Coca-Cola Hellenic Bottling Company S.A.
Annual financial statements for the year ended 31 December 2007, in accordance with IFRS, and other statutory requirements

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Independent auditor’s report

[Translation from the original text in Greek]

To the Shareholders of Coca-Cola Hellenic Bottling Company S.A.

Report on the financial statements
We have audited the accompanying consolidated financial statements of Coca-Cola Hellenic Bottling Company S.A. and its subsidiaries (the “Group”) which comprise the consolidated balance sheet as of 31 December 2007 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 2 to 68.

Management’s responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Greek auditing standards which conform with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference to other legal and regulatory requirements
The Board of Directors’ Report contains all information required by article 43a paragraph 3, article 16 paragraph 9 and article 107 paragraph 3 of Law 2190/1920 and article 11a of Law 3371/2005, and is consistent with the financial statements referred to in the preceding paragraph.

PricewaterhouseCoopers S.A.
Athens, 28 March 2008.

Consolidated income statement

Year ended 31 December

	Note	**2007 € million**	2006 € million
Net sales revenue	3	**6,461.9**	5,616.3
Cost of goods sold		**(3,807.3)**	(3,363.2)
Gross profit		**2,654.6**	**2,253.1**
Operating expenses	5	**(1,952.0)**	(1,746.0)
Operating profit	3,4	**702.6**	**507.1**
Finance costs	6	**(85.8)**	(76.4)
Share of results of equity investments	11	**(1.6)**	0.4
Profit before tax		**615.2**	**431.1**
Tax	3,7	**(128.4)**	(89.9)
Profit after tax		**486.8**	**341.2**
Attributable to:			
Minority interests		**14.5**	7.5
Shareholders of the Group		**472.3**	333.7
		486.8	**341.2**
Basic and diluted earnings per share (€)	8	**1.30**	0.92

The President of the Board of Directors	**The Managing Director**	**The Head of Financial Reporting**	**The IFRS Reporting Manager**
George A. David Passport C 034870/95	Doros G. Konstantinou ID R 519139	Richard Brasher Passport 206333547	Evangelos S. Kontogiorgis ID X 565769

The Notes on pages 6 to 68 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

Year ended 31 December

	Note	**2007 € million**	2006 € million
Operating activities			
Operating profit	3,4	**702.6**	507.1
Depreciation of property, plant and equipment	3,10	**354.0**	329.1
Stock option expense	32	**5.8**	4.0
Amortisation of intangible assets	3,9	**3.4**	2.4
Adjustments to intangible assets	5,9	**0.8**	7.8
Impairment of property, plant and equipment	10	**-**	24.5
		1,066.6	**874.9**
Gains on disposal of non-current assets		**(3.9)**	(11.1)
Increase in inventories		**(90.1)**	(32.7)
Increase in trade and other receivables		**(103.9)**	(66.9)
Increase in trade payables and other liabilities		**91.7**	111.2
Tax paid		**(100.6)**	(102.3)
Cash flow generated from operating activities		**859.8**	**773.1**
Investing activities			
Payments for purchases of property, plant and equipment		**(546.8)**	(516.6)
Payments for purchases of intangible assets	9	**(5.8)**	(2.7)
Receipts from disposals of property, plant and equipment		**27.3**	37.8
Net (payments for) / receipts from investments		**(3.5)**	9.3
Net payments for acquisitions	30	**(191.6)**	(78.1)
Net cash used in investing activities		**(720.4)**	**(550.3)**
Financing activities			
Payment of expenses related to bonus shares issue	26	**(0.6)**	-
Proceeds from issue of shares to employees	26	**8.7**	22.5
Dividend paid to shareholders of the Group	29	**(77.5)**	(72.2)
Dividend paid to minority interests		**(11.9)**	(5.9)
Proceeds from external borrowings		**199.8**	718.0
Repayment of external borrowings		**(233.7)**	(673.4)
Principal repayments of finance lease obligations		**(42.2)**	(20.4)
Interest received		**11.2**	11.8
Interest paid		**(99.2)**	(79.8)
Net cash used in financing activities		**(245.4)**	**(99.4)**
(Decrease) / increase in cash and cash equivalents		**(106.0)**	**123.4**
Cash and cash equivalents at 1 January		**305.5**	182.4
(Decrease) / increase in cash and cash equivalents		**(106.0)**	123.4
Effect of changes in exchange rates		**(2.5)**	(0.3)
Cash and cash equivalents at 31 December	18	**197.0**	**305.5**

The Notes on pages 6 to 68 are an integral part of these consolidated financial statements.

Consolidated balance sheet

As at 31 December

	Note	**2007 € million**	2006 € million
Assets			
Intangible assets	9	**1,913.0**	1,865.7
Property, plant and equipment	10	**2,857.8**	2,497.7
Equity method investments	11	**20.4**	12.5
Available-for-sale investments	12	**10.5**	7.6
Held-to-maturity investments		**0.8**	0.9
Deferred tax assets	13	**26.6**	24.6
Other non-current assets	14	**53.4**	25.2
Total non-current assets		**4,882.5**	**4,434.2**
Inventories	15	**509.2**	419.3
Trade receivables	16	**696.2**	674.2
Derivative assets	21	**5.7**	1.7
Other receivables	16	**328.4**	236.6
Assets classified as held for sale	17	**-**	1.8
Current tax assets		**15.3**	10.0
Cash and cash equivalents	18	**197.0**	305.5
Total current assets		**1,751.8**	**1,649.1**
Total assets		**6,634.3**	**6,083.3**
Liabilities			
Short-term borrowings	19	**316.3**	306.9
Trade and other liabilities	22	**1,208.2**	1,067.8
Current tax liabilities		**58.0**	50.3
Total current liabilities		**1,582.5**	**1,425.0**
Long-term borrowings	19	**1,582.4**	1,597.8
Cross-currency swap payables relating to borrowings	21	**186.7**	122.0
Deferred tax liabilities	13	**97.3**	79.8
Non-current provisions	23	**116.8**	113.3
Other non-current liabilities		**16.3**	21.3
Total non-current liabilities		**1,999.5**	**1,934.2**
Total liabilities		**3,582.0**	**3,359.2**
Equity			
Share capital	26	**181.9**	121.0
Share premium	26	**1,644.7**	1,697.5
Exchange equalisation reserve	28	**92.4**	132.5
Other reserves	28	**318.3**	297.7
Retained earnings		**719.5**	381.6
Total shareholders' equity		**2,956.8**	**2,630.3**
Minority interests		**95.5**	93.8
Total equity		**3,052.3**	**2,724.1**
Total equity and liabilities		**6,634.3**	**6,083.3**

The Notes on pages 6 to 68 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

	Attributable to equity shareholders of the Group						Minority interests	Total equity
	Share capital € million	Share premium € million	Exchange equalisation reserve € million	Other reserves €million	Retained earnings € million	Total € million	€ million	€ million
Balance as at 31 December 2005	**120.3**	**1,675.7**	**144.2**	**271.1**	**141.3**	**2,352.6**	**95.3**	**2,447.9**
Net profit for 2006	-	-	-	-	333.7	**333.7**	7.5	**341.2**
Valuation gains on available-for-sale investments taken to equity	-	-	-	2.1	-	**2.1**	-	**2.1**
Cash flow hedges:								
Losses taken to equity	-	-	-	(0.3)	-	**(0.3)**	-	**(0.3)**
Losses transferred to profit or loss for the year	-	-	-	0.4	-	**0.4**	-	**0.4**
Foreign currency translation	-	-	(11.7)	-	-	**(11.7)**	(3.1)	**(14.8)**
Tax on items taken directly to or transferred from equity	-	-	-	(0.6)	-	**(0.6)**	-	**(0.6)**
Comprehensive income / (loss)	**-**	**-**	**(11.7)**	**1.6**	**333.7**	**323.6**	**4.4**	**328.0**
Shares issued to employees exercising stock options	0.7	21.8	-	-	-	**22.5**	-	**22.5**
Share-based compensation:								
Options	-	-	-	4.0	-	**4.0**	-	**4.0**
Movement in treasury shares	-	-	-	(0.2)	-	**(0.2)**	-	**(0.2)**
Minority interest arising on acquisitions	-	-	-	-	-	**-**	3.7	**3.7**
Acquisition of shares held by minority interests	-	-	-	-	-	**-**	(3.4)	**(3.4)**
Appropriation of reserves	-	-	-	21.2	(21.2)	**-**	-	**-**
Dividends	-	-	-	-	(72.2)	**(72.2)**	(6.2)	**(78.4)**
Balance as at 31 December 2006	**121.0**	**1,697.5**	**132.5**	**297.7**	**381.6**	**2,630.3**	**93.8**	**2,724.1**
Net profit for 2007	-	-	-	-	472.3	**472.3**	14.5	**486.8**
Valuation gains on available-for-sale investments taken to equity	-	-	-	4.1	-	**4.1**	-	**4.1**
Cash flow hedges:								
Losses taken to equity	-	-	-	(1.2)	-	**(1.2)**	-	**(1.2)**
Losses transferred to profit or loss for the year	-	-	-	0.6	-	**0.6**	-	**0.6**
Foreign currency translation	-	-	(42.4)	-	-	**(42.4)**	(0.4)	**(42.8)**
Tax on items taken directly to or transferred from equity	-	-	-	(0.9)	-	**(0.9)**	-	**(0.9)**
Comprehensive income / (loss)	**-**	**-**	**(42.4)**	**2.6**	**472.3**	**432.5**	**14.1**	**446.6**
Bonus shares	60.6	(61.2)	-	-	-	**(0.6)**	-	**(0.6)**
Shares issued to employees exercising stock options	0.3	8.4	-	-	-	**8.7**	-	**8.7**
Share-based compensation:								
Options	-	-	-	5.8	-	**5.8**	-	**5.8**
Movement in treasury shares	-	-	-	(0.2)	-	**(0.2)**	-	**(0.2)**
Adoption of euro by Slovenia	-	-	2.3	-	(2.3)	**-**	-	**-**
Appropriation of reserves	-	-	-	12.4	(12.4)	**-**	-	**-**
Statutory minimum dividend	-	-	-	-	(42.2)	**(42.2)**	-	**(42.2)**
Dividends	-	-	-	-	(77.5)	**(77.5)**	(12.4)	**(89.9)**
Balance as at 31 December 2007	**181.9**	**1,644.7**	**92.4**	**318.3**	**719.5**	**2,956.8**	**95.5**	**3,052.3**

For further details, please refer to: Note 26 Share capital and share premium; Note 27 Shares held for equity compensation plan; Note 28 Reserves; and Note 29 Dividends.

The Notes on pages 6 to 68 are an integral part of these consolidated financial statements

Notes to the consolidated financial statements

1. Basis of preparation and accounting policies

Description of business

Coca-Cola Hellenic Bottling Company S.A. ('Coca-Cola Hellenic', previously 'CCHBC'), is a Societe Anonyme (corporation) incorporated in Greece and was formed in 1969. It took its current form in August 2000 through the acquisition of the Coca-Cola Beverages plc ('CCB') by Hellenic Bottling Company S.A.('HBC'). Coca-Cola Hellenic and its subsidiaries (collectively 'the Company' or 'the Group') are principally engaged in the production and distribution of alcohol-free beverages, under franchise from The Coca-Cola Company ('TCCC'). The Company distributes its products in Europe and Nigeria. Information on the Company's operations by segment is included in Note 3.

Coca-Cola Hellenic's shares are listed on the Athens Stock Exchange, with secondary listings on the London and Australian Stock Exchanges. Coca-Cola Hellenic's American Depositary Receipts (ADRs) are listed on the New York Stock Exchange.

These financial statements were approved for issue by the Board of Directors on 27 March 2008 and are expected to be verified at the Annual General Meeting to be held on 23 June 2008.

Basis of preparation

The consolidated financial statements included in this document are prepared in accordance with International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board ('IASB') and IFRS as adopted by the European Union.

All IFRS issued by the IASB, which apply to the preparation of these financial statements, have been adopted by the European Union following an approval process undertaken by the European Commission, except for International Accounting Standard ('IAS') 39, *Financial Instruments: Recognition and Measurement* ('IAS 39'). Following this process and as a result of representations made by the Accounting Regulatory Committee of the European Council, the latter issued the Directives 2086/2004 and 1864/2005 that require the application of IAS 39 by all listed companies with effect from the 1 January 2005, except for specific sections that relate to hedging deposit portfolios. As the Group is not impacted by the sections that relate to hedging deposit portfolios, as reflected in the IAS 39 adopted by the European Union, these financial statements have been prepared in compliance with IFRS that have been adopted by the European Union and IFRS that have been issued by the IASB.

The consolidated financial statements are prepared under the historical cost convention, as modified by the revaluation of available-for-sale securities and derivative financial instruments.

Basis of consolidation

Subsidiary undertakings are those companies in which the Group, directly or indirectly, has an interest of more than one-half of the voting rights or otherwise has power to exercise control over operations. Subsidiary undertakings are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the identifiable net assets of the subsidiary is recorded as goodwill.

All material intercompany transactions and balances between Group companies are eliminated. Where necessary, accounting policies of subsidiaries are modified to ensure consistency with policies adopted by the Group.

Critical accounting judgements and estimates

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

Income taxes

The Group is subject to income taxes in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such determination is made.

Notes to the consolidated financial statements

1. Basis of preparation and accounting policies (continued)

Impairment of goodwill and indefinite-lived intangible assets
Determining whether goodwill or indefinite-lived intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which they have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. These assumptions and a discussion on how they are established are given in Note 9.

Revenue recognition
Revenues are recognised when all of the following conditions are met: evidence of a binding arrangement exists (generally purchase orders), products have been delivered and there is no future performance required and amounts are collectible under normal payment terms.

Revenue is stated net of sales discounts, listing fees and marketing and promotional incentives paid to customers. Listing fees are incentives provided to customers for carrying the Company's products in their stores. Fees that are subject to contractual-based term arrangements are amortised over the term of the contract. All other listing fees are expensed as incurred. The amount of listing fees capitalised at 31 December 2007 was €42.1m (2006: €35.9m). Of this balance, €28.0m (2006: €21.6m) was classified as current prepayments and the remainder as non-current prepayments. Listing fees expensed for the year ended 31 December 2007 amounted to €117.7m (2006: €71.6m). Marketing and promotional incentives paid to customers during 2007 amounted to €121.4m (2006: €101.5m).

Coca-Cola Hellenic receives certain payments from TCCC in order to promote sales of Coca-Cola branded products. Contributions for price support and marketing and promotional campaigns in respect of specific customers are recognised as an offset to promotional incentives paid to customers. These reimbursements are accrued and matched to the expenditure to which they relate. In 2007, such contributions totalled €44.1m (2006: €29.9m).

Where the Group distributes third-party products, the related revenue earned is recognised based on the gross amount invoiced to the customer where Coca-Cola Hellenic acts as principal, takes title to the products and has assumed the risks and rewards of ownership. Coca-Cola Hellenic recognises revenue on the basis of the net amount retained (that is, the amount billed to a customer less the amount paid to a supplier) where the Group acts as an agent without assuming the associated relevant risks and rewards.

Earnings per share
Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Group by the weighted average number of shares that were in existence during the year. Diluted earnings per share take account of stock options, for which the average share price for the year is in excess of the exercise price of the stock option.

Intangible assets
Intangible assets consist mainly of goodwill and trademarks. Goodwill is the excess of the cost of an acquisition over the fair value of the share of net assets acquired. Goodwill and indefinite-lived intangible assets are tested annually for impairment and whenever there is an indication of impairment and carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill and other indefinite-lived intangible assets are allocated to each of the Group's cash-generating units expected to benefit from the business combination in which the goodwill arose. The cash-generating units to which goodwill and other indefinite-lived intangible assets have been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro-rata to the other indefinite-lived intangible assets of the unit on the basis of the carrying amount of each asset in the unit. Impairment losses recognised against goodwill are not reversed in subsequent periods.

Intangible assets with finite lives are amortised over their useful economic lives.

The useful life of trademarks is determined after considering potential limitations that could impact the life of the trademark, such as technological and market limitations and the intent of management. The majority of trademarks recorded by Coca-Cola Hellenic have been assigned an indefinite useful life as they have an established sales history in the applicable region, it is our intention to receive a benefit from them indefinitely and there is no indication that this will not be the case. The useful economic life assigned to trademarks is evaluated on an annual basis.

Goodwill and fair value adjustments arising on the acquisition of subsidiaries are included in the assets and liabilities of those subsidiaries. These balances are denominated in the currency of the subsidiary and are translated to euro on a basis consistent with the other assets and liabilities held in the subsidiary.

Notes to the consolidated financial statements

1. Basis of preparation and accounting policies (continued)

Property, plant and equipment
All property, plant and equipment is initially recorded at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Subsequent expenditure is added to the carrying value of the asset when it is probable that future economic benefits, in excess of the original assessed standard of performance of the existing asset, will flow to the operation. All other subsequent expenditure is expensed in the period in which it is incurred.

Depreciation is calculated on a straight-line basis to allocate the depreciable amount over the estimated useful life of the assets as follows:

Freehold buildings	40 years
Leasehold buildings and improvements	Over the term of the lease, up to 40 years
Production equipment	5 to 12 years
Vehicles	5 to 8 years
Computer hardware and software	3 to 7 years
Marketing equipment	3 to 7 years
Fixtures and fittings	8 years
Returnable containers	3 to 12 years

Freehold land is not depreciated as it is considered to have an indefinite life.

Residual values and useful lives of assets are reviewed and adjusted if appropriate at each balance sheet date.

Impairment of non-financial assets
Goodwill and other indefinite-lived assets are not subject to amortisation but are tested for impairment at least annually. Property, plant and equipment and other non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset’s fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to be prepared for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss of the period in which they are incurred.

Investments in associates
Investments in associated undertakings are accounted for by the equity method of accounting. Associated undertakings are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Equity accounting involves recognising the Group’s share of the associates’ profit or loss for the period in the income statement and the share of the post-acquisition movement of reserves in the Group’s reserves. The Group’s interest in each associate is carried in the balance sheet at an amount that reflects its share of the net assets of the associate and includes goodwill on acquisition. When the Group’s share of losses in associates equals or exceeds its interest in the associates, the Group does not recognise further losses, unless the Group has incurred obligations or made payments on behalf of the associates.

Notes to the consolidated financial statements

1. Basis of preparation and accounting policies (continued)

Investment in joint ventures
The Group's interest in the jointly controlled entities Brewinvest S.A., Multon group and Fresh & Co d.o.o., is accounted for using the proportionate consolidation method as the Group has day-to-day control of the operations of the entities. Under this method, the Group includes its share of the joint venture's income and expenses, assets, liabilities and cash flows on a line-by-line basis in the relevant components of the financial statements.

In addition, the Group's interest in its jointly controlled water entities Fonti del Vulture, Multivita Sp.z o.o. and Valser Springs GmbH is accounted for using the equity method of accounting, as the day-to-day management of the entities is shared with the respecitve equity partner.

Other investments
The Group classifies its investments in debt and equity securities into the following categories: Financial assets at fair value through profit or loss ('FVTPL'), held-to-maturity and available-for-sale. The classification is dependent on the purpose for which the investment was acquired. FVTPL and available-for-sale investments are carried at fair value. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as FVTPL investments and included in current assets. Investments with a fixed maturity that management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for those with maturities within twelve months from the balance sheet date, which are classified as current assets. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale and are classified as non-current assets, unless they are expected to be realised within twelve months of the balance sheet date.

Investments are recognised using trade date accounting. They are recognised on the day the Group commits to purchase the investments and derecognised on the day when the Group commits to sell the investments. The cost of purchase includes transaction costs for investments other than those carried at FVTPL. For investments traded in active markets, fair value is determined by reference to stock exchange quoted bid prices. For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying net assets. Gains and losses on investments classified as FVTPL are recognised in the income statement in the period in which they arise. Unrealised gains and losses on available-for-sale investments are recognised in equity until the financial assets are derecognised, at which time the cumulative gains or losses previously in equity are recognised in the income statement. Held-to-maturity investments are carried at amortised cost using the effective interest rate method. Gains and losses on held-to-maturity investments are recognised in the income statement, when the investments are derecognised or impaired.

Non-current assets held for sale
Non-current assets and disposal groups are classified as held for sale if their carrying amount principally recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of the individual assets' previous carrying amount and their fair value less costs to sell.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost for raw materials and consumables is determined either on a first-in, first-out or weighted average basis, depending on the type of inventory. Cost for work in progress and finished goods is comprised of the cost of direct materials and labour plus attributable overheads. Cost includes all costs incurred in bringing the product to its present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

Notes to the consolidated financial statements

1. Basis of preparation and accounting policies (continued)

Trade receivables
Trade receivables are carried at original invoice amount, adjusted for the effect of discounting (where applicable), less allowance for doubtful debts. An allowance for doubtful debts is established when there is objective evidence that the Group will not be able to collect all amounts due, according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'operating expenses'. When a trade receivable is uncollectable, it is written off initially against any allowance made in respect of that receivable in the allowance account for trade receivables with any excess taken to the income statement. Subsequent recoveries of amounts previously written off or allowances no longer required are credited against 'operating expenses' in the income statement.

Trade payables
Trade payables are recognised initially at fair value and, when applicable, subsequently measured at amortised cost using the effective interest rate method.

Foreign currency and translation
The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in euro, which is the functional currency of the parent entity, and the presentation currency for the consolidated financial statements.

The assets and liabilities of overseas subsidiaries are translated into euro at the rate of exchange ruling at the balance sheet date. The income statements of overseas subsidiaries are translated using the average monthly exchange rate. The exchange differences arising on retranslation are taken directly to equity. On disposal of a foreign entity, accumulated exchange differences are recognised in the income statement as a component of the gain or loss on disposal.

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on assets and liabilities classified as cash-flow hedges which are deferred in equity until the occurrence of the hedged transaction, at which time they are recognised in the income statement.

None of the Group's entities operated in a hyper-inflationary environment in 2007 or 2006.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and highly liquid investments with a maturity of three months or less when purchased. For the purpose of the cash flow statement, bank overdrafts are considered as borrowings.

Borrowings
All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of transaction costs associated with the loan or borrowing.

After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on settlement which is amortised to the income statement over the period of the borrowings. For liabilities carried at amortised cost which are not part of a hedging relationship, any gain or loss is recognised in the income statement when the liability is derecognised, as well as through the amortisation process.

Notes to the consolidated financial statements

1. Basis of preparation and accounting policies (continued)

Derivative financial instruments
The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivative financial instruments designated as hedging instruments to specific assets, liabilities, firm commitments or forecast transactions. The Group also documents its assessment, both at the hedge inception and on an ongoing basis, of whether the derivative financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The Group uses financial instruments, including interest rate swaps, options, currency and commodity derivatives. Their use is undertaken only as economic and accounting hedges to manage interest, currency and commodity price risk associated with the Group's underlying business activities. The Group does not undertake any trading activity in financial instruments.

All derivative financial instruments are initially recognised in the balance sheet at fair value and are subsequently remeasured to their fair value. Changes in the fair values of derivative financial instruments are recognised at each reporting date either in the income statement or in equity, depending on whether the derivative financial instrument qualifies for hedge accounting, and if so, whether it qualifies as a fair value hedge or a cash flow hedge.

Changes in the fair values of derivative financial instruments that are designated and qualify as fair value hedges and are effective, are recorded in the income statement, together with the portions of the changes in the fair values of the hedged items that relate to the hedged risks. Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in profit or loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in profit or loss as they arise. Regular way purchases and sales of financial assets are accounted for at trade date.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transactions occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

Financial Risk
Credit risk
The Group has no significant concentrations of credit risk. Policies are in place to ensure that credit sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any single financial institution.

Liquidity risk
The Group actively manages liquidity risk to ensure there are sufficient funds available for any short-term and long-term commitments. Bank overdrafts and bank facilities, both committed and uncommitted, are used to manage this risk.

Leases
Rentals paid under operating leases are charged to the income statement on a straight-line basis over the life of the lease.

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is allocated between liability and finance charges to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term borrowings. The interest element of the finance cost is charged to the income statement over the lease period. Property, plant and equipment acquired under finance leases is depreciated in accordance with the Group policy for owned assets of the same class unless there is no reasonable certainty that the Group will obtain ownership of the asset at the end of the lease term. In this case, property, plant and equipment acquired under finance lease is depreciated over the shorter of the useful life of the asset and the lease term.

Notes to the consolidated financial statements

1. Basis of preparation and accounting policies (continued)

Provisions
Provisions are recognised as follows: when the Group has a present obligation (legal or constructive) as a result of a past event; when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and when a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset when such reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Employee benefits - pensions and post retirement benefits
The Group operates a number of defined benefit and defined contribution pension plans in its territories.

The defined benefit plans are made up of both funded and unfunded pension plans and employee leaving indemnities. The assets of funded plans are generally held in separate trustee-administered funds and are financed by payments from employees and/or the relevant Group companies, after taking into account the recommendations of independent qualified actuaries.

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs.

For defined benefit pension plans, pension costs are assessed using the projected unit credit method. Actuarial gains and losses are recognised as income or expense, when the cumulative unrecognised actuarial gains or losses for each individual plan exceed 10% of the greater of the defined benefit obligation or the fair value of plan assets, in accordance with the valuations made by qualified actuaries. The defined benefit obligations are measured at the present value of the estimated future cash outflows using interest rates of corporate or government bonds which have terms to maturity approximating the terms of the related liability. Actuarial gains and losses arising from experience adjustments or changes in assumptions are recognised over the average remaining service lives of employees. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise amortised over the average remaining service lives of the employees.

A number of the Group’s operations have other long service benefits in the form of jubilee plans. These plans are measured at the present value of the estimated future cash outflows with immediate recognition of actuarial gains and losses.

The Group’s contributions to the defined contribution pension plans are charged to the income statement in the period to which the contributions relate.

Share-based payments
Coca-Cola Hellenic issues equity-settled (stock options) and cash-settled (stock appreciation rights) share-based payments to its senior managers.

Equity-settled share-based payments are measured at fair value at the date of grant using a binomial stock option valuation model. Fair value reflects the parameters of the compensation plan, the risk-free interest rate, the expected volatility, the dividend yield and the early exercise experience of the Group’s plans. Expected volatility is determined by calculating the historical volatility of Coca-Cola Hellenic’s share price over previous years. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period.

For cash-settled share-based payments, a liability equal to the portion of the vested stock appreciation rights is recognised at the current fair value determined at each balance sheet date using the same model and inputs as used for determining the fair value of stock options.

In addition, the Group operates a stock purchase plan, in which eligible employees can participate. The Group’s contributions to the stock purchase plan are charged to the income statement over their vesting period. Any unvested shares held by the trust are owned by the Group and are recorded at cost in the balance sheet within equity as shares held for equity compensation plan until they vest.

Notes to the consolidated financial statements

1. Basis of preparation and accounting policies (continued)

Termination benefits
Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Taxes
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries, joint ventures and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Tax rates enacted or substantively enacted at the balance sheet date are used to determine deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled by the Group, and it is probable that the temporary difference will not reverse in the foreseeable future.

Franchise incentive arrangements
TCCC, at its sole discretion, provides the Group with various incentives, including contributions toward the purchase of cold drink equipment. Payments are made on placement of coolers and are based on franchise incentive arrangements. The terms and conditions of these arrangements require reimbursement if certain conditions stipulated in the agreements are not met, including minimum volume through-put requirements. Support payments received from TCCC for the placement of cold drink equipment are deducted from the cost of the related asset.

Share capital
There is only one class of shares. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded to the share premium reserve.

Incremental external costs directly attributable to the issue of new shares or to the process of returning capital to shareholders are recorded in equity as a deduction, net of tax, in the share premium reserve.

Dividends
Dividends are recorded in the Group's financial statements in the period in which they are approved by the Group's shareholders, with the exception of the statutory minimum dividend.

Under Greek corporate legislation, companies are annually required to declare dividends of at least 35% of unconsolidated adjusted after-tax IFRS profits. This statutory minimum dividend is recognised as a liability.

Comparative figures
Comparative figures have been reclassified where necessary to conform with changes in presentation in the current year.

Notes to the consolidated financial statements

1. Basis of preparation and accounting policies (continued)

Adoption of new accounting pronouncements

In the current year, the Group has adopted all of the new and revised standards and interpretations issued by the IASB and the International Financial Reporting Interpretation Committee ('IFRIC') of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2007. None of these Standards and interpretations had a significant effect on the financial statements of the Company, except the following:

In August 2005, the IASB issued IFRS 7, *Financial Instruments: Disclosures, and amendments to IAS 1, Presentation of Financial Statements – Capital Disclosures*. IFRS 7 introduces new disclosures relating to financial instruments but does not have any impact on the classification and valuation of the Group's financial instruments or the disclosures relating to tax and trade and other payables.

New accounting pronouncements

At the date of approval of these financial statements, the following standards and interpretations were issued but not yet effective:

In November 2006 the IFRIC issued IFRIC 11, *IFRS 2—Group and Treasury Share Transactions*. IFRIC 11 clarifies the application of IFRS 2, *Share-based Payments,* to certain share-based payment arrangements involving the entity's own equity instruments and to arrangements involving equity instruments of the entity's parent company. IFRIC 11 is effective for annual periods beginning on or after 1 March 2007, and is not expected to have a material impact on the Group's financial statements.

In November 2006 the IFRIC issued IFRIC 12, *Service Concession Arrangements*. IFRIC 12 sets out the general principles on recognising and measuring the obligations and related rights in service concession arrangements. IFRIC 12 is effective for annual periods beginning on or after 1 January 2008. Since the Group is not involved in concession arrangements, the interpretation is not expected to have an impact on the Group's financial statements.

In November 2006, the IASB issued IFRS 8, *Operating Segments*, which replaces IAS 14, *Segment Reporting*. IFRS 8 introduces new disclosure requirements relating to segmental reporting and provides guidance on operating segments. IFRS 8 also expands significantly the requirements for segment information at interim reporting dates. The European Union endorsed IFRS 8 in November 2007. IFRS 8 is applicable for annual periods beginning on or after 1 January 2009. Earlier application is permitted. It is not expected that IFRS 8 will have a material effect on the disclosure within the Group's financial statements.

In March 2007, the IASB issued a revision of IAS 23, *Borrowing Costs*. Under the revised standard, entities will no longer have the option to immediately recognise, as an expense, borrowing costs related to the acquisition, construction, or production of qualifying assets that require a substantial period of time to be prepared for their intended use or sale. These costs must now be capitalised as part of the cost of the asset. The revised standard is applicable for annual periods beginning on or after January 1, 2009. Coca-Colla Hellenic already has a policy of capitalising applicable borrowing costs and therefore this standard will not have any effect on the Group's financial statements.

In July 2007, the IFRIC issued IFRIC 13, *Customer loyalty programmes*, which is effective from 1 July 2008. IFRIC 13 requires that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is treated as multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. IFRIC 13 is not relevant to Coca-Cola Hellenic's operations because none of the Group's companies operate any significant loyalty programmes.

In July 2007, the IFRIC issued IFRIC 14, *IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction,* which is effective from 1 January 2008. IFRIC 14 provides guidance on assessing the limit in IAS 19, *Employee Benefits*, on the amount of the surplus of the fair value of plan assets over the present value of defined benefit obligations that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. Coca-Colla Hellenic will apply IFRIC 14 from 1 January 2008, but it is not expected to have a material impact on the Group's financial statements.

In January 2008, the IASB issued a revised version of IFRS 3, *Business Combinations*. The revised standard still requires the purchase method of accounting to be applied to business combinations but will introduce some changes to existing accounting treatment. For example, contingent consideration should be measured at fair value at the date of acquisition and subsequently remeasured to fair value with changes recognised in profit or loss. Goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to the minority interest. All transaction costs will be expensed. The standard is applicable to business combinations occurring in accounting periods beginning on or after 1 July 2009. Assets and liabilities arising from business combinations occurring before the date of adoption by the Group will not be restated and thus there will be no effect on the Group's reported income or net assets on adoption. The revised standard has not yet been adopted by the EU.

An amendment to IFRS 2 was issued in January 2008, clarifying that only service conditions and performance conditions are vesting conditions, and other features of a share-based payment are not vesting conditions. In addition, it specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amendment is effective for annual periods beginning on or after 1 January 2009 and has not yet been adopted by the EU. The Group has not yet completed its evaluation of the effect of adopting this amendment.

Notes to the consolidated financial statements

2. Exchange rates

Coca-Cola Hellenic translates the income statements of subsidiary operations to euro at average exchange rates and the balance sheets at the closing exchange rates at 31 December. The principal exchange rates used for transaction and translation purposes in respect of one euro are:

	Average 2007	Average 2006	**Closing 2007**	Closing 2006
US dollar	**1.37**	1.26	**1.45**	1.32
UK sterling	**0.69**	0.68	**0.73**	0.67
Polish zloty	**3.78**	3.90	**3.61**	3.83
Nigerian naira	**172.50**	161.38	**171.46**	169.00
Hungarian forint	**251.46**	264.61	**254.23**	253.70
Swiss franc	**1.64**	1.57	**1.67**	1.61
Russian rouble	**35.06**	34.11	**35.93**	34.70
Romanian leu	**3.34**	3.52	**3.53**	3.37

3. Segmental analysis

Coca-Cola Hellenic has one business, being the production, distribution and sale of alcohol-free, ready-to-drink beverages. The Group operates in 28 countries, and its financial results are reported in the following segments:

Established countries: Austria, Cyprus, Greece, Italy, Northern Ireland, Republic of Ireland and Switzerland.
Developing countries: Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia.
Emerging countries: Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, FYROM, Moldova, Montenegro, Nigeria, Romania, Russia, Serbia, and Ukraine.

The Group's operations in each of its segments have similar economic characteristics, production processes, customers, and distribution methods. The Group evaluates performance and allocates resources primarily based on operating profit. The accounting policies of the Group's reportable segments are the same as those described in the accounting policies (refer to Note 1).

There are no material amounts of sales or transfers between the Group's segments.

Year ended 31 December	**2007 € million**	2006 € million
Net sales revenue		
Established	**2,634.6**	2,474.1
Developing	**1,186.0**	993.2
Emerging	**2,641.3**	2,149.0
Total net sales revenue	**6,461.9**	**5,616.3**
EBITDA[1]		
Established	**412.6**	382.7
Developing	**186.8**	144.3
Emerging	**467.2**	347.9
Total EBITDA	**1,066.6**	**874.9**

[1] Earnings before interest, tax, depreciation, amortisation and other non-cash items.

Notes to the consolidated financial statements

3. Segmental analysis (continued)

Year ended 31 December	Note	2007 € million	2006 € million
Depreciation of property, plant and equipment			
Established		**(116.6)**	(125.9)
Developing		**(70.8)**	(66.1)
Emerging		**(166.6)**	(137.1)
Total depreciation of property, plant and equipment	10	**(354.0)**	**(329.1)**
Amortisation of intangible assets			
Established		**(1.3)**	(2.1)
Developing		**(0.3)**	(0.1)
Emerging		**(1.8)**	(0.2)
Total amortisation of intangible assets	9	**(3.4)**	**(2.4)**
Other non-cash items[1]			
Established		**(5.2)**	(22.3)
Developing		**(0.5)**	(4.9)
Emerging		**(0.9)**	(9.1)
Total other non-cash items		**(6.6)**	**(36.3)**
Operating profit			
Established		**291.8**	234.2
Developing		**114.7**	73.3
Emerging		**296.1**	199.6
Total operating profit		**702.6**	**507.1**
Interest expense and finance charges			
Established		**(95.9)**	(56.4)
Developing		**(4.2)**	(4.0)
Emerging		**(37.6)**	(15.4)
Corporate		**(176.0)**	(139.0)
Intersegment interest expense		**215.8**	127.3
Total interest expense and finance charges	6	**(97.9)**	**(87.5)**
Interest income			
Established		**23.2**	2.8
Developing		**4.1**	2.0
Emerging		**25.3**	3.1
Corporate		**174.9**	130.4
Intersegment interest income		**(215.8)**	(127.3)
Total interest income	6	**11.7**	**11.0**
Income tax expense			
Established		**(59.9)**	(44.1)
Developing		**(21.3)**	(8.6)
Emerging		**(46.0)**	(27.2)
Corporate		**(1.2)**	(10.0)
Total income tax expense	7	**(128.4)**	**(89.9)**
Reconciling items			
Net foreign exchange translation gains		**0.4**	0.1
Share of results of equity investments		**(1.6)**	0.4
Net profit		**486.8**	**341.2**

[1] Other non-cash items comprise adjustments to intangible assets of €0.8m (2006: €7.8m), (refer to Note 5), stock option expenses of €5.8m (2006: €4.0m), (refer to Note 32) and in 2006 impairment charges to property, plant and equipment of €24.5m (refer to Note 10).

Notes to the consolidated financial statements

3. Segmental analysis (continued)

Year ended 31 December	Note	2007 € million	2006 € million
Expenditure on non-current assets[1]			
Established		175.1	175.3
Developing		125.0	92.1
Emerging		252.5	251.9
Total capital expenditure		552.6	519.3
Intangible assets arising on acquisitions			
Established		16.4	19.3
Developing		-	1.7
Emerging		44.2	12.9
Total intangible assets arising on acquisitions	9	60.6	33.9
Assets			
Established		3,099.1	3,111.2
Developing		1,097.4	951.6
Emerging		2,616.3	1,938.6
Corporate (less intersegment receivables)		(178.5)	81.9
Total assets		6,634.3	6,083.3
Liabilities			
Established		2,482.5	2,206.0
Developing		368.3	290.0
Emergings		1,096.2	590.3
Corporate (less intersegment payables)		(365.0)	272.9
Total liabilities		3,582.0	3,359.2

4. Operating profit

The following items have been included in arriving at the operating profit, for the years ended 31 December:

	2007 € million	2006 € million
Depreciation of property, plant and equipment (refer to Note 10)	354.0	329.1
Impairment of property, plant and equipment (refer to Note 10)	-	24.5
Gain on disposal of property, plant and equipment	(3.9)	(11.1)
Operating lease charges		
Plant and equipment	25.7	29.5
Property	48.7	23.1
Total operating lease charges	74.4	52.6
Provision set aside for doubtful debts (refer to Note 16)	9.9	7.1
Staff costs		
Wages and salaries	783.6	660.9
Social security costs	142.0	128.6
Pension and other employee benefits	151.0	139.8
Termination benefits	7.5	29.0
Total staff costs	1,084.1	958.3

Impairment of property, plant and equipment in 2006 was recorded in operating expenses (refer to Note 5). The average number of full-time equivalent employees in 2007 was 45,500 (2006: 42,942).

[1]Total additions of property, plant and equipment for the year ended 31 December 2007 was €666.7m (2006: €557.4m).

Notes to the consolidated financial statements

5. Operating expenses

Year ended 31 December	Note	2007 € million	2006 € million
Selling expenses		**983.6**	857.3
Delivery expenses		**565.9**	490.2
Administrative expenses		**392.5**	322.9
Restructuring costs		**-**	51.8
Significant non-recurring items		**-**	9.6
Adjustments to intangible assets	9	**0.8**	7.8
Stock option expense	32	**5.8**	4.0
Amortisation of intangible assets	9	**3.4**	2.4
Total operating expenses		**1,952.0**	**1,746.0**

Restructuring costs

	2007 € million	2006 € million
Cash restructuring expenses	**-**	36.0
Impairment of property, plant and equipment	**-**	9.5
Accelerated depreciation	**-**	6.3
Total restructuring costs	**-**	**51.8**

On 24 February 2006, production in the Athens plant ceased. In addition, on 10 March 2006, the Greek warehouses in Messologi, Corfu and Rhodes closed. Additional restructuring was undertaken in Greece in December 2006, following an organisational streamlining across the administrative support and logistic functions. A total restructuring charge for Greece of €22.1m (cash and non-cash) was recorded in the full year of 2006. In Nigeria, restructuring charges in the full year of 2006 amounted to €7.9m (cash and non-cash). Production that was carried out at the Onitsha and Makurdi plants was transferred to other production sites within Nigeria. In addition, our Nigerian operation invested in a new production facility in Abuja. In Ireland, during the full year of 2006, €6.3m of accelerated depreciation and €1.5m of redundancy charges were recorded in relation to the project to develop a single all-island production facility. In Croatia, €5.1m of restructuring charges were recorded in 2006 in respect of rationalisation of the delivery function by outsourcing it to third party contractors. A further €8.9m of restructuring charges was incurred in 2006 in relation to other restructuring activities throughout the Group.

Significant non-recurring items

Non-recurring items in 2006 consist of impairment of bottles and crates in Austria, Bulgaria, Nigeria, Poland, Greece and some other markets, following a decision to accelerate the implementation of the Group's refillable bottle strategy, for a total of €15.1m, the gain from the sale of the production site in Dublin of €14.8m and the provision for a fine imposed by the Greek Competition Authority of €9.3m (refer to Note 24).

Adjustments to intangible assets

During 2007 and 2006, the Group recognised deferred tax assets on losses that had previously not been recognised on acquisition of CCB by HBC. In accordance with IAS 12 revised, *Income Taxes*, when deferred tax assets on losses have not been recognised on acquisition and are subsequently recognised, both goodwill and deferred tax assets are adjusted with corresponding entries to operating expense and tax in the income statement. Therefore, a charge of €0.8m (2006: €7.8m) has been recorded in operating expense for the full year of 2007 and a deferred tax credit of €0.6m (2006: €7.8m) included within tax on the income statement.

Notes to the consolidated financial statements

6. Finance costs

Net finance costs for the years ended 31 December comprise:

	2007 € million	2006 € million
Interest income	**11.7**	11.0
Interest expense	**(87.5)**	(80.9)
Net foreign exchange translation gains	**0.4**	0.1
Finance charges paid with respect to finance leases	**(10.4)**	(6.6)
Total finance costs	**(97.5)**	**(87.4)**
Finance costs (net)	**(85.8)**	**(76.4)**

Capitalised borrowing costs amounted to €5.3m (2006: €4.1m). The interest rate used for the capitalisation of borrowing costs of the Group for the year was 4.84% (2006: 3.72%).

7. Tax

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate of the home country of the Company as follows:

	2007 € million	2006 € million
Profit before tax per the income statement	**615.2**	431.1
Tax calculated at a tax rate of 25% (2006: 29%)	**153.8**	125.0
Effect of different tax rates in foreign jurisdictions	**(31.7)**	(27.5)
Additional local taxes in foreign jurisdictions	**17.4**	20.6
Tax holidays in foreign jurisdictions	**(3.0)**	(3.1)
Expenses non-deductible for tax purposes	**28.6**	23.0
Income not subject to tax	**(32.7)**	(23.9)
Changes in tax laws and rates	**(1.3)**	(0.9)
Current year tax losses not recognised	**0.6**	1.3
Recognition of pre-acquisition deferred tax assets	**(0.6)**	(7.8)
Utilisation of previously unrecognised post-acquisition tax losses	**(0.6)**	(0.7)
Recognition of previously unrecognised post-acquisition tax losses	**(3.4)**	(8.2)
Other	**1.3**	(7.9)
Income tax charge per the income statement	**128.4**	**89.9**

The reduction of the applicable tax rate is related to the reduction in the statutory tax rate in Greece.

The income tax charge for the years ended 31 December is as follows:

	2007 € million	2006 € million
Current tax charge	**114.0**	85.0
Deferred tax charge (refer to Note 13)	**15.0**	12.7
Pre-acquisition deferred tax assets recognised subsequent to acquisition of CCB and reflected in goodwill (refer to Notes 5)	**(0.6)**	(7.8)
Total income tax charge	**128.4**	**89.9**

Notes to the consolidated financial statements

8. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the shareholders of the parent entity is based on the following data:

	2007	2006
Net profit attributable to shareholders of the Group (€ million)	**472.3**	333.7
Weighted average number of ordinary shares for the purposes of basic earnings per share (million)	**363.1**	361.8
Effect of dilutive stock options (million)	**1.5**	0.8
Weighted average number of ordinary shares for the purposes of diluted earnings per share (million)	**364.6**	362.6
Basic and diluted earnings per share (€)	**1.30**	0.92

The comparative weighted average number of ordinary shares has been adjusted for the bonus share issue (refer to Note 26).

9. Intangible assets

	Goodwill € million	Franchise agreements € million	Trademarks € million	Other intangible assets € million	**Total € million**
Cost					
As at 1 January 2007	1,734.7	10.2	115.1	8.7	**1,868.7**
Additions	-	-	-	5.8	**5.8**
Arising on recognition of deferred tax assets in connection with the acquisition of CCB (refer to Note 5)	(0.8)	-	-	-	**(0.8)**
Intangible assets arising on current year acquisitions (refer to Note 30)	44.6	-	7.6	6.0	**58.2**
Intangible assets arising on prior year acquisitions (refer to Note 30)	2.4	-	-	-	**2.4**
Arising on Fonti del Vulture (refer Note 30)	(2.2)	-	-	-	**(2.2)**
Foreign currency translation	(9.7)	(0.1)	(2.9)	-	**(12.7)**
As at 31 December 2007	**1,769.0**	**10.1**	**119.8**	**20.5**	**1,919.4**
Amortisation					
As at 1 January 2007	-	-	0.6	2.4	**3.0**
Charge for the year	-	-	0.8	2.6	**3.4**
As at 31 December 2007	**-**	**-**	**1.4**	**5.0**	**6.4**
Net book value as at 1 January 2007	1,734.7	10.2	114.5	6.3	**1,865.7**
Net book value as at 31 December 2007	**1,769.0**	**10.1**	**118.4**	**15.5**	**1,913.0**

Notes to the consolidated financial statements

9. Intangible assets (continued)

	Goodwill € million	Franchise agreements € million	Trademarks € million	Other intangible assets € million	Total € million
Cost					
As at 1 January 2006	1,737.1	1.1	106.0	3.2	**1,847.4**
Additions	-	-	-	2.7	**2.7**
Arising on recognition of deferred tax assets in connection with the acquisition of CCB (refer to Note 5)	(7.8)	-	-	-	**(7.8)**
Intangible assets arising on current year acquisitions	10.7	9.2	10.2	0.8	**30.9**
Intangible assets arising on prior year acquisitions	1.5	-	-	1.5	**3.0**
Foreign currency translation	(6.8)	(0.1)	(1.1)	0.5	**(7.5)**
As at 31 December 2006	**1,734.7**	**10.2**	**115.1**	**8.7**	**1,868.7**
Amortisation					
As at 1 January 2006	-	-	0.5	0.1	**0.6**
Charge for the year	-	-	0.1	2.3	**2.4**
As at 31 December 2006	**-**	**-**	**0.6**	**2.4**	**3.0**
Net book value as at 1 January 2006	1,737.1	1.1	105.5	3.1	**1,846.8**
Net book value as at 31 December 2006	**1,734.7**	**10.2**	**114.5**	**6.3**	**1,865.7**

Goodwill and other indefinite-lived intangible assets are allocated to the Group's cash-generating units, which correspond to the country of operation, for both management and impairment testing purposes.

The following table sets forth the carrying value of intangible assets subject to, and not subject to amortisation:

	2007 € million	2006 € million
Intangible assets not subject to amortisation		
Goodwill	**1,769.0**	1,734.7
Trademarks	**110.1**	113.7
Franchise agreements	**10.1**	10.2
	1,889.2	**1,858.6**
Intangible assets subject to amortisation		
Trademarks	**8.3**	0.8
Water rights	**4.9**	1.9
Distribution rights	**0.2**	0.4
Other intangible assets	**10.4**	4.0
Total	**1,913.0**	**1,865.7**

Notes to the consolidated financial statements

9. Intangible assets (continued)

A segment level summary of the goodwill and indefinite-lived intangible assets as at 31 December 2007 is as follows:

	Goodwill € million	Franchise agreements € million	Trademarks € million	Total € million
Established	1,434.0	9.1	33.5	**1,476.6**
Developing	153.0	-	-	**153.0**
Emerging	182.0	1.0	76.6	**259.6**
	1,769.0	**10.1**	**110.1**	**1,889.2**

The recoverable amount of each operation has been determined through a value-in-use calculation. That calculation uses cash flow projections based on financial budgets approved by the Board of Directors covering a three -year period. Cash flows projections for years four to ten have been projected by management based on operation and market specific high level assumptions. Cash flows beyond the ten-year period (the period in perpetuity) have been extrapolated using the estimated growth rates stated below.

The ranges by segment of the key assumptions used for value-in-use calculations are as follows:

	Established	Developing	Emerging
Average gross margin (%)	37.6-47.1	41.8-48.3	20.6-46.9
Growth rate in perpetuity (%)	2.4-3.0	3.0-3.5	3.0-4.0
Discount rate (%)	7.2-7.9	8.1-8.7	9.1-14.9

Management determined gross margins based on past performance, expectations for the development of the market and expectations about raw material costs. The growth rates used in perpetuity reflect the forecasts in line with management beliefs. These forecasts exceed, in some cases, those expected for the industry in general, due to the strength of our brand portfolio. Management estimates discount rates using rates that reflect current market assessments of the time value of money and risks specific to the countries of operation. Management believes that any reasonably possible change in any of the key assumptions would not cause the operation's carrying amount to exceed its recoverable amount.

Notes to the consolidated financial statements

10. Property, plant and equipment

	Land and buildings € million	Plant and equipment € million	Returnable containers € million	Assets under construction € million	Total € million
Cost					
As at 1 January 2007	1,024.5	2,796.6	245.4	239.4	**4,305.9**
Additions	7.5	186.1	45.8	427.3	**666.7**
Arising on acquisitions	80.1	51.6	-	11.2	**142.9**
Arising on Fonti del Vulture (refer to Note 30)	(13.7)	(16.6)	(0.3)	-	**(30.6)**
Disposals	(7.0)	(127.9)	(28.9)	-	**(163.8)**
Reclassified from assets held for sale (refer to Note 17)	3.6	-	-	-	**3.6**
Reclassifications	79.2	247.5	2.0	(328.7)	**-**
Foreign currency translation	(11.8)	(40.8)	(2.4)	(8.0)	**(63.0)**
As at 31 December 2007	**1,162.4**	**3,096.5**	**261.6**	**341.2**	**4,861.7**
Depreciation					
As at 1 January 2007	178.8	1,553.1	76.3	-	**1,808.2**
Charge for the year	29.4	292.0	32.6	-	**354.0**
Disposals	(2.4)	(114.8)	(23.6)	-	**(140.8)**
On assets reclassified from held for sale (refer to Note 17)	2.0	-	-	-	**2.0**
Foreign currency translation	(2.0)	(16.6)	(0.9)	-	**(19.5)**
As at 31 December 2007	**205.8**	**1,713.7**	**84.4**	**-**	**2,003.9**
Net book value as at 1 January 2007	845.7	1,243.5	169.1	239.4	**2,497.7**
Net book value as at 31 December 2007	**956.6**	**1,382.8**	**177.2**	**341.2**	**2,857.8**

	Land and buildings € million	Plant and equipment € million	Returnable containers € million	Assets under construction € million	Total € million
Cost					
As at 1 January 2006	930.4	2,507.8	277.8	177.6	**3,893.6**
Additions	6.8	206.1	27.2	317.3	**557.4**
Arising on acquisitions	48.1	33.1	0.3	5.1	**86.6**
Disposals	(24.3)	(129.2)	(36.8)	-	**(190.3)**
Impairment	-	(9.5)	(15.0)	-	**(24.5)**
Reclassifications	65.3	194.7	-	(260.0)	**-**
Foreign currency translation	(1.8)	(6.4)	(8.1)	(0.6)	**(16.9)**
As at 31 December 2006	**1,024.5**	**2,796.6**	**245.4**	**239.4**	**4,305.9**
Depreciation					
As at 1 January 2006	156.7	1,382.8	66.7	-	**1,606.2**
Charge for the year	27.6	275.0	26.5	-	**329.1**
Disposals	(5.5)	(105.8)	(15.3)	-	**(126.6)**
Foreign currency translation	-	1.1	(1.6)	-	**(0.5)**
As at 31 December 2006	**178.8**	**1,553.1**	**76.3**	**-**	**1,808.2**
Net book value as at 1 January 2006	773.7	1,125.0	211.1	177.6	**2,287.4**
Net book value as at 31 December 2006	**845.7**	**1,243.5**	**169.1**	**239.4**	**2,497.7**

Assets under construction include advances for equipment purchases of €113.9m (2006: €73.3m).

Notes to the consolidated financial statements

10. Property, plant and equipment (continued)

Included in plant and equipment are assets held under financial lease, where the Group is the lessee, as follows:

	2007 € million	2006 € million
As at 1 January	**119.5**	69.7
Additions	**87.8**	70.2
Disposals	**(10.7)**	(6.0)
Depreciation charge	**(19.7)**	(14.6)
Foreign currency translation	**(3.1)**	0.2
As at 31 December	**173.8**	**119.5**

Assets held under finance lease have been pledged as security in relation to the liabilities under the finance lease. The net book value of land and buildings held under finance lease as at 31 December 2007 was €26.1m (2006: €21.6m). The net book value of plant and equipment held under finance lease as at 31 December 2007 was €147.7m (2006: €97.9m).

11. Equity investments

a. The effective interest held in and carrying value of the investments in associates at 31 December are:

	Country of incorporation	Effective interest held 2007	Effective interest held 2006	Carrying value 2007 € million	Carrying value 2006 € million
Frigoglass Industries Limited	Nigeria	**16%**	16%	**10.6**	9.6
PET to PET Recycling Österreich GmbH	Austria	**20%**	20%	**1.0**	1.0
Heineken Lanitis Cyprus Ltd	Cyprus	**-**	35%	**-**	-
Total investment in associates				**11.6**	**10.6**

In 16 March 2007 the Goup sold the investment in Heineken Lanitis Cyprus Ltd. The result from the sale was immaterial.

The Group holds an effective interest in Frigoglass Industries Limited through a 23.9% (2006: 23.9%) holding held by Nigerian Bottling Company plc, in which the Group has a 66.4% (2006: 66.4%) interest. There are restrictive controls on the movement of funds out of Nigeria.

b. The effective interest held in and carrying value of the joint ventures accounted for using the equity method of accounting as at 31 December are:

	Country of incorporation	Effective interest held 2007	Effective interest held 2006	Carrying value 2007 € million	Carrying value 2006 € million
Fonti Del Vulture S.r.l. (refer to Note 30)	Italy	**50%**	50%	**7.1**	-
Multivita Sp. z o.o.	Poland	**50%**	50%	**1.4**	1.6
Valser Springs GmbH	Switzerland	**50%**	50%	**0.3**	0.3
Total investment in joint ventures				**8.8**	**1.9**

Notes to the consolidated financial statements

11. Equity investments (continued)

Changes in the carrying amounts of equity investments are as follows:

	2007 € million	2006 € million
As at 1 January	**12.5**	14.1
Purchases	**-**	1.0
Capital increase in joint ventures	**6.0**	-
Arising on Fonti del Vulture (refer to Note 30)	**5.8**	-
Share of results of equity investments (net of tax and minority interest)	**(1.6)**	0.4
Dividend paid by associate	**-**	(0.1)
Return of capital from associates	**-**	(1.8)
Foreign currency translation	**(2.3)**	(1.1)
As at 31 December	**20.4**	**12.5**

12. Available-for-sale investments

Changes in available-for-sale investments are as follows:

	2007 € million	2006 € million
As at 1 January	**7.6**	10.6
Disposals	**(1.2)**	(8.0)
Arising on acquisitions	**-**	2.6
Unrealised gain on available-for-sale investments	**4.1**	2.1
Foreign currency translation	**-**	0.3
As at 31 December	**10.5**	**7.6**

13. Deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The following amounts, determined after appropriate off-setting, are shown in the consolidated balance sheet:

	2007 € million	2006 € million
Deferred tax assets	**26.6**	24.6
Deferred tax liabilities	**(97.3)**	(79.8)
Total deferred tax	**(70.7)**	**(55.2)**

Notes to the consolidated financial statements

13. Deferred tax (continued)

The movement in deferred tax assets and liabilities during the year (after off-setting balances within the same tax jurisdiction) is as follows:

	2007 € million	2006 € million
As at 1 January	**(55.2)**	(53.6)
Charged to the income statement	**(15.0)**	(12.7)
Charged to equity	**(0.1)**	(0.6)
Pre-acquisition deferred tax assets in connection with acquisition of CCB, recognised subsequent to business combination and reflected in goodwill (refer to Note 5)	**0.6**	7.8
Arising on acquisitions	**(2.9)**	1.1
Foreign currency translation	**1.9**	2.8
As at 31 December	**(70.7)**	**(55.2)**

Deferred tax assets and liabilities (prior to off-setting balances within the same tax jurisdiction) at 31 December are attributable to the following items:

	2007 € million	2006 € million
Deferred tax assets		
Provisions	**44.6**	34.7
Tax loss carry-forwards	**20.4**	17.3
Pensions and employee benefit plans	**11.0**	10.1
Other deferred tax assets	**45.5**	48.5
Total gross deferred tax assets	**121.5**	**110.6**
Deferred tax liabilities		
Differences in depreciation	**(182.2)**	(154.8)
Other deferred tax liabilities	**(10.0)**	(11.0)
Total gross deferred tax liabilities	**(192.2)**	**(165.8)**
Net deferred tax liability	**(70.7)**	**(55.2)**

Deferred tax assets are recognised for tax loss carry-forwards to the extent that realisation of the related tax benefit through the reduction of future taxes is probable. The Group has unrecognised deferred tax assets attributable to tax losses that are available to carry forward against future taxable income, of €17.3m (2006: €20.0m). €2.8m of this unrecognised deferred tax asset is attributable to tax losses that expire between 2008 and 2012, nil is attributable to tax losses that will expire in 2013 and 2014 and €14.5m is attributable to tax losses that have no expiry period.

It is not practicable to compute the total amount of the potential income tax consequences that would result from the payment of dividends to shareholders.

Notes to the consolidated financial statements

14. Other non-current assets

Other non-current assets consist of the following at 31 December:

	2007 € million	2006 € million
Non-current prepayments	31.0	21.7
Loans to non-related parties	8.0	3.5
Non-current derivative assets (refer to Note 21)	14.4	-
Total other non-current assets	**53.4**	**25.2**

15. Inventories

Inventories consist of the following at 31 December:

	2007 € million	2006 € million
Finished goods	204.2	168.1
Raw materials and work in progress	202.4	174.1
Consumables	99.6	75.0
Payments on account	3.0	2.1
Total inventories	**509.2**	**419.3**

16. Trade and other receivables

Trade receivables consist of the following at 31 December:

	2007 € million	2006 € million
Trade debtors	741.6	715.2
Less: provision for doubtful debts	(45.4)	(41.0)
Total trade receivables	**696.2**	**674.2**

Other receivables consist of the following at 31 December:

	2007 € million	2006 € million
Prepayments	126.2	98.4
Receivables from related parties	96.4	67.8
VAT and other taxes receivable	45.6	13.0
Loans and advances to employees	9.5	7.9
Receivables from sale of property, plant and equipment	4.5	4.5
Other	46.2	45.0
Total other receivables	**328.4**	**236.6**

Notes to the consolidated financial statements

16. Trade and other receivables (continued)

The credit period given to customers ranges from 7 days to 120 days depending on the country and customer type. In most territories, interest is not charged for late payment.

The Group provides for all receivables that are considered non-collectable on a specific basis after considering the circumstances of each case. Before accepting any new credit customers, the Group investigates the potential customer's credit quality (usually through external agents) and defines credit limits for each customer. Customers are reviewed on an ongoing basis and credit limits adjusted accordingly. There are no customers who represent more than 5% of the total balance of trade receivables for the Group.

Trade receivables and receivables from related parties, net of provision for doubtful debts	**2007 € million**	2006 € million
Due within due date	**673.5**	612.4
Outstanding after due date	**119.1**	129.6
Total trade and related party receivables	**792.6**	**742.0**
Collateral held against trade and related party receivables	**14.5**	**12.4**

Of the balance of €164.1m (2006: €170.6m) outstanding after due date, €119.1m (2006: €129.6m) has not been provided for as the amounts are considered recoverable. Of these amounts, 44% (2006: 46%) are up to 30 days old, 39% (2006: 27%) are between 30 and 90 days old, 11% (2006: 18%) are between 90 days and 180 old and 6% (2006: 9%) are over 180 days old. Collateral of €8.5m (2006: €6.3m) is held on overdue balances.

Movement in provision for doubtful debts	**2007 € million**	2006 € million
As at 1 January	**(41.0)**	(33.8)
Amounts written off during the year	**5.0**	6.3
Amounts recovered during the year	**0.7**	3.6
Arising on acquisition	**(0.8)**	(8.6)
Arising on Fonti del Vulture (refer to Note 30)	**0.7**	-
Increase in allowance recognised in profit or loss	**(9.9)**	(8.3)
Foreign currency translation	**(0.1)**	(0.2)
As at 31 December	**(45.4)**	**(41.0)**

Provisions for doubtful debts are recorded within operating expenses.

17. Assets classified as held for sale

As at 31 December 2006, certain land and buildings with a net book value of €1.8m were classified as held for sale as part of the restructuring plan in Greece. The items of property, plant and equipment that were not sold in 2007 were classified back to property, plant and equipment after being adjusted for the depreciation that would have been recognised had the assets not been classified as held for sale.

Notes to the consolidated financial statements

18. Cash and cash equivalents

Cash and cash equivalents at 31 December comprise the following:

	2007 € million	2006 € million
Cash at bank, in transit and in hand	77.8	88.0
Short-term deposits	119.2	217.5
Total cash and cash equivalents	**197.0**	**305.5**

Cash and cash equivalents are held in the following currencies:

	2007 € million	2006 € million
Euro	139.6	240.5
Romanian Leu	11.9	7.2
FYROM dinar	7.5	11.7
Russian rouble	6.9	4.1
Croatian kuna	5.1	3.2
Nigerian naira	4.5	7.6
Swiss franc	3.6	3.6
UK sterling	3.2	2.0
Bulgaria lev	2.9	2.6
Polish zloty	2.3	0.6
Bosnia and Herzegovina convertible mark	1.8	1.7
US dollar	1.6	1.6
Serbian Dinar	0.7	2.4
Belorussian rouble	0.6	1.0
Cyprus pounds	0.1	12.3
Other	4.7	3.4
Total cash and cash equivalents	**197.0**	**305.5**

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

Notes to the consolidated financial statements

19. Borrowings

The Group holds the following borrowings at 31 December:

	2007 € million	2006 € million
Bank overdrafts	32.9	66.2
Current portion of long-term borrowings	3.1	3.0
Bonds, bills and unsecured notes	213.3	187.1
Other	13.0	16.7
	262.3	273.0
Obligations under finance leases falling due within one year	54.0	33.9
Total borrowings falling due within one year	**316.3**	**306.9**
Borrowings falling due within one to two years		
Other borrowings	3.3	2.6
Borrowings falling due within two to five years		
Bonds, bills and unsecured notes	841.6	846.5
Other borrowings	-	2.0
Borrowings falling due in more than five years		
Bonds, bills and unsecured notes	626.3	664.5
	1,471.2	1,515.6
Obligations under finance leases falling due in more than one year	111.2	82.2
Total borrowings falling due after one year	**1,582.4**	**1,597.8**
Total borrowings	**1,898.7**	**1,904.7**

As at 31 December 2007, a total of €850.0m in Eurobonds has been issued under the €2.0bn Euronote programme. A further amount of €1,150.0m is available for issuance. The bonds are not subject to any financial covenants.

On 12 July 2004, Coca-Cola Hellenic announced a successful tender offer for €322.0m of the outstanding debt on the Eurobond which matured in June 2006. On the same date, Coca-Cola Hellenic successfully completed, through its wholly owned subsidiary Coca-Cola HBC Finance B.V., a €500.0m bond issue. The issue was completed as part of the Coca-Cola Hellenic's Euro Medium Term Note Programme and has a term of seven years. Proceeds from the new issue were used to finance the tender offer and to partially fund the repayment of the €300.0m Eurobond in December 2004.

On 24 March 2006, Coca-Cola Hellenic completed, through its wholly owned subsidiary Coca-Cola HBC Finance plc, the issue of a €350.0m 3-year Euro-denominated floating rate bond. The transaction was executed under Coca-Cola Hellenic's existing €2.0 bn Euro Medium Term Note programme. Proceeds from the bond offering were used to fund the repayment of the remaining €233.0m outstanding debt under the Group's €625.0m 5.25% Eurobond, which matured on 27 June 2006, as well as to provide short-term liquidity at the completion of certain acquisitions made in that year. Contractual interest repricing dates for the bond are the 24th day of March, June, September and December of each year until maturity.

In March 2002, Coca-Cola Hellenic established a €1.0bn global commercial paper programme with various financial institutions to further diversify its short-term funding sources. The programme consists of a multi-currency euro commercial paper facility and a US dollar-denominated US commercial paper facility. The commercial paper notes may be issued either as non-interest bearing notes sold at a discount or as interest bearing notes at a fixed or at a floating rate, or by reference to an index or formula. All commercial paper issued under the programme must be repaid within 1 to 365 days. The outstanding amount under the commercial paper programme at 31 December 2007 was €210.5m (2006: €184.0m).

During August 2005, Coca-Cola Hellenic executed a €600m syndicated loan facility through various financial institutions expiring on 1 August 2010. This facility will be used as a backstop to the €1.0bn global commercial paper programme and carries a floating interest rate over EURIBOR and LIBOR. The facility allows the Company to draw down, on one to five days notice, amounts in tranches and repay them in periods ranging from one to six months, or any other period agreed between the financial institutions and Coca-Cola Hellenic. In the aggregate, Coca-Cola Hellenic has a maximum available borrowing under the global commercial paper programme of €1.0bn as at 31 December 2007. No amounts have been drawn under the syndicated loan facility.

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19. Borrowings (continued)

On 17 September 2003, Coca-Cola Hellenic successfully completed, through its wholly owned finance subsidiary Coca-Cola HBC Finance B.V., a US$900.0m (€617.2m at 31 December 2007 exchange rates) global offering of privately placed notes with registration rights. The first tranche consisted of an aggregate principal amount of US$500.0m (€342.9m at 31 December 2007 exchange rates) due in 2013 and the second tranche consisted of an aggregate principal amount of US$400.0m (€274.3m at 31 December 2007 exchange rates) due in 2015. The net proceeds of the offering were used to refinance certain outstanding debt, including the repayment of €200.0m bonds which matured on 17 December 2003, the leveraged re-capitalisation of the Group and the acquisition of Römerquelle GmbH. In December 2003, an exchange offer was made by Coca-Cola Hellenic in order to effect the exchange of the privately placed notes for similar notes registered with the US Securities and Exchange Commission (SEC). Acceptances under the offer, which was finalised in February 2004, were US$898.1m. The notes are fully, unconditionally and irrevocably guaranteed by Coca-Cola Hellenic. These notes are not subject to financial covenants.

In December 2003, Coca-Cola Hellenic filed a registration statement with the SEC for a shelf registration. The amount registered was US$2.0bn. As at 27 March 2008, no amounts had been drawn under the shelf registration.

The summary of the bonds outstanding at 31 December 2007 is as follows:

	Start date	Maturity date	Coupon
€350.0m Eurobond	24 March 2006	24 March 2009	Euribor + margin
€500.0m Eurobond	15 July 2004	15 July 2011	Fixed at 4.375%
US$500.0m notes	17 September 2003	17 September 2013	Fixed at 5.125%
US$400.0m notes	17 September 2003	17 September 2015	Fixed at 5.5%

The present value of finance lease liabilities at 31 December is as follows:

	2007 € million	2006 € million
Less than one year	**54.1**	33.9
Later than one year but less than two years	**52.8**	29.6
Later than two years but less than three years	**35.4**	25.8
Later than three years but less than four years	**11.7**	12.2
Later than four years but less than five years	**4.2**	5.6
Later than five years	**7.0**	9.0
Present value of finance lease liabilities	**165.2**	**116.1**

The minimum lease payments of finance lease liabilities at 31 December are as follows:

	2007 € million	2006 € million
Less than one year	**62.5**	39.0
Later than one year but less than two years	**57.4**	32.8
Later than two years but less than three years	**39.0**	27.4
Later than three years but less than four years	**12.3**	12.7
Later than four years but less than five years	**4.6**	5.8
Later than five years	**7.6**	9.7
	183.4	127.4
Future finance charges on finance leases	**(18.2)**	(11.3)
Present value of finance lease liabilities	**165.2**	**116.1**

Notes to the consolidated financial statements

19. Borrowings (continued)

The borrowings at 31 December are held in the following currencies:

	Current 2007 € million	**Non-current 2007 € million**	Current 2006 € million	Non-current 2006 € million
Euro	**267.6**	**951.1**	244.6	925.3
US dollar	**13.2**	**626.3**	4.0	664.8
Nigerian naira	**23.1**	**-**	38.1	0.3
Bulgarian lev	**3.1**	**3.3**	3.0	4.5
UK sterling	**3.1**	**-**	6.7	-
Romanian leu	**-**	**-**	5.9	-
Ukrainian hryvnia	**5.3**	**1.6**	2.1	2.8
Polish zloty	**-**	**-**	1.4	-
Other	**0.9**	**0.1**	1.1	0.1
Borrowings	**316.3**	**1,582.4**	**306.9**	**1,597.8**

	Fixed interest rate € million	Floating interest rate € million	**Total 2007 € million**	Fixed rate liabilities weighted average interest rate	Weighted average maturity for which rate is fixed (years)
Euro	746.0	472.7	**1,218.7**	4.6%	3.5
US dollar	626.2	13.3	**639.5**	5.3%	6.6
Nigerian naira	23.1	-	**23.1**	11.8%	1.0
Bulgarian lev	-	6.4	**6.4**	-	-
UK sterling	3.1	-	**3.1**	5.4%	1.0
Ukrainian hryvnia	-	6.9	**6.9**	-	-
Other	1.0	-	**1.0**	11.0%	0.1
Financial liabilities	**1,399.4**	**499.3**	**1,898.7**	**5.0%**	**5.1**

Financial liabilities represent fixed and floating rate borrowings held by the Group. The Group hedges exposures to changes in interest rates and the fair value of debt by using a combination of floating and fixed rate interest rate swaps. Of the total fixed rate debt, 100% of the US dollar and euro amounts have been swapped into floating rate obligations for the life of the underlying euro and US dollar bond financings. The US dollar bond issues have been fully swapped into euro obligations with no residual currency risk for the life of the respective bonds.

Financial assets contain cash and cash equivalents of €197.0m in 2007 (2006: €305.5m). Financial assets and liabilities falling due within one year exclude all debtors and creditors, other than borrowings.

Notes to the consolidated financial statements

19. Borrowings (continued)

Floating rate debt bears interest based on the following benchmark rates:

US dollar	6 month LIBOR (London inter-bank offer rate)
Euro	6 month EURIBOR (European inter-bank offer rate)
Bulgarian lev	1 month SOFIBOR (Sofia inter-bank offer rate)
Ukrainian hryvnia	6 month KIEBOR (Kiev inter-bank offer rate)

20. Financial risk management

Foreign currency transaction exposures
The Group has foreign exchange transaction exposures where subsidiaries hold monetary assets and liabilities which are not denominated in the functional currency of that subsidiary. In addition, the Group hedges highly probable forecasted transactions. These exposures are primarily denominated in euros and US dollars and are shown below in the sensitivity analysis.

Fair values of financial assets and liabilities
For primary financial instruments of cash, deposits, investments, short-term borrowings and other financial liabilities (other than long-term borrowings), fair values equate to book values. The fair value of long-term borrowings, including the current portion, is €1,438.7m (2006: €1,528.1m) compared to their book value, including the current portion, of €1,474.5m (2006: €1,518.6m).

The fair value of debtors and creditors approximates to their book values unless otherwise stated.

The fair value of forward contracts is calculated by reference to forward exchange rates at 31 December 2007 for contracts with similar maturity dates. The fair value of interest rate swap contracts is determined as the difference in the present value of the future interest cash inflows and outflows. The fair value of commodity derivatives in 2006 was based on independent quoted market valuations. The fair value of options is based on application of the binomial stock option valuation model and implied volatilities.

The Group holds interest-bearing borrowings at both fixed and floating interest rates. Interest rate swaps and options have been used to manage the Group's exposure to interest rates, in line with the Group's fixed/floating rate strategy.

The Group only uses derivatives for hedging purposes. The following is a summary of the Group's risk management strategies:

Interest rate risk management
The fair value of swap agreements utilised by the Group modify the Group's exposure to interest rate risk and the changes in fair value of debt by converting the Group's fixed rate debt into floating rate based on EURIBOR over the life of the underlying debt. The agreements involve the receipt of fixed rate interest payments in exchange of floating rate interest payments over the life of the agreement without an exchange of the underlying principal amount.

Since 2004, Coca-Cola Hellenic has purchased interest rate caps on floating rate debt in order to continue to benefit from lower floating interest rates whilst ensuring protection against adverse interest rate movements. The options are marked to market with gains and losses taken to the income statement. The option premium is expensed in the income statement through the option revaluation process.

Notes to the consolidated financial statements

20. Financial risk management (continued)

Interest rate sensitivity
The sensitivity analysis in the following paragraph has been determined based on exposure to interest rates of both derivative and non-derivative instruments existing at the balance sheet date and assuming constant foreign exchange rates. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates.

If interest rates had been 100 basis points higher and all other variables were held constant, the Group's profit for the year ended 31 December 2007 would have decreased by €12.1m (2006: €14.7m). If interest rates had been 100 basis points lower and all other variables were held constant, the Group's profit for the year ended 31 December 2007 would have increased by €18.1m (2006: €15.4m). This is mainly attributable to the Group's exposure to interest rates on its fixed rate bonds that have been swapped to a variable rate.

Foreign currency risk management
The Group is exposed to the effect of foreign currency risk on future commercial transactions, recognised assets and liabilities and net investments in foreign operations, that are denominated in currencies other than the local entity's functional currency. Forward exchange and option contracts are used to hedge a portion of the Group's foreign currency risk. All of the forward exchange and option contracts have maturities of less than one year after the balance sheet date and consequently the net fair value of the gains or losses on these contracts will be transferred from the hedging reserve to the income statement at various dates during this period.

Management has set up a policy that requires Group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward and option contracts transacted with Group treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group treasury's risk management policy is to hedge between 25% and 80% of anticipated cash flows in each major foreign currency for the subsequent twelve months. Each subsidiary designates contracts with Group treasury as fair value hedges or cash flow hedges, as appropriate. External foreign exchange contracts are designated at Group level as hedges of foreign exchange risk on specific assets, liabilities or future transactions on a gross basis.

The following table presents details of the Group's sensitivity to increases and decreases in the euro and US dollar against the relevant foreign currencies. The sensitivity rate represents management's assessment of a reasonably possible change in foreign exchange rates.

The sensitivity analysis includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for the stated percentage change in foreign currency rates. The sensitivity analysis includes external loans as well as loans between operations within the Group where the denomination of the loan is in a currency other than the currency of the local entity.

Notes to the consolidated financial statements

20. Financial risk management (continued)

2007 exchange risk sensitivity analysis

		Euro strengthens against local currency		Euro weakens against local currency	
	% change	(Gain) / loss in income statement € million	(Gain) / loss in equity € million	(Gain) / loss in income statement € million	(Gain) / loss in equity € million
Armenian dram	12.57%	0.2	-	(0.2)	-
Croatian kuna	10.00%	0.2	(0.4)	(0.2)	0.4
Czech koruna	4.70%	0.1	(0.6)	(0.1)	0.6
Hungarian forint	7.55%	0.6	(1.2)	(0.8)	1.2
Moldovan leu	7.97%	0.3	-	(0.3)	-
Nigerian naira	6.85%	0.4	-	(0.4)	-
Polish zloty	6.00%	0.3	(1.2)	(0.6)	0.9
Romanian leu	13.50%	1.4	(3.0)	(1.3)	2.1
Russian rouble	6.15%	3.1	(0.1)	(3.1)	0.1
Slovak koruna	4.90%	0.3	(0.3)	(0.3)	0.3
Swiss franc	3.60%	0.3	(1.1)	(0.1)	0.2
UK sterling	7.45%	(0.3)	4.9	(0.3)	(4.6)
Ukrainian hryvnia	6.98%	0.1	-	(0.1)	-
US dollar	8.40%	(2.2)	-	2.2	-
Serbian dinar	11.11%	2.1	-	(2.1)	-
		6.9	(3.0)	(7.7)	1.2

		US dollar strengthens against local currency		US dollar weakens against local currency	
	% change	(Gain) / loss in income statement € million	(Gain) / loss in equity € million	(Gain) / loss in income statement € million	(Gain) / loss in equity € million
Euro	8.40%	2.2	-	(2.2)	-
Romanian leu	13.00%	(0.1)	(1.5)	0.1	1.5
Russian rouble	5.70%	1.5	(1.7)	(1.7)	0.9
Ukrainian hryvnia	3.58%	0.4	-	(0.4)	-
		4.0	(3.2)	(4.2)	2.4

Notes to the consolidated financial statements

20. Financial risk management (continued)

2006 exchange risk sensitivity analysis

		Euro strengthens against local currency		Euro weakens against local currency	
	% change	(Gain) / loss in income statement € million	(Gain) / loss in equity € million	(Gain) / loss in income statement € million	(Gain) / loss in equity € million
Armenian dram	8.52%	0.1	-	(0.1)	-
Bulgarian lev	1.56%	(0.1)	-	0.1	-
Croatian kuna	3.52%	0.1	(0.1)	(0.1)	0.1
Czech koruna	4.45%	(1.0)	-	1.0	-
Hungarian forint	8.25%	(0.6)	(0.9)	-	1.7
Nigerian naira	8.06%	1.0	-	(1.0)	-
Polish zloty	9.60%	(3.7)	(2.5)	3.5	2.6
Romanian leu	8.25%	0.8	(0.2)	(0.8)	0.2
Russian rouble	6.45%	6.5	-	(6.5)	-
Slovak koruna	4.70%	0.5	(0.1)	(0.5)	0.1
Swiss franc	2.60%	1.3	(0.2)	(1.3)	0.2
UK sterling	4.30%	(1.0)	-	1.0	-
Ukrainian hryvnia	8.37%	(0.1)	-	0.1	-
US dollar	6.95%	(0.6)	-	0.6	-
		3.2	(4.0)	(4.0)	4.9

		US dollar strengthens against local currency		US dollar weakens against local currency	
	% change	(Gain) / loss in income statement € million	(Gain) / loss in equity € million	(Gain) / loss in income statement € million	(Gain) / loss in equity € million
Bulgarian lev	7.45%	0.1	-	(0.1)	-
Czech koruna	8.60%	0.1	-	(0.1)	-
Euro	6.95%	0.6	-	(0.6)	-
Romanian leu	10.00%	-	(0.4)	-	0.4
Russian rouble	6.60%	2.1	-	(2.1)	-
Ukrainian hryvnia	3.90%	0.3	-	(0.3)	-
		3.2	(0.4)	(3.2)	0.4

Notes to the consolidated financial statements

20. Financial risk management (continued)

Credit risk management

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 December 2007 in relation to each class of recognised financial asset, is the carrying amount of those assets as indicated in the balance sheet.

If credit is granted to customers, their credit quality is normally assessed using external agencies and historic experience. Credit limits are set accordingly. Further information regarding credit risk exposure is shown within Note 16.

With respect to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's maximum credit risk exposure for each derivative instrument is the carrying amount of the derivative (refer to Note 21).

The Group only undertakes investment transactions with banks and financial institutions that have a minimum independent credit rating of 'A' from Standard & Poor's or 'A2' from Moody's. In relation to derivative transactions, the financial institutions is required to have at least one long-term credit rating of 'AA-' or 'Aa3' from Standard & Poor's or Moody's respectivly.

Commodities price risk management

The Group has no material exposure to the effect of short-term changes in the price of sugar, fructose and aluminium as where possible it contracts prices with suppliers up to one year in advance.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, access to the debt capital markets, and by continuously monitoring forecasted and actual cash flows. Included in Note 19 is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

The following tables detail the Group's remaining contractual maturities for its financial liabilities. The tables includes both interest and principal cash flows assuming that interest rates remain constant from 31 December 2007.

2007

	€ million	€ million	€ million	€ million
	up to 1 year	1 - 2 yrs	3 - 5 yrs	over 5 years
Borrowings (including finance leases and effect of swaps)	401.7	488.5	730.7	702.4
Derivative liabilities (excluding swaps)	3.0	-	-	-
Trade and other payables	1,153.1	0.3	-	1.2
As at 31 December	**1,557.8**	**488.8**	**730.7**	**703.6**

2006

	€ million	€ million	€ million	€ million
	up to 1 year	1 - 2 yrs	3 - 5 yrs	over 5 years
Borrowings (including finance leases and effect of swaps)	392.3	119.1	1,100.2	745.3
Derivative liabilities (excluding swaps)	1.0	-	-	-
Trade and other payables	995.0	-	-	-
As at 31 December	**1,388.3**	**119.1**	**1,100.2**	**745.3**

Notes to the consolidated financial statements

20. Financial risk management (continued)

Capital risk management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as going concern and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may increase or decrease debt, issue new shares, adjust the amount of dividends paid to shareholders, or return capital to shareholders.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total capital. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt. During 2007, the Group's strategy, which was unchanged from 2006, was to maintain the gearing ratio within 35% to 45% and our credit ratings of 'A' and 'A3' from the rating agencies Standard & Poor's and Moody's, respectively. The gearing ratios at 31 December 2007 and 2006 were as follows:

	2007 € million	2006 € million
Total borrowings (refer to Note 19)	**1,898.7**	1,904.7
Total equity	**3,052.3**	2,724.1
Total capital	**4,951.0**	4,628.8
Gearing ratio	**38%**	41%

Notes to the consolidated financial statements

21. Financial instruments

Categories of financial instruments at 31 December are as follows (in € millions)

2007

Assets	Loans and Receivables	Assets at fair value through profit or loss	Derivatives used for hedging	Held-to-maturity	Available -for-sale	Total
Investments	-	-	-	0.8	10.5	11.3
Derivative financial instruments	-	2.7	17.4	-	-	20.1
Trade and other receivables	898.4	-	-	-	-	898.4
Cash and cash equivalents	197.0	-	-	-	-	197.0
Total	**1,095.4**	**2.7**	**17.4**	**0.8**	**10.5**	**1,126.8**

Liabilities	Liabilities held at amortised cost	Liabilities at fair value through profit or loss	Derivatives used for hedging	Total
Trade and other liabilities	1,154.6	-	-	1,154.6
Borrowings	1,898.7	-	-	1,898.7
Derivative financial instruments	-	186.7	9.3	196.0
Total	**3,053.3**	**186.7**	**9.3**	**3,249.3**

2006

Assets	Loans and Receivables	Assets at fair value through profit or loss	Derivatives used for hedging	Held-to-maturity	Available-for-sale	Total
Investments	-	-	-	0.9	7.6	8.5
Derivative financial instruments	-	1.1	0.6	-	-	1.7
Trade and other receivables	812.4	-	-	-	-	812.4
Cash and cash equivalents	305.5	-	-	-	-	305.5
Total	**1,117.9**	**1.1**	**0.6**	**0.9**	**7.6**	**1,128.1**

Liabilities	Liabilities held at amortised cost	Liabilities at fair value through profit or loss	Derivatives used for hedging	Total
Trade and other liabilities	995.0	-	-	995.0
Borrowings	1,904.7	-	-	1,904.7
Derivative financial instruments	-	122.1	11.8	133.9
Total	**2,899.7**	**122.1**	**11.8**	**3,033.6**

Notes to the consolidated financial statements

21. Financial instruments (continued)

With respect to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's maximum credit risk exposure for each derivative instrument is as follows:

	Assets € million	Liabilities € million
At 31 December 2007		
Current		
Interest rate options	2.7	-
Foreign currency option contracts	0.9	(0.7)
Forward foreign exchange contracts	2.1	(2.3)
Total current	**5.7**	**(3.0)**
Non-current		
Cross-currency swap payables related to borrowings	-	(186.7)
Interest rate swaps	14.4	(6.3)
Total non-current	**14.4**	**(193.0)**
At 31 December 2006		
Current		
Interest rate swaps	-	(0.1)
Interest rate options	1.1	-
Foreign currency option contracts	-	(0.2)
Forward foreign exchange contracts	0.6	(0.8)
Total current	**1.7**	**(1.1)**
Non-current		
Cross-currency swap payables related to borrowings	-	(122.0)
Interest rate swaps	-	(10.8)
Total non-current	**-**	**(132.8)**

Notes to the consolidated financial statements

21. Financial instruments (continued)

Net fair values of derivative financial instruments

a. Cash flow hedges
The fair values of derivative financial instruments at 31 December designated as cash flow hedges were:

	2007 € million	2006 € million
Contracts with positive fair values		
Foreign currency option contracts	**0.8**	-
Forward foreign exchange contracts	**1.1**	0.1
	1.9	**0.1**
Contracts with negative fair values		
Foreign currency option contracts	**(0.4)**	(0.1)
Forward foreign exchange contracts	**(1.6)**	(0.3)
	(2.0)	**(0.4)**

b. Fair value hedges
The fair values of derivative financial instruments at 31 December designated as fair value hedges were:

	2007 € million	2006 € million
Contracts with positive fair values		
Interest rate swaps	**14.4**	-
Foreign currency option contracts	**0.1**	-
Forward foreign exchange contracts	**1.0**	0.5
	15.5	**0.5**
Contracts with negative fair values		
Interest rate swaps	**(6.3)**	(10.8)
Foreign currency option contracts	**(0.3)**	(0.1)
Forward foreign exchange contracts	**(0.7)**	(0.5)
	(7.3)	**(11.4)**

c. Undesignated hedges
The fair value of derivative financial instruments at 31 December, for which hedge accounting has not been applied, were:

	2007 € million	2006 € million
Contracts with positive fair values		
Interest rate options	**2.7**	1.1
Contracts with negative fair values		
Interest rate swaps	**-**	(0.1)
Cross-currency swap payables related to borrowings	**(186.7)**	(122.0)
	(186.7)	**(122.1)**

Notes to the consolidated financial statements

21. Financial instruments (continued)

During 2003, the Company purchased cross-currency swaps to cover the currency risk related to the US$500.0m and US$400.0m notes (refer to Note 19). At 31 December 2007 the fair value of the cross-currency swaps represented a payable of €186.7m (2006: €122.0m). The cross-currency swaps are recorded as a long-term liability, as the maturity of the instruments matches the underlying notes. The €64.7m (2006: €78.7m) loss on the cross-currency swaps during 2007 was offset by the €64.7m (2006: €78.7m) gain recorded on the translation of the US dollar-denominated debt to euro.

Forward foreign exchange contracts
The notional principal amounts of the outstanding forward foreign exchange contracts at 31 December 2007 are €451.1m (2006: €187.3m).

Interest rate swaps
At 31 December 2007, the notional principal amounts of the outstanding euro denominated interest rate swap contracts totalled €500.0m (2006: €500.0m) and the notional principal amounts of the outstanding US dollar denominated interest rate swap contracts totalled $900.0m (2006: $900.0m).

The interest rate swap contracts outstanding at 31 December 2007 can be summarised as follows:

Currency	Amount million	Start date	Maturity date	Receive fixed rate	Pay floating rate
Euro	500.0	15 July 2004	15 July 2011	4.375%	Euribor + margin
US dollar	500.0	17 September 2003	17 September 2013	5.125%	Libor + margin
US dollar	400.0	17 September 2003	17 September 2015	5.500%	Libor + margin
	900.0				

Cross-currency swaps
The notional principal amounts of the outstanding cross-currency swap contracts at 31 December 2007 totalled €803.9m (2006: €803.9m). The cross-currency swap contracts outstanding at 31 December 2007 can be summarised as follows:

US$ million	€ million	Start date	Maturity date	Receive floating rate	Pay floating rate
500.0	446.8	17 September 2003	17 September 2013	Libor + margin	Euribor + margin
400.0	357.1	17 September 2003	17 September 2015	Libor + margin	Euribor + margin
900.0	**803.9**				

Interest repricing dates for swaps
Repricing dates for all US dollar interest rate swaps and cross-currency swaps are the 17th day of March and September each year until maturity. Repricing dates for all euro interest rate swaps are the 15th day of January and July of each year until maturity.

Interest rate options
The notional principal amounts of the outstanding interest rate option contracts at 31 December 2007 totalled €550.0m (2006: €550.0m).

Foreign currency option contracts
The notional principal amounts of the outstanding foreign currency option contracts at 31 December 2007 totalled €175.8m (2006: €27.5m).

Notes to the consolidated financial statements

21. Financial instruments (continued)

31 December 2007	Ineffectiveness charged to income € million	Fair value hedges charged to income € million	Released from equity to income € million	Cash flow hedges charged to equity € million
Derivatives:				
Interest rate swaps	1.0	(18.9)	-	-
Foreign currency forwards/options	-	(1.6)	0.6	1.2
Hedged items				
Borrowings	-	18.9	-	-
Forecasted transactions	-	-	-	(1.2)
Other foreign currency assets / liabilities	-	1.6	-	-
Total	**1.0**	**-**	**0.6**	

Recorded in:			
Operating expenses	-	-	0.6
Interest expense	1.0	-	-
Total	**1.0**	**-**	**0.6**

31 December 2006	Ineffectiveness charged to income € million	Fair value hedges charged to income € million	Released from equity to income € million	Cash flow hedges charged to equity € million
Derivatives:				
Interest rate swaps	-	39.1	-	-
Foreign currency forwards/options	-	(0.8)	0.4	0.3
Hedged items				
Borrowings	-	(39.1)	-	-
Forecasted transactions	-	-	-	(0.3)
Other foreign currency assets / liabilities	-	0.8	-	-
Total	**-**	**-**	**0.4**	

Recorded in:			
Operating expenses	-	-	0.4
Interest expense	-	-	-
Total	**-**	**-**	**0.4**

Notes to the consolidated financial statements

22. Trade and other liabilities

Trade and other liabilities consist of the following at 31 December:

	2007 € million	2006 € million
Trade creditors	**351.3**	302.9
Accrued liabilities	**354.0**	323.7
Payables to related parties	**146.1**	150.2
Deposit liabilities	**108.5**	102.4
Other tax and social security liabilities	**74.2**	63.8
Salaries and employee related payables	**67.3**	41.6
Current portion of provisions (refer to Note 23)	**48.7**	60.1
Statutory minimum dividend (refer to Note 29)	**42.2**	-
Deferred income	**3.4**	11.6
Derivative liabilities	**3.0**	1.1
Other payables	**9.5**	10.4
Total trade and other liabilities	**1,208.2**	**1,067.8**

23. Provisions

Provisions consist of the following at 31 December:

	2007 € million	2006 € million
Current		
Employee benefits	**35.4**	22.7
Restructuring and other	**13.3**	37.4
Total current provisions	**48.7**	**60.1**
Non-current		
Employee benefits	**110.6**	106.6
Restructuring and other	**6.2**	6.7
Total non-current provisions	**116.8**	**113.3**
Total provisions	**165.5**	**173.4**

The movements in provisions comprise:

	Total 2007 € million	Total 2006 € million
As at 1 January	**44.1**	51.5
Arising during the year	**9.5**	42.8
Utilised during the year	**(33.6)**	(49.2)
Unused amount reversed	**(0.1)**	(1.7)
Arising on acquisition	**-**	0.3
Foreign currency translation	**(0.4)**	0.4
As at 31 December	**19.5**	**44.1**

Notes to the consolidated financial statements

23. Provisions (continued)

Provisions comprise outstanding balances relating to restructuring of €10.3m (2006: €33.4m), a provision for long-term onerous contracts in our Russian territories of €5.3m (2006: €6.7m) and other items of €3.9m (2006: €4.0m).

Employee benefits
Employee benefits consist of the following at 31 December:

	2007 € million	2006 € million
Defined benefit plans		
Employee leaving indemnities	**98.2**	95.1
Pension plans	**6.4**	5.0
Long service benefits - jubilee plans	**6.2**	6.3
Total defined benefit plans	**110.8**	**106.4**
Other employee benefits		
Annual leave	**12.6**	6.9
Stock appreciation rights	**4.4**	3.1
Other employee benefits	**18.2**	12.9
Total other employee benefits	**35.2**	**22.9**
Total employee benefit obligations	**146.0**	**129.3**

Employee benefit obligations at 31 December are split between current and non-current as follows:

	2007 € million	2006 € million
Current	**35.4**	22.7
Non-current	**110.6**	106.6
Total employee benefit obligations	**146.0**	**129.3**

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

Coca-Cola Hellenic's subsidiaries in Austria, Greece, Northern Ireland, Republic of Ireland and Switzerland sponsor defined benefit pension plans. Of the four plans in the Republic of Ireland, three have plan assets, as do the two plans in Northern Ireland, the plan in Greece and the plans in Switzerland. The Austrian plans do not have plan assets.

Coca-Cola Hellenic provides long service benefits in the form of jubilee plans to its employees in Austria, Nigeria, Croatia, Slovenia and Poland.

Notes to the consolidated financial statements

23. Provisions (continued)

Reconciliation of defined benefit obligation:

	2007 € million	2006 € million
Present value of defined benefit obligation at the beginning of the year	**356.9**	342.6
Service cost	**17.5**	19.9
Interest cost	**16.1**	16.2
Plan participants' contributions	**3.4**	3.5
Past service cost arising from amendments	**0.4**	-
Curtailment/settlement	**3.5**	2.5
Arising on acquisitions	**0.6**	1.2
Arising on Fonti del Vulture (refer to Note 30)	**(1.1)**	-
Benefits paid	**(22.5)**	(30.8)
Actuarial (gain) / loss	**(32.6)**	7.8
Foreign currency translation	**(8.2)**	(6.0)
Present value of defined benefit obligation at the end of the year	**334.0**	**356.9**

Reconciliation of plan assets:

	2007 € million	2006 € million
Fair value of plan assets at the beginning of the year	**200.9**	188.9
Expected return on plan assets	**10.4**	9.7
Actual employer's contributions	**10.7**	9.9
Actual participants' contributions	**3.4**	3.5
Actual benefits paid	**(9.3)**	(10.2)
Asset (loss) / gain	**(2.7)**	2.2
Foreign currency translation	**(7.1)**	(3.1)
Fair value of plan assets at the end of the year	**206.3**	**200.9**

To develop its expected long-term rate of return assumptions, the Company, in consultation with its advisors, uses forward-looking assumptions in the context of historical returns and volatilities for each asset class, as well as correlations among asset classes. Adjustments are made to the expected long-term rate of return assumptions annually based upon revised expectations of future investment performance of the overall capital markets, as well as changes to local laws that may affect the investment strategy. The weighted average expected long-term rate of return assumption used in computing 2007 net periodic pension cost for the plans was 4.08%.

Notes to the consolidated financial statements

23. Provisions (continued)

The present value and funded status of defined benefit obligations are as follows at 31 December:

	2007 € million	2006 € million
Present value of funded obligations	**208.4**	235.2
Fair value of plan assets	**(206.3)**	(200.9)
	2.1	34.3
Present value of unfunded obligations	**125.6**	121.7
Unrecognised actuarial loss	**(23.3)**	(51.0)
Unrecognised past service benefit	**1.0**	1.4
Net defined benefit obligations	**105.4**	**106.4**
Plus: amounts recognised within long term assets	**5.4**	**-**
Total defined benefit obligations	**110.8**	**106.4**
Actual return on plan assets	**7.7**	**11.9**

The movement in the net defined benefit obligation recognised in the balance sheet is as follows:

	2007 € million	2006 € million
As at 1 January	**106.4**	101.5
Expense recognised in the income statement	**23.5**	36.2
Employer contributions	**(10.7)**	(9.9)
Benefits paid	**(13.2)**	(20.6)
Arising on acquisition	**0.6**	1.2
Arising Fonti del Vulture (refer to Note 30)	**(1.1)**	-
Foreign currency translation	**(0.1)**	(2.0)
As at 31 December	**105.4**	**106.4**

The weighted average assumptions used in computing the net benefit obligation consist of the following for the years ended 31 December:

	2007 %	2006 %
Discount rate	**5.32**	4.66
Expected return on assets	**5.48**	4.08
Rate of compensation increase	**3.89**	3.94
Pension increases	**0.81**	0.85

The expense recognised in the income statement consists of the following for the years ended 31 December:

	2007 € million	2006 € million
Current service cost	**17.5**	19.9
Interest cost	**16.1**	16.2
Expected return on plan assets	**(10.4)**	(9.7)
Amortisation of unrecognised actuarial obligation loss	**1.1**	2.4
Amortisation of unrecognised past service costs	**(0.1)**	(0.1)
Curtailment/settlement	**(0.7)**	7.5
Total	**23.5**	**36.2**

Notes to the consolidated financial statements

23. Provisions (continued)

Defined benefit plan expenditure is included in staff costs and presented in cost of goods sold and operating expenses.

The weighted average assumptions recognised in the income statement consist of the following for the years ended 31 December:

	2007 %	2006 %
Discount rate	**4.66**	4.83
Expected return on assets	**4.08**	5.04
Rate of compensation increase	**3.94**	4.12
Pension increases	**0.85**	0.63

Plan assets are invested as follows:

	2007 %	2006 %
Asset category		
Equity securities	**46**	45
Debt securities	**40**	43
Real estate	**9**	8
Cash	**4**	3
Other	**1**	1
Total	**100**	100

Equity securities include ordinary shares in the Company in the amount of €0.6m (0.3% of the plan assets) and €0.4m (0.2% of the plan assets) as at 31 December 2007 and 2006, respectively.

The total employer contributions expected to be paid in 2008 are €8.6m.

The history of experience adjustments is as follows:

	2007 € million	2006 € million
Present value of defined benefit obligations	**334.0**	356.9
Fair value of plan assets	**(206.3)**	(200.9)
Deficit	**127.7**	156.0
Experience adjustment on plan liabilities	**(6.5)**	3.3
Experience adjustment on plan assets	**(2.7)**	2.2

Defined contribution plans
The expense recognised in the income statement in 2007 for the defined contribution plans is €7.9m (2006: €7.0m). This is included in staff costs and recorded in cost of goods sold and operating expenses.

Notes to the consolidated financial statements

24. Contingencies

The Greek Competition Authority issued a decision on 25 January 2002, imposed a fine on the Group of approximately €2.9 million for certain discount and rebate practices and required changes to its commercial practices with respect to placing coolers in certain locations and lending them free of charge. On 16 June 2004, the fine was reduced on appeal to €1.8 million. On 29 June 2005, the Greek Competition Authority requested that the Group provide information on its commercial practices as a result of a complaint by certain third parties regarding the Group's level of compliance with the decision of 25 January 2002. On 7 October 2005, the Group was served with notice to appear before the Greek Competition Authority. On 14 June 2006, the Greek Competition Authority issued a decision imposing a daily penalty of €5,869 for each day the Group failed to comply with the decision of 25 January 2002. The Greek Competition Authority imposed this penalty for the period from 1 February 2002 to 16 February 2006, resulting in a total of €8.7 million. On 31 August 2006, the Company deposited an amount of €8.9 million, reflecting the amount of the fine and applicable tax, with the Greek authorities. This deposit was a prerequisite to filing an appeal pursuant to Greek law. As a result of this deposit, the Company increased the charge to its 2006 financial statements in connection with this case to €8.9 million. The Company also incurred consulting fees and additional expenses of €0.4 million in connection to this case. On 23 November 2007, the Court of Appeals partly reversed and partly upheld the decision of the Greek Competition Authority reducing the amount of the fine to €5.9 million. The reduction of the fine of €2.8 million has been recognised in our 2007 income statement. The Group has appealed the decision of the Court of Appeals, to the extent it partly upholds the fine, to the Supreme Administrative Court. The Group believes that it has substantial legal grounds for its appeal against the judgment of the Court of Appeals. The Greek Competition Authority and one of the Group's competitors have also appealed the decision of the Court of Appeals to the extent it reduces the fine.

In relation to the Greek Competition Authority's decision of 25 January 2002, one of our competitors has filed a lawsuit claiming damages in an amount of €7.7 million. At present, it is not possible to predict the outcome of this lawsuit or quantify the likelihood or materiality of any potential liability arising from it. The Company has not provided for any losses related to this case.

In recent years, customs authorities in some Central and East European countries have attempted to challenge the classification under which the Company imports concentrate into these countries to produce our products. Local authorities have argued that a classification with higher customs duties than the current classification should apply. In the past, such issues were successfully resolved in most of these countries. The Company still has several cases outstanding before the Romanian customs authorities and courts. While the Company has won appeals of several cases to the Romanian Supreme Court, the Romanian Supreme Court has ruled against the Company in two cases. The Company believes that it has legal and factual support for its position, which is consistent with the customs classification standards adopted by the European Union, and will continue to oppose the position taken by the Romanian customs authorities. However, it is not possible to quantify the likelihood of any potential liability arising from these legal proceedings due to the legal uncertainty surrounding customs duties in Romania prior to Romania's accession to the European Union. If the Company were to become liable to pay all claims of the Romanian customs authorities, the amount payable would be approximately €14.9 million. The Company has made a provision for €2.6 million of this amount, relating to the cases that the Company has lost before the Romanian Supreme Court.

The Company is also involved in various other legal proceedings. Management believes that any liability to the Company that may arise as a result of these pending legal proceedings will not have a material adverse effect on the results of operations, cash flows, or the financial condition of the Company taken as a whole.

The tax filings of Coca-Cola Hellenic and its subsidiaries are routinely subjected to audit by tax authorities in most of the jurisdictions in which the Company conducts business. These audits may result in assessments of additional taxes. The Company provides additional tax in relation to the outcome of such tax assessments, to the extent that a liability is probable and estimable.

Notes to the consolidated financial statements

25. Commitments

(a) Operating leases
The total of future minimum lease payments under non-cancellable operating leases at 31 December was as follows:

	2007 € million	2006 € million
Less than one year	**52.1**	32.3
Later than one year but less than five years	**109.2**	87.4
Later than five years	**17.0**	12.3
Future minimum lease payments	**178.3**	**132.0**

b) Capital commitments
At 31 December 2007, the Group had capital commitments amounting to €146.0m (2006: €175.1m). Of this, €2.0m related to the Company's share of the commitments of its joint ventures (2006: €8.0m).

(c) Long-term purchase commitments
As at 31 December 2007, the Group had commitments to purchase raw materials amounting to €428.3m (2006: €222.5m). Of this, €52.7m related to the Company's share of the commitments of its joint ventures (2006: €41.1m).

26. Share capital and share premium

	Number of shares (authorised and issued)	Share capital € million	Share premium € million	Total € million
As at 1 January 2006	240,692,002	120.3	1,675.7	1,796.0
Shares issued to employees exercising stock options	1,375,914	0.7	21.8	22.5
As at 31 December 2006	**242,067,916**	**121.0**	**1,697.5**	**1,818.5**
Bonus shares issued	121,033,958	60.6	(61.2)	(0.6)
Shares issued to employees exercising stock options	636,483	0.3	8.4	8.7
As at 31 December 2007	**363,738,357**	**181.9**	**1,644.7**	**1,826.6**

There is only one class of shares, of which the par value is €0.50. Each share provides the right to one vote at general meetings of Coca-Cola Hellenic and entitles the holder to dividends declared by Coca-Cola Hellenic.

On 20 December 2006, Coca-Cola Hellenic's Board of Directors resolved to increase the share capital of the Company by issuing 1,375,914 ordinary shares, following the exercise of stock options by option holders pursuant to the Company's stock option plan. Proceeds from the issue of the shares were €22.5m.

On 15 October 2007, Coca-Cola Hellenic's Shareholders approved a share capital increase of €60.6m through the partial capitalisation of the 'share premium' account and the issuance of 121,033,958 new ordinary bearer shares. The new shares were delivered to Coca-Cola Hellenic's shareholders in a ratio of one (1) new share for every two (2) existing shares. Shareholders entitled to receive the new shares were those holding Coca-Cola Hellenic's shares at the closing of trading on 13 November 2007. Expenses of €0.6m were incurred as a result of this share capital increase.

On 20 November 2007, Coca-Cola Hellenic's Board of Directors resolved to increase the share capital of the Company by 636,483 new ordinary shares, following the exercise of stock options by option holders pursuant to the Company's stock option plan. Proceeds from the issue of the shares were €8.7m.

Notes to the consolidated financial statements

27. Shares held for equity compensation plan

The Group operates a stock purchase plan, the Coca-Cola HBC Stock Purchase Plan, which is an equity compensation plan in which eligible employees may participate.

Under the terms of this plan, employees have the opportunity to invest 1% to 15% of their salary in ordinary Coca-Cola Hellenic shares by contributing to the plan monthly. Coca-Cola Hellenic will match up to a maximum of 3% of the employee's salary by way of contribution. Employer contributions are used to purchase matching shares on a monthly basis on the open market, currently the Athens Stock Exchange. Shares are either held in the employees name or by a trust, The Coca-Cola HBC Employee Stock Purchase Trust. Matching shares vest 350 days after the purchase. However, forfeited shares are held in a reserve account of the plan, do not revert back to the Company and may be used to reduce future employer contributions. Dividends received in respect of shares held in the plan accrue to the employees.

In order to adapt the plan to the Greek legal framework in the case of employees resident in Greece, Coca-Cola Hellenic matches the contribution of the employees resident in Greece with an annual employer contribution of up to 5% of the employee's salary, which is made in December, and matching shares purchased in December vest immediately.

During 2007, 116,568 shares were purchased by Coca-Cola Hellenic (2006: 107,698) as matching shares to employee investments. The charge to the income statement totalled €3.8m (2006: €3.0m). Of this amount, €1.4m represented employer contributions made for Greek resident employees (2006: €0.8m). The cost of unvested matching shares held by the trust at the end of 2007, before they vest to employees, was €2.4m (2006: €2.2m). The total number of shares held by the trust at 31 December 2007 was 1,259,893 (2006: 820,365). The total contribution made by employees to the trust during 2007 was €4.2m (2006: €3.1m).

No provision is made for any increase or decrease in value of these shares, as they will vest to employees, and the risks and rewards of fluctuations of the share price are borne by those employees.

28. Reserves

The reserves of the Group at 31 December are as follows:

	2007 € million	2006 € million
Exchange equalisation reserve	**92.4**	132.5
Shares held for equity compensation plan	**(0.8)**	(0.6)
Hedging reserve (net of deferred tax of €0.2m; 2006: €0.1m)	**(0.8)**	(0.3)
Tax-free reserve	**196.7**	190.6
Statutory reserve	**74.9**	64.8
Stock option reserve	**15.0**	9.2
Available-for-sale financial instruments valuation reserve	**7.1**	4.0
Other	**26.2**	30.0
Total reserves	**410.7**	**430.2**

Notes to the consolidated financial statements

28. Reserves (continued)

Exchange equalisation reserve
The exchange equalisation reserve comprises all foreign exchange differences arising from the translation of the financial statements of entities not reporting in the Group's presentation currency, the euro.

Shares held for equity compensation plan
Shares held for the Coca-Cola Hellenic Stock Purchase Plan, which is an equity compensation plan in which eligible employees may participate.

Hedging reserve
The hedging reserve reflects changes in the fair values of derivatives accounted for as cash flow hedges, net of the deferred tax related to such balances.

Tax-free reserve
The tax-free reserve includes investment tax incentive and other tax-free partially taxed reserves of the parent entity, Coca-Cola Hellenic. The tax-free reserve may be distributed if taxed, where applicable.

Statutory and other reserves
Statutory and other reserves are particular to the various countries in which the Group operates. The amount of statutory reserves of the parent entity, Coca-Cola Hellenic, with restrictions on distribution is €43.3m (2006: €37.1m).

Stock option reserve
This reserve represents the cumulative charge to profit or loss for employee stock option awards.

Available-for-sale financial instruments valuation reserve
The available-for-sale financial instruments valuation reserve reflects changes in the fair values of available-for-sale investments. On sale of these investments, these changes in the fair values will be recycled to profit or loss.

29. Dividends

The directors propose a dividend of €0.25 per share (totalling €90.9m) for the year ended 31 December 2007. The proposed dividend will be submitted for formal approval at the Annual General Meeting to be held on 23 June 2008.

The statutory minimum dividend recognised for 2007 amounted to €42.2m and was recorded as liability under 'Trade and other liabilities' in the consolidated balance sheet. The remaining estimated dividend of €48.7m will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2008.

During 2007, a dividend of €0.32 (€0.21 adjusted for the bonus share issue) per share totalling €77.5m was paid. During 2006, a dividend of €0.30 per share (€0.20 adjusted for the bonus share issue) totalling €72.2m was paid.

Notes to the consolidated financial statements

30. Business combinations

During 2007, the Group acquired controlling interests in the following entities:

		Location	Effective date of acquisition 2007	Net tangible assets acquired € million	Goodwill arising € million	Trademarks € million	Water rights € million	Other intangible assets € million	Amount of consideration including acquisition costs € million
Eurmatik S.r.l.	(a)	Italy	31 May	1.1	13.5	-	-	2.9	17.5
OOO Aqua Vision	(b)	Russia	4 September	136.1	31.1	7.6	3.1	-	177.9
Total acquisitions as at 31 December 2007				**137.2**	**44.6**	**7.6**	**3.1**	**2.9**	**195.4**

	€ million
Total consideration	195.4
Less: cash and cash equivalents acquired	(4.5)
Plus: payments made for acquisition of Lanitis Bros Limited in 2006	0.5
Plus: payments made for acquisition of Fresh & Co d.o.o. in 2006	0.1
Plus: payments made for acquisition of Gotalka in 2004	0.1
Cash outflow included in cash flow	**191.6**

If the acquisition of each of the entities acquired during 2007 and 2006 had been completed on the first day of each financial year, Group revenues for that year would have been €6,475.4m (2006:€5,755.7m) and Group profit attributable to shareholders of the Group would have been €456.4m (2006: €294.9m).

Notes to the consolidated financial statements

30. Business combinations (continued)

2007

(a) Acquisition of Eurmatik S.r.l.
On 31 May 2007, the Group acquired 100% of Eurmatik S.r.l., ('Eurmatik') a local full-line vending operator in Italy. Eurmatik has a long tradition in the Italian vending industry and is currently operating in all segments of the vending business such as hot and cold beverages, water and snacks. The total consideration for the transaction was €17.0m (excluding acquisition costs) with no debt assumed.

Details of the acquisition are as follows:

	Acquiree's carrying amount before combination € million	Fair value adjustments € million	Final fair values € million
Property, plant and equipment	1.4	-	1.4
Inventories	0.2	0.1	0.3
Other current assets	0.2	-	0.2
Cash and cash equivalent	3.4	-	3.4
Other current liabilities	(2.1)	(1.2)	(3.3)
Other non-current liabilities	(0.8)	(0.1)	(0.9)
Fair value of net tangible assets acquired	**2.3**	**(1.2)**	**1.1**
Customer contracts	-	2.9	2.9
Goodwill arising on acquisition		13.5	13.5
Fair value of net assets acquired			**17.5**
Cash paid to former shareholders			17.0
Costs of acquisition			0.5
Total consideration			**17.5**

The contribution of Eurmatik to the results of the group the year ended 31 December 2007 was a loss of €0.3m. The acquisition has resulted in the Group recording €13.5m of goodwill and €2.9m of customer contracts in its established segment.

The goodwill arising on the acquisition of Eurmatik is attributable to synergies from the enhancement of vending operations in Italy.

Notes to the consolidated financial statements

30. Business combinations (continued)

(b) Acquisition of OOO Aqua Vision

On 4 September 2007, the Group acquired 100% of OOO Aqua Vision ('Aquavision'), a company owning a newly constructed production facility in Russia. The plant, located in close proximity to Moscow, covers a total area of 35 hectares with four production lines (including two aseptic lines), warehousing facilities and office space. The new site provides the Company with immediate incremental installed production capacity, as well as available space for the future installation of additional lines. The plant is capable of producing a full range of non-alcoholic beverages including carbonated soft drinks, fruit drinks and juices, bottled water, ready-to-drink tea and sports drinks. Aquavision has recently launched juice products under the 'botaniQ' trademark which is also included in the transaction. The total consideration for the transaction was €177.4m (excluding acquisition costs) including the assumption of debt of €23.5m.

Details of the acquisition are as follows:

	Acquiree's carrying amount before combination € million	Fair value adjustments € million	Final fair values € million
Property, plant and equipment	117.6	26.7	144.3
Inventories	7.1	-	7.1
Other current assets	32.3	(5.7)	26.6
Cash and cash equivalent	1.1	-	1.1
Short-term borrowings	(14.4)	-	(14.4)
Long-term borrowings	(9.1)	-	(9.1)
Other current liabilities	(19.5)	-	(19.5)
Fair value of net tangible assets acquired	**115.1**	**21.0**	**136.1**
Trademark	0.9	6.7	7.6
Water rights	-	3.1	3.1
Goodwill arising on acquisition		31.1	31.1
Fair value of net assets acquired			**177.9**
Cash paid to former shareholders			177.4
Costs of acquisition			0.5
Total consideration			**177.9**

The fair values of acquired assets and liabilities assumed are preliminary and pending finalisation. The contribution of Aquavision to the results of the group for the year ended 31 December 2007 was a loss of €7.3m. The acquisition has resulted in the Group recording €31.1m of goodwill, €7.6m of trademarks and €3.1m of water rights in its emerging segment.

The goodwill arising on the acquisition of Aquavision is attributed to the immediate incremental installed production capacity in Russia.

The botaniQ trademark was sold on 29 February 2008 to the Multon group of companies for €7.6m.

Notes to the consolidated financial statements

30. Business combinations (continued)

2006

(a) Acquisition of Fresh & Co d.o.o.
On 13 March 2006, the Group acquired, jointly with TCCC, 100% of Fresh & Co d.o.o. ('Fresh & Co') the leading producer of fruit juices in Serbia. The acquisition includes a production facility located at Subotica and the juice and nectar brands 'Next' and 'Su-Voce'. The total consideration for the transaction was €17.1m (excluding acquisition costs) with the assumption of debt of €23.5m. The Group's share of the purchase price and debt was €20.3m. The business is being accounted as a joint venture.

Details of the acquisition are as follows:

	As reported in 2006 € million	Adjustments € million	Adjusted values € million
Property, plant and equipment	14.6	(2.9)	11.7
Inventories	4.3	-	4.3
Other current assets	3.0	-	3.0
Other non-current assets	1.9	0.5	2.4
Short-term borrowings	(11.8)	-	(11.8)
Other current liabilities	(14.1)	-	(14.1)
Other non-current liabilities	(0.5)	-	(0.5)
Fair value of net tangible assets acquired	**(2.6)**	**(2.4)**	**(5.0)**
Trademarks	4.5	-	4.5
Goodwill arising on acquisition	7.1	2.4	9.5
Fair value of net assets acquired	**9.0**	**-**	**9.0**
Cash paid to former shareholders	8.6	-	8.6
Costs of acquisition	0.4	-	0.4
Total consideration	**9.0**	**-**	**9.0**

The contribution of Fresh & Co to the results of the Group for the year ended 31 December 2006 was a loss of €2.6m. The acquisition has resulted in the Group recording €9.5m of goodwill and €4.5m of trademarks in its emerging segment.

The goodwill arising on the acquisition of Fresh & Co is attributed to expected future cash flows (including the effect of synergies) in excess of the value of identifiable assets.

Notes to the consolidated financial statements

30. Business combinations (continued)

(b) Acquisition of Lanitis Bros Public Limited
On 5 April 2006, the Group completed the tender offer for the outstanding share capital of Lanitis Bros Public Limited ('Lanitis Bros'), a beverage company in Cyprus with a strong portfolio of products. Following completion of the tender offer, the Group acquired 95.43% of the share capital of Lanitis Bros. Total consideration for the acquisition was €71.5m (excluding acquisition costs) with the assumption of debt of an additional €5.6m.

Details of the acquisition are as follows:

	As reported in 2006 € million	Adjustments € million	Adjusted values € million
Property, plant and equipment	41.0	0.1	41.1
Long-term investments	0.1	-	0.1
Inventories	9.5	-	9.5
Other current assets	21.4	(0.4)	21.0
Cash and cash equivalents	14.1	-	14.1
Short-term borrowings	(5.6)	-	(5.6)
Other current liabilities	(19.1)	0.4	(18.7)
Deferred tax liabilities	(0.7)	(0.1)	(0.8)
Fair value of net tangible assets acquired	**60.7**	**-**	**60.7**
Franchise rights	9.2	-	9.2
Trademarks	5.7	-	5.7
Other intangible identifiable assets	0.6	-	0.6
Fair value of net assets acquired before minority interest	**76.2**	**-**	**76.2**
Minority interest (4.57%)	(3.7)	-	(3.7)
Fair value of net assets acquired	**72.5**	**-**	**72.5**
Cash paid to former shareholders	71.5	-	71.5
Costs of acquisition	1.0	-	1.0
Total consideration	**72.5**	**-**	**72.5**

The contribution of Lanitis Bros to the results of the Group for the year ended 31 December 2006 was income of €8.0m.

The acquisition has resulted in the Group recording €9.2m of franchise rights, €5.7m of trademarks and €0.6m of other intangible assets in its established segment.

Following completion of the tender offer, the Group initiated a mandatory buy-out process in accordance with Cypriot law for the purposes of acquiring the remaining shares in Lanitis Bros. Lanitis Bros has been delisted from the Cyprus Stock Exchange. As of 31 December 2006, the Group had acquired an additional 11,218,735 shares representing 4.48% of the share capital of Lanitis Bros for a total consideration of €3.4m, bringing its participation to 99.91%.

Notes to the consolidated financial statements

30. Business combinations (continued)

(c) Acquisition of Fonti del Vulture S.r.l.
On 5 July 2006, the Group acquired, jointly with TCCC, 100% of Fonti del Vulture S.r.l., ('Fonti del Vulture') a producer of high quality mineral water in Italy with significant water reserves each paying €5.2m (excluding acquisition costs). The acquisition included the national mineral water brands 'Lilia' and 'Lilia Kiss' (still and sparkling).

Details of the acquisition are as follows:

	As reported in 2006 € million	Adjustments € million	Adjusted values € million
Goodwill arising on acquisition	2.2	(2.2)	-
Property, plant and equipment	30.6	(30.6)	-
Inventories	1.7	(1.7)	-
Other current assets	7.3	(7.3)	-
Other non-current assets	2.4	3.4	5.8
Short term borrowings	(11.8)	11.8	-
Other current liabilities	(13.8)	13.8	-
Long term borrowings	(11.4)	11.4	-
Other non-current liabilities	(1.4)	1.4	-
Fair value of net assets acquired	5.8	-	5.8
Cash paid to former shareholders	5.2	-	5.2
Costs of acquisition	0.6	-	0.6
Total consideration	**5.8**	-	**5.8**

The contribution of Fonti del Vulture to the results of the Group for the year ended 31 December 2006 was a loss of €2.2m.

The acquisition initially resulted in the Group recording €2.2m of goodwill in its established segment as of 31 December 2006. The finalisation of the arrangements for The Coca-Cola Company's and Coca-Cola Hellenic's relationship with Fonti del Vulture has resulted in the assets and liabilities of the acquired entity being retained by Fonti del Vulture (where they are subject to the equity method of accounting) rather than being distributed to the owners of Fonti del Vulture. This change has been reflected in the income statement and cash flow statement for the full year ended 31 December 2007, and in the balance sheet as at 31 December 2007.

Notes to the consolidated financial statements

30. Business combinations (continued)

(d) Acquisition of Yoppi Kft.
On 22 August 2006, the Group acquired 100% of a hot beverages vending operator in Hungary, Yoppi Kft. Total consideration for the acquisition was €1.9m with the assumption of debt of an additional €0.1m.

Details of the acquisition are as follows:

	Acquiree's carrying amount before combination € million	Fair value adjustments € million	Final fair values € million
Property, plant and equipment	0.2	0.2	0.4
Inventories	0.1	-	0.1
Short term borrowings	(0.1)	-	(0.1)
Other non-current liabilities	-	(0.1)	(0.1)
Fair value of net tangible assets acquired	**0.2**	**0.1**	**0.3**
Customer contracts		0.2	0.2
Goodwill arising on acquisition		1.4	1.4
Fair value of net assets acquired			**1.9**
Cash paid to former shareholders			**1.9**

The contribution of Yoppi Kft. to the results of the Group was negligible for the year ended 31 December 2006.

The acquisition has resulted in the Group recording €1.4m of goodwill and €0.2m of customer contracts in its developing segment.

The goodwill arising on the acquisition of Yoppi Kft. is attributable to synergies from the enhancement of vending operations in Hungary.

Notes to the consolidated financial statements

31. Directors' and senior management remuneration

The total remuneration including fair value of stock option grants (in accordance with IFRS 2) paid to or accrued for our directors and the senior management team during 2007 amounted to €14.0m (2006: €11.2m). Pension and post employment benefits for directors and for the senior management team during 2007 amounted to €1.1m (2006: €0.7m).

The total number of stock options granted to our managing director and the senior management team in 2007 amounted to 0.9m (2006: 1.0m adjusted for issue of bonus share in 2007).

32. Stock option compensation plans

Coca-Cola Hellenic operates a stock-based compensation plan, under which senior managers are granted awards of stock options, based on performance and level of responsibility. Options are granted at an exercise price of the average mid-price of the Company's shares at close of trading on the Athens Exchange over the last ten working days before the date of the grant. Options vest in one-third increments each year for three years and can be exercised for up to ten years from the date of award.

When the options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (at the nominal value) and share premium. The following tables summarise information on outstanding stock options exercisable at 31 December 2007 and stock options exercised during 2007:

	Exercise price €[1]	Vesting status 2007	Vesting dates for further increments			End of option period	Number of stock options outstanding
2001 Stock Option Plan							
Sub Plan 1	15.55	fully vested	-	-	-	11.7.2008	244,077
Sub Plan 2	13.98	fully vested	-	-	-	29.9.2008	946
Sub Plan 3	11.37	fully vested	-	-	-	8.12.2009	231,185
Sub Plan 4	9.79	fully vested	-	-	-	12.12.2010	649,303
Sub Plan 6	9.69	fully vested	-	-	-	12.12.2011	251,340
2003 A Plan	8.63	fully vested	-	-	-	10.12.2012	16,500
2003-2004 Plan / 2003 Grant	11.17	fully vested	-	-	-	14.12.2013	130,250
2003-2004 Plan / 2004 Grant	12.42	fully vested	-	-	-	2.12.2014	431,989
2005-2009 Plan / 2005 Grant	15.53	two thirds	2.12.2008	-	-	1.12.2015	894,559
2005-2009 Plan / 2006A Grant	16.57	one third	21.3.2008	21.3.2009	-	20.3.2016	75,000
2005-2009 Plan / 2006B Grant	15.35	one third	23.6.2008	23.6.2009	-	22.6.2016	30,000
2005-2009 Plan / 2006 Grant	18.71	one third	13.12.2008	13.12.2009	-	12.12.2016	1,516,200
2005-2009 Plan / 2007 Grant	28.75	none	13.12.2008	13.12.2009	13.12.2010	12.12.2017	1,532,200
Total							**6,003,549**

[1] As adjusted for the bonus share issue (refer to Note 26).

Notes to the consolidated financial statements

32. Stock option compensation plans (continued)

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

	Number of stock options 2007	Weighted average exercise price before the issue of bonus shares 2007 (€)	weighted average exercise price after the issue of bonus shares 2007 (€)	Number of stock options 2006	Weighted average exercise price 2006 (€)
Outstanding on 1 January	**3,444,018**	**21.89**	**-**	3,847,059	18.19
Bonus shares issued	**1,722,373**	**-**	**14.59**	-	-
Granted	**1,532,200**	**-**	**28.75**	1,090,800	27.77
Exercised	**(695,883)**	**-**	**13.30**	(1,375,914)	16.45
Forfeited	**841**	**-**	**12.68**	(117,927)	19.07
Outstanding on 31 December	**6,003,549**	**-**	**18.36**	**3,444,018**	**21.89**
Exercisable on 31 December	**2,993,282**	**-**	**13.35**	**1,619,745**	**17.27**

The charge to the income statement for employee stock option awards for 2007 amounted to €5.8m (2006: €4.0m).

The Company adopted the employee stock option plan on 13 December 2001. Previously, the Company had issued stock appreciation rights to certain of its employees, including employees who previously held options in CCB. Upon adoption of the stock option plan, all such rights, except those held by retirees and employees located in countries where granting and exercising stock options was impractical or not permitted, were converted into stock options carrying the same exercise prices, vesting periods and expiration dates.

During 2006 the Board approved an amendment to the rules of all Coca-Cola Hellenic Stock Option Compensation Plans. In accordance with the amendment in the event of an equity restructuring, the Company shall make an equitable adjustment to the terms of the stock options. The incremental fair value granted as a result of this modification is nil.

Notes to the consolidated financial statements

32. Stock option compensation plans (continued)

Equity-settled share-based payments are measured at fair value at the date of grant using a binomial stock option valuation model. The inputs into the model are as follows:

	2007	2006
Weighted average fair value of options granted	**€8.1**	€6.3
Risk free interest rates	**4.8%**	4.3%
Expected volatility	**24.1%**	20.8%
Dividend yield	**0.7%**	1.0%
Expected life	**4.0 years**	4.1 years

The weighted average remaining contractual life of share options outstanding under the stock option compensation plans at 31 December 2007 was 7.4 years (2006: 7.3 years).

33. Stock appreciation rights

The Company operates a stock-based compensation plan, under which certain key employees are granted stock appreciation rights (SARs), based on performance and level of responsibility. The terms of the SARs are based upon the basic terms and conditions of stock option grants, except that instead of shares, the holders receive a payment equal to the positive difference between the market price of Coca-Cola Hellenic's shares at the date of exercise and the exercise price. SARs vest in one-third increments each year for three years and can be exercised for up to ten years from the date of award.

SARs outstanding at 31 December 2007:

	Exercise price €[1]	Vesting status 2007	Vesting dates for further increments	End of exercise period	Number of SARs outstanding
Phantom Option Plan					
1998 A	15.55	fully vested	-	11.7.2008	77,682
1999	11.37	fully vested	-	08.12.2009	81,883
2000	9.79	fully vested	-	12.12.2010	35,400
2001	9.69	fully vested	-	12.12.2011	19,350
2003	11.17	fully vested	-	14.12.2013	6,000
2004	12.42	fully vested	-	02.12.2014	15,000
2005	15.53	two thirds	02.12.2008	01.12.2015	16,500
Total					**251,815**

[1] As adjusted for the bonus share issue (refer to Note 26).

Notes to the consolidated financial statements

33. Stock appreciation rights (continued)

A summary of SARs activity under all plans is as follows:

	Number of SARs 2007	**Weighted average exercise price before issue of bonus shares 2007 (€)**	**weighted average exercise price after issue of bonus shares 2007 (€)**	Number of SARs 2006	Weighted average exercise price 2006 (€)
Outstanding on 1 January	**284,974**	**19.21**	**-**	531,482	18.37
Exercised before bonus share issue	**(82,170)**	**21.21**	**-**	-	-
Bonus shares issued (refer to Note 26)	**101,383**	**-**	**12.47**	-	-
Exercised after bonus share issure	**(52,372)**	**-**	**10.49**	-	-
Exercised	**-**	**-**	**-**	(218,239)	16.86
Forfeited	**-**	**-**	**-**	(28,269)	21.54
Outstanding on 31 December	**251,815**	**-**	**12.64**	**284,974**	**19.21**
Exercisable on 31 December	**246,315**	**-**	**12.57**	**274,306**	**19.08**

The inputs used for valuation of SARs are the same as those used for equity-settled share-based payments with the exception of risk free interest rates which were 4.7% (2006: 4.1%).

The compensation expense relating to SARs recorded for 2007 amounted to €3.3m (2006: €1.0m).

The aggregated intrinsic value for the vested SARs at 31 December 2007 was €4.2m (2006: €2.9m).

The weighted average remaining contractual life of share options outstanding under the stock appreciation rights schemes at 31 December 2007 was 2.6 years (2006: 3.2 years).

34. Related party transactions

a) The Coca-Cola Company

As at 31 December 2007, TCCC indirectly owned 23.4% (2006: 23.4%) of the issued share capital of Coca-Cola Hellenic. TCCC considers Coca-Cola Hellenic to be a 'key bottler' and has entered into bottler's agreements with Coca-Cola Hellenic in respect of each of Coca-Cola Hellenic's territories. All the bottler's agreements entered into by TCCC and Coca-Cola Hellenic are Standard International Bottler's ('SIB') agreements. The terms of the bottler's agreements grant Coca-Cola Hellenic's territories the right to produce and the exclusive right to sell and distribute the beverages of TCCC. Consequently, Coca-Cola Hellenic is obliged to purchase all its requirements for concentrate for TCCC's beverages from TCCC, or its designee, in the ordinary course of business. These agreements extend to 2013 and may be renewed at TCCC's discretion until 2023.

TCCC owns or has applied for the trademarks that identify its beverages in all of Coca-Cola Hellenic's countries. TCCC has authorised Coca-Cola Hellenic and certain of its subsidiaries to use the trademark Coca-Cola in their corporate names.

Total purchases of concentrate, finished products and other materials from TCCC and its subsidiaries during 2007 amounted to €1,283.7m (2006: €1,141.7m).

TCCC makes discretionary marketing contributions to Coca-Cola Hellenic's operating subsidiaries. The participation in shared marketing agreements is at TCCC's discretion and, where co-operative arrangements are entered into, marketing expenses are shared. Such arrangements include the development of marketing programmes to promote TCCC's beverages. Total net contributions received from TCCC for marketing and promotional incentives during the year amounted to €53.6m (2006: €50.4m). Contributions for price support and marketing and promotional campaigns in respect of specific customers are recorded in net sales revenue as an offset to promotional incentives paid to customers. In 2007, such contributions totalled €44.1m (2006: €29.9m). Contributions for general marketing programmes are recorded as an offset to selling expenses. In 2007, such contributions of TCCC to Coca-Cola Hellenic totalled €21.9m (2006: €20.5m) and the contributions of Coca-Cola Hellenic to TCCC totalled €12.4m (2006:nil). TCCC has also customarily made additional payments for marketing and advertising direct to suppliers as part of the shared marketing arrangements. The proportion of direct and indirect payments, made at TCCC's discretion, will not necessarily be the same from year to year.

Notes to the consolidated financial statements

34. Related party transactions (continued)

In addition, support payments received from TCCC for the placement of cold drink equipment were €40.5m (2006: €83.3m).

In 2007, the Company sold items of property, plant and equipment of €0.2m (2006: €0.9m) to TCCC.

During the year, the Company sold €13.0m of finished goods and raw materials to TCCC (2006: €17.2m).

Other income primarily comprises rent, facility and other costs of €5.2m (2006: €2.0m) and a toll-filling relationship in Poland of €14.7m (2006: €15.6m). Other expenses relate to facility costs charged by TCCC and shared costs. These other expenses amounted to €0.6m (2006: €4.0m) and are included in selling, delivery and administrative expenses.

At 31 December 2007, the Company had a total of €93.7m (2006: €65.8m) due from TCCC, and a total amount due to TCCC of €131.5m (2006: €122.9m).

b) Frigoglass S.A. (‘Frigoglass’)

Frigoglass, a company listed on the Athens Stock Exchange, is a manufacturer of coolers, PET resin, glass bottles, crowns and plastics. Frigoglass is related to Coca-Cola Hellenic by way of 44% ownership by The Kar-Tess Group (see below). Frigoglass has a controlling interest in Frigoglass Industries Limited, a company in which Coca-Cola Hellenic has a 16% effective interest, through its investment in Nigerian Bottling Company plc.

Under the terms of a supply agreement entered into in 1999, and extended in 2004 on substantially similar terms, Coca-Cola Hellenic is obliged to obtain at least 60% (at prices which are negotiated on an annual basis and which must be competitive) of its annual requirements for coolers, glass bottles, PET resin, PET preforms, as well as plastic closures, crates, sleeves and labels from Frigoglass. The current agreement expires on 31 December 2008. Coca-Cola Hellenic has the status of most favoured customer of Frigoglass, on a non-exclusive basis.

During the year, the Group made purchases of €95.8m (2006: €216.9m) of coolers, raw materials and containers from Frigoglass and its subsidiaries and incurred maintenance and other expenses of €3.1m (2006: €2.9m). As at 31 December 2007, Coca-Cola Hellenic owed €4.6m (2006: €16.4m) to, and was owed €1.0m (2006: €0.1m) by Frigoglass.

c) Directors

Mr George A. David, Mr Haralambos K. Leventis, Mr Anastasios P. Leventis and Mr Anastassis G. David have been nominated by the Kar-Tess Group to the board of Coca-Cola Hellenic. Mr Irial Finan and Mr Alexander B. Cummings have been nominated by TCCC to the board of Coca-Cola Hellenic. There have been no transactions between Coca-Cola Hellenic and the directors except for remuneration (refer to Note 31).

d) Other

Beverage Partners Worldwide (‘BPW’)

BPW is a 50/50 joint venture between TCCC and Nestlé. During 2007, the Group purchased inventory from BPW amounting to €90.4m (2006: €73.0m). As at 31 December 2007, Coca-Cola Hellenic owed €7.8m (2006: €6.5m) to, and was owed €1.0m (2006: €1.4m) by BPW.

The Kar-Tess Group

As at 31 December 2007, the Kar-Tess Group owned 29.6% (2006: 29.7%) of the issued share capital of Coca-Cola Hellenic.

Leventis Overseas & AG Leventis (Nigeria) PLC (the ‘Leventis Companies’).

The Leventis Companies are related to Coca-Cola Hellenic by way of common directors, as a result of which significant influence exists. During 2007, the Group purchased €11.4m (2006: €11.5m) of finished goods and other materials and €0.8m (2006: €7.0m) of fixed assets from the Leventis Companies and incurred rental expenses of €0.1m (2006: €0.2m) with the Leventis Companies. At 31 December 2007, the Group owed €1.7m (2006: €2.0m) to, and was owed €0.2m (2006: €0.1m) by the Leventis Companies.

Notes to the consolidated financial statements

34. Related party transactions (continued)

Plias S.A. and its subsidiaries ('Plias')

Plias is related to Coca-Cola Hellenic by way of some common shareholdings. At 31 December 2007, the receivables from Plias S.A. were €0.5m (2006: nil). There were no payables to Plias at 31 December 2007 and 2006.

J&P Avax S.A.

Coca-Cola Hellenic was related to J&P Avax S.A. in 2006 through Mr Leonidas Ioannou who is chairman of J&P Avax S.A. and was a member of the Coca-Cola Hellenic Board from January 1981 to July 2006. In 2006 the Group purchased fixed assets from J&P Avax S.A. of €16.2m. At 31 December 2006, the Group owed €2.0m to J&P Avax S.A. J&P Avax S.A. is no longer a related party.

Other Coca-Cola bottlers

The Group purchased €0.7m (2006: €2.5m) of finished goods from, and incurred expenses of €2.4m (2006: €1.6m) to other Coca-Cola bottlers over which TCCC has significant influence. At 31 December 2007, there were €0.5m of payables (2006: €0.4m), and no receivables (2006: €0.4m) with such Coca-Cola bottlers.

There are no material transactions with other related parties for the year ended 31 December 2007.

Notes to the consolidated financial statements

35. List of principal group companies

The following are the principal Group companies of Coca-Cola Hellenic at 31 December:

		% ownership	
	Country of registration	**2007**	2006
3E (Cyprus) Ltd	Cyprus	**100.0%**	100.0%
AS Coca-Cola HBC Eesti	Estonia	**100.0%**	100.0%
Balkaninvest Holdings Ltd	Cyprus	**100.0%**	100.0%
Bankya Mineral Waters Bottling Company EOOD	Bulgaria	**100.0%**	100.0%
Brewinvest S.A.[1]	Greece	**50.0%**	50.0%
CC Beverages Holdings II B.V.	The Netherlands	**100.0%**	100.0%
CCB Management Services GmbH	Austria	**100.0%**	100.0%
CCB Services Ltd	England and Wales	**100.0%**	100.0%
CCBC Services Ltd	Republic of Ireland	**100.0%**	100.0%
CCHBC Insurance (Guernsey) Ltd.	The Channel Islands	**100.0%**	100.0%
Chisinau Beverage Services S.R.L.	Moldova	**100.0%**	100.0%
Clarina Bulgaria Ltd	Bulgaria	**100.0%**	100.0%
Clarina Holding S.àr.l	Luxembourg	**100.0%**	100.0%
Coca-Cola Beverages (Hungary) Kft.	Hungary	**100.0%**	100.0%
Coca-Cola Beverages AG	Switzerland	**99.9%**	99.9%
Coca-Cola Beverages Austria GmbH	Austria	**100.0%**	100.0%
Coca-Cola Beverages Belorussiya	Belarus	**100.0%**	100.0%
Coca-Cola Beverages Ceska republika, spol. s r.o.	Czech Republic	**100.0%**	100.0%
Coca-Cola Beverages Holdings Ltd	Republic of Ireland	**100.0%**	100.0%
Coca-Cola Beverages Hrvatska d.d.	Croatia	**99.9%**	99.9%
Coca-Cola Beverages Slovakia, s.r.o.	Slovakia	**100.0%**	100.0%
Coca-Cola Beverages Slovenia d.d.	Slovenia	**100.0%**	100.0%
Coca-Cola Beverages Ukraine Ltd	Ukraine	**100.0%**	100.0%
Coca-Cola Bottlers (Ulster) Ltd	Northern Ireland	**100.0%**	100.0%
Coca-Cola Bottlers Chisinau S.R.L.	Moldova	**100.0%**	100.0%
Coca-Cola Bottlers Iasi S.A.	Romania	**99.2%**	99.2%
Coca-Cola Bottling Company (Dublin) Ltd	Republic of Ireland	**100.0%**	100.0%
Coca-Cola HBC B-H d.o.o. Sarajevo	Bosnia and Herzegovina	**100.0%**	100.0%
Coca-Cola HBC Bulgaria AD	Bulgaria	**85.4%**	85.4%
Coca-Cola HBC Corna Gora d.o.o.	Republic of Montenegro	**89.1%**	89.1%
Coca-Cola HBC Finance B.V.	The Netherlands	**100.0%**	100.0%
Coca-Cola HBC Finance plc	England and Wales	**100.0%**	100.0%
Coca-Cola HBC Italia S.r.l.	Italy	**100.0%**	100.0%
Coca-Cola HBC Kosovo L.L.C.	Kosovo	**100.0%**	100.0%
Coca-Cola HBC Polska sp. z o.o.	Poland	**100.0%**	100.0%
Coca-Cola HBC Romania Ltd	Romania	**100.0%**	100.0%
Coca-Cola HBC Srbija A.D.	Republic of Serbia	**89.1%**	89.1%
Coca-Cola Hellenic Bottling Company Armenia	Armenia	**90.0%**	90.0%
Coca-Cola Hellenic Procurement GmbH	Austria	**100.0%**	-

[1] Joint venture

Notes to the consolidated financial statements

35. List of principal group companies (continued)

	Country of registration	% ownership 2007	2006
Coca-Cola Molino Beverages Ltd	Cyprus	**100.0%**	100.0%
Deepwaters Investments Ltd	Cyprus	**50.0%**	50.0%
Dorna Apemin S.A.	Romania	**46.4%**	49.9%
Dorna Investments Ltd	Guernsey	**50.0%**	50.0%
Dunlogan Ltd	Northern Ireland	**100.0%**	100.0%
Elxym S.A.	Greece	**100.0%**	100.0%
Fonti del Vulture S.r.l.[1]	Italy	**50.0%**	50.0%
Fresh & Co d.o.o.[1]	Republic of Serbia	**50.0%**	50.0%
Jayce Enterprises Ltd	Cyprus	**100.0%**	100.0%
John Daly and Company Ltd	Republic of Ireland	**100.0%**	100.0%
Killarney Mineral Water Manufacturing Company Ltd	Republic of Ireland	**100.0%**	100.0%
Lanitis Bros Limited	Cyprus	**99.9%**	99.9%
Leman Beverages Holding S.à.r.l.	Luxembourg	**90.0%**	90.0%
LLC Coca-Cola HBC Eurasia	Russia	**100.0%**	100.0%
Molino Beverages Holding S.à.r.l	Luxembourg	**100.0%**	100.0%
MTV West Kishinev Bottling Company S.A.	Moldova	**100.0%**	100.0%
Multon Z.A.O. Group[1]	Russia	**50.0%**	50.0%
Nigerian Bottling Company plc	Nigeria	**66.4%**	66.4%
Panpak Ltd	Republic of Ireland	**100.0%**	100.0%
Römerquelle GmbH	Austria	**100.0%**	100.0%
S.C. Cristalina S.A.	Romania	**49.9%**	49.9%
SIA Coca-Cola HBC Latvia	Latvia	**100.0%**	100.0%
Softbev Investments Ltd	Cyprus	**100.0%**	100.0%
Softbul Investments Ltd	Cyprus	**100.0%**	100.0%
Softinvest Holdings Ltd	Cyprus	**100.0%**	100.0%
Standorg-2007 Kereskedelmi Kft.[2]	Hungary	**100.0%**	100.0%
Star Bottling Ltd	Cyprus	**100.0%**	100.0%
Star Bottling Services Corp.	British Virgin Islands	**100.0%**	100.0%
Tsakiris S.A.	Greece	**100.0%**	100.0%
UAB Coca-Cola HBC Lietuva	Lithuania	**100.0%**	100.0%
Valser Mineralquellen AG	Switzerland	**99.9%**	99.9%
Vendit Ltd	Republic of Ireland	**100.0%**	100.0%
Vlasinka d.o.o.	Republic of Serbia	**50.0%**	50.0%
Yoppi Kft.	Hungary	**100.0%**	100.0%
Acquisition of Group companies in 2007			
OOO Aqua Vision	Russia	**100.0%**	-
Eurmatik S.r.l.	Italy	**100.0%**	-

[1] Joint venture
[2] During 2007 Coca-Cola Magyarország Italok Kft. was renamed to Standorg-2007 Kereskedelmi Kft.

Notes to the consolidated financial statements

36. Joint ventures

The Group has a 50% interest in three joint ventures, Brewinvest S.A., a group of companies engaged in the bottling and distribution of beer in Bulgaria and beer and soft drinks in FYROM, the Multon group of companies, which is engaged in the production and distribution of juices in Russia and the Fresh & Co d.o.o. group of companies, which is engaged in the production and distribution of juices in Serbia. These joint ventures are accounted for using the proportionate consolidation, whereby the share of ownership of assets, liabilities, revenues and expenses are taken into the Group's financial statements.

The following amounts are included in the Group's financial statements as a result of the proportionate consolidation of these joint ventures at 31 December and for the years then ended:

	2007 total € million	2006 total € million
Balance sheet		
Non-current assets	**332.4**	347.5
Current assets	**130.5**	121.8
Total assets	**462.9**	**469.3**
Non-current liabilities	**(39.0)**	(8.2)
Current liabilities	**(60.7)**	(109.9)
Total liabilities	**(99.7)**	**(118.1)**
Net Assets	**363.2**	**351.2**
Income statement		
Income	**273.2**	243.6
Expenses	**(245.1)**	(210.3)
Net profit	**28.1**	**33.3**

In addition, the Group has a 50% interest in three joint ventures that are engaged in the bottling and distribution of water: Fonti del Vulture in Italy, Multivita Sp. z o.o. in Poland and Valser Springs GmbH in Switzerland (refer to Note 11). These joint ventures are accounted for using the equity method of accounting.

Independent auditor's report

[Translation from the original text in Greek]

To the Shareholders of Coca-Cola Hellenic Bottling Company S.A

Report on the Financial Statements
We have audited the accompanying financial statements of Coca-Cola Hellenic Bottling Company S.A (the "Company") which comprise the balance sheet as of 31 December 2007 the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 2 to 33.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Greek auditing standards which conform with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2007, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference to Other Legal and Regulatory Requirements
The Board of Directors' Report contains all information required by article 43a paragraph 3, article 16 paragraph 9 of Law 2190/1920 and article 11a of Law 3371/2005, and is consistent with the financial statements referred to in the preceding paragraph.

PricewaterhouseCoopers S.A.
Athens, 28 March 2008.

Income statement

Year ended 31 December

	Note	**2007 € million**	2006 € million
Net sales revenue		**686.6**	625.4
Cost of goods sold		**(372.4)**	(346.2)
Gross profit		**314.2**	**279.2**
Operating expenses	4	**(229.7)**	(238.5)
Operating profit	3	**84.5**	**40.7**
Interest expense	5	**(19.8)**	(18.1)
Dividend income	6	**109.7**	116.1
Profit before tax		**174.4**	**138.7**
Tax	7	**(46.3)**	(47.6)
Profit after tax		**128.1**	**91.1**

The President of the Board of Directors	**The Managing Director**	**Head of Financial Reporting**	**The IFRS Reporting Manager**
George A. David Passport C 034870/95	Doros G. Konstantinou ID R 519139	Richard Brasher Passport 206333547	Evangelos S. Kontogiorgis ID X 565769

The Notes on pages 6-33 are an integral part of these financial statements.

Cash flow statement

Year ended 31 December

	Note	**2007 € million**	2006 € million
Operating activities			
Operating profit	3	**84.5**	40.7
Depreciation of property, plant and equipment	9	**35.3**	33.1
Impairment of property, plant and equipment	9	**-**	5.0
Stock option expense	28	**3.6**	2.6
		123.4	**81.4**
(Gain)/loss on disposals of non-current assets	3	**(4.4)**	3.8
Increase in inventories		**(10.1)**	(0.3)
Decrease/(increase) in trade and other receivables		**13.5**	(9.0)
Increase in trade payables and other liabilities		**33.9**	25.7
Tax paid		**(18.3)**	(36.4)
Cash flow generated from operating activities		**138.0**	**65.2**
Investing activities			
Payments for purchases of property, plant and equipment		**(33.4)**	(42.3)
Receipts from disposals of property, plant and equipment		**6.1**	0.9
Net receipts from investments		**0.2**	6.2
Net cash used in investing activities		**(27.1)**	**(35.2)**
Financing activities			
Payment of expenses related to bonus shares issue		**(0.6)**	-
Proceeds from issue of shares to employees	23	**8.7**	22.5
Net decrease in borrowings	18	**(122.9)**	(53.4)
Principal repayments of finance lease obligations	18	**(0.2)**	(0.2)
Interest paid		**(19.4)**	(17.7)
Dividends paid		**(77.5)**	(72.2)
Dividends received		**84.3**	86.9
Net cash used in financing activities		**(127.6)**	**(34.1)**
Decrease in cash and cash equivalents		**(16.7)**	**(4.1)**
Movement in cash and cash equivalents			
Cash and cash equivalents at 1 January		**17.1**	21.2
Decrease in cash and cash equivalents		**(16.7)**	(4.1)
Cash and cash equivalents as at 31 December	17	**0.4**	**17.1**

The Notes on pages 6-33 are an integral part of these financial statements.

Balance sheet

As at 31 December

	Note	2007 € million	2006 € million
Assets			
Goodwill	8	**7.5**	7.5
Property, plant and equipment	9	**172.6**	177.2
Investments in subsidiaries and joint ventures	10	**2,343.9**	2,342.1
Available-for-sale investments	11	**9.5**	5.6
Deferred tax assets	12	**10.6**	8.9
Other non-current assets		**1.4**	1.6
Total non-current assets		**2,545.5**	**2,542.9**
Inventories	13	**47.2**	37.1
Trade receivables	14	**96.0**	109.5
Other receivables	15	**15.7**	15.1
Assets classified as held for sale	16	**-**	1.8
Cash and cash equivalents	17	**0.4**	17.1
Total current assets		**159.3**	**180.6**
Total assets		**2,704.8**	**2,723.5**
Liabilities			
Short-term borrowings	18	**9.4**	0.2
Trade and other liabilities	19	**161.5**	91.2
Current tax liabilities		**11.2**	6.6
Total current liabilities		**182.1**	**98.0**
Long-term borrowings	18	**312.7**	445.0
Non-current provisions	20	**30.2**	26.2
Total non-current liabilities		**342.9**	**471.2**
Total liabilities		**525.0**	**569.2**
Equity			
Share capital	23	**181.9**	121.0
Share premium	23	**1,644.7**	1,697.5
Other reserves	25	**262.0**	244.6
Retained earnings		**91.2**	91.2
Total shareholders' equity		**2,179.8**	**2,154.3**
Total equity and liabilities		**2,704.8**	**2,723.5**

The Notes on pages 6-33 are an integral part of these financial statements.

IFRS

Statement of changes in shareholders' equity

	Share Capital € million	Share Premium € million	Other reserves € million	Retained Earnings € million	Total € million
Balance as at 31 December 2005	**120.3**	**1,675.7**	**220.0**	**86.2**	**2,102.2**
Net profit for 2006	-	-	-	91.1	**91.1**
Valuation gains on available-for-sale investments taken to equity	-	-	2.6	-	**2.6**
Tax on items taken directly to or transferred from equity	-	-	(0.6)	-	**(0.6)**
Comprehensive income	**-**	**-**	**2.0**	**91.1**	**93.1**
Merger of subsidiary	-	-	4.1	0.6	**4.7**
Shares issued to employees excercising stock options	0.7	21.8	-	-	**22.5**
Share based compensation-options	-	-	4.0	-	**4.0**
Appropriation of reserves	-	-	14.5	(14.5)	**-**
Dividends	**-**	**-**	**-**	(72.2)	**(72.2)**
Balance as at 31 December 2006	**121.0**	**1,697.5**	**244.6**	**91.2**	**2,154.3**
Net profit for 2007	-	-	-	128.1	**128.1**
Valuation gains on available-for-sale investments taken to equity	-	-	4.1	-	**4.1**
Tax on items taken directly to or transferred from equity	-	-	(0.9)	-	**(0.9)**
Comprehensive income	**-**	**-**	**3.2**	**128.1**	**131.3**
Bonus shares	60.6	(61.2)	-	-	**(0.6)**
Shares issued to employees excercising stock options	0.3	8.4	-	-	**8.7**
Share based compensation-options	-	-	5.8	-	**5.8**
Appropriation of reserves	-	-	8.4	(8.4)	**-**
Statutory minimum dividend	-	-	-	(42.2)	**(42.2)**
Dividends	-	-	-	(77.5)	**(77.5)**
Balance as at 31 December 2007	**181.9**	**1,644.7**	**262.0**	**91.2**	**2,179.8**

For further details please refer to Note 23 share capital and share premium, Note 25 for reserves and Note 26 for dividends. The Notes on pages 6-33 are an integral part of these financial statements.

Notes to the financial statements

1. Basis of preparation and accounting policies

Description of business
Coca-Cola Hellenic Bottling Company S.A. ('Coca-Cola Hellenic' or the 'Company'), is Societe Anonyme (corporation) incorporated in Greece and is principally engaged in the production and distribution of alcohol-free beverages, under franchise from The Coca-Cola Company ('TCCC'). Coca-Cola Hellenic has subsidiaries in 28 countries also principally engaged in the same activities. Coca-Cola Hellenic's shares are listed on the Athens Stock Exchange, with secondary listings on the London and Australian Stock Exchanges. Coca-Cola Hellenic's American Depositary Receipts (ADRs) are listed on the New York Stock Exchange.

These financial statements were approved for issue by the Board of Directors on 27 March 2008, and are expected to be verified at the Annual General Meeting to be held on 23 June 2008.

Basis of preparation
The financial statements included in this document are prepared in accordance with International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board ('IASB') and IFRS as adopted by the European Union.

All IFRS issued by the IASB, which apply to the preparation of these financial statements have been adopted by the European Union following an approval process undertaken by the European Commission, except for International Accounting Standard ('IAS') 39, *Financial Instruments: Recognition and Measurement* ('IAS 39'). Following this process and as a result of representations made by the Accounting Regulatory Committee of the European Council, the latter issued the Directives 2086/2004 and 1864/2005 that require the application of IAS 39 by all listed companies with effect from the 1 January 2005, except for specific sections that relate to hedging of deposit portfolios. As the Company is not impacted by the sections that relate to hedging of deposit portfolios, as reflected in the IAS 39 adopted by the European Union, these financial statements have been prepared in compliance with IFRS that have been adopted by the European Union and IFRS that have been issued by the IASB.

The financial statements are prepared under the historical cost convention, as modified by the revaluation of available-for-sale securities. These stand-alone financial statements should be read in conjunction with Coca-Cola Hellenic's consolidated financial statements for the year ended 31 December 2007 prepared in accordance with IFRS. The consolidated financial statements are not included in this document, but are available on the Group's website www.coca-colahellenic.com.

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

Income taxes
The Company is subject to income taxes in Greece. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences impact the income tax provision in the period in which such determination is made.

Impairment of goodwill
Determing whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which it has been allocated. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. These assumptions and a discussion on how they are established are given in Note 8.

Revenue recognition
Revenues are recognised when all of the following conditions are met: evidence of a binding arrangement exists (generally purchase orders), products have been delivered and there is no future performance required and amounts are collectible under normal payment terms.

Revenue is stated net of sales discounts, listing fees and marketing and promotional incentives paid to customers. Listing fees are incentives provided to customers for carrying the Company's products in their stores. Fees that are subject to contractual-based term arrangements are amortised over the term of the contract. All other listing fees are expensed as incurred. Marketing and promotional incentives paid to customers during 2007 amounted to €54.7m (2006: €47.5m).

Notes to the financial statements

1. Basis of preparation and accounting policies (continued)

Coca-Cola Hellenic receives certain payments from TCCC in order to promote sales of Coca-Cola branded products. Contributions for price support and marketing and promotional campaigns in respect of specific customers are recognised as an offset to promotional incentives paid to customers. These reimbursements are accrued and matched to the expenditure to which they relate. In 2007, such contributions totaled €13.9m (2006: €11.8m).

Where the Company distributes third party products, the related revenue earned is recognised based on the gross amount invoiced to the customer where Coca-Cola Hellenic acts as principal, takes title to the products and has assumed the risks and rewards of ownership. Coca-Cola Hellenic recognises revenue on the basis of the net amount retained (that is, the amount billed to a customer less the amount paid to a supplier) where the Company acts as an agent without assuming the relevant risks and rewards.

Dividend income
Dividend income is recognised when the Company's right to receive the dividend is established.

Management fee income
The Company charges management fees to its subsidiaries for services provided in accordance with the individual agreement of each subsidiary. Income from management fees is recognised in accordance with the substance of the relevant agreements.

Goodwill
Goodwill is the excess of the cost of an acquisition over the fair value of the share of net assets acquired. Until 31 December 2004, goodwill was amortised on a straight-line basis over the useful economic life up to a presumed maximum of 20 years. From 1 January 2005, amortisation of goodwill ceased. Instead, goodwill is tested annually and whenever there is an indication of impairment and is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to the relevant cash generating units. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other indefinite lived intangible assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Impairment losses recognised against goodwill are not reversed in subsequent periods.

Property, plant and equipment
All property, plant and equipment is initially recorded at cost, and subsequently measured at cost less accumulated depreciation and impairment losses. Subsequent expenditure is added to the carrying value of the asset when it is probable that future economic benefits, in excess of the original assessed standard of performance of the existing asset, will flow to the operation. All other subsequent expenditure is expensed in the period in which it is incurred.

Depreciation is calculated on a straight-line basis to allocate the depreciable amount over the estimated useful life of the assets as follows:

Freehold buildings	40 years
Leasehold buildings and improvements	Over the term of the lease, up to 40 years
Production equipment	5 to 12 years
Vehicles	5 to 8 years
Computer hardware and software	3 to 7 years
Marketing equipment	3 to 7 years
Fixtures and fittings	8 years
Returnable containers	3 to 12 years

Freehold land is not depreciated as it is considered to have an indefinite life.

Residual values and useful lives of assets are reviewed and adjusted if appropriate, at each balance sheet date.

Notes to the financial statements

1. Basis of preparation and accounting policies (continued)

Impairment of non-financial assets
Goodwill is not subject to amortisation but is tested for impairment at least annually. Property, plant and equipment and other non-financial assets that are subject to amortisation, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to be prepared for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

Other investments
Equity investments in subsidiaries, joint ventures and associates are measured at cost less impairment. In addition, following IFRIC 11, *Group and Treasury Share Transactions*, the charge for stock option related to subsidiaries is passed to the subsidiaries by way of the investment in subsidiaries account.

The Company classifies its investments in debt and equity securities into the following categories: financial assets at fair value through profit or loss ('FVTPL'), held-to-maturity and available-for-sale. The classification is dependent on the purpose for which the investment was acquired. FVTPL and available-for-sale investments are carried at fair value. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as FVTPL investments and included in current assets. Investments with a fixed maturity that management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within twelve months from the balance sheet date, which are classified as current assets. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale; and are classified as non-current assets, unless they are expected to be realised within twelve months of the balance sheet date.

Investments are recognised using trade date accounting. They are recognised on the day the Company commits to purchase the investments and derecognised on the day when the Company commits to sell the investments. The cost of purchase includes transaction costs for investments other than those carried at FVTPL. For investments traded in active markets, fair value is determined by reference to stock exchange quoted bid prices.

For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying net assets. Gains and losses on investments held as trading are recognised in the income statement in the period in which they arise. Unrealised gains and losses on available-for-sale investments are recognised in equity until the financial assets are derecognised at which time the cumulative gains or losses previously in equity are recognised in the income statement.

Held-to-maturity investments are carried at amortised cost using the effective yield method. Gains and losses on held-to-maturity investments are recognised in the income statement, when the investments are derecognised or impaired.

Non-current assets held for sale
Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of individual assets' previous carrying amount and fair value less costs to sell.

Notes to the financial statements

1. Basis of preparation and accounting policies (continued)

Inventories
Inventories are stated at the lower of cost and net realisable value.

Cost for raw materials and consumables is determined either on a first-in, first-out or weighted average basis, depending on the type of inventory. Cost for work in progress and finished goods is comprised of the cost of direct materials and labour plus attributable overheads. Cost includes all costs incurred in bringing the product to its present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

Trade receivables
Trade receivables are carried at original invoice amount, adjusted for the effect of discounting (where applicable), less allowance for doubtful debts. An allowance for doubtful debts is established when there is objective evidence that the Company will not be able to collect all amounts due, according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'operating expenses'. When a trade receivable is uncollectable, it is written off initially against any allowance made in respect of the trade receivables in the allowance account for trade receivables and subsequently to the income statemet. Subsequent recoveries of amounts previously written off or allowances no longer required are credited against 'operating expenses' in the income statement.

Trade payables
Trade payables are recognised initially at fair value and, when applicable, subsequently measured at amortised cost using the effective interest rate method.

Fair values of financial assets and liabilities
For primary financial instruments of cash, deposits, investments, short-term and long-term borrowings and other financial liabilities, fair values equate to book values. There is no difference between the book value and the fair value of debtors and creditors falling due within one year.

The Company holds interest bearing borrowings at floating interest rates. However, the majority of borrowings is from subsidiaries and therefore not hedged at entity level as interest rate exposure exists outside the Company with external parties.

The following is a summary of the Company's risk management strategies:

Foreign currency and translation
The functional currency of the Company is Euro. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement. The Company has minor foreign exchange transaction exposures where it holds a small amount of monetary assets and liabilities, which are not denominated in its functional currency.

Financial risk
Credit risk
The Company has no significant concentrations of credit risk. Policies are in place to ensure that the sales of products and services are made to customers with an appropriate credit history. Cash transactions are limited to high credit quality financial institutions. The Company has policies that limit the amount of credit exposure to any single financial institution.

Liquidity risk
The Company actively manages liquidity risk to ensure there are sufficient funds available for any short- term and long-term commitments. Bank overdrafts and bank facilities, both committed and uncommitted, are used to manage this risk.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and highly liquid investments with a maturity of three months or less when purchased. For the purpose of the cash flow statement, bank overdrafts are considered as borrowings.

Notes to the financial statements

1. Basis of preparation and accounting policies (continued)

Borrowings
All loans and borrowings are initially recognised at cost, being the fair value of the consideration received and including transaction costs associated with the loan or borrowing.

After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on settlement which is amortised to the income statement over the period of the borrowing. For liabilities carried at amortised cost, any gain or loss is recognised in the income statement when the liability is derecognised or impaired, as well as through the amortisation process.

Leases
Rentals paid under operating leases are charged to the income statement on a straight-line basis over the life of the lease.

Leases of property, plant and equipment, where the Company has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is allocated between liability and finance charges to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term borrowings. The interest element of the finance cost is charged to the income statement over the lease period. Property, plant and equipment acquired under finance leases is depreciated in accordance with the Company policy unless there is no reasonable certainty that the Company will obtain ownership of the asset at the end of the lease term. In this case, property, plant and equipment acquired under finance lease is depreciated over the shorter of the useful life of the asset and the lease term.

Provisions
Provisions are recognised as follows: when the Company has a present obligation (legal or constructive) as a result of a past event; when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and when a reliable estimate can be made of the amount of the obligation. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset when such reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Employee benefits - pensions and post retirement benefits
The Company operates two defined benefit plans and a defined contribution pension plan. The defined benefit plans are made up of both a funded pension plan and employee leaving indemnities. The assets of the funded plan are held in a separate trustee-administered fund and are financed by payments from the Company after taking into account the recommendations of independent qualified actuaries.

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs.

For defined benefit plans, pension costs are assessed using the projected unit credit method. Actuarial gains and losses are recognised as income or expense, when the cumulative unrecognised actuarial gains or losses for each individual plan exceed 10% of the greater of the defined benefit obligation or the fair value of plan assets, in accordance with the valuations made by qualified actuaries. The defined benefit obligations are measured at the present value of the estimated future cash outflows using interest rates of corporate or government bonds which have terms to maturity approximating the terms of the related liability. Actuarial gains and losses arising from experience adjustments or changes in assumptions are recognised over the average remaining service lives of employees. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise amortised over the average remaining service lives of the employees.

The Company's contributions to the defined contribution pension plan are charged to the income statement in the period to which the contributions relate.

Employee benefits - long-term incentive plan
The Company operates a long-term incentive plan where employees are entitled to additional cash benefits that have a vesting period of three years. The cost of the benefits is recording in the income statement over the vesting period.

Notes to the financial statements

1. Basis of preparation and accounting policies (continued)

Share-based payments
Coca-Cola Hellenic issues equity-settled (stock options) and cash-settled (stock appreciation rights) share-based payments to its senior managers. Equity- settled share-based payments are measured at fair value at the date of grant using a binomial stock option valuation model. Fair value reflects the parameters of the compensation plan, the risk-free interest rate, the expected volatility, the dividend yield and the early exercise experience of the Company's plans. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period.

For cash-settled share-based payments, a liability equal to the portion of the vested stock appreciation rights is recognised at the current fair value determined at each balance sheet date using the same model and inputs as used for determining fair value of stock options.

In addition, the Company operates a stock purchase plan, in which eligible employees can participate. The Company's contributions to the stock purchase plan are charged to the income statement over their vesting period. Any unvested shares held by the trust are owned by the Company until they vest and are recorded at cost in the balance sheet within equity as shares held for equity compensation plan until they vest.

Termination benefits
Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees or to provide termination benefits, as a result of an offer made to encourage voluntary redundancy.

Deferred taxes
Deferred income tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Tax rates enacted or substantively enacted at the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Franchise incentive arrangements
TCCC, at its sole discretion, provides the Company with various incentives, including contributions toward the purchase of cold drink equipment. Payments are made on placement of coolers and are based on franchise incentive arrangements. The terms and conditions of these arrangements require reimbursement if certain conditions stipulated in the agreements are not met, including minimum volume through-put requirements. Support payments received from TCCC for the placement of cold drink equipment are deducted from the cost of the related asset.

Share capital
There is only one class of shares. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded to the share premium reserve.

Incremental external costs directly attributable to the issue of new shares (other than in connection with a business combination) or to the process of returning capital to shareholders are recorded in equity as a deduction, net of tax, in the share premium reserve. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

Dividends
Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders, with the exception of the statutory minimum dividend.

Under Greek corporate legislation, companies are annually required to declare dividends of at least 35% of unconsolidated adjusted after-tax IFRS profits. This statutory minimum dividend is recognised as a liability.

Comparative figures
Comparative figures have been reclassified to conform with changes in presentation in the current year.

Notes to the financial statements

1. Basis of preparation and accounting policies (continued)

Adoption of new accounting pronouncements
In the current year, the Company has adopted all of the new and revised standards and interpretations issued by the IASB and the International Financial Reporting Interpretation Committee ('IFRIC') of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2007. None of these Standards and interpretations had a significant effect on the financial statements of the Company, except the following:

In August 2005, the IASB issued IFRS 7, *Financial Instruments: Disclosures, and amendments to IAS 1, Presentation of Financial Statements – Capital Disclosures*. IFRS 7 introduces new disclosures relating to financial instruments but does not have any impact on the classification and valuation of the Company's financial instruments or the disclosures relating to tax and trade and other payables.

New accounting pronouncements
At the date of approval of these financial statements, the following standards and interpretations were issued but not yet effective:

In November 2006 the IFRIC issued IFRIC 12, *Service Concession Arrangements*. IFRIC 12 sets out the general principles on recognising and measuring the obligations and related rights in service concession arrangements. IFRIC 12 is effective for annual periods beginning on or after 1 January 2008. Since the Company is not involved in concession arrangements, the interpretation is not expected to have an impact on the Company's financial statements.

In November 2006, the IASB issued IFRS 8, *Operating Segments*, which replaces IAS 14, *Segment Reporting*. IFRS 8 introduces new disclosure requirements relating to segmental reporting and provides guidance on operating segments. IFRS 8 also expands significantly the requirements for segment information at interim reporting dates. The European Union endorsed IFRS 8 in November 2007. IFRS 8 is applicable for annual periods beginning on or after 1 January 2009. Earlier application is permitted. It is not expected that IFRS 8 will have a material effect on the disclosure within the Company's financial statements.

In November 2006 the IFRIC issued IFRIC 11, *IFRS 2, Group and Treasury Share Transactions*. IFRIC 11 clarifies the application of IFRS 2, *Share-based Payments,* to certain share-based payment arrangements involving the entity's own equity instruments and to arrangements involving equity instruments of the entity's parent company. IFRIC 11 is effective for annual periods beginning on or after 1 March 2007, and is not expected to have a material impact on the Company's financial statements.

In March 2007, the IASB issued a revision of IAS 23, *Borrowing Costs*. Under the revised standard, entities will no longer have the option to immediately recognise, as an expense, borrowing costs related to the acquisition, construction, or production of qualifying assets that require a substantial period of time to be prepared for their intended use or sale. These costs must now be capitalised as part of the cost of the asset. The revised standard is applicable for annual periods beginning on or after January 1, 2009. Coca-Colla Hellenic already has a policy of capitalising applicable borrowing costs and therefore this standard will not have any effect on the Company's financial statements.

In July 2007, the IFRIC issued IFRIC 14, *IAS 19, The limit on a defined benefit asset, minimum funding requirements and their interaction,* which is effective from 1 January 2008. IFRIC 14 provides guidance on assessing the limit in IAS 19, *Employee Benefits*, on the amount of the surplus of the fair value of plan assets over the present value of defined benefit obligations that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. Coca-Colla Hellenic will apply IFRIC 14 from 1 January 2008, but it is not expected to have a material impact on the Company's financial statements.

In July 2007, the IFRIC issued IFRIC 13, *Customer loyalty programmes*, which is effective from 1 July 2008. IFRIC 13 requires that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is treated as multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. IFRIC 13 is not relevant to Coca-Colla Hellenic's operations since the Company does not operate any significant loyalty programmes.

In January 2008, the IASB issued a revised version of IFRS 3, *Business Combinations*. The revised standard still requires the purchase method of accounting to be applied to business combinations but will introduce some changes to existing accounting treatment. For example, contingent consideration should be measured at fair value at the date of acquisition and subsequently remeasured to fair value with changes recognised in profit or loss. Goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to the minority interest. All transaction costs will be expensed. The standard is applicable to business combinations occurring in accounting periods beginning on or after 1 July 2009. Assets and liabilities arising from business combinations occurring before the date of adoption by the Company will not be restated and thus there will be no effect on the Company's reported income or net assets on adoption. The revised standard has not yet been adopted by the EU.

An amendment to IFRS 2 was issued in January 2008, clarifying that only service conditions and performance conditions are vesting conditions, and other features of a share-based payment are not vesting conditions. In addition, it specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amendment is effective for annual periods beginning on or after 1 January 2009 and has not yet been adopted by the EU. The Company has not yet completed its evaluation of the effect of adopting this amendment.

Notes to the financial statements

2. Segmental analysis

The Company operates as one business, being the production, distribution and sale of alchohol free, ready-to-drink beverages, and operates as one geographical segment.

3. Operating profit

The following items have been included in arriving at the operating profit for the years ended 31 December:

	2007 € million	2006 € million
Depreciation of property, plant and equipment (refer to Note 9)	**35.3**	33.1
Impairment of property, plant and equipment (refer to Note 9)	**-**	5.0
(Gain)/loss on disposal of property, plant and equipment	**(4.4)**	3.8
Operating lease charges		
Plant and equipment	**5.5**	5.6
Property	**2.5**	2.3
Total operating lease charges	**8.0**	**7.9**
Provision set aside for doubtful debts (refer to Note 14)	**3.9**	3.4
Staff costs		
Wages and salaries	**99.1**	84.5
Social security costs	**20.2**	19.7
Pension and other employee benefits	**22.3**	25.8
Termination benefits	**2.9**	14.7
Total staff costs	**144.5**	**144.7**

The average number of full-time equivalent employees in 2007 was 2,478 (2006: 2,337).

4. Operating expenses

Year ended 31 December	Note	**2007 € million**	2006 € million
Management fee income	29	**(11.7)**	(13.8)
Selling expenses		**117.9**	101.7
Delivery expenses		**51.2**	47.8
Administrative expenses		**68.7**	67.8
Restructuring costs		**-**	22.1
Competition Authority fine	21	**-**	9.3
Impairment of bottles		**-**	1.0
Stock option expense	28	**3.6**	2.6
Total operating expenses		**229.7**	**238.5**

On 24 February 2006, production in the Athens plant ceased. In addition, on 10 March 2006, the Greek warehouses in Messologi, Corfu and Rhodes closed. Additional restructuring was undertaken in Greece in December 2006, following an organisational streamlining across the administrative support and logistic functions. A total restructuring charge of €22.1m (cash and non-cash) was recorded in the full year of 2006.

Notes to the financial statements

5. Interest expense

Interest costs for the years ended 31 December comprise:

	2007 € million	2006 € million
External interest expense	**0.1**	0.4
Interest expense charged by subsidiaries	**19.7**	17.7
Total interest expense	**19.8**	**18.1**

6. Dividend income

Dividend income for the years ended 31 December comprise:

	2007 € million	2006 € million
Dividend income from subsidiaries	**109.4**	116.0
Dividend income from other investments	**0.2**	0.1
Gain from return of share capital	**0.1**	-
Total dividend income	**109.7**	**116.1**

7. Tax

The tax on the Company's profit before tax differs from the amount that would arise using the Greek corporate tax rate as follows:

	2007 € million	2006 € million
Profit before tax per the income statement	**174.4**	138.7
Tax calculated at a tax rate of 25% (2006: 29%)	**43.6**	40.2
Additional local taxes	**6.4**	4.1
Expenses non-deductible for tax purposes	**3.0**	7.3
Income not subject to tax	**(6.6)**	(3.8)
Other	**(0.1)**	(0.2)
Income tax charge per the income statement	**46.3**	**47.6**

The income tax charge for the years ended 31 December is as follows:

	2007 € million	2006 € million
Current tax charge	**48.8**	48.5
Deferred tax charge (refer to Note 12)	**(2.5)**	(0.9)
Total income tax charge	**46.3**	**47.6**

8. Goodwill

Goodwill arose in the Company as a result of its merger with two subsidiaries, PET Plastics S.A. and Cretan Bottling Company in 1997 and 2002 respectively.

	2007 € million	2006 € million
Cost		
As at 1 January	**7.5**	7.5
As at 31 December	**7.5**	**7.5**
Amortisation		
As at 1 January	**-**	-
As at 31 December	**-**	-
Net book value as at 1 January	**7.5**	7.5
Net book value as at 31 December	**7.5**	**7.5**

For both management and impairment testing purposes the Company is considered as one cash generating unit.

The recoverable amount of the operation has been determined through a value-in-use calculation. That calculation uses cash flow projections based on financial budgets approved by the Board of Directors covering a three-year period. Cash flow projections for years four to ten have been projected by management based on operation and market specific high level assumptions. Cash flows beyond the ten year period (the period in perpetuity) have been extrapolated using an estimated growth rate in perpetuity of 3.0%. Other key assumptions used are an average gross margin of 45.8% and a discount rate of 7.6%.

Management determined gross margin based on past performance, expectations for the development of the market and expectations about raw material costs. The growth rate used in perpetuity reflects the forecasts in line with management beliefs. These forecasts exceed, in some cases, those expected for the industry in general, due to the strength of our brand portfolio. Management estimates discount rates using rates that reflect current market assessments of the time value of money and risks specific to Greece. Management believes that any reasonably possible change in any of the key assumptions would not cause the operation's carrying amount to exceed its recoverable amount.

The impairment testing that was conducted for Goodwill did not indicate any impairment.

Notes to the financial statements

9. Property, plant and equipment

	Land and buildings € million	Plant and equipment € million	Returnable containers € million	Assets under construction € million	Total € million
Cost					
As at 1 January 2007	58.6	313.2	24.5	13.9	**410.2**
Additions	0.1	8.4	2.4	19.8	**30.7**
Disposals	(1.7)	(22.5)	(0.1)	-	**(24.3)**
Assets held for sale	3.6	-	-	-	**3.6**
Reclassifications	8.7	17.7	-	(26.4)	**-**
As at 31 December 2007	**69.3**	**316.8**	**26.8**	**7.3**	**420.2**
Depreciation					
As at 1 January 2007	22.2	203.8	7.0	-	**233.0**
Charge for the year	1.8	29.2	4.3	-	**35.3**
Disposals	(0.7)	(21.9)	(0.1)	-	**(22.7)**
Assets held for sale	2.0	-	-	-	**2.0**
As at 31 December 2007	**25.3**	**211.1**	**11.2**	**-**	**247.6**
Net book value as at 1 January 2007	36.4	109.4	17.5	13.9	**177.2**
Net book value as at 31 December 2007	**44.0**	**105.7**	**15.6**	**7.3**	**172.6**

	Land and buildings € million	Plant and equipment € million	Returnable containers € million	Assets under construction € million	Total € million
Cost					
As at 1 January 2006	59.7	320.9	37.3	2.0	**419.9**
Merger of subsidiary (refer to Note 10)	1.3	1.6	-	-	**2.9**
Additions	-	14.9	3.4	24.1	**42.4**
Disposals	(4.9)	(28.9)	(9.8)	-	**(43.6)**
Impairment	-	(5.0)	-	-	**(5.0)**
Reclassifications	2.5	9.7	(6.4)	(12.2)	**(6.4)**
As at 31 December 2006	**58.6**	**313.2**	**24.5**	**13.9**	**410.2**
Depreciation					
As at 1 January 2006	22.8	201.2	13.6	-	**237.6**
Merger of subsidiary (refer to Note 10)	0.2	0.9	-	-	**1.1**
Charge for the year	1.2	27.2	4.7	-	**33.1**
Disposals	(2.5)	(25.0)	(4.9)	-	**(32.4)**
Reclassifications	0.5	(0.5)	(6.4)	-	**(6.4)**
As at 31 December 2006	**22.2**	**203.8**	**7.0**	**-**	**233.0**
Net book value as at 1 January 2006	36.9	119.7	23.7	2.0	**182.3**
Net book value as at 31 December 2006	**36.4**	**109.4**	**17.5**	**13.9**	**177.2**

Notes to the financial statements

9. Property, plant and equipment (Continued)

Assets under construction include advances for equipment purchases of €1.8m (2006: €0.8m), advances for buildings of €1.0m (2006: nil) and advances for returnable containers of €3.5m (2006: nil).

Included in plant and equipment are assets held under finance lease, where the Company is the lessee, as follows:

	2007 € million	2006 € million
As at 1 January	**0.2**	0.4
Depreciation charge	**(0.2)**	(0.2)
As at 31 December	**-**	0.2

Assets held under finance lease have been pledged as security in relation to the liabilities under the finance leases.

10. Investments in subsidiaries and joint ventures

The interests held and the carrying values of the investments in subsidiaries and joint ventures at 31 December are:

	Country of incorporation	**Interest held 2007**	Interest held 2006	**Carrying value 2007 € million**	Carrying value 2006 € million
Brewinvest S.A.	Greece	50%	50%	**25.2**	25.2
Elxym S.A.	Greece	100%	100%	**12.0**	12.0
Tsakiris S.A.	Greece	100%	100%	**15.1**	15.5
Clarina Holding S.ar.l.	Luxembourg	100%	100%	**9.2**	9.2
Dunlogan Ltd	Northern Ireland	100%	100%	**11.7**	11.7
Softinvest Holding Ltd	Cyprus	100%	100%	**845.8**	845.8
Softbev Investment Ltd	Cyprus	100%	100%	**15.4**	15.4
Balkaninvest Holding Ltd	Cyprus	100%	100%	**35.3**	35.3
3E (Cyprus) Ltd	Cyprus	100%	100%	**1,344.8**	1,209.9
Ulster Coca-Cola Bottlers Ltd	Northern Ireland	-	100%	**-**	132.7
Softbul Investment Ltd	Cyprus	100%	100%	**29.4**	29.4
Total investments in subsidiaries and joint ventures				**2,343.9**	**2,342.1**

The above list contains direct investment in subsidiaries and joint ventures only. Refer to note 30 and 31 for a list of the principal direct and indirect interests in subsidiaries and joint ventures.

	2007 € million	2006 € million
As at 1 January	**2,342.1**	2,348.9
Write down of investment	**(0.4)**	-
Merger of subsidiary	**-**	(2.6)
Return of share capital from joint venture	-	(5.6)
Increase in stock options attributable to subsidiaries	**2.2**	1.4
As at 31 December	**2,343.9**	**2,342.1**

On 26 June 2006, the Board of Directors of Coca-Cola Hellenic approved the merger of Telerex S.A. and the Company. Telerex S.A. was a fully owned subsidiary, incorporated in Greece in 1980 and was principally engaged in the production and sales of fresh fruit juices, fruit concetrate, concetrates and bases for various drinks, as well as mineral and still water and other beverages and snacks. These products were sold mainly to Coca-Cola Hellenic and other subsidiaries of the Company.

On 7 December 2007 the shares of the fully owned subsidiary of Coca-Cola Hellenic, Ulster Coca-Cola Bottlers Ltd, were purchased by another fully owned subsidiary 3E (Cyprus) Ltd. This transaction did not have an effect on the Company's income statement.

Notes to the financial statements

11. Available-for-sale investments

Changes in available-for-sale investments are as follows:

	2007 € million	2006 € million
As at 1 January	**5.6**	3.7
Return of share capital	**(0.2)**	(0.5)
Unrealised gain on available-for-sale investments	**4.1**	2.4
As at 31 December	**9.5**	**5.6**

12. Deferred tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movement in deferred tax assets and liabilities (after off-setting balances within the same tax jurisdiction) during the year is as follows:

	2007 € million	2006 € million
As at 1 January	**8.9**	8.8
Merger with subsidiary	**-**	(0.2)
Credited to the income statement	**2.5**	0.9
Charged to equity	**(0.8)**	(0.6)
As at 31 December	**10.6**	**8.9**

Deferred tax assets and liabilities (prior to off-setting balances within the same tax jurisdiction) at 31 December are attributable to the following items:

	2007 € million	2006 € million
Deferred income tax assets		
Provisions	**7.6**	6.6
Other deferred income tax assets	**8.7**	5.3
Total gross deferred tax assets	**16.3**	**11.9**
Deferred income tax liabilities		
Differences in depreciation	**(3.0)**	(0.6)
Other deferred tax liabilities	**(2.7)**	(2.4)
Total gross deferred income tax liabilities	**(5.7)**	**(3.0)**
Net deferred tax asset	**10.6**	**8.9**

It is not practicable to compute the total amount of the potential income tax consequences that would result from the payment of dividends to shareholders.

13. Inventories

Inventories consist of the following at 31 December:

	2007 € million	2006 € million
Finished goods	**22.7**	15.0
Raw materials and work in progress	**18.8**	15.2
Consumables	**5.3**	6.2
Payments on account	**0.4**	0.7
Total inventories	**47.2**	**37.1**

Notes to the financial statements

14. Trade receivables

Trade receivables consist of the following at 31 December:

	2007 € million	2006 € million
Trade debtors	113.1	123.6
Less: provision for doubtful debts	(17.1)	(14.1)
Total trade receivables	**96.0**	**109.5**

The credit period given to customers ranges from 60 days to 90 days depending on the customer type. Interest is not charges for late payment.

The Company provides for all receivables that are considered non-collectable on a specific basis considering the circumstances of each case. Before accepting any new credit customers, the Company investigates the potential customer's credit quality (through external agents) and defines credit limits by customer. Customers are reviewed on an ongoing basis and credit limits are adjusted accordingly. Two customers represent 20% of the trade receivables for the Company.

	2007 € million	2006 € million
Due within due date	94.9	96.6
Due after due date	1.1	12.9
Total trade receivables	**96.0**	**109.5**
Collateral held against trade receivables	**4.9**	**4.4**

Movement in provision for doubtful debtors	2007 € million	2006 € million
Balance at the beginning of the year	(14.1)	(14.6)
Amounts written off during the year	0.9	3.9
Increase in allowance recognised in profit or loss	(3.9)	(3.4)
Balance at the end of the year	**(17.1)**	**(14.1)**

15. Other receivables

Other receivables consist of the following at 31 December

	2007 € million	2006 € million
Receivables from subsidiaries	2.3	5.4
Receivables from related parties (due within due date)	3.5	2.1
Prepayments	5.8	6.5
Other	4.1	1.1
Total other receivables	**15.7**	**15.1**

Notes to the financial statements

16. Assets classified as held for sale

As at 31 December 2006, certain land and buildings with net book value €1.8m were classified as held for sale as part of the restructuring plan in Greece. Of these, assets with a net book value of €0.1m were sold in 2007. The items of property plant and equipment that were not sold in 2007 were classified back to property, plant and equipment after being adjusted for the depreciation that would have been recognised had the assets not been classified as held for sale.

17. Cash and cash equivalents

Cash and cash equivalents of €0.4m and €17.1m at 31 December 2007 and 2006 respectively, comprise of cash at bank or in hand. All cash and cash equivalents are held in Euro.

18. Borrowings

The Company holds the following borrowings at 31 December:

	2007 € million	2006 € million
Short-term borrowings from subsidiaries	**9.4**	-
Obligations under finance leases falling due within one year	**-**	0.2
Total borrowings falling due within one year	**9.4**	**0.2**
Borrowings from subsidiaries due in more than one year	**312.7**	445.0
Total borrowings falling due after one year	**312.7**	**445.0**
Total borrowings	**322.1**	**445.2**

Borrowings from subsidiaries comprised of three loans with Coca-Cola HBC Finance plc., an indirect subsidiary of the Company.

The loan of €312.7m (2006: €445m) which was renewed in May 2006, is repayable on 24 March 2009. This loan carried an interest rate of 3 month EURIBOR plus 0.36%. The first loan amounting to €9.4m in 2007 (2006: €nil) carried an interest rate of EONIA plus 0.40%.

The weighted average interest rate on borrowings from subsidiaries is 4.48% (2006: 3.99%).The weighted average interest rate on the short-term external borrowing in 2007 is 4.96% (2006: 4.08%).

The present value of finance lease at 31 December is as follows:

	2007 € million	2006 € million
Less than one year	**-**	0.2
Present value of finance lease liabilities	**-**	**0.2**

The minimum lease payments of finance lease liabilities at 31 December are as follows:

	2007 € million	2006 € million
Less than one year	**-**	0.2
Present value of finance lease liabilities	**-**	**0.2**

Notes to the financial statements

19. Trade and other liabilities

Trade and other liabilities consist of the following at 31 December:

	2007 € million	2006 € million
Trade creditors	**50.3**	41.5
Payables to related parties	**10.0**	6.7
Payables to subsidiaries	**1.6**	2.5
Interest accrual on loans from subsidiaries	**0.7**	0.3
Accrued liabilities	**18.1**	12.5
Deposit liabilities	**6.9**	6.6
Other tax and social security liabilities	**3.3**	3.9
Current portion of provisions (refer to Note 20)	**3.9**	1.7
Salaries and employee related payable	**22.2**	13.8
Other payables	**2.2**	1.7
Dividends payable	**42.3**	-
Total trade and other liabilities	**161.5**	**91.2**

20. Provisions

Provisions consist of provisions for employee benefits and for restructuring. At 31 December 2007 and 2006 there were no outstanding balances for restructuring provisions. During 2006 the Company incurred €22.1m of restructuring charges all of which was paid in the year. Of the €22.1m, €15.0m related to termination costs and the remainder related to other restructuring costs. No significant restructuring provisions have been made in the current year.

Employee benefits consist of the following at 31 December:

	2007 € million	2006 € million
Defined benefit plans		
Employee leaving indemnities	**28.1**	24.4
Pension plans	**(0.2)**	0.3
Total defined benefits plans	**27.9**	**24.7**
Other employee benefits		
Long term incentive plan	**4.5**	3.1
Other employee benefits	**1.7**	0.1
Total other employee benefits	**6.2**	**3.2**
Total employee benefits obligations	**34.1**	**27.9**

Employee benefit obligations at 31 December were split between current and non-current as follows:

	2007 € million	2006 € million
Current (refer to Note 19)	**3.9**	1.7
Non-current	**30.2**	26.2
Total employee benefits obligations	**34.1**	**27.9**

Notes to the financial statements

20. Provisions (continued)

Employees of Coca-Cola Hellenic are entitled to employee leaving indemnities, generally based on each employee's length of service, employment category and remuneration. Coca-Cola Hellenic also sponsors a defined benefit pension plan.

Reconciliation of defined benefit obligation:

	2007 € million	2006 € million
Present value of defined benefit obligation at the beginning of the year	**42.6**	42.5
Service cost	**2.7**	2.6
Interest cost	**1.9**	1.8
Curtailment/settlement	**0.5**	1.3
Benefits paid	**(1.7)**	(6.0)
Actuarial (gain)/loss	**(1.1)**	0.4
Present value of defined benefit obligation at end of year	**44.9**	**42.6**

Reconciliation of plan assets:

	2007 € million	2006 € million
Fair value of plan assets at the beginning of the year	**4.7**	4.0
Expected return on plan assets	**0.2**	0.2
Actual employer's contributions	**0.8**	0.6
Actual benefits paid	**-**	(0.2)
Asset gain	**0.2**	0.1
Fair value of plan assets at end of year	**5.9**	**4.7**

To develop its expected long-term rate of return assumptions, the Company, in consultation with its advisors, uses forward-looking assumptions in the context of historical returns and volatilities for each asset class, as well as correlations among asset classes. Adjustments are made to the expected long-term rate of return assumptions annually based upon revised expectations of future investment performance of the overall capital markets, as well as changes to local laws that may affect the investment strategy. The weighted average expected long-term rate of return assumption used in computing 2007 net periodic pension cost for the plans was 4.9%.

The present value and funded status of defined benefit obligations are as follows at 31 December:

	2007 € million	2006 € million
Present value of funded obligations	**6.1**	5.8
Fair value of plan assets	**(5.9)**	(4.7)
	0.2	1.1
Present value of unfunded obligations	**38.8**	36.8
Unrecognised actuarial loss	**(10.7)**	(12.7)
Unrecognised past service cost	**(0.4)**	(0.5)
Net defined benefit obligations	**27.9**	24.7
Actual return on plan assets	**0.4**	**0.3**

Notes to the financial statements

20. Provisions (continued)

The movement in the net defined benefit obligation recognised in the balance sheet is as follows:

	2007 € million	2006 € million
As at 1 January	**24.7**	21.9
Expense recognised in the income statement	**5.7**	9.2
Employer contributions	**(0.8)**	(0.6)
Benefits paid	**(1.7)**	(5.8)
As at 31 December	**27.9**	**24.7**

The weighted average assumptions used in computing the net benefit obligation consist of the following for the years ended 31 December:

	2007 %	2006 %
Discount rate	**5.50**	4.50
Expected return on assets	**5.20**	4.90
Rate of compensation increase	**4.25**	4.25

The expense recognised in the income statement consists of the following for the years ended 31 December:

	2007 € million	2006 € million
Current service cost	**2.7**	2.6
Interest cost	**1.9**	1.8
Expected return on plan assets	**(0.2)**	(0.2)
Amortisation of unrecognised actuarial obligation loss	**0.4**	0.7
Amortisation of unrecognised past service costs	**0.1**	0.1
Curtailment/settlement	**0.8**	4.2
Total	**5.7**	**9.2**

The total defined benefit plan expenditure is included in staff costs and is recorded in cost of sales and operating expenses.

The weighted average assumptions recognised in the income statement consists of the following for the years ended 31 December:

	2007 %	2006 %
Discount rate	**4.50**	4.25
Expected return on assets	**4.90**	5.20
Rate of compensation increase	**4.25**	4.25

Plan assets are invested as follows:

	2007 %	2006 %
Asset category		
Equity securities	**17**	17
Debt securities	**83**	83
Total	**100**	**100**

Notes to the financial statements

20. Provisions (continued)

The history of experience adjustments is as follows:

	2007 € million	2006 € million
Present value of defined benefit obligations	**44.9**	42.6
Fair value of plan assets	**(5.9)**	(4.7)
Deficit	**39.0**	**37.9**
Experience adjustment on plan liabilities	**(6.7)**	1.9
Experience adjustment on plan assets	**0.2**	0.1

Equity securities include ordinary shares in the Company in the amount of €0.6m (10.3% of the plan assets) and €0.4m (8.6% of the plan assets) as at 31 December 2007 and 2006, respectively.

The total employer contributions expected to be paid in 2008 is €0.1m.

Defined contribution plans
The expense recognised in the income statement in 2007 for the defined contribution plan is €1.0m (2006: €1.3m). This is included in staff costs and recorded in cost of sales and operating expenses.

21. Contingencies

The Greek Competition Authority issued a decision on 25 January 2002, imposing a fine on the Company of approximately €2.9m for certain discount and rebate practices of the Company and required changes to its commercial practices with respect to placing coolers in certain locations and lending them free of charge. On 16 June 2004, the fine was reduced on appeal to €1.8m. On 29 June 2005, the Greek Competition Authority requested the Company to provide information on the Company's commercial practices as a result of a complaint by certain third parties regarding its level of compliance with the decision of 25 January 2002. On 7 October 2005, the Company was served with notice to appear before the Greek Competition Authority. On 14 June 2006, the Greek Competition Authority issued a decision imposing a daily penalty of €5,869 for each day the Company failed to comply with its decision of 25 January 2002. The Greek Competition Authority imposed this penalty for the period from 1 February 2002 to 16 February 2006, resulting in a total of approximately €8.7m. On 31 August 2006, the Company deposited an amount of €8.9m, reflecting the amount of the fine and applicable tax, with the Greek authorities. This deposit was a prerequisite to filing an appeal pursuant to Greek law. As a result of this deposit, the Company increased the charge to its 2006 financial statements in connection with this case to €8.9m. The Company also incurred consulting fees and additional expenses of €0.4m in connection to this case. On 23 November 2007, the Court of Appeals partly reversed and partly upheld the decision of the Greek Competition Authority reducing the amount of the fine to €5.9m. The reduction of the fine of €2.8m has been recognised in our 2007 income statement. The Company has appealed the decision of the Court of Appeals, to the extent it partly upholds the fine, to the Supreme Administrative Court. The Company believes that it has substantial legal grounds for its appeal against the judgment of the Court of Appeals. The Greek Competition Authority and one of the Company's competitors have also appealed the decision of the Court of Appeals to the extent it reduces the fine.

Notes to the financial statements

21. Contingencies (continued)

In relation to the Greek Competition Authority's decision of 25 January 2002, one of our competitors has filed a lawsuit claiming damages in an amount of €7.7m. At present, it is not possible to predict the outcome of this lawsuit or quantify the likelihood or materiality of any potential liability arising from it. The Company has not provided for any losses related to this case.

The Company is also involved in various other legal proceedings. Management believes that any liability to the Company that may arise as a result of these pending legal proceedings will not have a material adverse effect on the results of operations, cash flows, or the financial condition of the Company taken as a whole.

Under various debt programmes the Company is a guarantor up to a maximum of €4,219.9m of which €1,680.4m had been issued under these programmes in both 2007 and 2006.

The tax filings of Coca-Cola Hellenic are routinely subjected to audit by tax authorities in Greece. These audits may result in assessments of additional taxes. The Company provides additional tax in relation to the outcome of such tax assessments, to the extent that a liability is probable and estimable.

22. Commitments

a) Operating leases
The total of future minimum lease payments under non-cancellable operating leases at 31 December is as follows:

	2007 € million	2006 € million
Less than one year	**2.8**	3.6
Later than one year but less than five years	**1.7**	1.8
Future minimum lease payments	**4.5**	**5.4**

b) Capital commitments
At 31 December 2007, the Company had capital commitments amounting to €4.8m (2006: €2.5m).

c) Long-term purchase commitments
As at 31 December 2007, the Company had commitments amounting to €34.0m to purchase raw materials and marketing services (2006: €30.2m).

23. Share capital and share premium

	Number of shares (authorised and issued)	Share Capital € million	Share premium € million	Total € million
As at 1 January 2006	240,692,002	120.3	1,675.7	1,796.0
Stock issued to employees exercising stock options	1,375,914	0.7	21.8	22.5
As at 31 December 2006	**242,067,916**	**121.0**	**1,697.5**	**1,818.5**
Bonus shares issued	121,033,958	60.6	(61.2)	(0.6)
Stock issued to employees exercising stock options	636,483	0.3	8.4	8.7
As at 31 December 2007	**363,738,357**	**181.9**	**1,644.7**	**1,826.6**

There is only one class of shares, of which the par value is €0.50. Each share provides the right to one vote at general meetings of Coca-Cola Hellenic and entitles the holder to dividends declared by Coca-Cola Hellenic.

On 20 December 2006, Coca-Cola Hellenic's Board of Directors resolved to increase the share capital of the Company by 1,375,914 ordinary shares, following the exercise of stock options by option holders pursuant to the Company's stock option plan. Proceeds from the issue of the shares were €22.5m.

On 15 October 2007, Coca-Cola Hellenic's sharholders aproved a share capital increase of €60.6m through the partial capitalisation of the 'share premium' account and the issuance of 121,033,958 new ordinary bearer shares. The new shares were delivered to Coca-Cola Hellenic's shareholders in a ratio of one (1) new share for every two (2) existing shares. Shareholders entitled to receive the new shares were those holding Coca-Cola Hellenic shares at the closing of trading on 13 November 2007.

Notes to the financial statements

23. Share capital and share premium (continued)

On 20 November 2007, Coca-Cola Hellenic's Board of Directors resolved to increase the share capital of the Company by 636,483 new ordinary shares, following the exercise of stock options by option holders pursuant to the Company's stock option plan. Proceeds from the issue of the shares were €8.7m.

24. Equity compensation plan

The Company operates a stock purchase plan, the Coca-Cola Hellenic Stock Purchase Plan, which is an equity compensation plan in which eligible employees may participate.

Under the terms of this plan, employees have the opportunity to invest 1% to 15% of their salary in ordinary Coca-Cola Hellenic shares by contributing to the plan monthly. Coca-Cola Hellenic will match up to a maximum of 5% of the employees' salary by way of contribution, in December, and matching shares purchased in December vest immediately.

The charge to the income statement totaled €1.4m for the year ended 31 December 2007 (2006: €0.8m).

25. Reserves

The reserves of the Company at 31 December are as follows:

	2007 € million	2006 € million
Tax-free reserve	**196.4**	194.2
Statutory reserve	**43.3**	37.1
Stock option reserve	**15.0**	9.2
Available-for-sale financial instruments valuation reserve	**7.3**	4.1
Total reserves	**262.0**	**244.6**

Tax-free reserve
The tax-free reserve includes investment tax incentive and other tax-free and partially taxed reserves of the Company. The tax-free reserve may be distributed if taxed, where applicable.

Statutory reserve
The statutory reserve is based on Greek law and cannot be distributed.

Stock option reserve
This reserve represents the cumulative charge to the profit and loss for employee stock option awards.

Available-for-sale financial instruments valuation reserve
The available-for-sale financial instruments valuation reserve reflects changes in the fair values of available-for-sale investments. On sale of these investments these changes in the fair values will be recycled to profit or loss.

Notes to the financial statements

26. Dividends

The directors propose a dividend of €0.25 per share (totalling €90.9m) for the year ended 31 December 2007. The proposed dividend will be submitted for formal approval at the Annual General Meeting to be held on 23 June 2008.

The statutory minimum dividend recognised for 2007 amounted to €42.2m and was recorded as liability under 'Trade and other liabilities' in the balance sheet. The remaining estimated dividend of €48.7m will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2008.

During 2007, a dividend of €0.32 (€0.21 adjusted for the bonus share issue) per share totalling €77.5m was paid. In 2006, a dividend of €0.30 per share (€0.20 adjusted for the bonus share issue) totalling €72.2m was paid.

27. Directors' and senior management remuneration

The total remuneration including the fair value of stock option grants (in accordance with IFRS 2) paid to or accrued for our directors and the senior management team during 2007 amounted to €11.4m (2006: €8.9m). Pension and post employment benefits for directors and for the senior management team during 2007 amounted to €1.0m (2006: €0.4m).

The total number of stock options granted to our managing director and the senior management team in 2007 amounted to 0.8m (2006: 0.5m).

28. Stock option compensation plans

Coca-Cola Hellenic operates a stock-based compensation plan, under which senior managers are granted awards of stock options, based on an employee's performance and level of responsibility. Options are granted at an exercise price of the average mid-price of the Company's shares at close of trading on the Athens Exchange over the last ten working days before the date of the grant. Options vest in one-third increments each year for three years and can be exercised for up to ten years from the date of award.

When the options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (at the nominal value) and share premium.

The following table summarises information on stock options outstanding exercised during 2007 and exercisable at 31 December 2007:

	Exercise price €[1]	Vesting status 2007	Vesting dates for further increments			End of option period	Number of stock options outstanding
2001 Stock Option Plan							
Sub Plan 1	15.55	fully vested	-	-	-	11.07.2008	244,077
Sub Plan 2	13.98	fully vested	-	-	-	29.09.2008	946
Sub Plan 3	11.37	fully vested	-	-	-	8.12.2009	231,185
Sub Plan 4	9.79	fully vested	-	-	-	12.12.2010	649,303
Sub Plan 6	9.69	fully vested	-	-	-	12.12.2011	251,340
2003 A Plan	8.63	fully vested	-	-	-	10.12.2012	16,500
2003-2004 Plan / 2003 Grant	11.17	fully vested	-	-	-	14.12.2013	130,250
2003-2004 Plan / 2004 Grant	12.42	fully vested	-	-	-	2.12.2014	431,989
2005-2009 Plan / 2005 Grant	15.53	two thirds	2.12.2008	-	-	1.12.2015	894,559
2005-2009 Plan / 2006A Grant	16.57	one third	21.3.2008	21.3.2009	-	20.3.2016	75,000
2005-2009 Plan / 2006B Grant	15.35	one third	23.6.2008	23.6.2009	-	22.6.2016	30,000
2005-2009 Plan / 2006 Grant	18.71	one third	13.12.2008	13.12.2009	-	12.12.2016	1,516,200
2005-2009 Plan / 2007 Grant	28.75	none	13.12.2008	13.12.2009	13.12.2010	12.12.2017	1,532,200
Total							**6,003,549**

[1] As adjusted after the bonus share issue (refer to Note 23).

Notes to the financial statements

28. Stock option compensation plans (continued)

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

	Number of stock options 2007	**Weighted average exercise price before issue of bonus shares 2007 (€)**	**Weighted average exercise price after issue of bonus shares 2007 (€)**	Number of stock options 2006	Weighted average exercise price 2006 (€)
Outstanding on 1 January	**3,444,018**	**21.89**	**-**	3,847,059	18.19
Bonus shares issued	**1,722,373**	**-**	**14.59**	-	-
Granted	**1,532,200**	**-**	**28.75**	1,090,800	27.77
Exercised	**(695,883)**	**-**	**13.30**	(1,375,914)	16.45
Forfeited	**841**	**-**	**12.68**	(117,927)	19.07
Outstanding on 31 December	**6,003,549**	**-**	**18.36**	**3,444,018**	**21.89**
Exercisable on 31 December	**2,993,282**	**-**	**13.35**	**1,619,745**	**17.27**

The charge to income statement for employee stock option awards for 2007 amounted to €3.6m (2006: €2.6m).

The Company adopted the employee stock option plan on 13 December 2001. Previously, the Company had issued stock appreciation rights to certain of its employees, including employees who previously held options in CCB. Upon adoption of the stock option plan, all such rights, except those held by retirees and employees located in countries where granting and exercising stock options was impractical or not permitted, were converted into stock options carrying over the same exercise prices, vesting periods and expiration dates.

During 2006 the Board approved an amendment to the rules of all Coca-Cola Hellenic Stock Option Compensation Plans. In accordance with the amendment in the event of an equity restructuring, the Company shall make an equitable adjustment to the terms of the stock options. The incremental fair value granted as a result of this modification is nil.

The inputs into the model are as follows:

	2007	**2006**
Weighted average fair value of options granted	**€8.1**	€6.3
Risk free interest rates	**4.8%**	4.3%
Expected volatility	**24.1%**	20.8%
Dividend yield	**0.7%**	1.0%
Expected life	**4.0 years**	4.1 years

Notes to the financial statements

29. Related party transactions

a) Transactions with direct and indirect subsidiaries
The Company owns directly and indirectly, shareholdings in the subsidiaries and joint ventures as shown in Notes 30 and 31 respectively.

The Company had the following transactions with subsidiary undertakings:

	2007 € million	2006 € million
Dividend income	**109.4**	116.0
Purchase of raw materials and finished goods	**10.6**	14.1
Purchase of fixed assets	**-**	0.1
Rent of office space expense	**0.2**	0.2
Interest expense	**19.7**	17.7
Other purchases	**1.6**	1.5
Sales of raw materials and finished goods	**14.6**	10.1
Management fee income	**11.7**	13.8
Rental income and other cost recharges	**2.4**	2.5

At 31 December 2007, the Company had the following balances with subsidiary undertakings:

	2007 € million	2006 € million
Payables to subsidiaries	**1.6**	2.5
Interest accrual on loan from subsidiaries	**0.7**	0.3
Receivables from subsidiaries	**2.3**	5.4
Total borrowings from subsidiaries	**322.1**	445.0

b) The Coca-Cola Company
As at 31 December 2007, TCCC indirectly owned 23.4% (2006: 23.4%) of the issued share capital of Coca-Cola Hellenic. TCCC considers Coca-Cola Hellenic to be a ‘key bottler’ and has entered into a standard International bottler’s agreement with Coca-Cola Hellenic. The terms of the bottler’s agreement grant Coca-Cola Hellenic the right to produce and the exclusive right to sell and distribute the beverages of TCCC in Greece. Consequently, Coca-Cola Hellenic is obliged to purchase all its requirements for concentrate for TCCC’s beverages from TCCC, or its designee, in the ordinary course of business. The agreement extends to 2013 and may be renewed at TCCC’s discretion until 2023. TCCC owns or has applied for the trademarks that identify its beverages in all of Greece. TCCC has authorised Coca-Cola Hellenic to use the trademark Coca-Cola in its corporate name.

Total purchases of concentrate, finished products and other materials from TCCC and its subsidiaries during the year amounted to €113.8m (2006: €99.7m).

TCCC makes discretionary marketing contributions to the Company. The participation in shared marketing agreements is at TCCC’s discretion and, where co-operative arrangements are entered into, marketing expenses are shared. Such arrangements include the development of marketing programmes to promote TCCC’s beverages. Total net contributions received from TCCC for marketing and promotional incentives during the year amounted to €7.5m (2006: €8.2m). Contributions for price support and marketing and promotional campaigns in respect of specific customers are recorded in net sales revenue as an offset to promotional incentives paid to customers. In 2007, such contributions totalled €13.9m (2006: €11.8m). In 2007, Coca-Cola Hellenic participated in the general marketing programmes of TCCC and contributed €6.4m (2006: €3.8m). TCCC has also customarily made additional payments for marketing and advertising direct to suppliers as part of the shared marketing arrangements. The proportion of direct and indirect payments, made at TCCC’s discretion, will not necessarily be the same from year to year.

Notes to the financial statements

29. Related party transactions (continued)

During 2006 the Company sold €0.1m of finished goods and raw materials to TCCC. In 2007 there were no such significant sales.

At 31 December 2007, the Company had a total of €3.0m (2006: €2.1m) due from TCCC, and a total amount due to TCCC of €9.5m (2006: €5.0m).

c) Frigoglass S.A. ('Frigoglass')
Frigoglass, a company listed on the Athens Stock Exchange, is a manufacturer of coolers, PET resin, glass bottles, crowns and plastics. Frigoglass is related to Coca-Cola Hellenic by way of 44% ownership by The Kar-Tess Group (see below).

Frigoglass has a controlling interest in Frigoglass Industries Limited, a company in which Coca-Cola Hellenic has a 16% effective interest, through its indirect investment in Nigerian Bottling Company plc.

Under the terms of a supply agreement entered into in 1999, and extended in 2004 on substantially similar terms, Coca-Cola Hellenic and its subsidiaries are obliged to obtain at least 60% (at prices which are negotiated on an annual basis and which must be competitive) of its annual requirements for coolers, glass bottles, PET resin, PET preforms, as well as plastic closures, crates, sleeves and labels from Frigoglass. The current agreement expires on 31 December 2008. Coca-Cola Hellenic has the status of most favoured customer of Frigoglass, on a non-exclusive basis.

During the year, the Company made purchases of €7.2m (2006: €11.6m) of coolers, raw materials and containers from Frigoglass and its subsidiaries. Maintenance and other expenses amounting to €3.1m were incurred in 2007. As at 31 December 2007, the Company owed €0.4m (2006: €1.5m) to Frigoglass.

d) Directors
Mr George A. David, Mr Haralambos K. Leventis, Mr Anastasios P. Leventis and Mr Anastassis G. David have been nominated by the Kar-Tess Group to the board of Coca-Cola Hellenic. Mr Irial Finan and Mr Alexander B. Cummings have been nominated by TCCC to the board of Coca-Cola Hellenic. There have been no transactions between Coca-Cola Hellenic and the directors except for remuneration (refer to Note 27).

e) Other

Beverage Partners Worldwide ('BPW')
BPW is a 50/50 joint venture between TCCC and Nestlé. During 2007, the Company purchased inventory from BPW amounting to €6.5m (2006: €3.2m). As at 31 December 2007 the Company owed €0.1m to BPW (2006: €0.1m).

The Kar-Tess Group
The Kar-Tess Group owned 29.6% (2006: 29.7%) of the issued share capital of Coca-Cola Hellenic.

Plias S.A. and its subsidiaries ('Plias')
Plias is related to Coca-Cola Hellenic by way of some common shareholdings. At 31 December 2007, the receivables from Plias S.A. were €0.5m (2006: nil). There were no payables to Plias at 31 December 2007 and 2006.

There are no material transactions with other related parties for the year ended 31 December 2007.

Notes to the financial statements

30. List of principal Group companies

The following are the principal Group companies of Coca-Cola Hellenic at 31 December:

	Country of registration	% ownership 2007	2006
3E (Cyprus) Ltd	Cyprus	**100.0%**	100.0%
AS Coca-Cola HBC Eesti	Estonia	**100.0%**	100.0%
Balkaninvest Holdings Ltd	Cyprus	**100.0%**	100.0%
Bankya Mineral Waters Bottling Company EOOD	Bulgaria	**100.0%**	100.0%
Brewinvest S.A.[1]	Greece	**50.0%**	50.0%
CC Beverages Holdings II B.V.	The Netherlands	**100.0%**	100.0%
CCB Management Services GmbH	Austria	**100.0%**	100.0%
CCB Services Ltd	England and Wales	**100.0%**	100.0%
CCBC Services Ltd	Republic of Ireland	**100.0%**	100.0%
CCHBC Insurance (Guernsey) Ltd.	The Channel Islands	**100.0%**	100.0%
Chisinau Beverage Services S.R.L.	Moldova	**100.0%**	100.0%
Clarina Bulgaria Ltd	Bulgaria	**100.0%**	100.0%
Clarina Holding S.àr.l	Luxembourg	**100.0%**	100.0%
Coca-Cola Beverages (Hungary) Kft.	Hungary	**100.0%**	100.0%
Coca-Cola Beverages AG	Switzerland	**99.9%**	99.9%
Coca-Cola Beverages Austria GmbH	Austria	**100.0%**	100.0%
Coca-Cola Beverages Belorussiya	Belarus	**100.0%**	100.0%
Coca-Cola Beverages Ceska republika, spol. s r.o.	Czech Republic	**100.0%**	100.0%
Coca-Cola Beverages Holdings Ltd	Republic of Ireland	**100.0%**	100.0%
Coca-Cola Beverages Hrvatska d.d.	Croatia	**99.9%**	99.9%
Coca-Cola Beverages Slovakia, s.r.o.	Slovakia	**100.0%**	100.0%
Coca-Cola Beverages Slovenia d.d.	Slovenia	**100.0%**	100.0%
Coca-Cola Beverages Ukraine Ltd	Ukraine	**100.0%**	100.0%
Coca-Cola Bottlers (Ulster) Ltd	Northern Ireland	**100.0%**	100.0%
Coca-Cola Bottlers Chisinau S.R.L.	Moldova	**100.0%**	100.0%
Coca-Cola Bottlers Iasi S.A.	Romania	**99.2%**	99.2%
Coca-Cola Bottling Company (Dublin) Ltd	Republic of Ireland	**100.0%**	100.0%
Coca-Cola HBC B-H d.o.o. Sarajevo	Bosnia and Herzegovina	**100.0%**	100.0%
Coca-Cola HBC Bulgaria AD	Bulgaria	**85.4%**	85.4%
Coca-Cola HBC Corna Gora d.o.o.	Republic of Montenegro	**89.1%**	89.1%
Coca-Cola HBC Finance B.V.	The Netherlands	**100.0%**	100.0%
Coca-Cola HBC Finance plc	England and Wales	**100.0%**	100.0%
Coca-Cola HBC Italia S.r.l.	Italy	**100.0%**	100.0%
Coca-Cola HBC Kosovo L.L.C.	Kosovo	**100.0%**	100.0%
Coca-Cola HBC Polska sp. z o.o.	Poland	**100.0%**	100.0%
Coca-Cola HBC Procurement GmbH	Austria	**100.0%**	-
Coca-Cola HBC Romania Ltd	Romania	**100.0%**	100.0%
Coca-Cola HBC Srbija A.D.	Republic of Serbia	**89.1%**	89.1%
Coca-Cola Hellenic Bottling Company Armenia	Armenia	**90.0%**	90.0%

[1] Joint venture

Notes to the financial statements

30. List of principal subsidiary undertakings (continued)

	Country of registration	% ownership 2007	2006
Coca-Cola Molino Beverages Ltd	Cyprus	**100.0%**	100.0%
Deepwaters Investments Ltd	Cyprus	**50.0%**	50.0%
Dorna Apemin S.A.	Romania	**46.4%**	49.9%
Dorna Investments Ltd	Guernsey	**50.0%**	50.0%
Dunlogan Ltd	Northern Ireland	**100.0%**	100.0%
Elxym S.A.	Greece	**100.0%**	100.0%
Fonti del Vulture S.r.l.[1]	Italy	**50.0%**	50.0%
Fresh & Co d.o.o.[1]	Republic of Serbia	**50.0%**	50.0%
Jayce Enterprises Ltd	Cyprus	**100.0%**	100.0%
John Daly and Company Ltd	Republic of Ireland	**100.0%**	100.0%
Killarney Mineral Water Manufacturing Company Ltd	Republic of Ireland	**100.0%**	100.0%
Lanitis Bros Ltd	Cyprus	**99.9%**	99.9%
Leman Beverages Holding S.à.r.l.	Luxembourg	**90.0%**	90.0%
LLC Coca-Cola HBC Eurasia	Russia	**100.0%**	100.0%
Molino Beverages Holding S.à.r.l	Luxembourg	**100.0%**	100.0%
MTV West Kishinev Bottling Company S.A.	Moldova	**100.0%**	100.0%
Multon Z.A.O. Group[1]	Russia	**50.0%**	50.0%
Nigerian Bottling Company plc	Nigeria	**66.4%**	66.4%
Panpak Ltd	Republic of Ireland	**100.0%**	100.0%
Römerquelle GmbH	Austria	**100.0%**	100.0%
S.C. Cristalina S.A.	Romania	**49.9%**	49.9%
SIA Coca-Cola HBC Latvia	Latvia	**100.0%**	100.0%
Softbev Investments Ltd	Cyprus	**100.0%**	100.0%
Softbul Investments Ltd	Cyprus	**100.0%**	100.0%
Softinvest Holdings Ltd	Cyprus	**100.0%**	100.0%
Strandorg-2007 Kereskedelmi Kft.[2]	Hungary	**100.0%**	100.0%
Star Bottling Ltd	Cyprus	**100.0%**	100.0%
Star Bottling Services Corp.	British Virgin Islands	**100.0%**	100.0%
Tsakiris S.A.	Greece	**100.0%**	100.0%
UAB Coca-Cola HBC Lietuva	Lithuania	**100.0%**	100.0%
Valser Mineralquellen AG	Switzerland	**99.9%**	99.9%
Vendit Ltd	Republic of Ireland	**100.0%**	100.0%
Vlasinka d.o.o.	Republic of Serbia	**50.0%**	50.0%
Yoppi Kft.	Hungary	**100.0%**	100.0%
Acquisition of Group companies in 2007			
OOO Aqua Vision	Russia	**100.0%**	-
Eurmatik S.r.l.	Italy	**100.0%**	-

[1] Joint venture
[2] During 2007 Coca-Cola Magyarország Italok Kft. was renamed to Standorg-2007 Kereskedelmi Kft.

Notes to the financial statements

31. Joint ventures

The Company has a 50% interest in three joint ventures, a direct interest in Brewinvest S.A. a group of companies engaged in the bottling and distribution of beer in Bulgaria and beer and soft drinks in FYROM, and an indirect interest in Multon group of companies engaged in the production and distribution of juices in Russia and in Fresh & Co d.o.o. a group of companies engaged in the production and distribution of juices in Serbia.

In addition, the Company has a 50% indirect interest in three joint ventures that are engaged in the bottling and distribution of water: Fonti del Vulture in Italy, Multivita Sp. z o.o. in Poland and Valser Springs GmbH in Switzerland.

Coca-Cola Hellenic S.A.

Condensed results and notes for the year ended 31st of December 2007
(in terms of article 135 of Law 2190, for companies publishing annual financial statements in accordance with IFRS)

The figures illustrated below provide summary information about the financial position of "Coca-Cola Hellenic S.A." and its subsidiaries. We advise the reader who seeks a complete picture of the financial position of Coca-Cola Hellenic and the Group to visit the Company's web site, where the full-year financial statements according to International Financial Reporting Standards, together with the auditor's report, are presented.

Company's Information

Head Office and Registered Address:	Fragokklisias 9, Marousi		
Company's Number in the Register of Societes Anonymes:	13630/06/B/86/49		
Supervising Authority:	Minister of Finance		
Board of Directors:	***Name***	***Surname***	***Governing***
	GEORGE A.	DAVID	CHAIRMAN
	DOROS	KONSTANTINOY	MANAGING DIRECTOR
	ANASTASIOS P.	LEVENTIS	VICE-CHAIRMAN
	ANASTASSIS G.	DAVID	NON-EXECUTIVE DIRECTOR
	KENT	ATKINSON	NON-EXECUTIVE DIRECTOR
	ALEXANDER B.	CUMMINGS	NON-EXECUTIVE DIRECTOR
	SIR MICHAEL	LLEWELLYN -SMITH	NON-EXECUTIVE DIRECTOR
	CHARALAMPOS K.	LEVENTIS	NON-EXECUTIVE DIRECTOR
	IRIAL	FINAN	NON-EXECUTIVE DIRECTOR
	SAMIR	TOUBASSY	NON-EXECUTIVE DIRECTOR
	ANTONIO	D'AMATO	NON-EXECUTIVE DIRECTOR
	NIGEL	MACDONALD	NON-EXECUTIVE DIRECTOR

Date of approval of the Financial Statements :	28 March 2008
Name of the auditor:	Vasilios Goutis
Audit Firm:	PriceWaterhouseCoopers
Audit Opinion:	Without qualification
Company's web address:	www.coca-colahellenic.com.

CONDENSED BALANCE SHEET
Amounts in € mil.

	Group		Company	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
ASSETS				
Total non current-assets	4,882.5	4,434.2	2,545.5	2,542.9
Inventories	509.2	419.3	47.2	37.1
Trade receivables	696.2	674.2	96.0	109.5
Other current assets	546.4	555.6	16.1	34.0
TOTAL ASSETS	**6,634.3**	**6,083.3**	**2,704.8**	**2,723.5**
LIABILITIES AND EQUITY				
Long-term liabilities	1,999.5	1,934.2	342.9	471.2
Short-term borrowings	316.3	306.9	9.4	0.2
Other current liabilities	1,266.2	1,118.1	172.7	97.8
Total liabilities (a)	3,582.0	3,359.2	525.0	569.2
Shareholders' equity	181.9	121.0	181.9	121.0
Other shareholders' equity items	2,774.9	2,509.3	1,997.9	2,033.3
Total shareholders' equity (b)	2,956.8	2,630.3	2,179.8	2,154.3
Minority interests (c)	95.5	93.8	-	-
Total equity (d) = (b)+(c)	3,052.3	2,724.1	2,179.8	2,154.3
TOTAL LIABILITIES AND EQUITY (a) +(d)	**6,634.3**	**6,083.3**	**2,704.8**	**2,723.5**

CONDENSED CASH FLOW STATEMENT
Amounts in € mil.

	Group		Company	
	1/1-31/12/2007	**1/1-31/12/2006**	**1/1-31/12/2007**	**1/1-31/12/2006**
Operating activities:				
Operating profit	702.6	507.1	84.5	40.7
Depreciation of property, plant and equipment	354.0	329.1	35.3	33.1
Stock option expense	5.8	4.0	3.6	2.6
Amortisation of intangible assets	3.4	2.4	-	-
Adjustments to intangible assets	0.8	7.8	-	-
Impairment of property, plant and equipment	-	24.5	-	5.0
	1,066.6	874.9	123.4	81.4
(Gains) / losses on disposal of non-current assets	-3.9	-11.1	-4.4	3.8
Increase in inventories	-90.1	-32.7	-10.1	-0.3
(Increase) / decrease in trade and other receivables	-103.9	-66.9	13.5	-9.0
Increase in trade payables and other liabilities	91.7	111.2	33.9	25.7
Tax paid	-100.6	-102.3	-18.3	-36.4
Cash flow generated from operating activities	859.8	773.1	138.0	65.2
Investing activities:				
Payment for purchase of property, plant and equipment	-546.8	-516.6	-33.4	-42.3
Payment for purchase of intangible assets	-5.8	-2.7	-	-
Receipts from disposal of property, plant and equipment	27.3	37.8	6.1	0.9
Net (payments for) / receipts from investments	-3.5	9.3	0.2	6.2
Net payments for acquisitions	-191.6	-78.1	-	-
Net cash used in investing activities	-720.4	-550.3	-27.1	-35.2
Financing activities:				
Payment of expenses related to bonus shares issue	-0.6	-	-0.6	-
Proceeds from issue of shares to employees	8.7	22.5	8.7	22.5
Dividends paid to shareholders of the Group	-77.5	-72.2	-77.5	-72.2
Dividends paid to minority interests	-11.9	-5.9	-	-
Dividends received	-	-	84.3	86.9
Proceeds from external borrowings	199.8	718.0	-	-
Repayments of external borrowings	-233.7	-673.4	-122.9	-53.4
Principal repayments of finance lease obligations	-42.2	-20.4	-0.2	-0.2
Interest received	11.2	11.8	-	-
Interest paid	-99.2	-79.8	-19.4	-17.7
Net cash used in financing activities	-245.4	-99.4	-127.6	-34.1
(Decrease) / increase in cash and cash equivalents	-106.0	123.4	-16.7	-4.1
Cash and cash equivalents at 1 January	305.5	182.4	17.1	21.2
Effect of changes in exchange rates	-2.5	-0.3	-	-
Cash and cash equivalents at 31 December	197.0	305.5	0.4	17.1

Additional notes and information:

1. In the consolidated financial statements the consolidated or non-consolidated financial statements, as the case may be, of the following companies are included:

Company:	Registered office:	%	Consolidation method:
COCA-COLA HELLENIC	Maroussi	Parent co.	Full
ELXYM S.A.	Maroussi	100%	Full
TSAKIRIS S.A	Atalandi	100%	Full
DUNLOGAN LTD	Lisburrn, N. Ireland	100%	Full
CLARINA HOLDINGS S.ar.l	Luxemburg	100%	Full
SOFTINVEST HOLDINGS LTD	Nicosia, Cyprus	100%	Full
SOFTBEN INVESTMENTS LTD	Nicosia, Cyprus	100%	Full
BALKANINVEST HOLDINGS LTD	Nicosia, Cyprus	100%	Full
3E (Cyprus) LTD	Nicosia, Cyprus	100%	Full
SOFTBUL INVESTMENTS LTD	Nicosia, Cyprus	100%	Full
BREWINVEST S.A.	Maroussi	50%	Proportional

2. The accounting policies used in the preparation of the financial statements of 2007 are consistent with those used in the annual financial statements for the year ended 31 December 2006.
3. There are no pledges and mortgages on the property, plant and equipment of the Company and the Group.
4. The Greek Competition Authority issued a decision on 25 January 2002, imposing a fine on the Group of approximately €2.9 million for certain discount and rebate practices and required changes to its commercial practices with respect to placing coolers in certain locations and lending them free of charge. On 16 June 2004, the fine was reduced on appeal to €1.8 million. On 29 June 2005, the Greek Competition Authority requested that the Group provide information on its commercial practices as a result of a complaint by certain third parties regarding the Group's level of compliance with the decision of 25 January 2002. On 7 October 2005, the Group was served with notice to appear before the Greek Competition Authority. On 14 June 2006, the Greek Competition Authority issued a decision imposing a daily penalty of €5,869 for each day the Group failed to comply with the decision of 25 January 2002. The Greek Competition Authority imposed this penalty for the period from 1 February 2002 to 16 February 2006, resulting in a total of €8.7 million. On 31 August 2006, the Company deposited an amount of €8.9 million, reflecting the amount of the fine and applicable tax, with the Greek authorities. This deposit was a prerequisite to filing an appeal pursuant to Greek law. As a result of this deposit, the Company increased the charge to its 2006 financial statements in connection with this case to €8.9 million. The Company also incurred consulting fees and additional expenses of €0.4 million in connection to this case. On 23 November 2007, the Court of Appeals partly reversed and partly upheld the decision of the Greek Competition Authority reducing the amount of the fine to €5.9 million. The reduction of the fine of €2.8 million has been recognised in our 2007 income statement. The Group has appealed the decision of the Court of Appeals, to the extent it partly upholds the fine, to the Supreme Administrative Court. The Group believes that it has substantial legal grounds for its appeal against the judgment of the Court of Appeals. The Greek Competition Authority and one of the Group's competitors have also appealed the decision of the Court of Appeals to the extent it reduces the fine. In relation to the Greek Competition Authority's decision of 25 January 2002, one of our competitors has filed a lawsuit claiming damages in an amount of €7.7 million. At present, it is not possible to predict the outcome of this lawsuit or quantify the likelihood or materiality of any potential liability arising from it. The Company has not provided for any losses related to this case.

CONDENSED INCOME STATEMENT
Amounts in € mil.

	Group		Company	
	1/1-31/12/2007	**1/1-31/12/2006**	**1/1-31/12/2007**	**1/1-31/12/2006**
Net sales revenue	6,461.9	5,616.3	686.6	625.4
Gross profit	2,654.6	2,253.1	314.2	279.4
Profit before taxation, financial, investing results, depreciation and amortisation	1,066.6	874.9	123.4	81.4
Profit before taxation, financial and investing results	702.6	507.1	84.5	40.7
Profit before tax	615.2	431.1	174.4	138.7
Tax	-128.4	-89.9	-46.3	-47.6
Profit after taxation from continues operation	**486.8**	**341.2**	**128.1**	**91.1**
Attributable to:				
Shareholders	472.3	333.7	128.1	91.1
Minority interests	14.5	7.5		
Basic and diluted earnings per share (Euro)	1.30	0.92		
Proposed dividend per share (Euro)	0.25	0.21		

CONDENSED STATEMENT OF MOVEMENTS IN EQUITY
Amounts in € mil.

	Group		Company	
	1/1-31/12/2007	**1/1-31/12/2006**	**1/1-31/12/2007**	**1/1-31/12/2006**
Opening balance	2,724.1	2,447.9	2,154.3	2,102.2
Profit for the period	486.8	341.2	128.1	91.1
Dividends	-89.9	-78.4	-77.5	-72.2
Comprehensive income	-40.2	-13.2	3.2	2.0
Movement in treasury shares	-0.2	-0.2	-	-
Other movements	-28.3	26.8	-28.3	31.2
Closing balance	3,052.3	2,724.1	2,179.8	2,154.3

5. The Parent Company has been audited for tax purposes by the tax authorities up to and including the fiscal year 2002.
6. The number of employees for the current period for the Group and the Company were respectively 45,500 and 2,478.
7. Disclosures of related parties:

	Amounts in € mil.	
	Group	**Company**
a) Sales of goods and services to related parties	127.1	145.5
b) Purchases of goods and services from related parties	1,522.3	162.7
c) Receivables form related parties	96.4	5.8
d) Payables to related parties	146.2	334.4
e) Managing directors remunerations	15.1	12.4

8. During the period we completed the acquisitions of the following companies:
   a) On 31 May 2007, the Group acquired 100% of Eurmatik S.r.l., ('Eurmatik') a local full-line vending operator in Italy. Eurmatik has a long tradition in the Italian vending industry and is currently operating in all segments of the vending business such as hot and cold beverages, water and snacks. The total consideration for the transaction was €17.0 million (excluding acquisition costs) with no debt assumed. The acquisition of Eurmatik is not expected to affect materially Group profitability in the near term. The acquisition has resulted in the Group recording €13.5 million of goodwill and €2.9 million of other intangible assets.

   b) On 4 September 2007, the Group acquired 100% of OOO Aqua Vision ('Aquavision'), a company owning a newly constructed production facility in Russia. The plant, located in close proximity to Moscow, covers a total area of 35 hectares with four production lines (including two aseptic lines), warehousing facilities and office space. The new site provides the Company with immediate incremental installed production capacity, as well as available space for the future installation of additional lines. The plant is capable of producing a full range of non-alcoholic beverages including carbonated soft drinks, fruit drinks and juices, bottled water, ready-to-drink tea and sports drinks. Aquavision has recently launched juice products under the 'botaniQ' trademark which is also included in the transaction. The total consideration for the acquisition was €177.4 million (excluding acquisition costs) with the assumption of debt of an additional €23.5 million. The acquisition has resulted in Group recording of €31.1 million of goodwill, and other intangible assets of €10.7 million. The fair values of acquired assets and liabilities assumed are preliminary and pending finalisation.

For more information, please refer to the Company's 2007 Annual Report at our web site www.coca-colahellenic.com.

The President of B.O.D.	The Managing Director	Head of Financial Reporting	IFRS Reporting Manager
George A. David	**Doros G. Konstantinou**	**Richard Brasher**	**Evangelos Kontogiorgis**
Passport C 034870/95	ID R 519139	Passport 206333547	ID X 565769

Board of Directors' Report
Of the 'Coca-Cola Hellenic Bottling Company S.A. ' ('Coca-Cola Hellenic') for the Financial Statements (consolidated and of the parent entity) as of 31 December 2007

Dear Shareholders,

In accordance with articles 107 paragraph 3 and 43^{α} paragraph 3, as amended by article 35 of the Presidential Decree 409/86 of the commercial law 2190/1920, we submit to the General Shareholders Assembly the accompanying financial statements (consolidated and of the parent entity) for the year ended 31 December 2007, together with our comments, for approval.

Financial review

The consolidated net profit for the year increased by 42.0% compared to 2006, and amounted to €472.3m with margin expansion despite higher investment in route-to-market initiatives and continued raw material cost pressures. The equivalent net profit of the parent company increased by 40.6%, compared to 2006, and amounted to €128.1m.

Capital expenditure in 2007 amounted to €552.6m for the Group (€33.4m for the parent company) and relates mainly to improvements in plant, production and sales equipment.

Investment in associates for the Group increased by €7.9m and amounted to €20.4m. Analysis of these investments is disclosed in Note 11, of the accompanying consolidated financial statements while the investments in subsidiaries and joint-ventures of the parent company are disclosed in Note 10 of the accompanying financial statements of the parent company.

The total equity of the Group amounted to €3,052.3m and increased by 12.0% in relation to prior year (€2,179.8m and an increase of 1.2% for the parent entity). This is due to the good results for the year 2007 as well as the inflow of €8.7m from the capital increase of the parent entity following the issuance of 636,483 new shares, as a result of the stock options that were exercised that was completed on 20 November 2007. In addition, on 15 October 2007, the shareholders approved a share capital increase of €60.6 million through the partial capitalisation of the 'share premium' account and the issuance of 121,033,958 new ordinary bearer shares. The new shares were delivered to Coca-Cola Hellenic's shareholders in a ratio of one (1) new share for every two (2) existing shares. The share capital of the parent entity following the above increases is consisting of 363,738,357 shares, with a nominal value of €0.50 each.

The total borrowings of the Group as at 31 December 2007 amounted to €1,898.7m compared to €1,904.7m in the prior year. The total borrowings of the parent entity as at 31 December 2007 amounted to €322.1m compared to €445.2m in the prior year.

The Directors propose a dividend to the shareholders in the Annual Shareholders Meeting of €0.25 per share (totaling €90.9m) for the year ended 31 December 2007.

The parent company has been audited by the tax authorities up to and including the fiscal year 2002.

In the following table the key performance indicators are presented for fiscal years 2007 and 2006:

	Group			Parent entity		
Key performance indicators	**Full year ended 2007**	Full year ended 2006	% change	**Full year ended 2007**	Full year ended 2006	% change
Volume (million unit cases)	**2,018.8**	1,788.0	13%	**158.7**	148.2	7%
Net sales revenue (€ million)	**6,461.9**	5,616.3	15%	**686.6**	625.4	10%
Operating profit (EBIT in € million)	**702.6**	507.1	39%	**84.5**	40.7	108%
Net profit attributable to shareholders (€ million)	**472.3**	333.7	42%	**128.1**	91.1	41%
EPS (€)	**1.30**	0.92	41%	**0.35**	0.25	40%
ROIC	**12.2%**	10.4%	180 basis points	-	-	-

2008 Full Year Outlook

Following the finalisation of our three-year business planning cycle, we expect our 2008 operating performance to be supported by effective revenue growth management, continued innovation and increased productivity across our supply chain. The strength of Hellenic's proven strategy continues to offer a solid platform for long term growth. We operate a balanced portfolio of countries with continued attractive growth prospects across our developing and emerging segments. In addition, we offer our consumers a diverse and expanding product range, which combined with our best-in-class market execution capabilities, we expect to support continued growth across our entire beverage range.

As always we are constantly monitoring the trading environment across our markets, particularly against the backdrop of uncertain global economic conditions and persisting commodity cost pressures. While this gives us reason to remain watchful, and despite cycling strong volume growth of 13% from 2007, we believe the strength of Hellenic's unique business model will enable us to deliver another year of strong progress in 2008 in line with our long-term growth model, as follows:

- Volume growth of approximately 7%,
- EBIT growth of approximately 11%-13%,
- EPS of approximately €1.46-€1.49, an increase of 12%-15%,

In addition, our recurring capital spending initiatives will be geared towards growing our beverage categories and expanding our cooler base to drive volume and value in 2008, with net capital expenditure of approximately €550 million. In addition, we are planning to invest a further €130 million over the next three years in an SAP platform across our markets that is expected to support

further development of our front-end sales capabilities and enhance our customer service levels. We remain focused on driving higher returns on our investments. Even after significant ROIC expansion of 180 basis points to 12.2% in 2007, we are expecting a further increase of approximately 75 basis points in 2008.

Financial risks

Full analysis of the financial risk that the Group and the Company are exposed to (foreign currency transaction exposure, fair values of financial assets and liabilities changes, interest rate risk, credit risk, liquidity risk and commodities price risk) is included in the Notes 1 and 20 of the consolidated financial statements.

The branches of the parent entity are analyzsed at 31 December 2007 as follows:

The branches of the parent company are analyzed as follows:

Group head offices	9, Fragoklissias – Maroussi
Greek operation central offices	60, Kifissias – Maroussi
Athens branch	15th klm N.R. Athens – Lamia 14510
Thessaloniki branch	17th klm N.R. Thessaloniki – Poligiros 57001
Patra branch	7th klm N.R. Patra – Korinth 26000
Schimatari branch	VI.PE. Sximatari, Viotia
Egio branch	29, Temenis, Egio 25100
Volos branch	VI.PE. Aisonia, Volos
Iraklion branch B	11th Manufacturing block, Iraklion, Crete
Mallia branch	Chamoprina , Mallia
Kavala branch	12th klm. Kavala – Drama
Larisa branch	5th klm. Larisa – Sikouri
Edessa branch	10th klm. Edessa – Thessaloniki
Renti branch	Thivon 210 St. I. Renti
Koropi branch	VI.PE. Koropio

No significant post-balance sheet events took place from the end of fiscal year 2007 to date.

Information regarding the issues under article 11a paragraph 1 of the Law 3371/2005.

a. Company's share capital structure

The share capital of the Company amounts to €181.869.178 and is divided into 363,738,357 common ordinary shares with a voting right and a par value of €0.50 each. Coca-Cola Hellenic's shares are listed on the Athens Stock Exchange, with secondary listings on the London and Australian Stock Exchanges and Coca-Cola Hellenic's American Depositary Receipts (ADRs) listed on the New York Stock Exchange. The rights of the Company's shareholders with respect to their shares are proportional to the share capital to which the paid-in share value corresponds. Each share provides the right to one vote at general meetings of Coca-Cola Hellenic and entitles the holder to dividends declared by Coca-Cola Hellenic.

b. Restrictions on the assignment of the Company's shares
The Company's shares may be assigned as stipulated by Law and there are no further restrictions on their assignment set out in the Articles of Association.

c. Major direct and indirect shareholders in the meaning of PD 51/1992
Shareholders that hold, directly or indirectly, more than 5% of the total shares of the Company are BOVAL S.A. which holds, directly or indirectly 29.6%, The Coca-Cola Company which holds indirectly 23.4% and Olayan Group which holds 5.0%

d. Shares with special control rights
There are no shares of the Company that deliver special control rights to their holders.

e. Restrictions on voting rights
The Company's Articles of Association do not include any restrictions on the share's voting rights.

f. Agreements among shareholders of the Company
Boval S.A. and an affiliate through which it holds shares in our company (collectively, The Kar-Tess Group") and certain affiliates of The Coca-Cola Company through which The Coca-Cola Company holds shares in our Company (collectively "The Coca-Cola Company Entities") have entered into a shareholders' agreement. The shareholders' agreement, which neither party may terminate prior to August 2008, restricts the sale of our ordinary shares owned by The Kar-Tess Group and The Coca-Cola Company Entities with a view toward maintaining their combined shareholdings above 50%.

Except for the above agreement, the Company is not aware of any agreements among its shareholders, which would result in restrictions on the assignment of its shares or exercise of the share's voting rights.

g. Regulations on the appointment and replacement of Board of Directors members and amendments to the Articles of Association
The regulations stipulated in the Company's Articles of Association regarding the appointment and replacement of Board of Directors members and amendments thereto, conform with the provisions of Commercial Law 2190/1920.

h. Authority of the Board of Directors to issue new shares or acquire treasury shares
The authority of the Board of Directors to issue new shares or acquire treasury shares are conforms with the provisions of Commercial Law 2190/1920.

i. Major agreement put in force, amended or terminated in the event of change in the control following a public offer
There are no agreements which would enter into force or be amended or terminated in the event of a change in the control of the Company following a public offer. It is noted that in the event of a change of control The Coca-Cola Company's consent is required with respect to our bottlers' agreements with it.

j. Agreements with Board of Directors members or staff of the Company
There are no agreements between the Company and its Board of Directors' members or its staff providing for the payment of any compensation specifically in the event of resignation or dismissal without cause, or termination of their mandate or employment as a result of a public offer.

We believe our proven ability to execute on our strategy, our balanced geographic presence and the commitment and passion of our people will allow us to deliver another year of solid performance in 2008, in spite of continued input cost pressures.

Dear Shareholders,

Taking into account the above comments, the accompanying financial statements as well as the audit report of the Certified Auditor Accountant, you may proceed in discharging us from any responsibility that relates to the financial statements of 2007, according to the commercial law as well as the statute of the company.

Maroussi, 27 March 2008
By order of the Board of Directors

Doros G. Konstantinou
Managing Director

This report, which consists of five (5) pages, is the report that we refer to in our audit report of 28 March 2008

Athens, 28 March 2008

Vasilios Ch. Goutis
Certified Auditor Accountant
SOEL reg. no. 10411