COCA-COLA HBC FINANCE B.V.

AMSTERDAM, THE NETHERLANDS

ANNUAL REPORT 2013

Coca-Cola HBC Finance B.V. – Annual Report 2013

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DIRECTORS' REPORT

In accordance with the Articles of Association of Coca-Cola HBC Finance B.V. (the "Company"), the Board of Directors herewith submits the annual report for the year ended December 31, 2013.

General
Coca-Cola HBC Finance B.V., a private company with limited liability, has been incorporated in the Netherlands on 13 April 2001, as a 100% owned subsidiary of CC Beverages Holdings II B.V. with its statutory seat in Amsterdam and it functions under the Laws of the Netherlands. The Company is included in a fiscal unity with CC Beverages Holdings II B.V. for income tax purposes.

The Company acts as a finance vehicle for Coca-Cola HBC and its subsidiaries (the 'Group' or the 'Coca-Cola HBC Group'). Funding of these activities is achieved mainly through the debt capital markets. Since 25 April 2013, the new parent company for the Group is Coca-Cola HBC A.G. based in Zug, Switzerland (the "Parent").

Financial Review
The interest income for the financial year is €105.8 million (2012: €102.8 million). The profit for the financial year is €7.7 million (profit for 2012: €12.0 million). Current year's profit decrease is mainly due to a €11.1 million lower finance income and a €4.2 million higher foreign exchange profit. The lower interest margin is caused by the additional external financing cost related to two debt capital market transactions, detailed in the next two paragraphs, and to additional internal interest expense. The additional internal interest expenses as well as the foreign exchange profit are coming from the increased balance of borrowing in Russian roubles from the Russian subsidiary with a floating interest rate (around 7%) and a mainly unrealised exchange profit of €6.5 million.

In June 2013 a new EMTN program of €3.0 billion has been established in order to reflect the change in the Group's parent company, who has been added as a guarantor of the EMTN program. Under the new program the Company issued a €800 million 2.375% bond loan on 18 June 2013, which will expire on 18 June 2020. The issue price was at 99.466%, which lead to a discount of €4.3 million. This discount, the bank fees and other issuance costs of €3.9 million will be amortised over the duration of the bond. Coca-Cola HBC A.G. is the main guarantor for the EMTN program. In this respect, the Parent invoiced a guarantee fee of €1.8 million for 2013, which will be fully invoiced to the lending Group companies in 2014 through an increase of the interest rate on the outstanding loans. Both the cost and the revenues related to the guarantee fee has been taken into account in the result of 2013.

Another important change in the external borrowings of the Company was the result of the tender offer on the €500 million 7.875% bond, which matured on 14 January 2014. The Company paid an amount of €8.0 million premium, which is included in the result of 2013. Related to this early redemption of €182.9 million, the result of 2013 also includes additional amortisation of prepaid interest and bank fees amounting to €0.2 million as well as additional amortisation of past hedge profit amounting to €1.3 million.

The $500.0 million bond has been redeemed at its contractual expiration date of 17 September 2013 together with the cross-currency and interest rate swaps. The redeemed amount was €446.7 million as the swapped historical rate was almost 1.12 USD for 1 EUR.

The Coca-Cola HBC Group's goal is to maintain a conservative financial profile. This is evidenced by the Investment Grade credit ratings maintained with both Standard & Poor's and Moody's. The establishment of a new parent company for the Group in Switzerland improved the Company's access to the international debt capital markets and increased its flexibility in raising new funds. On 10 May 2013, Standard & Poor's removed the negative Credit Watch. The outlook remains negative for both rating agencies.

The establishment of commodity hedging of raw materials used in the bottling process of the Group companies was implemented in the second half year of 2013.

Outlook

The Company operates as an intragroup financing and currency risk hedging entity and only operates for this purpose. Hence, there is no planned capital expenditure for the Company or any issue regarding personnel or events, which may affect revenue and profitability.

The Company has a sufficient liquidity management framework in place, which ensures that there are sufficient funds available to cover its short and long-term commitments.

Principal risks and uncertainties

In the course of its business, the Company is exposed to several financial risks. These include amongst others, foreign currency risk, interest rate risk, credit risk and liquidity risk. The management of the main risks are included in the Treasury Policy; this document describes objectives, responsibilities and management of the treasury risks. The policy is updated on a regular basis.

Foreign currency risk

The Company is exposed to the effect of foreign currency risk on cash balances and on funding provided to Coca-Cola HBC Group companies. The foreign currency risk of the US dollar bond loan and interest payments has been hedged to Euro by means of cross currency swap contracts. Forward exchange contracts are used to hedge a portion of the Company's foreign currency risk. These contracts normally mature within one year. Hedging beyond a 12-month period may occur, subject to certain maximum coverage levels. As a matter of policy, the Company does not enter into speculative derivative financial instruments. The policy is to negotiate the terms of the hedge derivatives to match the terms of the hedged item in order to maximize hedging effectiveness.

Interest rate risk

The long-term borrowings, including the swap contracts, from the capital market have a fixed interest rate. The short-term borrowings from external parties as well as most of the borrowings from Group companies are primarily floating rate instruments. Almost all the lending to Group companies have a floating interest rate based on the average borrowing cost of the Company, which is reset on a quarterly basis.
Interest rate option contracts may also be utilized by the Company to reduce the impact of adverse change in interest rates on our floating rate debt.

Credit risk

The Company has limited concentrations of credit risk across financial institutions. The Company has policies in place that limit the amount of credit exposure to any single financial institution. The investment policy objective is to minimize counterparty risks whilst ensuring an acceptable return on the excess cash position. Counterparty limits are approved by the Board of Directors of the Company to ensure that risks are controlled effectively and that transactions are undertaken with approved counterparties.
Coca-Cola HBC A.G., Coca-Cola HBC Holdings B.V. and 3E (Cyprus) Limited are the main guarantors for the committed external financial liabilities of the Company. Furthermore, the Company keeps a cash collateral as a pledge for the net open positions of interest rate and cross currency swap derivative financial instruments.

Liquidity risk

The Company actively manages liquidity risk to ensure there are sufficient funds available for any short term and long-term commitment. The commercial paper program and the unused revolving credit facility are used to manage this risk. Cash and cash equivalents for the year ending 31 December 2013 amount to €649.4 million (2012: €359.4 million). This increased cash balance was mainly the result of the combination of an increase in both external borrowings by €155.6 million and internal borrowings by €140.0 million.

Management is comfortable with how risks are addressed within the Company.

The Corporate Audit Department monitors the internal financial control system across all Coca-Cola HBC Group companies, including Coca-Cola HBC Finance B.V. and reports the findings to management and the Audit Committee of Coca-Cola HBC A.G. The audit plan and audit scope for the Company is focused on the areas of greatest risks, using a risk based approach audit plan.

Coca-Cola HBC Group has adopted a strategic Enterprise Wide Risk Management (EWRM) approach to risk management, providing a fully integrated common risk management framework across the Coca-Cola HBC Group, including Coca-Cola HBC Finance B.V. The primary aim of this framework is to minimize the organisation's exposure to unforeseen events and to provide certainty to the management of identified risks in order to create stable environment within which the Company can deliver its operational and strategic objectives for the Group. These objectives are achieved by:

- Monthly management reporting
- Regular reviews by the Board of Directors of Coca-Cola HBC Finance B.V

Dividends
The directors do not recommend the distribution of dividends.

Managing Directors
During the year under review, the Company had four Managing Directors, who received no remuneration during the current or previous financial year. On August 12, 2013 Hana Balcarová resigned as Managing Director and Gerard Meijssen has been appointed as Managing Director. The Company has no Supervisory Directors. On January 1, 2014 Bart Jansen, Jan Gustavsson and Gerard Meijssen resigned as Managing Directors and Garyfallia Spyriouni, Michael Imellos and Wim Langeveld have been appointed as Managing Directors.

The size and composition of the Board of Directors and the combined experience and expertise should reflect the best fit for the profile and strategy of the Company. Since 2012 the Board has, with the exception of a few months in 2013, one female Director. The Company is aware that the gender diversity is still below the goals as set out in article 2:276 section 2 of the Dutch Civil Code and the Company will pay close attention to gender diversity in the process of recruiting and appointing new Managing Directors.

Directors' statement
The 2013 annual report of Coca-Cola HBC Finance B.V. has been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and in our opinion gives a true and fair view of the Company's financial position at 31 December 2013 and of the results of the Company's operations and cash flows for the financial year 2013.

Amsterdam, 30 April 2014

Directors

Garyfallia Spyriouni **Michael Imellos** **Wim Langeveld** **Sjors van der Meer**

INCOME STATEMENT
YEAR ENDED 31 DECEMBER

	Notes	2013 €'000	2012 €'000
Interest income on financing to the Group	5,24	**104,804**	101,318
External interest income	5	**1,045**	1,485
Total interest income		**105,849**	**102,803**
External interest expense	5	**(75,600)**	(79,989)
Interest expense on financing from the Group	5,24	**(12,576)**	(3,509)
Total interest expense		**(88,176)**	**(83,498)**
Net interest income		**17,673**	**19,305**
Other finance cost	5	**(11,182)**	(1,717)
Net finance income		**6,491**	**17,588**
Net foreign exchange translation gains and losses	6	**4,692**	445
Other expenses	7	**(930)**	(663)
Other non-operating loss	9	**-**	(1,508)
Profit before tax		**10,253**	**15,862**
Tax	10	**(2,599)**	(3,836)
Net profit		**7,654**	**12,026**

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER

		2013 €'000	2012 €'000
Profit after tax		**7,654**	12,026
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
Losses during the year		**(3,978)**	(8,198)
Losses reclassified to the profit and loss for the year		**8,755**	8,336
Taxation on movements cash flow hedges	10	**(1,194)**	(35)
Total comprehensive income for the year		**11,237**	**12,129**

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER

	Notes	2013 €'000	2012 €'000
Assets			
Receivables from related parties	24	2,790,263	2,683,158
Derivative assets	12	23,786	35,773
Prepayments	13	446	774
Total non-current assets		2,814,495	2,719,705
Receivables from related parties	24	11,788	60,875
Derivative assets	12	6,194	12,536
Prepayments	13	426	488
Other current assets	14	8,869	23,546
Cash and cash equivalents	15	649,387	359,446
Total current assets		676,664	456,891
Total assets		3,491,159	3,176,596
Liabilities			
Short-term borrowings	16	417,197	520,542
Payables to related parties	24	511,077	364,614
Accrued interest payable		40,321	45,151
Derivative liabilities	12	7,697	69,298
Current tax liabilities	17	4,886	1,167
Other current liabilities/accruals		832	218
Total current liabilities		982,010	1,000,990
Long-term borrowings	16	1,695,411	1,428,882
Payables to related parties	24	426,350	375,331
Derivative liabilities	12	80,379	75,621
Total non-current liabilities		2,202,140	1,879,834
Total liabilities		3,184,150	2,880,824
Equity			
Share capital	18	1,018	1,018
Share premium	18	263,064	263,064
Hedging reserve	20	(5,692)	(9,275)
Retained earnings	19	48,619	40,965
Total shareholder's equity		307,009	295,772
Total equity		307,009	295,772
Total equity and liabilities		3,491,159	3,176,596

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

YEAR ENDED 31 DECEMBER

	Share capital €'000	Share premium €'000	Hedging Reserve €'000	Retained earnings €'000	Total shareholder's equity €'000
As at 1 January 2012	1,018	263,064	(12,504)	32,065	**283,643**
Classification of taxation against hedging reserve	-	-	3,126	(3,126)	-
Total comprehensive income for the year	-	-	103	12,026	**12,129**
As at 31 December 2012	**1,018**	**263,064**	**(9,275)**	**40,965**	**295,772**
Total comprehensive income for the year	-	-	3,583	7,654	**11,237**
As at 31 December 2013	**1,018**	**263,064**	**(5,692)**	**48,619**	**307,009**

The accompanying notes form an integral part of these financial statements.

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER

		2013 €'000	2012 €'000
Operating activities			
Profit before tax		**10,253**	15,862
Add back interest expense		**88,176**	83,498
Add back buy back premium		**7,957**	-
Deduct interest income		**(105,849)**	(102,803)
Add back amortisation of prepaid fees of the facility		**348**	350
Add back write-off of receivable loan	9	**0**	1,508
Cash flows (used)/generated before working capital		**885**	**(1,585)**
Increase in financing to the Group		**(2,968,919)**	(2,341,049)
Decrease in financing to the Group		**2,916,612**	2,137,793
Increase in financing from the Group		**4,873,148**	3,938,338
Decrease in financing from the Group		**(4,680,845)**	(3,608,512)
Decrease in other assets		**991**	372
Increase in other liabilities		**2,421**	2
Interest received		**100,268**	105,352
Interest paid		**(110,116)**	(88,401)
Taxes paid		**(61)**	(8,405)
Cash flow (used in)/generated from operating activities		**134,384**	**133,905**
Financing activities			
Proceeds from external borrowings		**1,525,000**	1,030,296
Repayment of external borrowings		**(1,369,443)**	(1,148,000)
Cash flow (used in)/generated from financing activities		**155,557**	**(117,704)**
Increase in cash and cash equivalents		**289,941**	**16,201**
Cash and cash equivalents at 1 January		**359,446**	343,245
Increase in cash and cash equivalents		**289,941**	16,201
Cash and cash equivalents at 31 December	15	**649,387**	**359,446**

The accompanying notes form an integral part of these financial statements.

1. General information

Coca-Cola HBC Finance B.V. (the "Company"), a private company with limited liability, was incorporated in the Netherlands on 13 April 2001, as a 100% owned subsidiary of CC Beverages Holdings II B.V. with its statutory seat in Amsterdam. The Company functions under the Laws of the Netherlands.

Registered Company number: 34154633
Registered address: Naritaweg 165,1043 BW Amsterdam, the Netherlands

The Company acts as a finance vehicle for Coca-Cola HBC A.G. (the "Parent") and its subsidiaries (the "Group" or the "Coca-Cola HBC Group"). Funding of these activities is mainly done through the debt capital markets.

Until 24 April 2013 the Company was ultimately controlled by Coca-Cola Hellenic Bottling Company S.A., located in Greece. On 25 April 2013 a new parent company for the Group Coca-Cola HBC A.G. was established in Switzerland. The Parent owns 100% of the ordinary shares of the Company through its subsidiary CC Beverages Holdings II B.V.

Copies of the Group accounts are available from its registered office:

Coca-Cola HBC A.G.
Turmstrasse 26
Zug, CH 6300
Switzerland

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

An amount of €1,293 thousand has been reclassified to external interest expense in the income statement for the year 2012, which was presented in other finance costs for an amount of €1,169 thousand for the remainder of €124 thousand in other operating expenses.

In addition, the movements in the financing from and to Group companies that had been presented on a net basis in the 2012 Cash Flow Statement is now presented on a gross basis to conform to current year's presentation.

2.1 Basis of preparation

The financial statements of Coca-Cola HBC Finance B.V. have been prepared in accordance with International Financial Reporting Standards "IFRS" as issued by the International Accounting Standards Board ("IASB") and IFRS as adopted by the European Union and IFRIC interpretations. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of the derivative financial instruments to fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2.1.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Company

The following standard has been adopted by the Company for the first time for the financial year beginning on 1 January 2013 and has a material impact on the Company.

IFRS 13, "Fair value measurement", aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements of use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs (effective for annual periods beginning on or after 1 January 2013). The adoption of IFRS 13 leads to the inclusion of the Company's own and counterparty credit risk in the fair value of the interest rate and cross-currency swap contracts at 1 January 2013, which resulted in a positive adjustment of the fair value of €655 thousand, which has been presented under interest expense on bank loans in 2013. No adjustments to the comparative figures are necessary as the standard is adopted prospectively.

The following standards have been adopted by the Company for the first time for the financial year beginning on 1 January 2013 and will not have a material impact on its financial statements.

IFRS 7, "Financial Instruments: Disclosures—Offsetting Financial Assets and Financial Liabilities", on asset and liability offsetting (effective for annual reporting periods beginning on or after January 1, 2013). The amendment leads to the new paragraph 3.4 "Offsetting financial assets and liabilities" in the Company's financial statements.

IAS 19, "Employee benefits" was revised in June 2011. The standard prescribes the accounting and disclosure by employers for employee benefits (effective for annual periods beginning on or after 1 January 2013).

(b) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements. The Company will consider the impact of the new standards and interpretations.

IFRS 9, "Financial Instruments" addresses the classification, measurement and recognition of financial assets and liabilities (effective for annual reporting periods beginning on or after 1 January 2018). The standard separates financial assets into two categories; those measured at amortized cost and those measured at fair value.

IAS 32, "Financial Instruments: Presentation" clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position (effective for annual reporting periods beginning on or after 1 January 2014).

IFRIC 21 "Levies" sets out the accounting for an obligation to pay a levy that is not income tax (effective for annual reporting periods beginning on or after 1 January 2014).

IAS 36 amendment "Recoverable Amount Disclosure for Non-Financial Assets" sets out the disclosure requirements on the recoverable amount of impaired non-financial assets if the amount is based on fair value less costs of disposal (effective for annual reporting periods beginning on or after 1 January 2014).

IAS 39 amendments "Novation of Derivatives and Continuation of Hedge Accounting" provides relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. (effective for annual reporting periods beginning on or after 1 January 2014).

2.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Euro, which is the functional currency of the Company.

(b) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when such assets or liabilities are designated hedging instruments in a qualifying cash flow hedge relation. In that case, the results are deferred in other comprehensive income. Foreign exchange gains and losses related to borrowings and cash and cash equivalents are presented in the income statement within 'net translation gains or losses' together with all other foreign exchange gains and losses.

Non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of the transactions (or the approximated rates).

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for lending money to related Group companies or to financial institutions.

2.3.1 Interest income

Revenue comprises interest income from the lending of money to Group companies. The Company's major activity is borrowing money, predominately from third party investors, and lending money to Group companies. For the provision of these services to Group companies, a fee is included in the interest rates charged to them in accordance with intercompany agreements.

Interest income is recognised on a time proportion basis using the effective interest rate method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.4 Interest expense

Interest expenses is recognised in profit or loss in the period in which they are incurred. It includes also the amortisation of the paid transactions costs, the paid discount and received premium of the financial instruments as well as the commitment fee of the facility.

2.5 Financial assets

2.5.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedging instrument in a hedge accounting relation. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'Receivables from related parties', 'Other current assets' and 'Cash and cash equivalents' in the balance sheet (notes 2.9 and 2.10).

2.5.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement immediately. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'exchange gains and losses' in the period in which they arise.

2.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.7 Impairment of financial assets

Assets carried at amortised cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or Group of assets is impaired. A financial asset or a Group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a Group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter into bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is estimated as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

2.8 Derivative financial instruments and hedging activities

The Company uses financial instruments, including interest rate swap contracts, cross currency swap contracts, interest rate option contracts, currency derivatives and commodity contracts. Their use is undertaken only to manage interest and currency risk as well as commodity price risk associated with the Company's and the Group's underlying business activities.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

(a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
(b) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

All derivative financial instruments that are not part of an effective hedging relationship (undesignated hedges) are classified as assets or liabilities at fair value through profit and 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.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 12. Movements on the hedging reserve in other comprehensive income is shown in Note 20. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Company only applies fair value hedge accounting for hedging fixed interest risk on borrowings and risk for firm commitments on payments in foreign currency. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the income statement within 'interest expense on bank loans'. The gain or loss relating to the ineffective portion is also recognised in the income statement within ' interest expenses on bank loans'. Changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk, are recognised in the income statement within 'interest expense on bank loans.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are recognised and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within 'interest expense on bank loans'.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the interest payment that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within 'interest expense on bank loans'.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within 'interest expense on bank loans.

2.9 Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of receivables 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.

Receivables, which are due within 1 year, are classified as current.

2.9.1 Receivables from related parties

Since the principal activity of the Company is the provision of financial services to the Parent, receivables relate to the lending activities of the Company with the Group.

2.10 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes deposits held at call with banks, other short-term highly liquid investments, such as money market funds, with original maturities of three months or less and bank overdrafts. The shares in the money market funds can be sold at any time without a fine and are considered as highly liquid as they can be redeemed with same day value. Cash and cash equivalents are stated at face value.

2.11 Payables

Payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.11.1 Payables to related parties

Since the principal activity of the Company is the provision of financial services to the Parent, payables relate to the borrowing activities of the Company with the Group.

2.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.13 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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 country where the Company generates taxable income. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income 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 the taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only 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 assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities are levied by the same taxation authority and where there is an intention to settle the balances on a net basis.

2.14 Share capital

Ordinary shares are classified as equity.

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 costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds and recorded to the share premium reserve.

Where any Group Company purchases the Company's equity share capital (treasury shares), the consideration paid, including any direct attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders and recorded in the share premium reserve.

2.15 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3. Financial risk management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Group treasury department under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's subsidiaries. The Board of Directors has approved the Treasury Policy and Chart of Authority, which together provide the control framework for all treasury and treasury related transactions. They contain written procedures for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign currency risk

The Company is exposed to the effect of foreign currency risk on recognised assets and liabilities that are denominated in currencies other than the functional currency. Foreign currency forward contracts are used to hedge a portion of the Company's foreign currency risk. The majority of the foreign currency forward contracts and foreign currency option contracts have maturities of less than one year.

Except for the US dollar bond loan, which is hedged to Euro for both the principal as the interest payments, the Company borrows in Euro in the external capital and commercial paper market. Both borrowing and lending to Group companies is mainly in Euro.

The following tables present details of the Company's sensitivity to reasonably possible increases and decreases in the euro against the relevant foreign currencies. In determining reasonable possible changes, the historical volatility over a twelve-month period of the respective foreign currencies in relation to the Euro has been considered. The sensitivity analysis determines the potential gains and losses in the income statement or equity arising from the Company's foreign exchange positions as a result of the corresponding percentage increases and decreases in the Company's main foreign currency, that is relative to the Euro. The sensitivity analysis includes outstanding foreign currency denominated monetary items, external loans as well as group loans where the denomination of the loan is in a currency other than the currency of the Company. The sensitivity analysis for exchange rate risk for 2013 and 2012 are as follows:

2013 exchange risk sensitivity analysis

	% of historical volatility over a 12-month period	Euro strengthens against local currency		Euro weakens against local currency	
		Gain/(loss) in income statement	(Loss)/gain in equity	(Loss)/gain in income statement	Gain/(loss) in equity
		€'000	€'000	€'000	€'000
US Dollar	7.33	13,982	(793)	(16,208)	918
Romanian Leu	4.95	(172)	-	256	-
Russian Rouble	7.28	(301)	-	2,416	-
Polish Zloty	6.43	(172)	-	166	-
UK Sterling	6.77	4,158	-	(4,762)	-
Bulgarian Lev	1.44	(38)	-	39	-
Hungarian Forint	7.97	(7)	-	60	-
Czech Koruna	6.54	(193)	-	328	-
Croatian Kuna	1.35	0	-	3	-
Swiss Franc	4.41	(481)	-	652	-
Total		**16,776**	**(793)**	**(17,050)**	**918**

2012 exchange risk sensitivity analysis

	% of historical volatility over a 12-month period	Euro strengthens against local currency		Euro weakens against local currency	
		Gain/(loss) in income statement	(Loss)/gain in equity	(Loss)/gain in income statement	Gain/(loss) in equity
		€'000	€'000	€'000	€'000
US Dollar	8.62	17,916	(1,712)	(21,387)	2,035
Romanian Leu	4.03	(175)	-	190	-
Russian Rouble	7.70	-	-	356	-
Polish Zloty	8.67	(242)	-	98	-
UK Sterling	5.81	3,781	-	(4,248)	-
Bulgarian Lev	1.97	(523)	-	544	-
Hungarian Forint	10.55	(91)	-	140	-
Czech Koruna	6.52	(359)	-	647	-
Croatian Kuna	1.99	19	-	(19)	-
Swiss Franc	1.60	(87)	-	105	-
Total		**20,239**	**(1,712)**	**(23,574)**	**2,035**

(ii) Price risk

The Company does not invest in equity securities. The Company is also not exposed to commodity price risk, however the Company enters into commodity contracts which are on a back-to-back basis concluded with Group companies.

(iii) Interest rate risk

The long-term borrowings, including the effect of swap contracts, from the capital market have a fixed interest rate. Short-term borrowings from external parties as well as most of the borrowings from Group companies are floating rate instruments. Almost all the lending to Group companies is based on the average borrowing cost of the Company plus a fixed mark-up. This average borrowing cost is reset on a quarterly basis.

The combination of the interest rate swap agreements and cross-currency interest rate swap agreements utilised by the Company modifies the Company's exposure to interest rate risk and the changes in fair value of debt by converting the Company's fixed rate US dollar debt into a fixed rate obligation based on Euro over the life of the underlying US dollar notes (until 17 September 2015).

The sensitivity analysis in the following paragraphs 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 Company's profit for the year ended 31 December 2013 would have decreased by €9.2 million (2012: decreased by €8.6 million).

If interest rates had been 100 basis points lower and all other variables were held constant, the Company's profit for the year ended 31 December 2013 would have increased by €5.1 million (2012: increased by €6.2 million.

(b) Credit risk

The Company is exposed to credit risk from loans or deposits to Group companies and to financial institutions.

All loans to Group companies need to be approved by the Board of Directors.

The Company has policies that limit the amount of credit exposure to any single financial institution. The investment policy objective is to minimize counterparty risks whilst ensuring an acceptable return on the excess cash position. Counterparty limits are approved by the Board of Directors of the Company to ensure that risks are controlled effectively and transactions are undertaken with approved counterparties as described in the Treasury Policy.

Coca-Cola HBC A.G., Coca-Cola HBC Holdings B.V. and 3E (Cyprus) Limited are guarantors for the most of the external financial liabilities of the Company. Furthermore, the Company keeps cash collateral as a pledge for the net open positions of interest rate and cross currency swap derivative financial instruments.

The Company's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 December 2013 in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the balance sheet.

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 Company's maximum credit risk exposure for each derivative instrument is the carrying amount of the derivative (refer to note 6.) In addition, the Company regularly makes use of money market funds to invest temporarily excess cash balances and to diversify its counterparty risk. These funds all have a minimum AAA rating and strict investment limits are set, per fund, depending on the size of the fund.

The Company only undertakes investment and derivatives transactions with banks and financial institutions that have a minimum credit rating of 'BBB-' from Standard & Poor's or 'Baa3' from Moody's. The Company also uses the Credit Default Swaps of a counterparty in order to measure more timely the credit worthiness of a counterparty and set up its counterparties in tiers in order to assign maximum exposure and tenor per tier. If the Credit Default Swap Rates of a certain counterparty exceeds 500bps the Company will stop trading derivatives with that counterparty and will try to cancel any deposits on a best effort basis.

(c) Liquidity risk

The Company actively manages liquidity risk to ensure there are sufficient funds available for any short-term and long-term commitments. The commercial paper program, as well as the unused revolving credit facility, are used to cover this risk.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, access to the debt capital markets, and by continuously monitoring forecast and actual cash flows. Included in note 16 is a description of the facility the Company has at its disposal to further reduce liquidity risk.

The Parent and two other Group companies are the guarantors of the company for most of the external liabilities. Coca-Cola HBC A.G. has given a Letter of Comfort for the Citipool bank accounts which are part of the Multi Currency Notional Pooling and Citibank credit facility lines.

One of the conditions of the fiscal unity which the Company forms with CC Beverages Holdings II B.V. for the income tax is that the Company as well as CC Beverages Holdings II B.V. are liable for all Dutch tax liabilities of both companies.

The following tables detail the Company's remaining contractual maturities for its financial liabilities. The table includes both interest and principal undiscounted cash flows, assuming that the interest rates remain constant as at 31 December 2013:

2013	**Less than 1 year €'000**	**1 to 2 years €'000**	**2 to 5 years €'000**	**More than 5 years €'000**
Bonds, bills and unsecured notes	502,496	350,541	682,500	838,000
Payables to related parties	527,332	17,655	415,284	-
Foreign currency forward contracts	275,510			-
Cross-currency swap contracts	9,850	76,907	-	-
Other Borrowings	833	-	-	-
Estimated gross outflow for the liabilities as at 31 December	**1,316,021**	**445,103**	**1,097,784**	**838,000**
Foreign currency forward contracts	275,510			-
Cross-currency swap contracts and interest rate swap contracts	15,955	15,955	-	-
Estimated gross inflow for the liabilities as at 31 December	**291,465**	**15,955**	-	-
Estimated net outflow for the liabilities as at 31 December	**1,024,556**	**429,148**	**1,097,784**	**838,000**

2012	**Less than 1 year €'000**	**1 to 2 years €'000**	**2 to 5 years €'000**	**More than 5 years €'000**
Bonds, bills and unsecured notes	609,337	581,546	970,770	-
Payables to related parties	366,666	1,115	377,876	
Foreign currency forward contracts	70,330	-	-	-
Cross-currency swap contracts	81,632	9,850	63,894	-
Other Borrowings	196	-	-	-
Estimated gross outflow for the liabilities as at 31 December	**1,128,161**	**592,511**	**1,412,540**	-
Foreign currency forward contracts	70,330	-	-	-
Cross-currency swap contracts and interest rate swap contracts	36,088	16,670	16,670	-
Estimated gross inflow for the liabilities as at 31 December	**106,418**	**16,670**	**16,670**	-
Estimated net outflow for the liabilities as at 31 December	**1,021,743**	**575,841**	**1,395,870**	-

The Company hedges exposures to changes in the fair value of debt, as well as in the foreign exchange cash flows of debt by using a combination of interest rate and cross-currency swap contracts (refer to note 12.a and 12.b). In both tables above the cash outflows and the cash inflows of the bonds and their related cross-currency swap contracts and interest rate swap contracts have been included on separate lines, however Company's cash flow management looks at the outcome of the combination of these instruments.

The notional amount for the foreign currency forward contracts is included in this table. The included contracts in the liquidity overview do not contain the back-to-back contracts with Group companies. The foreign currency forward contracts have a cash inflow and outflow taking place on the same day. They are settled net per value date per currency per counterparty. The comparative amounts of these contracts have been adjusted in order to reflect the notional amounts of the foreign currency forward contracts, excluding the back-to-back contracts with Group companies.

3.2 Capital management

The Company acts as a finance vehicle for the Group and operates within the goals and objectives set out by the Group. Coca-Cola HBC A.G. and two other Group companies are the guarantors for all external financial liabilities of the Company.

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 or buy back shares, adjust the amount of dividends paid to shareholders, or return capital to shareholders. The Company may increase or decrease its debt in order to reach the optimal capital structure.

The Group's goal is to maintain a conservative financial profile. This is evidenced by the credit ratings maintained with Standard & Poor's and Moody's. In May 2013, Standard & Poor's affirmed Coca-Cola Hellenic Bottling Company S.A. "BBB+" long term, "A2" short term corporate credit ratings, but removed the negative credit watch following the completion of the re-domiciliation. The corporate credit ratings by Moody's remained unchanged over the period, i.e. "Baa1" long term and negative outlook.

The Group monitors its capital structure on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Total capital is calculated as 'Total equity' plus 'Net debt' as shown in the consolidated balance sheet. The gearing ratios of the Group at 31 December 2013 and 2012 are included in the Group's consolidated financial statements.

3.3 Fair values estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset of liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset of liability that are not based on observable market data (that is, unobservable inputs).

The following tables provide the fair value hierarchy in which fair value measurements are categorised for assets and liabilities at respectively 31 December 2013 and 31 December 2012:

31 December 2013	Level 1 € 000	Level 2 € 000	Level 3 € 000	Total € 000
Financial assets at FVTPL				
Commodity contracts		2,703		2,703
Foreign currency forward/option contracts		5,202		5,202
Derivative financial assets used for hedging				
Cash flow hedges				
Interest rate swap contracts		22,075		22,075
Total financial assets		**29,980**		**29,980**
Financial liabilities at FVTPL				
Commodity contracts		2,696		2,696
Foreign currency forward/option contracts		6,706		6,706
Hedged financial liabilities				
Derivative financial liabilities used for hedging				
Fair value hedges				
Cash flow hedges				
Cross-currency swap contracts		78,674		78,674
Total financial liabilities		**88,076**		**88,076**

31 December 2012	Level 1 € 000	Level 2 € 000	Level 3 € 000	Total € 000
Financial assets at FVTPL				
Foreign currency forward/option contracts		1,163		1,163
Derivative financial assets used for hedging				
Fair value hedges				
Interest rate swap contracts		11,373		11,373
Cash flow hedges				
Interest rate swap contracts		35,773		35,773
Total financial assets		**48,309**		**48,309**
Financial liabilities at FVTPL				
Cross-currency swap contracts		(67,842)		(67,842)
Foreign currency forward/option contracts		(1,456)		(1,456)
Hedged financial liabilities				
Derivative financial liabilities used for hedging				
Fair value hedges				
Cash flow hedges				
Cross-currency swap contracts		(75,621)		(75,621)
Total financial liabilities		**(144,919)**		**(144,919)**

(a) Financial instruments in level 2

The fair value of foreign currency forward contracts, foreign currency option contracts, commodity contracts, bonds and notes payable, interest rate swap contracts and cross-currency swap contracts is determined by using valuation techniques. These valuation techniques maximise the use of observable market data. The fair value of foreign currency forward contracts, foreign currency option contracts and cross-currency swap contracts is calculated by reference to quoted forward exchange and deposit rates at 31 December 2013 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 based on observable yield curves.

The adoption of IFRS 13 lead to the inclusion of the Company's own and counterparty credit risk in the fair value of the interest rate and cross-currency swap contracts at 1 January 2013, which resulted in an adjustment of the fair value of €655 thousand, which has been presented under interest expense on bank loans in 2013.

3.4 Offsetting financial assets and financial liabilities

(a) Financial assets

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar agreements.

As at 31 December 2013 (€ '000)	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related amounts not set off in the balance sheet: Financial instruments	Related amounts not set off in the balance sheet: Cash collateral received	Net amount
Derivative financial assets	29,980	-	**29,980**	(24,638)	-	**5,342**
Cash and cash equivalents	672,082	(22,695)	**649,387**	-	-	**649,387**
Total	**702,062**	**(22,695)**	**679,367**	**(24,638)**	-	**654,729**

As at 31 December 2012 (€ '000)	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related amounts not set off in the balance sheet: Financial instruments	Related amounts not set off in the balance sheet: Cash collateral received	Net amount
Derivative financial assets	48,309	-	**48,309**	(47,183)	-	**1,126**
Cash and cash equivalents	385,869	(26,423)	**359,446**	-	-	**359,446**
Total	**434,178**	**(26,423)**	**407,755**	**(47,183)**	-	**360,572**

(b) Financial liabilities

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements.

				Related amounts not set off in the balance sheet		
As at 31 December 2013	**Gross amounts of recognised financial liabilities**	**Gross amounts of recognised financial assets set off in the balance sheet**	**Net amounts of financial liabilities presented in the balance sheet**	**Financial instruments**	**Cash collateral paid**	**Net amount**
Derivative financial liabilities	88,076	-	**88,076**	(24,638)	(8,754)	**54,684**
Bank overdrafts	22,695	(22,695)	-	-	-	-
Total	**110,771**	**(22,695)**	**88,076**	**(24,638)**	**(8,754)**	**54,684**

				Related amounts not set off in the balance sheet		
As at 31 December 2012	**Gross amounts of recognised financial liabilities**	**Gross amounts of recognised financial assets set off in the balance sheet**	**Net amounts of financial liabilities presented in the balance sheet**	**Financial instruments**	**Cash collateral paid**	**Net amount**
Derivative financial liabilities	144,919	-	**144,919**	(47,183)	(23,454)	**74,282**
Bank overdrafts	26,423	(26,423)	-	-	-	-
Total	**171,342**	**(26,423)**	**144,919**	**(47,183)**	**(23,454)**	**74,282**

The Company enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements or similar agreements. In general, under such agreements the counterparties can elect to settle into one single net amount the aggregated amounts owed by each counterparty on a single day with respect of all outstanding transactions of the same currency and the same type of derivative. In the event of default or early termination all outstanding transactions under the agreement are terminated and subject to any set-off. These agreements do not meet all of the IAS 32 criteria for offsetting in the balance sheet as the Company does not have any current legally enforceable right to offset amounts since the right can be applied if elected by both counterparties.

4. Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk or causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Income taxes

The tax filings of the Company are subject to final assessment by the tax authorities. Where the final tax assessment of these filings is different from the amounts that were initially recorded, such differences will affect the income tax provision in the period in which such determination is made.

(b) Fair value of derivatives and other financial instruments

The fair values of financial instruments that are not traded in an active market (level 2 and 3) are determined using fair valuation techniques. The Company uses its judgement to select a variety of fair valuation methods and makes assumptions that are mainly based on market conditions existing at each balance sheet date.

(c) Impairment of Group receivables

In general the Group receivables are not impaired. Impairment takes place when the risk of default is very high or when the Group counterparty has agreed a redemption of the loan below its nominal value.

5. Interest income, interest expense and other finance cost

	2013	2012
	€'000	€'000
Interest income on loans to Group companies	102,841	100,958
Interest income on In-House-Cash accounts Group companies	180	360
Guarantee fee 2013 to be invoiced to Group companies in interest 2014	1,783	-
Interest income on financing to Group companies (Note 24)	**104,804**	**101,318**
Interest income on bank accounts	358	255
Interest income on time deposits	406	415
Income on investment funds	231	700
Other external interest income	50	115
External interest income	**1,045**	**1,485**
Total interest income	**105,849**	**102,803**

	2013	2012
	€'000	€'000
Bond financing costs	68,977	70,671
Ineffectiveness cash flow and fair value hedges (note 12e)	6,202	7,888
Commercial paper interest expenses	356	1,139
Other external interest expense	65	291
External interest expense	**75,600**	**79,989**
Interest expense on loans to Group companies	10,455	3,172
Interest expense on In-House-Cash accounts Group companies	338	337
Guarantee fee 2013 from Coca-Cola HBC A.G.	1,783	-
Interest expense on financing from Group companies (Note 24)	**12,576**	**3,509**
Total interest expense	**88,176**	**83,498**

	2013	2012
	€'000	€'000
Buy back premium	7,957	-
Facility financing costs	1,324	1,227
Not-amortisable costs related to new 800 M EMTN bond loan	783	-
Finance advisory costs and bank costs	1,118	490
Other finance cost	**11,182**	**1,717**

6. Net foreign exchange gains and losses

	2013	2012
	€'000	€'000
Fair value (loss) on forward contracts (note 12e)	**(1,203)**	(375)
Net foreign exchange gain on financing activities	**5,895**	820
Total net foreign exchange gain	**4,692**	**445**

The Group borrowing in RUB lead to an exchange gain in 2013 of €6,537 thousands of which €5,330 thousands is an unrealised gain on the outstanding borrowing at 31 December 2013.

7. Other expenses

	2013	2012
	€'000	€'000
Auditor's remuneration	25	26
VAT	578	324
Intra-Group recharge for In-House Cash and hedging services	(274)	(28)
General administrative expenses	601	341
Total other expenses	**930**	**663**

The auditor's remuneration only relates to the audit of the financial statements. The Company did not use other services from the auditor's firm or network in 2012 or 2013.
General and administrative expenses increased in 2013 due to higher expenses for tax advisory and legal services.

8. Staff costs

The staff costs are included in the general administrative expenses.

	2013	2012
	€'000	€'000
Gross salary	60	60
Social charges	9	10
Total staff costs	**69**	**70**

No pension charges have been included as the Company has no pension scheme for its staff.

9. Non-operating loss

The non-operating loss of €1,508 thousands recorded in 2012, relates to the write-off of the intercompany loan with Molino Beverages Services SA.

10. Income tax expense

The Company performs primarily financing activities for the Group with the required funds for its activity being borrowed from both internal and external funding sources. For these activities, the Company charges to the Group companies an arm's length remuneration and as a result, thereof a profit (interest) margin is earned in the Netherlands. This interest margin, after deduction of administrative expenses, is subject to taxation in the Netherlands.

The Company and CC Beverages Holdings II B.V. form a fiscal unity for Dutch corporate income tax purposes. All companies included in the fiscal unity are jointly and severally liable for the income tax liability. As agreed with the other Company within the fiscal unity, the Company has recorded an income tax charge in its financial statements for the year 2013 of total value €3,732 thousands (2012: €4,310 thousands) as if it is stand-alone liable to pay corporate income tax.

	2013 €'000	2012 €'000
Current income tax charge for the year	**3,732**	**4,310**
Taxation on cash flow hedge reserve movement reclassified to cash flow hedge reserve	(1,194)	(35)
Current income tax in income statement	**2,538**	**4,275**
Adjustments to prior years	-	(665)
Withholding tax	61	226
Tax in income statement	**2,599**	**3,836**

The Company has signed in March 2011 an Advanced Pricing Agreement (APA) with the Dutch tax authorities for the period 1 January 2010 through 31 December 2013. In July 2012, the Dutch tax authorities issued a letter to supplement this APA. The APA provides for a minimum taxable profit of the Company. The minimum taxable profit of the Company, as described in the APA is based on a predetermined profit margin on average loans receivable and on average equity.

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the weighted average Dutch tax rate.

	2013 €'000	2012 €'000
Profit before tax	**10,253**	**15,862**
Tax calculated at the Dutch tax rate (2013: 25%; 2012: 25%)	2,553	3,955
Tax effects of:		
- tax deductible items	(15)	(56)
- non-tax deductible items	-	376
- taxation on cash flow hedge reserve movement	1,194	35
Current income tax charge for the year	**3,732**	**4,310**

The amount of cash flow hedge reserve movement reflected in the total shareholder's equity is net of tax. To ensure consistency with the position reflected in the tax returns submitted for the years up to 2012 with respect to the cash flow hedge movements, we reclassified the tax against the cash flow hedge reserve. The tax (charge) /credit relating to the cash flow hedge reserve is as following:

	2013 €'000	2012 €'000
Movement cash flow hedge reserve before tax	4,777	138
Tax charge	(1,194)	(35)
Movement cash flow hedge reserve after tax	**3,583**	**103**

11.(a) Financial Instruments by category

	31 December 2013			
	Loans and receivables €'000	Assets at fair value through profit and loss €'000	Derivatives used for hedging €'000	Total €'000
Derivative financial instruments	-	7,905	22,075	29,980
Receivables excluding prepayments	2,810,920	-	-	2,810,920
Cash and cash equivalents	649,387	-	-	649,387
Total	**3,460,307**	**7,905**	**22,075**	**3,490,287**

	31 December 2013			
	Other financial liabilities at amortised cost €'000	Liabilities at fair value through profit and loss €'000	Derivatives used for hedging €'000	Total €'000
Borrowings	2,112,608	-	-	2,112,608
Derivative financial liabilities	-	9,402	78,674	88,076
Trade and other payables	983,466	-	-	983,466
Total	**3,096,074**	**9,402**	**78,674**	**3,184,150**

	31 December 2012			
	Loans and receivables €'000	Assets at fair value through profit and loss €'000	Derivatives used for hedging €'000	Total €'000
Derivative financial instruments	-	1,163	47,146	48,309
Receivables excluding prepayments	2,767,579	-	-	2,767,579
Cash and cash equivalents	359,446	-	-	359,446
Total	**3,127,025**	**1,163**	**47,146**	**3,175,334**

	31 December 2012			
	Other financial liabilities at amortised cost €'000	Liabilities at fair value through profit and loss €'000	Derivatives used for hedging €'000	Total €'000
Borrowings	1,949,424	-	-	1,949,424
Derivative financial liabilities	-	69,298	75,621	144,919
Trade and other payables	786,481	-	-	786,481

Total	**2,735,905**	**69,298**	**75,621**	**2,880,824**

11.(b) Credit quality of the financial assets

The credit quality of financial assets that are neither past due or impaired can be assessed by reference to external credit ratings (if available) or to historic information about counterparty default rates. Reference is made to paragraph 3.1(b).

12. Derivative financial instruments

	31 December 2013		31 December 2012	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	€'000	**€'000**	**€'000**	**€'000**
Interest rate swaps – cash flow hedge	22,075	-	35,773	-
Interest rate swaps – fair value hedge	-	-	11,373	-
Cross currency swap – cash flow hedge	-	78,674	-	75,621
Cross currency swap – economic hedge	-	-	-	67,842
Forward foreign exchange contracts and options– economic hedge	5,202	6,706	1,163	1,456
Commodity contracts	2,703	2,696	-	-
Total	**29,980**	**88,076**	**48,309**	**144,919**
Less non-current portion:				
Interest rate swaps – cash flow hedge	22,075	-	35,773	-
Cross currency swap – cash flow hedge	-	78,674	-	75,621
Commodity contracts	1,711	1,705	-	-
	23,786	**80,379**	**35,773**	**75,621**
Current portion	**6,194**	**7,697**	**12,536**	**69,298**

No hedge accounting has been applied for the derivatives, which form economic hedges and are thus not held for trading.

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability, if the maturity of the hedged item is less than 12 months.

As at 31 December 2013, other receivables of €8.8 million (2012: €23.5 million) served as collateral for net open positions of interest rate and cross currency swap derivative financial instruments. The collateral resets monthly and earns interest based on Euro Overnight Index Average (EONIA) rate.

(a) Interest rate swaps

The Company uses interest rate swap contracts to hedge its exposure to changes in the fair value of its debt (refer to Note 3). In combination with the $400 million cross-currency swap contracts the $400 million interest rate swap contracts hedge the foreign exchange cash flow exposure on the $400 million fixed rate debt. At 31 December 2013, the notional principal amount of the outstanding US dollar denominated interest rate swap contracts were $400.0 million (2012: $900.0 million).

The interest rate swap contracts outstanding at 31 December 2013 were as follows:

Currency	Amount $ million	Fair value € million	Start Date	Maturity Date	Receive fixed rate	Pay floating rate
USD	400	22.1	17 September 2003	17 September 2015	5.500%	Libor + margin
	400	**22.1**				

The interest rate swap contracts outstanding at 31 December 2012 were as follows:

Currency	Amount $ million	Fair value € million	Start Date	Maturity Date	Receive fixed rate	Pay floating rate
USD	500	11.3	17 September 2003	17 September 2013	5.125%	Libor + margin
USD	400	35.8	17 September 2003	17 September 2015	5.500%	Libor + margin
	900	**47.1**				

The $500 million interest rate swap contracts have matured in September 2013.

Repricing dates for all US dollar denominated interest rate swap contracts are the 17th of March and the 17th of September annually until maturity.

(b) Cross currency swaps

The Company entered into cross-currency swap contracts to cover the currency risk related to its US dollar denominated debt (refer to Note 16). At 31 December 2013 the fair value of the cross-currency swap contracts represented a liability of €78.7 million (2012: €143.5 million). The $500.0 million cross-currency swap contracts, representing €67.8 million of the fair value at year-end 2012, have matured in September 2013 together with the underlying notes.

The $400.0 million cross-currency swap contracts are recorded as a long-term liability, as the maturity of the instrument is more than 12 months after the balance sheet date. The effective part of the fair value movements on the $400.0 million cross-currency swaps together with the interest rate swap lead in combination with the revaluation gain of the $400.0 million bond to a gain of €4.8 million which has been deferred in the cash flow hedge reserve (2012: €0.1 million gain). The €7.6 million loss (2012: €12.6 million loss) on the cross-currency swap contracts due to the revaluation of the notional amount during 2013 was fully offset by the €17.6 million gain (2012: €12.5 million gain) recorded on the translation of the US dollar-denominated debt to euro. Both were booked in profit or loss.

The notional principal amounts of the outstanding cross-currency swap contracts at 31 December 2013 total €357.1 million (2012: €803.9 million).

The cross-currency swap contracts outstanding at 31 December 2013 can be summarised as follows:

Notional amounts $ million	Notional amounts € million	Fair value € million	Start date	Maturity date	Receive $ floating rate	Average € Pay rate
400.0	357.1	78.7	17 September 2003	17 September 2015	Libor + margin	2.7203%
400.0	**357.1**	**78.7**				

The cross-currency swap contracts outstanding at 31 December 2012 can be summarised as follows:

Notional amounts		Fair value			Receive $	Average €
$ million	**€ million**	**€ million**	**Start date**	**Maturity date**	**floating rate**	**Pay rate**
500.0	446.8	67.8	17 September 2003	17 September 2013	Libor + margin	Euribor + margin
400.0	357.1	75.6	17 September 2003	17 September 2015	Libor + margin	2.7203%
900.0	**803.9**	**143.4**				

Repricing dates for all US dollar denominated cross currency swap contracts are the 17th of March and the 17th of September annually until maturity.

(c) Forward foreign exchange contracts

The notional principal amounts of the outstanding foreign currency forward and option contracts at 31 December 2013 are €685.6 million (2012: €351.3 million). Most of the foreign currency forward and option contracts are back to back contracts with Group entities. The 2012 comparative figure has been adjusted in order to present the gross notional amount.

(d) Commodity swap contracts

The notional principal amounts of the outstanding commodity swap contracts at 31 December 2013 are €40.4 million. The Company did not hold commodity swap contracts at 31 December 2012. All of the commodity swap contracts are back to back contracts with Group entities.

(e) Derivatives gains and losses

Derivatives held by the Company have given rise to the following losses (gains) being recorded in the income statement and the statement of comprehensive income:

- The amount reclassified from other comprehensive income to profit and loss for the year amounted to a €8.7 million loss (2012: €8.3 million loss) and was recorded in external interest expense.
- The net result on derivatives at fair value through profit and loss (for which hedge accounting was not applied) amounted to a €11.8 million loss (2012: €0.4 million loss) and was offset with a similar gain on foreign currency transactions. Both results have been recognized in net foreign exchange gains and losses.
- The decrease in the fair value of the interest rate swap of €11.4 million (2012: €14.4 million) has been recognised in interest expense and was offset with a similar gain on borrowings. The ineffectiveness recognised in 2013 was a loss of €0.1 million (2012: loss of €0.7 million).
- The ineffectiveness recognised in interest expense for the interest rate and cross-currency swap contracts used for cash flow hedging in 2013 was €6.1 million (2012: €7.2 million).

13. Prepayments

Non-current prepayments for the year ended 31 December 2013 of €0.4 million (2012: €0.8 million) relate to the book value of the non-current portion of finance costs of €1.6 million relating to the €500 million syndicated loan facility (refer to Note 16 – Borrowings) that were prepaid at inception in 2011. The amount which was amortized during the year was €0.4 million.

Current prepayments for the year ended 31 December 2013 relate to the current portion of finance costs of €0.3 million (2012: €0.3 million) relating to the €500 million syndicated loan facility that were prepaid at inception, as well as prepaid interest relating to the outstanding Commercial Paper of €0.0million (2012: €0.1 million) and other prepaid expenses of

€0.1 million (2012: €0.1 million).

The transaction costs of the facility are capitalised and presented separately as prepayment while it is probable that none of the facility will be drawn down.

14. Other current assets

The collateral for the net open positions of interest rate and cross currency swap derivative financial instruments is accounted for in the other current assets and amounts to €8.8 million (2012: €23.5 million).

15. Cash and cash equivalents

Cash and cash equivalents at 31 December comprise the following:

	2013 €'000	2012 €'000
Cash at bank, in transit and in hand	2,033	4,408
Short term deposits and money market funds	647,354	355,038
Total cash and cash equivalents	**649,387**	**359,446**

Cash and cash equivalents include deposits of €255 million at 31 December 2013 (2012: €69 million).

16. Borrowings

The Company holds the following borrowings at 31 December:

	2013 €'000	2012 €'000
Commercial paper	100,000	129,500
Current portion of long-term bonds, bills and unsecured notes	317,197	391,042
Total borrowings falling due within one year	**417,197**	**520,542**
Bonds, bills and unsecured notes falling due within one to two years	303,529	505,325
Bonds, bills and unsecured notes falling due within two to five years	599,304	923,557
Bonds, bills and unsecured notes falling due within after five years	792,578	-
Total borrowings falling due after one year	**1,695,411**	**1,428,882**
Total borrowings	**2,112,608**	**1,949,424**

(a) Commercial paper programme and committed credit facilities

In March 2002, the Company established a €1.0 billion global commercial paper programme (the 'old CP programme') to further diversify its short-term funding sources. In October 2013, a new €1.0 billion euro-commercial paper programme (the 'new CP programme' and, together with the old CP programme, the 'CP programmes') was established in place of the old CP programme. The euro-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. All commercial paper issued under the CP programmes must be repaid within 7 to 364 days. The new CP programme has been granted the STEP label and is fully, unconditionally and irrevocably guaranteed by Coca-Cola HBC A.G., Coca-Cola HBC Holdings B.V. and 3E (Cyprus) Limited. The outstanding amount under the CP programmes was €100.0 million as at 31 December 2013 (2012: €129.5 million).

In May 2011, the Company replaced its then-existing €500.0 million syndicated revolving credit facility with a new €500.0 million syndicated loan facility, provided by various financial institutions, expiring on 11 May 2016. This facility can be used for general corporate purposes and carries a floating interest rate over EURIBOR and LIBOR. The facility was amended in June 2013 and the Parent acceded to it as a guarantor. The facility allows the Company to draw down, on three 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 the Parent. No amounts have been drawn under the syndicated loan facility since inception. The syndicated loan facility is fully, unconditionally and irrevocably guaranteed by Coca-Cola HBC A.G., Coca-Cola HBC Holdings B.V., Coca-Cola HBC Finance Plc and 3E (Cyprus) Limited and is not subject to any financial covenants.

(b) Bonds and notes summary

The summary of the bonds of the Company during 2013 is as follows:

	Start date	Maturity date	Fixed Coupon
€800m Eurobond	18 June 2013	18 June 2020	2.375%
€500m Eurobond	17 December 2008	15 January 2014	7.875%
€300m Eurobond	16 November 2009	16 November 2016	4.250%
€300m Eurobond	2 March 2011	16 November 2016	4.250%
US$400m notes	17 September 2003	17 September 2015	5.500%

(c) Euro medium-term note programme ('EMTN')

In 2001, the Company established a €2.0 billion euro medium-term note programme (the 'old EMTN programme'), which was increased to €3.0 billion in April 2012. In June 2013, a new €3.0 billion euro medium-term note programme (the 'new EMTN programme' and, together with the old EMTN programme, the 'EMTN programmes') was established in place of the old EMTN programme. Notes are issued under the new EMTN programme through the Company and are fully, unconditionally and irrevocably guaranteed by Coca-Cola HBC A.G., Coca-Cola HBC Holdings B.V. and 3E (Cyprus) Limited.

In December 2008, the Company completed the issue of a €500.0 million 5-year euro-denominated 7.875% fixed rate bond. Proceeds from the bond offering were partly used to pay for the acquisition of Socib S.p.A. by Coca-Cola Hellenic and partly to refinance the floating rate bond that matured in March 2009. In June 2013 the Company, as a result of the public tender offer, redeemed €182.9 million of its €500 million euro-denominated bond. The Company paid an amount of €8.0 million buy back premium which is included in the other finance cost line. The €317.1 million remainder of the €500 million euro-denominated bond has been repaid in January 2014.

In March 2011, the Company completed the successful offering of €300.0 million 4.25% fixed rate euro-denominated notes under the old EMTN programme to be consolidated and form a single series with the existing €300.0 million 4.25% fixed rate notes due 16 November 2016 issued in November 2009. The issue of these notes brought the total outstanding amount of the series to €600.0 million. The proceeds of the issue were used to repay the existing €301.1 million 4.375% notes due on 15 July 2011 at maturity in July 2011.

In June 2013, the Company completed the issue of €800.0 million 2.375% 7-year fixed rate euro-denominated notes under the new EMTN programme. The net proceeds of the new issue, after financing the repurchase of €182.9 million of the 7.875% 5-year fixed rate euro-denominated notes due January 2014, was used to refinance certain upcoming note maturities, namely the $500.0 million notes due September 2013 and the remaining €317.1 million notes due January 2014.

As at 31 December 2013, a total of €1.7 in Eurobonds issued under the €3.0 billion Euro Medium Term Note programmes were outstanding. A further amount of €2.2 billion is available for issuance under the new EMTN programme.

(d) Notes issued in the US market

On 17 September 2003, the Company successfully completed, a $900.0 million global offering of privately placed notes with registration rights. The first tranche consisted of an aggregate principal amount of $500.0 million due 2013 and the second tranche consisted of an aggregate principal amount of $400.0 million (€290.1 million at 31 December 2013 exchange rates) due in September 2015. The net proceeds of the offering were used to refinance certain outstanding debt, 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 Bottling Company S.A in order to effect the exchange of the privately placed notes for similar notes registered with the SEC. Acceptances under the offer, which was finalised in February 2004, were $898.1 million. Both tranches of notes were de-registered in connection with the Parent's voluntary share exchange offer by filing a Form 15F with the SEC in August 2013 and the notes due in September 2013 were fully repaid upon maturity.

The notes issued in the US market are fully, unconditionally and irrevocably guaranteed by Coca-Cola HBC A.G., Coca-Cola HBC Holdings B.V. and 3E (Cyprus) Limited and are not subject to any financial covenants.

(e) Fair value, foreign currencies and interest rate information

The fair value of all bonds and notes payable, including the current portion, is €2,070.7 million (2012: €1,898.3 million) compared to their book value, including the current portion, of €2,012.6 million (2012: €1,819.9 million).

Borrowings at 31 December are held in the following currencies:

	Current 2013 €'000	Non-current 2013 €'000	Current 2012 €'000	Non-current 2012 €'000
Euro	417,197	1,391.882	129,500	1,104,382
US dollar	-	303,529	391,042	324,500
Borrowings	**417,197**	**1,695,411**	**520,542**	**1,428,882**

The carrying amounts of the borrowings held at fixed and floating interest rate, as well as the weighted average interest rates and maturities of fixed rate borrowings are as follows in 2013 and 2012:

	Fixed interest rate € '000	Total 2013 € '000	Fixed rate liabilities weighted average interest rate	Weighted average maturity for which rate is fixed (years)
Euro	1,809,079	1,809,079	3.8%	3.9
US Dollar	303,529	303,529	5.5%	1.7
Financial liabilities	**2,112,608**	**2,112,608**	**4.1%**	**3.5**

	Fixed interest rate € '000	Total 2012 € '000	Fixed rate liabilities weighted average interest rate	Weighted average maturity for which rate is fixed (years)
Euro	1,233,882	1,233,882	5.3%	2.4
US Dollar	715,542	715,542	5.3%	1.6
Financial liabilities	**1,949,424**	**1,949,424**	**5.3%**	**2.1**

Financial liabilities represent fixed rate borrowings held by the Company. The Company's policy is to hedge exposures to changes in the fair value of debt and interest rates by using a combination of cross-currency swap contracts, fixed to floating rate interest rate swap contracts, as well as interest rate option contracts. In June and July 2010 the $400 million US dollar fixed rate debt that was initially swapped into a euro floating rate obligation, was restructured to a €357 million fixed rate liability. In order to hedge the foreign exchange cash flow exposure of the $400 million US dollar fixed rate debt a combination of floating to fixed rate cross currency swap contracts and fixed to floating interest rate swap contracts is used.

17. Current tax liabilities

The current tax liabilities which amounted to €4.9 million as at 31 December 2013 (2012: €1.2 million), reflect the current account with CC Beverages Holdings II B.V. connected with income tax liabilities.

18. Share capital and share premium

The authorised capital of the Company is €5.0 million and is divided into 50,000 shares of €100 each. The issued share capital at 31 December 2013 and 2012 comprised 10,180 shares of €100 each fully paid, with total nominal value €1,018,000.

In August 2004, 10,000 shares with a nominal value of €100 each were issued at an issue price of €4.5 million. The difference between the issue price and the total nominal value of the new shares was recorded as share premium.

On 2 February 2011 the Company repaid to CC Beverages Holdings II B.V. the amount of €125.0 million in share premium. As at 31 December 2013 the Company's share premium amounted to €263.1 million (2012: €263.1 million).

There is only one class of shares, of which the par value is €100. Each share provides the right to one vote at general meetings of the Company and entitles the holder to dividends declared by the Company.

19. Retained earnings

The profit of the year is the only movement in retained earnings in 2013 and 2012.

20. Hedging reserve

The hedging reserve net of tax, which amounted to €5.7 million as at 31 December 2013 (2012: €9.3 million net of tax), reflects changes in the fair values of derivatives accounted for as cash flow hedges.

21. Dividends

No dividends have been declared and distributed during 2013 (2012: nil).

22. Directors' remuneration

None of the directors was remunerated by the Company during the year.

23. Commitments

The Company and CC Beverages Holdings II B.V. form a fiscal unity for Dutch corporate income tax purposes. Both companies included in the fiscal unity are jointly and severally liable for Dutch tax liabilities of both companies.

24. Related party transactions

Since the principal activity of the Company is the provision of financial services to the Group, related party transactions relate to the borrowing and lending activities of the Company with the Group.

The income tax liability, which is a short term payable to CC Beverages Holdings II B.V., is not included in the overviews in the paragraphs (a) until (d).

(a) Interest income and receivables

The table below show the most important related parties in both the interest income and intercompany receivables:

	Group receivables		Interest income	
	31-12-13	31-12-12	2013	2012
	€'000	€'000	€'000	€'000
Coca-Cola HBC Italia Srl	1,103,775	1,178,287	43,156	46,816
CC Beverages Holdings II B.V.	1,094,522	17,658	19,081	166
3E (Cyprus) Limited	-	1,065,675	20,357	36,233
Coca-Cola HBC A.G.	170,655	-	2,493	-
CCB Management services GmbH	119,104	96,599	3,855	3,477
Coca-Cola HBC Finance Plc	104,059	130,853	4,942	4,799
Coca-Cola HBC Northern Ireland Limited	67,229	86,447	3,040	3,468
Other related parties	142,707	168,514	7,880	6,359
Receivables from related parties respectively interest income on financing to the Group	**2,802,051**	**2,744,033**	**104,804**	**101,318**

(b) Interest expense and payables

	Group payables		Interest expense	
	31-12-13	31-12-12	2013	2012
	€'000	€'000	€'000	€'000
Coca-Cola HBC Procurement GmbH	199,287	161,813	72	102
LLC Coca-Cola HBC Eurasia	198,242	29,855	8,739	442
CC Beverages Holdings II B.V.	108,151	47,704	25	40
Star Bottling Limited	87,862	175,589	62	452
Coca-Cola HBC Switzerland Ltd	42,231	31,475	76	39
CC HBC Bulgaria AD	39,127	39,761	349	522
Coca-Cola HBC A.G.	1,783	-	1,783	-
Other related parties	260,744	253,748	1,470	1,912
Interest expense from financing to the Group respectively payables from related parties	**937,427**	**739,945**	**12,576**	**3,509**

c) Financing with the Group by category

The loans to and borrowings from Group companies can be split in the following categories:

	31 December 2013		31 December 2012	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	€'000	€'000	€'000	€'000
Long term loans and borrowings*	2,790,263	426,350	2,683,158	375,331
Short term loans and borrowings*	195	249,208	6,966	71,762
Citipool bank accounts*	388	1,878	2,156	177,211
IHC-accounts	9,218	258,191	51,753	115,625
Other	1,987	1,800	-	16
Total	**2,802,051**	**937,427**	**2,744,033**	**739,945**

* Amounts include related interest accruals.

The non-current receivables will fall due within less than five years. The interest income and expense on loans to/from the Coca-Cola HBC Group for the year was settled for most of the loans listed above on a three-month basis, except for the last quarter of 2013, which will be settled in January 2014.

At 1 January 2012 the In House Cash (IHC) program started with 4 participations and expanded to 25 participants at the end of 2013. Both the receivable IHC-accounts as well as the payable IHC-accounts are classified under current Group receivables respectively payables as the IHC-accounts have the same liquidity characteristics as bank accounts. The interest revenues and expenses from the IHC-program are reflected in note 5.
The remaining contractual maturities for the Company's liabilities to related parties are included in note 3.1.c.

(d) Currency and interest characteristics of the financing to and from Group companies

The financing to and from Group companies can be split in the following currencies:

	31 December 2013		31 December 2012	
	Assets	Liabilities	Assets	Liabilities
	€'000	€'000	€'000	€'000
EUR	2,722,772	641,246	2,626,607	572,509
RUB	-	198,242	-	29,855
GBP	67,512	1,945	80,149	11,221
CHF	-	43,954	-	34,648
BGN	2,743	2,675	714	46,868
Other	9,024	49,365	36,563	44,844
Total	**2,802,051**	**937,427**	**2,744,033**	**739,945**

Most of the financing in other currencies than Euro are hedged with forward contracts, except for the GBP loan.

The financing to and from Group companies can be split in the following interest rate profiles:

	31 December 2013		31 December 2012	
	Assets	Liabilities	Assets	Liabilities
	€'000	€'000	€'000	€'000
Average borrowing cost rate*	2,609,874	-	2,668,511	-
Fixed rate*	170,655	128,797	-	29,961
Floating rate*	16,096	806,830	71,407	709,968
Other	5,426	1,800	4,115	16
Total	**2,802,051**	**937,427**	**2,744,033**	**739,945**

* Amounts include related interest accruals.

The average borrowing cost rate is quarterly reset and based upon the average borrowing cost of the Company.
The weighted average fixed rate amounted for loans to 3.25 % in 2013 (2012: no fixed rate Group borrowings) and for borrowings to 1.71% in 2013 (2012:0.60 %).

The floating rates are based upon the underlying currency formal rate with a different margins depending on the underlying currency and risk profile.

25. Number of Employees

During the year 2013, there was one employee employed by the Company (2012: 1).

26. Events after the balance sheet date

The events involving Ukraine and the Russian Federation during the first quarter of 2014 have, among other things, resulted in increasing volatility in currency markets causing the Russian Rouble to depreciate significantly against some major currencies. As of 28 March 2014, the Russian Rouble has depreciated 7.9% against Euro compared to the 31 December 2013 exchange rates. The financial effect in the first quarter of 2014 in the income statement related to the RUB borrowing and underlying forward contracts amounted to a gain of €2.9 million.

The financial statements on pages 5 to 8 and the attached notes on pages 9 to 40 have been approved by the directors in Amsterdam on 30 April 2014.

Directors:

Garyfallia Spyriouni	**Michael Imellos**	**Wim Langeveld**	**Sjors van der Meer**

Profit appropriation according to the Articles of Association

According to article 18 of the Articles of Association, the net result for the year is at the disposal of the General Meeting of Shareholders.

Proposed appropriation of profit

The Board of Directors proposes that the net profit for the period ended December 31, 2013, be added to retained earnings:

	€'000
Addition to retained earnings	7,654
Net profit	**7,654**

This proposal has already been included in the financial statements.

Independent auditor's report

The Independent Auditor's report can be found on page 42.

Subsequent events

The events involving Ukraine and the Russian Federation during the first quarter of 2014 have, among other things, resulted in increasing volatility in currency markets causing the Russian Rouble to depreciate significantly against some major currencies. As of March 2014, the Russian Rouble has depreciated 8.5% against Euro compared to the 31 December 2013 exchange rates. The financial effect in the first quarter of 2014 in the income statement related to the RUB borrowing and underlying forward contracts amounted to a gain of €2.9 million.

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Independent auditor's report

To: the general meeting of Coca Cola HBC Finance B.V.

Report on the financial statements

We have audited the accompanying financial statements 2013 of Coca Cola HBC Finance B.V., Amsterdam, which comprise the balance sheet as at 31 December 2013, the income statement, the statement of comprehensive income, changes in equity and cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information.

Managing Directors' responsibility

Managing Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, Managing Directors are responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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 Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 company'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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Managing Directors, 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 financial statements give a true and fair view of the financial position of Coca Cola HBC Finance B.V. as at 31 December 2013, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the directors' report, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Groningen, 30 April 2014
PricewaterhouseCoopers Accountants N.V.

H.D.M. Plomp RA