



FOR IMMEDIATE RELEASE

Coca-Cola HBC AG Publishes 2018 integrated annual report 'In good company'

Zug, Switzerland – 15 March 2019 - Coca-Cola HBC AG today published its 2018 Integrated Annual Report, *In good company*. The report highlights progress made on all aspects of business, governance and sustainability during 2018.

Zoran Bogdanovic, CEO, Coca-Cola HBC, said: "2018 was another year of strong operational and financial performance in which we made excellent progress towards our 2020 objectives. It was also a year in which we launched more new packages, brands and even categories than ever before. This pace of change requires adjustment throughout the business which would not be possible without the dedication of our people and our close partnerships with our customers, The Coca-Cola Company and other key stakeholders. We believe we are in good company with our stakeholders in the knowledge that creating shared value is essential for sustainable long-term success."

The report also highlights the progress we have made on our 2020 sustainability commitments, which have paved the way to the new comprehensive sustainability commitments we have now set to achieve by 2025.

You can find our 2018 Integrated Annual Report, ("2018 Annual Report") here: <https://coca-colahellenic.com/en/investors/2018-integrated-annual-report/>

A copy of the 2018 Annual Report will be submitted to the National Storage Mechanism and will be shortly available for inspection at: www.morningstar.co.uk/uk/nsm

Printed copies of the 2018 Annual Report will be available from 8 April 2019 and can be requested by shareholders, free of charge, at <http://coca-colahellenic.com/en/investors/order-a-report/>

The information in the Group's preliminary results announcement released on 14 February 2019, together with the information set out in the Appendix to this announcement, which is extracted from the 2018 Annual Report, constitutes the material required by the Disclosure Guidance and Transparency Rules (DTR 6.3.5R) to be communicated to the media in unedited full text through a Regulatory Information Service. Page numbers and notes to the accounts mentioned in the extracts from the 2018 Annual Report, refer to page numbers and notes to the accounts in the 2018 Annual Report. Terms used, but not otherwise defined in this announcement, have the meanings given to them in the 2018 Annual Report. This material is not a substitute for reading the full 2018 Annual Report.

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APPENDIX

1. Principal risks and uncertainties

The principal risks and uncertainties relating to the Company are as set out in the “Effective management of risk” section of the 2018 Annual Report, pages 72 to 77.

The following is extracted in full and unedited text from the 2018 Annual Report and is repeated here solely for the purpose of complying with DTR 6.3.5R.

Our principal risks

While the overview of our most important risks involves an assessment of the likelihood of their occurrence and their potential consequences, it does not include all risks that can ultimately affect the Company. There are predictable levels that we can identify and manage. However, there are risks that are not yet known to us, and risks currently believed to be immaterial that could ultimately have an impact on our business or financial performance. Leveraging our robust risk management programme, we are constantly vigilant to the uncertainty in our operating environments. In this way, we proactively identify new risks and opportunities, and strive to understand the threats to our business viability. During 2018 we observed general trend stability across the majority of our principal risks. In some areas, we have seen changes to the operating environment that necessitated minor changes to risk articulation and prioritisation. For example, our sustainability risk (Climate, Carbon, Packaging and Water) increased in importance with the escalation of consumer concerns and public debate relating to plastics and packaging waste across our markets and investor interest in risks and opportunities relating to climate adaptation. We are also cognisant of the continued threats all businesses face regarding cyber-incidents and this principal risk has therefore also increased in priority. Furthermore, our regulatory challenges risk was renamed and modified to ‘Ethics and Compliance’ as this more accurately reflects the dynamics of this risk.



| Principal risks | Description | Potential impact | Key mitigations | Link to material issues | Risk Status |
|--|--|---|--|---|-------------|
| 1.Environmental: Climate, carbon, plastics, waste and water | Failure to reduce our Environmental footprint and to meet stakeholders' expectations particularly relating to climate change, water availability, packaging waste and sustainable agriculture. | <ul style="list-style-type: none"> - Long-term damage to our licence to operate - Losing our seat at the table to contribute to legislation related to environmental and social sustainability - Increased cost of doing business - Loss of consumer base | <ul style="list-style-type: none"> - Energy management programmes and transition to renewable and clean energy - Water reduction and waste water treatment programmes as well as support for water stewardship initiatives in water-risk areas - Packaging waste management and World Without Waste global programmes - Partnering with local and international NGOs on common issues such as nature conservation, water stewardship and packaging recovery - Partnering with local communities, start-ups and academia to minimize environmental impacts - Focus on sustainable procurement - Commitment to the TCFD recommendations | <ul style="list-style-type: none"> - Carbon and energy - Packaging, recycling and waste management - Sourcing - Water stewardship | Increasing |
| 2. Consumer health and wellbeing | Failure to adapt to changing consumer health trends, public health policies addressing misconceptions about our formulations, sugar and the health impact of soft drinks. | <ul style="list-style-type: none"> - Failure to achieve our growth plans - Damage to our brand and corporate reputation - Loss of consumer base | <ul style="list-style-type: none"> - Focus on product innovation and expansion to a total beverage portfolio - Expand our range of low- and no-calorie beverages - Introduce smaller packs - Reduce the calorie content of products in the portfolio - Clearer labeling on packaging - Promote active lifestyles through consumer engagement programmes focused on health and wellness | <ul style="list-style-type: none"> - Marketing - Nutrition - Product quality and integrity | Decreasing |
| 3. Cyber incidents | A cyber-attack or data centre failure resulting in business disruption, or breach of corporate or personal data confidentiality. | <ul style="list-style-type: none"> - Financial loss - Operational disruption - Damage to corporate reputation - Non-compliance with data protection legislation (e.g. GDPR) | <ul style="list-style-type: none"> - Implement a cyber-security and privacy control framework and monitor compliance - Safeguard critical IT and operational assets. - Detect, respond and recover from cyber-incidents and attacks - Foster a culture of cyber-security - Monitor threat landscape and remediate associated vulnerabilities | <ul style="list-style-type: none"> - Economic impact | Increasing |

| Principal risks | Description | Potential impact | Key mitigations | Link to material issues | Risk Status |
|---|---|---|---|--|-------------|
| 4. Foreign exchange and commodity prices | Foreign exchange and commodity exposure arises from changes in exchange rates and commodity prices. Currency devaluation, in combination with capital controls, restricts movement of funds and increases the risk of asset impairment. | <ul style="list-style-type: none"> - Financial loss - Increased cost base - Asset impairment - Limitations on cash repatriation | <ul style="list-style-type: none"> - Treasury policy requires the hedging of 25% to 80% of rolling 12-month forecasted transactional foreign currency exposure - Hedging beyond 12 months may occur in exceptional cases subject to approval of Group CFO - Treasury policy requires the hedging of rolling three-year commodity exposures; different policy limits apply for each hedge-able commodity - Derivative financial instruments are used, where available, to reduce net exposure to currency and commodity price fluctuations | - Economic impact | Decreasing |
| 5. Channel mix | A continued increase in the concentration of retailers and independent wholesalers on whom we depend to distribute our products. The immediate consumption channel remains under pressure as consumers alter consumption habits. | - Reduced availability of our portfolio and overall profitability | <ul style="list-style-type: none"> - Enhance our key account capabilities to partner and grow with top customers - Work closely with our immediate consumption channel customers to drive incremental transactions - Accelerate RED execution to support our commitment to operational excellence - Develop our digital and e-commerce capabilities to capture opportunities associated with existing and new distribution channels | - Economic impact | Stable |
| 6. People attraction | Inability to attract and retain sufficient numbers of qualified and experienced employees in highly competitive talent market. | - Failure to achieve our growth plans | <ul style="list-style-type: none"> - Upgrade our Employer Value Proposition and Employer Brand - Develop leaders and people for key positions internally, improve leaders' skills and commitment for talent development - Create shared value with the communities in which we work to ensure we are seen and considered as an ethical business with an attractive purpose - Expand talent pool by hiring more diverse workforce | <ul style="list-style-type: none"> - Employee wellbeing and engagement - Corporate citizenship - Human rights and diversity | Increasing |

| Principal risks | Description | Potential impact | Key mitigations | Link to material issues | Risk Status |
|-------------------------------------|--|---|---|--|-------------|
| 7. People engagement | Inability to ensure ongoing engagement and commitment of our workforce. | - Failure to achieve growth plans | <ul style="list-style-type: none"> - Promote operational excellence and remove barriers to performance - Measure culture and engagement and address findings through continuous listening to our people - Improve wellbeing of employees - Improve leaders' skills to enable, engage and energise employees sustainably - Promote inclusive environment that allows all employees to realise their full potential | <ul style="list-style-type: none"> - Employee well-being and engagement - Human rights and diversity | Stable |
| 8. Declining consumer demand | Volatile and challenging macroeconomic, security and political conditions can affect consumer demand and create security risks across our diverse mix of markets. | <ul style="list-style-type: none"> - Eroded consumer confidence affecting spending - Inflationary pressures - Social unrest - Safety of people and security of assets | <ul style="list-style-type: none"> - Seek to offer the right brand, at the right price, in the right package through the right channel - Robust security practices and procedures to protect people and assets - Crisis response and business continuity strategies | <ul style="list-style-type: none"> - Economic impact - Corporate citizenship | Stable |
| 9. Discriminatory taxes | Regulations on consumer health, government misconceptions relating to formulations and the risk of being a target for governments and interest groups to introduce discriminatory taxation (e.g. sugar) and packaging waste recovery taxation. | - Reduction in profitability | <ul style="list-style-type: none"> - Proactively working with governments and regulatory authorities to ensure that the facts relating to formulations are clearly understood and that our products are not singled out unfairly - Retain our 'seat at the table' by demonstrating that we are a responsible and sustainable business - Engaging with various stakeholder groups including NGOs and the communities in which we operate our 2025 sustainability commitments. | <ul style="list-style-type: none"> - Economic impact | Stable |

| Principal risks | Description | Potential impact | Key mitigations | Link to material issues | Risk Status |
|--|---|---|---|---|-------------|
| 10. Quality | The occurrence of quality/food safety issues, or the contamination of our products across our diverse total beverage portfolio. | <ul style="list-style-type: none"> - Damage to brand and corporate reputation - Loss of consumer trust - Reduction in volume and net sales revenue | <ul style="list-style-type: none"> - Stringent quality/food safety processes in place to minimise the likelihood of occurrence. - Early warning systems (Consumer Information Centres and social media monitoring) that enable issue identification - Robust response processes and systems that enable us to quickly and efficiently deal with quality/food safety issues, ensuring customers and consumers retain confidence in our products | - Product quality and integrity | Stable |
| 11. Ethics and compliance | We operate in some complex markets with high levels of perceived corruption. As a result, we are exposed to an increased risk of fraud against the Company as well as to the risk of Anti-bribery and Corruption (ABAC) fines or sanctions if our employees or the third parties we engage to deal with government fail to comply with ABAC requirements. | <ul style="list-style-type: none"> - Damage our corporate reputation - Significant financial penalties - Management time diverted to resolving legal issues - We may suffer economic loss because of fraud and reputational damages, fines and penalties, in the event of non-compliance with ABAC regulations by our employees or by third parties representing us with government | <ul style="list-style-type: none"> - Annual 'Tone from the Top' messaging - Code of Business Conduct (COBC), ABAC and commercial compliance training and awareness campaigns for our entire workforce - All third parties that we engage to deal with government on our behalf are subject to ABAC due diligence and must agree and comply with our Supplier Guiding Principles - Cross-functional Joint Task Force in Nigeria and Russia that pro-actively addresses risks in the most challenging of our operations - Risk-based internal control framework and assurance programme with local management accountability - Periodic risk-based internal audits of ABAC compliance programme - Speak Up Hotline | - Corporate governance, business ethics and anti-corruption | Stable |
| 12. Strategic stakeholder relationships | We rely on our strategic relationships and agreements with The Coca-Cola Company, Monster Energy and our premium spirits partners. | - Termination of agreements or unfavourable renewal terms could adversely affect profitability | <ul style="list-style-type: none"> - Management focus on effective day-to-day interaction with our strategic partners - Working together as effective partners for growth - Engagement in joint projects and business planning with a focus on strategic issues - Participation in 'Top to Top' senior management forums | - Economic impact | Stable |

| Principal risks | Description | Potential impact | Key mitigations | Link to material issues | Risk Status |
|------------------------------|--|--|--|-------------------------------------|-------------|
| 13. Health and safety | The risk of health and safety issues being ineffectively managed. This incorporates the management of third-party providers, particularly fleet and logistics. | - Death or injury of employees, contractors or members of the public - Employee engagement and motivation - Attraction of talent/prospective employees | - Standardised programmes, policies and legislation applied locally - Group oversight by the Health and Safety (H&S) team - H&S Board with the clear purpose to accelerate the H&S step-change plan implementation - Implemented the Behavioural-Based Safety Programme | - Employee wellbeing and engagement | Stable |

2. Directors' responsibility statement

The following statement relates to and is extracted from the 2018 Annual Report, page 145. It is repeated here solely for the purpose of complying with DTR 6.3.5R. It is not connected to the extracted information presented in this announcement or in the Company's results announcement published on 14 February 2019.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, including the consolidated financial statements, and the Corporate Governance Report including the Remuneration Report and the Strategic Report, in accordance with applicable law and regulations.

The Directors, whose names and functions are set out on pages 90-95, confirm to the best of their knowledge that:

- (a) The Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.
- (b) The consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards, as issued by the IASB, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation of the Group taken as a whole.
- (c) The Annual Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidated Coca-Cola HBC Group taken as a whole, together with a description of the principal risks and uncertainties that they face.

The activities of the Group, together with the factors likely to affect its future development, performance, financial position, cash flows, liquidity position and borrowing facilities are described in the Strategic Report (pages 1-85). In addition, Notes 23 'Financial risk management



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and financial instruments', 24 'Net debt', 25 'Equity' include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk. The Group has considerable financial resources together with long-term contracts with a number of customers and suppliers across different countries. The Directors have also assessed the principal risks and the other matters discussed in connection with the Viability Statement on page 79. The Directors considered it appropriate to adopt the going concern basis of accounting in preparing the annual financial statements and have not identified any material uncertainties to the Group's ability to continue to do so over a period of at least 12 months from the date of approval of these financial statements.

By order of the Board

Anastassis G. David

Chairman of the Board

15 March 2019

About Coca-Cola HBC

Coca-Cola HBC is a leading bottler of The Coca-Cola Company with an annual sales volume of more than 2 billion unit cases. It has a broad geographic footprint with operations in 28 countries serving a population of more than 600 million people. Coca-Cola HBC offers a diverse range of primarily non-alcoholic ready-to-drink beverages in the sparkling, juice, water, sport, energy, 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 been listed in the Dow Jones Sustainability Indices since 2008, and ranked among the top beverage companies in the Global and European indices for the past five years. Coca-Cola HBC is also included in the FTSE4Good Index, rated "AAA" on the MSCI ESG index, rated "A" for Climate and Water by CDP and listed on the Sustainalytics and Vigeo rankings.

Coca-Cola HBC has a premium listing on the London Stock Exchange (LSE: CCH) and its shares are listed on the Athens Exchange (ATHEX: EEE). For more information, please visit <http://www.coca-colahellenic.com>.