COCA-COLA HBC FINANCE B.V.

AMSTERDAM, THE NETHERLANDS

CONDENSED INTERIM FINANCIAL INFORMATION
AS AT 29 JUNE 2018

CONTENTS

DIRECTORS' REPORT

The Board of Directors herewith submits the condensed interim financial information for the six months ended 29 June 2018.

General

Coca-Cola HBC Finance B.V. (the "Company"), a private limited liability Company, 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 and 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 AG and its subsidiaries (the 'Group' or the 'Coca-Cola HBC Group'*)*. Funding of these activities is achieved mainly through the debt capital markets. Coca-Cola HBC AG, the ultimate parent company, (the "Parent") is based in Zug, Switzerland.

Financial review

The interest income for the first half of 2018 amounted to €44.7 million (first half 2017: €43.7 million). Profit after tax for the first half of 2018 amounted to €6.8 million (first half 2017: €8.0 million). Year-on-year profit before taxation decreased by €1.6 million, which is mainly due to €1.4 million lower net interest income and an increase of €0.7 million in net foreign exchange losses, partly offset by lower other finance costs of €0.5 million.

In 2016 the Company incurred a loss on settled forward starting swap contracts amounting to €55.4 million which loss was classified in the cash flow hedge reserve. The loss is amortised over the term of the new bond, that is until November 2024. The interest expense of the first half of 2018 includes an amount of €3.2 million cash flow hedge amortisation related to the settled forward starting swaps (2017: €3.2 million).

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. Standard & Poor's affirmed the Group's positive outlook in April 2018 and Moody's affirmed the Company's stable outlook in October 2017. Both institutions affirmed their credit ratings.

Outlook

The Company mainly operates as an intragroup financing and currency and commodity risk hedging entity and only operates for this purpose.

The Company has a robust 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. Our overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on our financial performance. These include amongst others, foreign currency risk, interest rate risk, credit risk and liquidity risk. These risks are managed and monitored in accordance with the Treasury Policy, which 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 the Group. Derivative instruments are used to hedge the Company's foreign currency risk. These contracts normally mature within one year. 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 from the capital market have a fixed interest rate. Any short-term borrowings from external parties, excluding commercial paper, 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 current and future debt.

Credit risk

The Company has policies in place that limit the amount of counterparty exposure to any single financial institution. The investment policy objective is to minimize counterparty risks, with strict investment limits set on the excess cash balances invested per counterparty, as well as the credit quality of the counter parties. The Board of Directors of the Company approve counterparty limits to ensure that risks are controlled effectively and that transactions are undertaken with approved counterparties. The Company is also exposed to credit risks from loans to Group companies. However, the risk exposure is not considered to be significant.

Liquidity risk

The Company actively manages liquidity risk to ensure there are sufficient funds available for any short term and long-term commitments. The Euro medium-term note ("EMTN") programme, the commercial paper programme and the unutilised revolving credit facility are used to manage the liquidity risk. Cash and cash equivalents for the period ended 29 June 2018 amounted to € 558.8 million (31 December 2017: €565.0 million).

The syndicated loan facility is fully, unconditionally and irrevocably guaranteed by Coca-Cola HBC AG and Coca-Cola HBC Holdings B.V. and is not subject to any financial covenants. The commercial paper programme and the EMTN programme are fully, unconditionally and irrevocably guaranteed by Coca-Cola HBC AG. In addition, Coca-Cola HBC AG has given a Letter of Comfort for the Citibank pool bank accounts, which are part of the Multi Currency Notional Pooling and Citibank credit facility lines.

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 AG. The audit plan and audit scope for the Company is focused on the areas of greatest risks, using a risk based approach.

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 minimise 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, and
- Regular reviews by the Board of Directors of the Company.

Managing Directors

During the period under review, the Company had four Managing Directors, who received no remuneration during the current or previous financial year.

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 half-yearly financial statements for 2018 of the Company have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ('EU') applicable to Interim Financial Reporting ('IAS 34') and in our opinion give a true and fair view of the Company's financial position at 29 June 2018, the results of the Company's operations and cash flows for the six month period then ended, developments that occurred during this period and developments expected in the near future.

Amsterdam, 9 August 2018

Directors:

----------------------------	----------------------	------------------------------	----------------------------------
Garyfallia Spyriouni	**Michail Imellos**	**Sjors van der Meer**	**Huig Johan Braamskamp**

Condensed interim income statement (unaudited)

	Notes	**Six months to 29 June 2018 €'000**	Six months to 30 June 2017 €'000
Interest income from financing to related parties	**10**	**38,006**	37,344
External interest income	**7**	**6,717**	6,383
Total interest income		**44,723**	43,727
External interest expense	**7**	**(22,185)**	(21,792)
Interest expense from financing from related parties	**10**	**(10,805)**	(8,825)
Total interest expense		**(32,990)**	(30,617)
Net interest income		**11,733**	13,110
Other finance costs	**7**	**(606)**	(1,075)
Net finance income		**11,127**	12,035
Net foreign exchange losses	**8**	**(1,312)**	(627)
Other expenses		**(740)**	(777)
Profit before taxation		**9,075**	10,631
Income tax expense	**3**	**(2,263)**	(2,652)
Profit after tax		**6,812**	7,979

Condensed interim statement of comprehensive income (unaudited)

	Six months to 29 June 2018 €'000	Six months to 30 June 2017 €'000
Profit after tax	6,812	7,979
Other comprehensive (expense)/income:		
Items that may be reclassified to the income statement:		
Cash flow hedges:		
Losses reclassified to the income statement for the period	3,150	3,168
Total other comprehensive income/(expense)	3,150	3,168
Total comprehensive income for the period	9,962	11,147

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

Condensed interim balance sheet (unaudited)

	Notes	As at 29 June 2018 €'000	As at 31 December 2017 €'000
Assets			
Property, plant and equipment		233	270
Receivables from related parties	**10**	1,877,927	1,880,710
Other non-current assets		1,318	1,707
Total non-current assets		**1,879,478**	**1,882,687**
Receivables from related parties	**10**	65,981	62,667
Financial assets at fair value through profit or loss	**4**	56,450	-
Financial assets at amortised cost	**4**	234,844	-
Held-to-maturity investments	**4**	-	150,933
Other current assets		6,574	6,637
Cash and cash equivalents	**4**	558,777	564,977
Total current assets		**922,626**	**785,214**
Total assets		**2,802,104**	**2,667,901**
Liabilities			
Payables to related parties	**10**	692,236	485,015
Short-term borrowings	**4**	80,000	120,000
Accrued interest on borrowings		7,745	11,827
Current tax liabilities	**5**	11,238	8,961
Other current liabilities		6,669	6,753
Total current liabilities		**797,888**	**632,556**
Payables to related parties	**10**	259,767	301,479
Long-term borrowings	**4**	1,394,352	1,393,524
Other non-current liabilities		941	1,148
Total non-current liabilities		**1,655,060**	**1,696,151**
Total liabilities		**2,452,948**	**2,328,707**
Equity			
Share capital	**6**	1,018	1,018
Share premium	**6**	263,064	263,064
Hedging reserve		(40,709)	(43,859)
Retained earnings		125,783	118,971
Total equity		**349,156**	**339,194**
Total equity and liabilities		**2,802,104**	**2,667,901**

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

Condensed interim statement of changes in equity (unaudited)

	Share capital €'000	**Share premium €'000**	**Hedging Reserve €'000**	**Retained Earnings €'000**	**Total shareholder's equity €'000**
As at 1 January 2017	1,018	263,064	(50,247)	103,013	**316,848**
Total comprehensive income for the period	-	-	3,168	7,979	11,147
As at 30 June 2017	**1,018**	**263,064**	**(47,079)**	**110,992**	**327,995**
Total comprehensive income for the period	**-**	**-**	**3,220**	**7,979**	**11,199**
As at 31 December 2017	**1,018**	**263,064**	**(43,859)**	**118,971**	**339,194**
Total comprehensive income for the period	-	-	3,150	6,812	9,962
As at 29 June 2018	**1,018**	**263,064**	**(40,709)**	**125,783**	**349,156**

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

Condensed interim cash flow statement (unaudited)

	Notes	**Six months to 29 June 2018 €'000**	Six months to 30 June 2017 €'000
Operating activities			
Profit after tax		**6,812**	7,979
Adjustments for:			
Income tax expense		**2,263**	2,652
Interest expense	**7, 10**	**32,990**	30,617
Interest income	**7, 10**	**(44,723)**	(43,727)
Amortisation of other prepaid financing fees		**585**	648
Depreciation of property, plant and equipment		**40**	39
		(2,033)	(1,792)
Increase in financing to the Group	**10**	**(173,069)**	(289,769)
Decrease in financing to the Group	**10**	**172,977**	393,488
Increase in financing from the Group	**10**	**2,166,035**	2,311,730
Decrease in financing from the Group	**10**	**(2,000,412)**	(2,308,981)
Net payments for investments in financial assets:			
at fair value through profit or loss	**4**	**(56,450)**	-
at amortised cost	**4**	**(83,910)**	-
Increase in other assets		**(333)**	(153)
Increase/(decrease) in other liabilities		**11**	(9,490)
Payment for purchases of property, plant and equipment		**(2)**	(13)
Interest received		**44,648**	45,892
Interest and fees paid		**(33,656)**	(31,834)
Taxes paid	**3**	**(6)**	-
Net cash from operating activities		**33,800**	109,078
Financing activities			
Proceeds from external borrowings	**4**	**295,000**	313,000
Repayment of external borrowings	**4**	**(335,000)**	(301,500)
Net cash (used in)/from financing activities		**(40,000)**	11,500
(Decrease)/increase in cash and cash equivalents		**(6,200)**	120,578
Cash and cash equivalents at 1 January		**564,977**	393,034
(Decrease)/increase in cash and cash equivalents		**(6,200)**	120,578
Cash and cash equivalents at end of period	**4**	**558,777**	513,612

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

1. General information

Coca-Cola HBC Finance B.V. (or the “Company”), was incorporated in the Netherlands on 13 April 2001, as a 100% 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

The registered address of the Company is Radarweg 29, 1043 NX Amsterdam, the Netherlands

The Company acts as a finance vehicle for Coca-Cola HBC AG (the ultimate “Parent” and controlling entity) and its subsidiaries (the “Group” or the “Coca-Cola HBC AG Group”). Funding of these activities is done mainly through the debt capital markets.

The Parent owns 100% of the ordinary shares of the Company through its subsidiary CC Beverages Holdings II B.V.

Copies of the Group’s consolidated financial statements are available on the website of the Group, www.coca-colahellenic.com, and from its registered office:

Coca-Cola HBC AG
Turmstrasse 26
6312 Steinhausen
Switzerland

2. Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (‘IFRS’) as issued by the International Accounting Standards Board (‘IASB’) adopted by the European Union (“EU”) and applicable to Interim Financial Reporting (‘IAS 34’). IFRS as adopted by the EU differs in certain respects from IFRS as issued by the IASB, however, the differences have no impact on the Company’s condensed interim financial statements for the periods presented. These condensed interim financial statements should be read in conjunction with the 2017 annual financial statements, which include a full description of the accounting policies of the Company.

The accounting policies adopted are consistent with those of the previous financial year except for the adoption as of 1 January 2018 of IFRS 9 Financial Instruments and IFRS 15 Revenue from contracts with customers.

IFRS 9, *Financial Instruments*, replaces IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting.

IFRS 15, *Revenue from Contracts with Customers*, replaces IAS 18, which covers contracts for goods and services, and IAS 11, which covers construction contracts. This new standard is based on the principle that revenue is recognised when control of a good or service is transferred to a customer.

The adoption of these new IFRSs effective for the financial year ending 31 December 2018 does not have a material impact on the condensed interim financial statements but affected disclosures.

The condensed interim financial information is unaudited.

3. Taxation

The Company primarily performs financing activities for the Group, with the required funds for its activity being borrowed from Group companies as well as external funding sources. For these activities, the Company charges 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.

	Six months to 29 June 2018	**Six months to 30 June 2017**
	€'000	**€'000**
Profit before tax	9,075	10,631
Tax charge for the period	(2,257)	(2,646)
Withholding tax	(6)	(6)
Current Taxation	**(2,263)**	**(2,652)**

4. Net debt

	As at 29 June 2018	**As at 31 December 2017**
	€'000	**€'000**
Cash and cash equivalents	558,777	564,977
Financial assets at fair value through profit or loss	56,450	-
Financial assets at amortised cost	234,844	-
Held-to-maturity investments	-	150,933
Short-term borrowings	(87,745)	(131,827)
Long-term borrowings	(1,394,352)	(1,393,524)
	(632,026)	**(809,441)**

Time deposits of € 234.8 million (31 December 2017: €150.9 million), which do not meet the definition of cash and cash equivalents, are recognised as other financial assets and disclosed in the line 'financial assets at amortised cost' in the balance sheet (31 December 2017: held-to-maturity investments). These time deposits have an average tenor of 133 days (31 December 2017: 134 days). The financial assets at fair value through profit or loss relate to investments of the Company in Money Market Funds.

5. Current tax liabilities

The current tax liabilities which amounted to € 11.2 million as at 29 June 2018 (31 December 2017: €9.0 million), reflect the current account balance with CC Beverages Holdings II B.V. connected with income tax liabilities. The Company and CC Beverages Holdings II B.V. form a fiscal unity for Dutch corporate income tax purposes. CC Beverages Holdings II B.V. has the formal relationship with the Dutch tax authorities as the head of the fiscal unity. Both companies included in the fiscal unity are jointly and severally liable for the income tax liability.

6. Share capital

The authorised capital of the Company is €5,000,000, which is divided into 50,000 shares of €100 each. The issued share capital as at 29 June 2018 and 31 December 2017 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.

In October 2009, the Company received a capital contribution recorded in share premium for an amount of €384.6million.

On 2 February 2011, the Company repaid to CC Beverages Holdings II B.V. the amount of €125.0 million in share premium. After the repayment of the share premium the Company's share premium amounted to €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.

7. External finance costs, net

	Six months to 29 June 2018	**Six months to 30 June 2017**
	€'000	**€'000**
External interest expense	(22,185)	(21,792)
Other finance costs	(606)	(1,075)
External interest income	6,717	6,383
External finance costs, net	**(16,074)**	**(16,484)**

The decrease in net external finance costs is mainly caused by the net decrease in the forward points included as interest income and expense from the derivative contracts. The increase of external interest expense and the decrease of other finance costs is due to the amount of amortized prepaid bond fees which are classified as external interest expense instead of other finance costs as at 31 December 2017.

8. Net foreign exchange translation gains

In the first half of 2018, the Company incurred net foreign exchange loss of €1.3 million (first half of 2017 net foreign exchange loss of €0.6 million). Since June 2015, all non-Euro borrowings to Group companies are hedged.

9. Fair value

The Company's financial instruments recorded at fair value are included in Level 2 within the fair value hierarchy and comprise derivatives and investments in marketable securities (money market funds). There have been no changes in valuation techniques and inputs used to determine their fair value since December 2017. As at 29 June 2018, the total financial assets included in Level 2 amounted to € 63.4 million (31 December 2017: €7.2 million) and the total financial liabilities in Level 2 amounted to € 6.7 million (31 December 2017: €6.9 million). There were no transfers between Level 1, 2 or 3 during the first half of 2018.

The fair value of bonds and notes payable applying the clean market price as at 29 June 2018 is €1,477.4 million (31 December 2017: €1,485.1 million), compared to their book value, including the current portion, of €1,394.3 million (31 December 2017: €1,393.5 million).

10. 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 analysis in the paragraphs (a) and (b) below.

(a) Interest income and receivables

The table below shows the most important related parties in both interest income and related party receivables:

	Related parties receivable		**Interest income**	
	As at 29 June 2018	**As at 31 December 2017**	**Six months to 29 June 2018**	**Six months to 30 June 2017**
	€'000	**€'000**	**€'000**	**€'000**
CC Beverages Holdings II B.V.	1,135,728	1,135,348	21,664	20,360
Coca-Cola HBC Italia S.r.l.	288,072	278,792	5,508	6,285
Coca-Cola HBC Northern Ireland Limited	174,645	188,129	4,553	4,376
CCB Management Services GmbH	92,026	98,437	1,750	1,389
Coca-Cola HBC Česko a Slovensko, s.r.o.	20,369	52,785	431	584
Coca-Cola HBC Hungary Ltd	36,571	34,579	591	434
Coca-Cola HBC Greece S.A.I.C.	54,126	54,106	1,047	873
Coca-Cola HBC Austria GmbH	37,868	42,209	733	941
Lanitis Bros Ltd	23,248	15,646	331	209
Coca-Cola HBC Česko a Slovensko, s.r.o.– organizačná zložka	52,730	17,169	1,006	592
Other related parties	28,525	26,177	392	1,301
Total	**1,943,908**	**1,943,377**	**38,006**	**37,344**

(b) Interest expense and payables

The table below shows the most important related parties in both interest expense and related party payables:

	Related parties payable		Interest expense	
	As at 29 June 2018	As at 31 December 2017	Six months to 29 June 2018	Six months to 30 June 2017
	€'000	€'000	€'000	€'000
Coca-Cola HBC Procurement GmbH	217,866	173,292	838	718
CC Beverages Holdings II B.V.	161,571	37,943	6	-
LLC Coca-Cola HBC Eurasia	112,073	121,039	4,530	4,292
Coca-Cola HBC Romania Ltd	64,610	114,510	1,914	787
Coca-Cola HBC Italia S.r.l.	63,479	8,311	-	-
Coca-Cola HBC Bulgaria AD	40,175	30,660	182	88
Star Bottling Limited	35,955	1,054	9	297
Coca-Cola HBC Switzerland Ltd	35,196	75,308	375	137
Coca-Cola HBC Holdings B.V.	26,472	20,844	184	-
Coca-Cola HBC B-H d.o.o. Sarajevo	25,440	30,266	248	225
Coca-Cola HBC AG	25,670	18,430	106	1,191
CCHBC Insurance (Guernsey) Limited	21,368	21,197	171	170
Coca-Cola HBC Hrvatska d.o.o.	19,744	22,044	514	306
Coca-Cola HBC Austria GmbH	19,174	-	-	-
Coca-Cola HBC Slovenija d.o.o.	10,310	9,221	70	46
SIA Coca-Cola HBC Latvia	9,038	9,904	77	31
Coca-Cola HBC Services MEPE	8,840	13,246	104	96
Other related parties	55,022	79,225	1,477	441
Total	**952,003**	**786,494**	**10,805**	**8,825**

11. Events after the Balance Sheet date

No significant events occurred after 29 June 2018.

The condensed interim financial statements on page 6 to 9 and the attached notes on pages 10 to 14 have been approved by the directors on 9 August 2018.

Directors:

-------------------------	--------------------	----------------------	------------------------------
Garyfallia Spyriouni	**Michail Imellos**	**Sjors van der Meer**	**Huig Johan Braamskamp**