 2013) by joint ventures.

There were no transactions between Coca-Cola HBC and the directors and senior management except for remuneration for the period ended 27 June 2014, as well as the prior year period.

There were no other significant transactions with related parties for the period ended 27 June 2014.

18. Recent developments in Ukraine and the Russian Federation

We disclosed in our financial statements and annual report for the year ended 31 December 2013 information on the recent events involving Ukraine and the Russian Federation, including those related to the Crimean peninsula, which have among other things resulted in the depreciation of the Russian Ruble and the Ukrainian Hryvnia. The ongoing situation in Ukraine and the Russian Federation, and any further economic sanctions that may be imposed on the Russian Federation by the US and the European Union, could adversely affect the Group's operational and financial performance. We are continuously monitoring developments in that region.

19. Subsequent events

Following the 27 June 2014 the Group incurred €16.7m of restructuring costs before tax in its established markets.