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Greece, Equities | **Resume coverage**

Food & Beverages | **April 13, 2011**

Coca Cola Hellenic

Attractive opportunity for long-term investment, though limited short-term prospects

Investment Rating O - 2 - 1
(Overweight - Medium Risk - Low Yield)

Rating	Overweight
Price	€19.50
Target Price	€22.80
Upside/Downside	16.9%

Key Data

BBG - RIC	EEEK GA / HLB.AT
Shares o/s	366.49mn
Market Cap	7,146.6mn
Free Float	48%
52wk Range	€16.75 - €22.28
Av.Daily Vol.	289K shares
St. deviation	35.2%

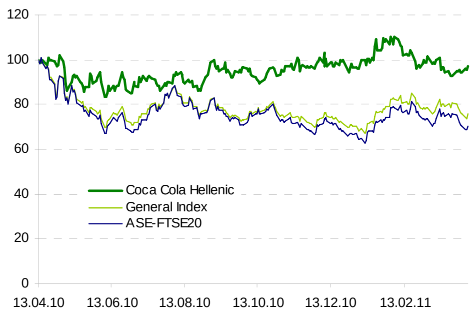
Financial Highlights

Financials (€mn)	2008	2009	2010	2011f
Sales	6,980.7	6,543.6	6,793.6	7,157.8
EBITDA	1,039.0	1,019.3	1,046.6	1,124.5
Net Income	227.6	399.2	423.2	467.4
EPS	0.62	1.09	1.16	1.28
DPS	0.28	0.30	0.00	0.33

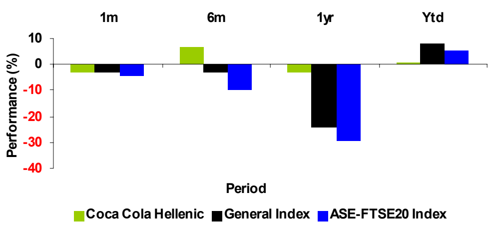
Valuation Metrics

Valuation Data (x)	2008	2009	2010	2011f
PE	16.6	17.9	16.9	15.3
PBV	1.3	2.7	2.3	2.1
EV/Sales	0.8	1.4	1.3	1.2
EV/EBITDA	5.6	9.1	8.6	7.9
Div. Yield	2.7%	1.5%	0.0%	1.7%

Relative Graph (52wk)



Absolute Performance



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INVESTMENT SUMMARY

"Attractive long-term prospects but 2011 remains a tough year"

We resume coverage on Coca Cola Hellenic (henceforth CCH, the "Company"), (EEEK GA / HLB.AT) with a "O-2-1" (Overweight, Medium Risk, Low Yield) rating and a price target of €22.80 per share, implying a 16.9% upside from current levels. We reiterate our belief in Coca Cola Hellenic's solid fundamentals, its strong brand name and globally recognisable products, and its enduring financial health. CCH is a market leader in its main territories and we believe it has the ability to increase its market share over time, both organically and through acquisitions.

In our view, CCH is an **attractive investment opportunity** given its geographic diversification and exposure to emerging markets. As shown by the Company's Q4 10 results, the Company's weakness in established and - to a lesser extent - developing markets was offset by its strong performance in emerging markets. The long term outlook is positive, but we still remain **cautious regarding the short term**. In particular, we believe there is still room for expansion in CCH's emerging market segment, which includes Nigeria and Russia and other countries with low per capita sparkling beverage consumption, while established markets should be neutral, with Greece and Ireland lagging, due to the continued recession of the Greek economy and the austerity measures. In the **long run**, we expect that a recovery in GDP growth in the Company's markets combined with its high emerging market exposure to lead to volume and top line growth and sustainable cost savings in the following years. In terms of costs, we expect increasing sugar, juice and petcoke (oil) prices to put pressure on the CCH's margins in the following quarters.

An additional main concern is currency risk. Even though FX worked in favour of CCH in the first 9 months of 2010, we saw adverse movements in Q4, which could continue in 2011.

FY 2010 Results Review

Results broadly in line with expectations (Exhibits 1 & 2). EBIT came below expectations on higher than expected input costs and depreciation charges

CCH reported **net sales** of €6,794mn, up 4% yoy, slightly above both consensus and ATE Sec expectations of €6,760mn and €6,764mn respectively, on **volume** of 2,100 million u.c., up 1% yoy, cycling a 5% organic volume decline in 2009, ahead of analyst expectations of 2,088 million u.c. and slightly above ATE Sec estimates 2,096 million u.c. **Comparable EBIT** stood at €682mn, up 5% yoy, while **comparable net profit** stood at €450mn, up 8% yoy. EPS stood at €1.24, up 9%. **Sales per unit case** was up 2% yoy in FY 10.

Sparkling beverages volume grew 2% yoy in FY 2010, volume in water grew by 2%, ready to drink tea by 8% and energy drinks by 26%. Volume in the juice category declined by 3% yoy in FY 2010.

Management continues to focus on implementing cost reduction and productivity improvement initiatives as part of an ongoing effort to increase the competitiveness and efficiency of CCH's operations. In 2010, pre-tax restructuring costs of €37mn were incurred, which management expects will result in annualised benefits of €35-40mn from 2011 onwards.

No dividend for FY 10

CCH will not pay a dividend as a result of not repatriating profits, due to unfavourable Greek tax legislation. Provided that the announced tax changes are implemented, CCH will reinstate the dividend in 2011 in line with their policy (20-30% payout).

Capital return of €0.50 per share to shareholders

However, CCH has proposed a capital return of €0.50 per share to shareholders, to be financed from the Company's cash position. The capital return is subject to shareholder (AGM on May 6, 2011) and regulatory approval. The proposed capital return is expected to be paid out on June 21, 2011, with a record date on June 15, 2011.

Guidance

Management updated its guidance, estimating 2011-2013 capex at €1.5bn and FCF at €1.6bn. Price increases are expected to be below inflation (3.5%), while raw material price increases could range from mid to high single digit rates.

Risks

The risks to our view include faltering GDP growth in the key markets, namely Greece, Italy, Ireland, Russia and Eastern Europe. Adverse economic conditions may dampen consumer confidence and purchasing power, resulting in lower discretionary spending.

Devaluation of key currencies (namely the Russian Rouble, the Nigerian Naira and the Polish Zloty) and high volatility, such as the ones seen in Q4 2010, could increase translation and transaction risks, and dampen profitability.

A potential increase in the cost of commodities-raw materials, as expected by Management for 2011, could put pressure on the Company's margins.

Weak weather conditions, especially in the summer months, could weigh on the demand for CCH products.

Coca Cola Hellenic

KEY DATA

CONTENTS

Company Profile

CCH is the largest bottler in revenues terms (excluding Bottling Investments). CCH primarily manufactures, sells and distributes sparkling and still beverages under license of The Coca-Cola Company (TCCC) in 28 countries (of which 16 are EU members).

Shares are listed on Athens, London and New York stock exchanges.

website: www.coca-colahellenic.com

Shareholder Structure

The Coca-Cola Company	23.97%
Kar-Tess Group	23.31%
Competrol Establishment	5.10%
Credit Swiss Securities	5.08%

More than two thirds of free float held by UK and US institutional investors.

Low shareholder concentration – top 10 investors account for only 26% of free float

Financial Structure Data

Convertible Bond: No
Stock Option Scheme: Yes

Management

CEO	Doros Constantinou
CFO	Robert Murray
IRO	Oya Gur

Events Calendar

06.05.11	AGM of shareholders
10.05.11	Q1 11 results, bmkt
10.06.11	Ex-capital return date
15.06.11	Record date for capital returı
21.06.11	Capital return payment date

Investment Pros

- Efficient management record
- Balanced geographic exposure in 28 countries, with an extensive distribution network
- Diverse product portfolio and changing product mix
- Disciplined cost management
- Close relations with TCCC

Investment Cons

- FX volatility risk, given that revenues from Russia are in Roubles, from Nigeria in Naira and from Poland in Zloty
- Volatile commodity costs
- High dependence on consumer-related factors and weather conditions
- Currently unfavourable economic and social conditions in certain key markets

DCF Valuation

Method	DCF	**Period**	5 yrs
Rf	5.41%	**Ke**	11.60%
ERP	6.51%	**Kd**	4.29%
β	0.95	**WACC**	8.53%
g	2.50%		
(€mn)			
PV (FCFs)	2,114.1	**Cur. Price**	€ 19.50
PV (TV)	8,018.8	**Targ. Price**	€ 22.20
Total Value	10,132.9	**Up / Down (%**	13.8%
Equity Value	8,125.2		

Profit & Loss

(€mn)	2008	2009	2010	2011f
Sales	6,980.7	6,543.6	6,793.6	7,157.8
Gross Profit	2,811.1	2,638.1	2,744.0	2,873.7
EBITDA	1,039.0	1,019.3	1,046.6	1,124.5
EBIT	454.6	638.8	645.0	712.2
EBT	346.3	564.1	571.8	615.7
Tax	106.4	142.5	136.9	135.5
Net Income	227.6	399.2	423.2	467.4

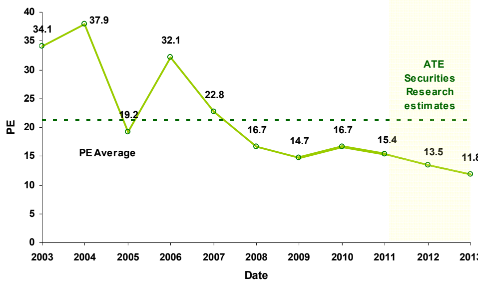
Balance Sheet - Other items

(€mn)	2008	2009	2010	2011f
PPE	2,994.2	2,961.3	3,122.9	3,179.2
Intangible Assets	1,918.0	1,874.1	1,966.9	1,959.4
Inventories	475.5	425.1	481.7	504.7
Trade & Other Receivables	1,161.6	1,074.5	1,121.7	1,181.8
Cash & Cash Equivalents	724.6	232.0	326.1	547.6
Total Assets	7,521.8	6,796.8	7,231.4	7,584.9
Total Equity	2,930.8	2,595.9	3,095.9	3,395.2
LT Borrowings	1,893.3	2,100.6	1,656.4	1,744.7
ST Borrowings	921.3	307.0	535.1	535.1
Trade Payables	1,271.3	1,227.7	1,501.3	1,467.1
Total Liabilities	4,591.0	4,200.9	4,135.5	4,189.7
Net Debt	1,599.2	1,701.7	2,090.0	2,175.6
Market Cap	7,142.2	10,766.7	3,770.9	7,128.0
EV	8,741.4	12,468.4	5,860.9	9,303.6

Cash Flow Statement

(€mn)	2008	2009	2010	2011f
Change in NCWC	(19.6)	56.7	69.1	(117.3)
CF from Operating Activities	900.7	997.2	987.9	860.7
CF from Investment Activities	(781.2)	(353.4)	(373.0)	(450.0)
CF from Financing Activities	448.0	(1,141.0)	(527.4)	(189.1)
Change in Cash	527.6	(492.6)	94.1	221.5
FCFF	281.5	546.2	548.5	416.7

PE Graph



Source: Historical PE values, Bloomberg

Margins - Growth

Growth	2008	2009	2010	2011f
Sales	8.0%	-6.3%	3.8%	5.4%
Gross Profit	5.9%	-6.2%	4.0%	4.7%
EBITDA	-2.6%	-1.9%	2.7%	7.4%
EBIT	-35.3%	40.5%	1.0%	10.4%
EBT	-43.7%	62.9%	1.4%	7.7%
Net Income	-51.8%	75.4%	6.0%	10.4%
EPS	-52.0%	75.3%	5.8%	10.4%
DPS	12.0%	7.1%	-100.0%	0.0%
Margins	**2008**	**2009**	**2010**	**2011f**
Gross Profit	40.3%	40.3%	40.4%	40.1%
EBITDA	14.9%	15.6%	15.4%	15.7%
EBIT	6.5%	9.8%	9.5%	10.0%
EBT	5.0%	8.6%	8.4%	8.6%
Net Income	3.3%	6.1%	6.2%	6.5%

Key Ratios

Performance	2008	2009	2010	2011f
ROE	7.8%	15.4%	13.7%	13.8%
ROA	3.0%	5.9%	5.9%	6.2%
ROIC	4.0%	8.0%	8.0%	8.2%
Working Capital (days)				
Inventories	42	40	43	43
Trade receivables	61	60	60	60
Trade payables	111	115	135	125
Operating cycle	102	100	104	103
Cash cycle	-9	-15	-32	-22
Liquidity (x)				
Interest Coverage	4.19	8.77	8.52	7.19
Current	1.05	1.06	0.95	1.12
Quick	0.84	0.81	0.71	0.86
Debt / Equity	0.99	0.97	0.73	0.70
Debt / Capital Invest.	0.49	0.48	0.41	0.40
Dividend Policy				
Payout Ratio	45.0%	27.5%	0.0%	27.0%
EPS	0.62	1.09	1.16	1.28
DPS	0.28	0.30	0.00	0.33
Shares Year-end	0.37	0.37	0.37	0.37

Ratings

Rating Agency	Outlook	Long term	Short term	Fin. strength/	Date
Standard & Poor's	STABLE	A	A-1	-	7/7/2010

Index Weightings

Ticker	**EEEK**
General Index	15.21%
FTSE/ATHEX 20	9.19%
FTSE/ATHEX International	8.03%

As at 12/4/2011

Notes

Ke: Cost of Equity, Kd: After-tax cost of debt, Rf=10yr bond yield, ERP: Equity Risk Premium
Ratios are calculated based on yr-end number of shares without the consideration of the bonus shares to be distributed.

Source: ATE Securities Research

Investment Case

Limited visibility on macro outlook, with upside to come from emerging markets

We resume coverage on Coca Cola Hellenic (EEEK GA / HLB.AT) with a "O-2-1" (Overweight, Medium Risk, Low Yield) rating and a price target of €22.80 per share, implying a 16.9% upside from current levels.

Up until 2009 CCH had grown substantially through organic and non-organic means. However, in 2009 and 2010 the Company was severely hit by the negative effects of the prevailing macro conditions and high inflation, and is still facing challenging market conditions in some of its main markets, notably Greece, Ireland and - to a lesser degree - Italy in the established market segment, Romania and Bulgaria in its developing market segment. On the upside, its territories include a number of emerging markets, where CCH is well-placed to achieve moderate growth in the medium term, with Russia being the outperformer in the last quarter.

Future catalysts

Future catalysts for CCH will be the improvement of the macroeconomic environment in the markets it operates in, which will allow demand for its products to pick up again.

Meanwhile, we believe the Company should exploit its size and negotiating power to continue improving its product mix, i.e. targeting for higher sales of non-CSD (non-carbonated soft drinks) products, and channel mix, i.e. selling more through the IC channel, which generate higher margins (up to 2.5x gross profit per unit case). In addition, the Company should explore opportunities to expand in markets where it has a small market share, where local brands dominate the market and no international bottlers exist, taking advantage of synergies arising from the use of its distribution network.

Drivers

Over the 2010-2015 period we expect CCH to exhibit low-single digit growth in terms of volume and sales per case, given the current product/channel mix and the uncertainty in the macro-economic environment (especially in established markets). Consequently, we project EBIT growth at 4.0%, with net income expected to grow at 5.3% CAGR, on increased operating expenses, lower operating leverage and adverse channel and geographic mix.

We expect raw material costs to be a problem in 2011, particularly with regard to pet and juice.

Management guided for a cumulative CapEx of €1.5bn over the 2011-2013 period.

Management guided for a cumulative FCF of €1.6bn over the 2011-2013 period.

Valuation

We use a two-stage DCF-based valuation approach which we believe to be the most appropriate approach to value CCH. We make explicit projections for the 2010-2015 period. Our DCF model returns a fair value of €22.20 per share implying an upside potential of 13.8% as of yesterday's closing price. Our results are based on a 2.5% long-term growth assumption, with a WACC of 8.53%, using a terminal beta of 0.95, a risk premium of 6.51%, a risk-free rate of 4.51%, and an after-tax cost of borrowing of 4.29%.

Our peer group exercise, using several multiples comparison, results in a price of €23.90 per share, offering an upside of 21.6% for the stock and suggesting that CCH trades at a discount to its peers.

Combining our two findings and giving a 60% weight to the DCF approach and 40% to the comparative approach, we arrive at the target price of €22.80 per share.

Review – Financial Results & Developments

FY/Q4 10 Results Review

Results broadly as expected, on increased volumes, but weighed down by negative price/mix. EBIT below expectations on higher than expected input costs and depreciation charges

Exhibit 1. Top line Q4/FY 10 Financials

Q4 Published Results

(€mn)	Q4 10A	Q4 09A	Q4 10E	(%) A	(A-E) %
Volume (mn unit cases)	480.5	452.3	468.8	6.2%	2.5%
Sales	1,494.9	1,393.1	1,589.5	7.3%	-6.0%
EBITDA	157.6	162.5	164.9	-3.0%	-4.4%
EBITDA (comp)	174.7	154.5	170.2	13.1%	2.7%
Net Income	20.1	3.1	26.1	548.4%	-23.1%
Net Income (comp)	32.7	6.2	31.9	427.4%	2.4%

Source: Published Financial Statements, consensus estimates

FY Published Results

(€mn)	FY 10A	FY 09A	FY 10E	(%) A	(A-E) %
Volume (mn unit cases)	2,100.0	2,069.3	2,088.1	1.5%	0.6%
Sales	6,794.0	6,543.6	6,759.6	3.8%	0.5%
EBITDA	1,046.6	1,019.3	1,053.2	2.7%	-0.6%
EBITDA (comp)	1,083.6	1,021.2	1,075.2	6.1%	0.8%
Net Income	423.2	399.2	432.3	6.0%	-2.1%
Net Income (comp)	449.7	417.1	451.5	7.8%	-0.4%

Source: Published Financial Statements, consensus estimates

Exhibit 2. Summary FY/Q4 10 P&L Statement

Profit & Loss Account

€mn	FY 10	FY 09	YoY	FY 10e	Actual vs ATEe	Q4 10	Q3 10	Q4 09	QoQ	YoY
Volume (mn unit cases)	2,100	2,069.3	1.5%	2,096	0.2%	481	611	452	-21.3%	6.2%
Turnover	6,794	6,543.6	3.8%	6,764	0.4%	1,495	1,999	1,393	-25.2%	7.3%
Gross profit	2,744	2,638.1	4.0%	2,765	-0.8%	562	837	546	-32.9%	3.0%
Total operating expenses	2,099	1,999.3	5.0%	2,079	1.0%	518	551	483	-6.0%	7.3%
EBITDA	1,047	1,019.3	2.7%	1,090	-4.0%	158	381	163	-58.7%	-3.0%
Comparable EBITDA	*1,084*	*1,021.2*	*6.1%*	*1,119*	*-3.1%*	*175*	*395*	*155*	*-55.8%*	*13.1%*
EBIT	645	638.8	1.0%	686	-6.0%	44	286	63	-84.6%	-30.0%
Comparable EBIT	*682*	*650.9*	*4.7%*	*714*	*-4.6%*	*61*	*300*	*60*	*-79.6%*	*1.5%*
Earnings before tax (EBT)	572	564.1	1.4%	616	-7.1%	23	267	43	-91.5%	-47.6%
Comparable EBT	*609*	*576.2*	*5.6%*	-	-	*40*	*281*	*41*	*-85.7%*	*-2.2%*
Net Income (EATAM)	423	399.2	6.0%	442	-4.3%	20	207	3	-90.3%	548.4%
Comparable EATAM	*450*	*417.1*	*7.8%*	*460*	*-2.3%*	*33*	*216*	*6*	*-84.9%*	*419.0%*
EPS (€)	1.16	1.09	6.5%	1.21	-3.7%	0.06	0.57	0.01	-90.3%	551.4%
Comparable EPS (€)	*1.24*	*1.14*	*8.3%*	*1.26*	*-1.7%*	*0.09*	*0.60*	*0.02*	*-84.9%*	*421.5%*
Margins										
GP	40.4%	40.3%	10 bps	40.9%	-50 bps	37.6%	41.9%	39.2%	-430 bps	-160 bps
EBITDA	15.4%	15.6%	-20 bps	16.1%	-70 bps	10.5%	19.1%	11.7%	-850 bps	-110 bps
Comparable EBITDA	*16.0%*	*15.6%*	*30 bps*	*16.1%*	*-20 bps*	*11.7%*	*19.8%*	*11.1%*	*-810 bps*	*60 bps*
EBIT	9.5%	9.8%	-30 bps	10.1%	-70 bps	2.9%	14.3%	4.5%	-1140 bps	-160 bps
Comparable EBIT	*10.0%*	*9.9%*	*10 bps*	*10.1%*	*-10 bps*	*4.1%*	*15.0%*	*4.3%*	*-1090 bps*	*-20 bps*
EBT	8.4%	8.6%	-20 bps	9.1%	-70 bps	1.5%	13.3%	3.1%	-1180 bps	-160 bps
Comparable EBT	*9.0%*	*8.8%*	*20 bps*	*9.1%*	*-10 bps*	*2.7%*	*14.0%*	*2.9%*	*-1140 bps*	*-30 bps*
EATAM	6.2%	6.1%	10 bps	6.5%	-30 bps	1.3%	10.3%	0.2%	-900 bps	110 bps
Comparable EATAM	*6.6%*	*6.4%*	*20 bps*	*6.5%*	*10 bps*	*2.2%*	*10.8%*	*0.5%*	*-860 bps*	*170 bps*

Source: ATE Securities Research, CCH Financial Statements

FY 2010 review - Results broadly as expected. EBIT below expectations on higher than expected input costs and depreciation charges

CCH reported **net sales** of €6,794mn, up 4% yoy, slightly above both analyst and ATE Sec expectations of €6,760mn and €6,764mn respectively, on **volume** of 2,100 million u.c., up 1% yoy, cycling a 5% organic volume decline in 2009, ahead of analyst expectations of 2,088 million u.c. and slightly above ATE Sec estimates 2,096 million u.c. **Comparable EBIT** stood at €682mn, up 5% yoy, while **comparable net profit** stood at €450mn, up 8% yoy. EPS stood at €1.24, up 9%. **Sales per case** was up 2% yoy in FY 10.

Sparkling beverages volume grew 2% yoy in FY 2010, volume in water grew by 2%, ready to drink tea by 8% and energy drinks by 26%. Volume in the juice category declined by 3% yoy in FY 2010.

Management continues to focus on implementing cost reduction and productivity improvement initiatives as part of an ongoing effort to increase the competitiveness and efficiency of CCH's operations. In 2010, pre-tax restructuring costs of €37mn were incurred, which management expects will result in annualised benefits of €35-40mn from 2011 onwards.

Q4 10 review

Volume ahead of expectations, but miss across sales and profit lines

Despite higher than expected **volume** in Q4 10 (481 million u.c., vs analyst expectation of 469 million u.c., +6% yoy, cycling a decline of 8% in Q4 09), financials were below expectations. CCH continued to face economic pressures in Western Europe and Balkan countries, while conditions in some of the emerging markets and Central European markets improved. **Net sales** of €1,495mn were up 7% yoy but below analyst expectations of €1,590mn. **Sales per case** were up 1% yoy in Q4 10, with a 3% boost in FX, offsetting the weak pricing/mix (-2% yoy). The **gross profit margin** decreased by 160 bps from 39.2% for Q4 09 to 37.6% for Q4 10, due to high raw material costs, with **COGS per case** up 4% yoy.

Total operating expenses decreased by 7% yoy, reflecting the benefit of cost saving initiatives. **Comparable EBITDA** increased 13% yoy to €158mn, with the **EBITDA margin** up 60bps yoy to 11.7%.

Despite the fact that Q4 10 volume stood 2% above consensus estimates, **comparable EBIT** was 14% below consensus estimates of €71mn, at €61mn, marginally up yoy, with a 4.1% **EBIT margin**. The reason was that CCH witnessed a significant cost increase for key commodities in Q4 10.

Comparable net profit was €33mn, up from €6mn in Q4 09, slightly exceeding analyst expectations of €32mn.

Comparable EPS stood at €0.09 from €0.01 in Q4 09. Free cash outflow of €94mn for the last quarter of 2010, compared to the free cash inflow of €27mn in Q4 09.

The immediate consumption channel remains under pressure in the current environment, but Management is optimistic that long-term trends will support margin expansion when economies recover.

Exhibit 3. Reconciliation of reported to comparable financials

Reconciliation of Reported to Comparable FY 10 financials

€mn	EBIT	EATAM*	EPS (€)
Reported results	645.0	423.2	1.16
Restructuring costs	36.7	26.5	0.08
Non-recurring items	-	-	-
Comparable results	681.70	449.70	1.24

* CCH booked a social responsibility contribution tax charge of €19.8mn (€0.06 per share) in Q4 2009 and of €21.2mn (€0.06 per share) in Q2 2010.

Segmental review for Q4 10

CCH witnessed improving economic trends in key countries such as **Russia, Ukraine, Switzerland and the Czech Republic**, but performance in 2010 was affected by continued deterioration in economic conditions in several important markets. Overall, consumer sentiment and purchasing power remained depressed resulting in reduced spending and a shift to less profitable channels and packages, primarily in **Greece, Italy, Ireland, Hungary, Bulgaria and Romania**.

CCH improved or maintained its market share in most markets, despite a general decline of the non-alcoholic beverage category in most countries, the most notable increases in Romania, Czech Republic and Hungary while CCH also expanded its sparkling share in Russia.

- **Established markets**

Weak performance in Greece weighed down segment performance

With government austerity measures in Greece, Italy and Ireland adversely impacting consumer confidence in spending, organic **volumes** in the established market segment were down 3% for the year (ahead of ATE Sec estimates) and down 17% in the quarter. Volume in **Greece** declined by mid single digits in Q4 10 vs Q3 10, representing an improvement over previous quarters, despite continued challenging economic conditions. During the quarter, CCH compensated for some of the volume that was lost due to the transportation strike in September. For the full year, volumes in Greece declined by 11% yoy. CCH continues to expect a protracted recession in Greece, as the new austerity measures announced in December 2010 begin to impact further consumer purchasing power and demand. Volume in **Italy** was stable qoq in Q4 10 and declined by 2% in the full year. Efficiency improvements in distribution and production resulted in notable cost savings in Italy in 2010. Volume in **Ireland** showed mid single-digit growth in Q4 10 vs Q3 10, a notable improvement compared to the nine months trend. For the full year, volume declined by 2%.Trading conditions in Ireland remain challenging and management expects that recently announced austerity measures will continue to dampen consumer demand in 2011. Volume in **Switzerland** grew by high single-digits qoq in Q4 10 and by 4% in the full year.

In FY 10 **sales** dropped 3% yoy to €2,835mn (broadly in line with ATE Sec estimates). **EBITDA** declined 5% yoy to €405mn, with EBITDA margin down by 30bps to 14.3%. Established markets contributed €291mn to the Group's **comparable EBIT** for the full year, an 11% decrease from 2009 and €31mn for Q4 10, a 17% yoy decrease. EBIT margin for FY 2010 was 10.3% down 90bps yoy. For the full year, lower volumes, unfavourable category and package mix more than offset the positive impact from realised cost savings, lower cost of goods sold and positive currency movements.

- **Developing markets**

Broadly in line with ATE Sec estimates

Unit case **volume** in the developing markets segment increased by 8% yoy in Q4 10, following a decline of 13% in Q4 09. Unit case volume increased by 1% in the full year (ahead of ATE Sec estimates), following a 5% decline in the comparable prior year period. Volume in **Poland** grew by low single-digits in the fourth quarter. There has been a significant consumer shift towards modern trade in Poland and CCH is adapting its business to address this change. For the full year, volume in Poland grew by 1%. Volume in **Hungary** registered high single-digit growth in Q4 10 and declined by 3% in the full year. Volume in the **Czech Republic** posted double-digit growth in Q4 10 building on the positive trend highlighted in previous quarters. A better economic environment during the second half of 2010 and successful promotional activity in the modern trade channel supported volumes in the quarter, even though pressures remain in the immediate consumption channel. As a result, full year volume increased by 7%.

In FY 2010 **net sales** declined by 1% to €1,140mn (broadly in line with ATE Sec estimates), as the positive impact from higher volumes and country mix was offset by unfavourable channel and package mix. **EBITDA** remained flat yoy at €164mn, with EBITDA margin at 14.4%. Developing markets contributed €92mn to the Group's **comparable EBIT** for the full year and €10mn for Q4 10. This represents decreases of 6% and 20% respectively from the comparable year periods. The operating profitability in both periods under review was impacted by the ongoing changes in the Polish retail environment. The unfavourable channel mix and higher marketing expenses in Poland in Q4 10 more than offset benefits of higher volumes, better category mix, favourable currency movements and lower warehouse, distribution and administrative costs in developing markets.

- **Emerging markets**

Leading growth

Unit case **volume** in the emerging markets segment increased by 9% yoy in Q4 10, following a decline of 13% in the comparable prior year period. Unit case volume increased by 6% in the full year, following an 8% decrease in the comparable prior year period. **Russia** enjoyed another strong quarter with volumes increasing in the high-teens, following a double-digit decline in the comparable prior year period. Volume for the full year increased by 14% in Russia. Consumer sentiment in the country continues to improve on the back of increasing purchasing power and declining unemployment levels. Volume in **Ukraine** grew by 9% in the full year, following a high single-digit volume increase in Q4 10. Volume in **Nigeria** continued the positive trend highlighted in previous quarters and posted a 5% increase in the full year. Volume in **Romania** showed mid single-digit growth in Q4 10. In 2010, volume declined by 4% in Romania as challenging economic conditions together with the implementation of strict austerity measures had an adverse impact on consumer demand.

In FY 2010 **net sales** increased by 14% to €2,819mn (in line withATE Sec estimates)., as a result of higher volumes, improved pricing and category mix and notable foreign currency benefits. **EBITDA** was up 11.5% yoy, on but on a lower EBITDA margin (-40 bps) of 17.0%. Emerging markets contributed €299mn to the Group's **comparable EBIT** in 2010, 32% higher than the comparable prior year period and €21mn for Q4 10, 87% higher compared to Q4 09. The benefit from higher volumes, better pricing and category mix and favourable currency movements more than offset higher raw material prices and increased operating expenses in the segment during both periods under consideration.

Exhibit 4. FY/Q4 10 Financials per segment

Segmental breakdown

€mn	FY 10	FY 09	YoY	FY 10e	Actual vs ATEe	Q4 10	Q3 10	Q4 09	QoQ	YoY
Established markets										
Volume (mn unit cases)	718	743	-3.4%	711	1.0%	165	200	163	-17.4%	1.5%
(% of total)	*34.2%*	*35.9%*		*33.9%*		*34.4%*	*32.8%*	*36.0%*		
Sales	2,835	2,928	-3.2%	2,823	0.4%	633	788	634	-19.7%	-0.2%
(% of total)	*41.7%*	*44.7%*		*41.7%*		*42.3%*	*39.4%*	*45.5%*		
EBITDA	405	426	-5.0%	427	-5.6%	55	138	60	-60.1%	-8.0%
(% of total)	*38.7%*	*41.8%*		*39.2%*		*34.8%*	*36.1%*	*36.7%*		
EBITDA margin	14.3%	14.5%	-30 bps	15.1%	-87 bps	14.3%	15.9%	14.5%	-160 bps	-30 bps
EBIT	266	298	-10.8%	291	-9.5%	18	103	27	-82.8%	-35.8%
(% of total)	*41.2%*	*46.6%*		*42.4%*	*-2.9%*	*40.0%*	*35.8%*	*43.6%*		
Comparable EBIT	291	328	-11.1%			31	110	37	-71.8%	-16.7%
(% of total)	*45.1%*	*51.3%*				*70.2%*	*38.3%*	*59.0%*		
EBIT margin	10.3%	11.2%	-90 bps	10.3%	-3 bps	4.9%	13.9%	5.8%	-900 bps	-100 bps
Developing markets										
Volume (mn unit cases)	392	388	0.9%	387	1.3%	91	116	84	-21.4%	8.2%
(% of total)	*18.7%*	*18.8%*		*18.4%*		*18.9%*	*18.9%*	*18.6%*		
Sales	1,140	1,149	-0.8%	1,138	0.2%	251	350	238	-28.1%	5.6%
(% of total)	*16.8%*	*17.6%*		*16.8%*		*16.8%*	*17.5%*	*17.1%*		
EBITDA	164	165	-0.7%	170	-3.8%	30	66	27	-53.8%	13.4%
(% of total)	*15.7%*	*16.2%*		*15.6%*		*19.3%*	*17.3%*	*16.5%*		
EBITDA margin	14.4%	14.4%	0 bps	15.0%	-58 bps	14.4%	15.0%	14.4%	-60 bps	0 bps
EBIT	89	86	3.4%	90	-0.8%	9	48	3	-81.2%	221.4%
(% of total)	*13.8%*	*13.5%*		*13.1%*	*5.3%*	*20.5%*	*16.7%*	*4.5%*		
Comparable EBIT	92	97	-5.7%			10	50	12	-80.4%	-20.5%
(% of total)	*14.2%*	*15.2%*				*22.0%*	*17.3%*	*19.4%*		
EBIT margin	8.0%	8.4%	-40 bps	10.3%	-227 bps	3.9%	14.2%	5.1%	-1030 bps	-130 bps
Emerging markets										
Volume (mn unit cases)	990	938	5.6%	999	-0.9%	224	295	205	-23.9%	9.2%
(% of total)	*47.1%*	*45.3%*		*47.6%*		*46.7%*	*48.3%*	*45.4%*		
Sales	2,819	2,467	14.3%	2,804	0.5%	611	861	521	-29.1%	17.3%
(% of total)	*41.5%*	*37.7%*		*41.5%*		*40.9%*	*43.1%*	*37.4%*		
EBITDA	478	429	11.5%	493	-3.1%	72	178	76	-59.4%	-4.9%
(% of total)	*45.7%*	*42.0%*		*45.2%*		*45.9%*	*46.7%*	*46.8%*		
EBITDA margin	17.0%	17.4%	-40 bps	17.6%	-62 bps	17.0%	18.4%	17.4%	-140 bps	-40 bps
EBIT	290	255	13.9%	306	-5.3%	17	136	33	-87.2%	-46.8%
(% of total)	*45.0%*	*39.9%*		*44.5%*	*1.0%*	*39.5%*	*47.5%*	*52.0%*		
Comparable EBIT	299	226	32.1%			21	141	11	-85.4%	87.3%
(% of total)	*46.4%*	*35.4%*				*46.8%*	*49.2%*	*17.5%*		
EBIT margin	10.6%	9.2%	140 bps	10.3%	31 bps	3.4%	16.4%	2.1%	-1300 bps	130 bps
Total CCH										
Volume (mn unit cases)	2,100	2,069	1.5%	2,096	0.2%	481	611	452	-21.3%	6.2%
Sales	6,794	6,544	3.8%	6,764	0.4%	1,495	1,999	1,393	-25.2%	7.3%
EBITDA	1,047	1,019	2.7%	1,090	-4.2%	158	381	163	-58.7%	-3.0%
EBITDA margin	15.4%	15.6%	-20 bps	16.1%	-71 bps	10.5%	19.1%	11.7%	-850 bps	-110 bps
EBIT	645	639	1.0%	686	-6.4%	44	286	63	-84.6%	-30.0%
Comparable EBIT	682	651	4.7%			61.2	300.2	60.3	-79.6%	1.5%
EBIT margin	10.0%	9.9%	10 bps	10.1%	-11 bps	4.1%	15.0%	4.3%	-1090 bps	-20 bps

Source: ATE Securities Research, Company Financial Statements

Management

Management reiterated its guidance for growth below GDP, which according to IMF data stand at 3.5% for the markets in which CCH operates. This is unlike the Company's performance in previous years where top line growth

guidance

was well above GDP.

Management expects **price increases** to be slightly below CPI in 2011, with variations across market segments, on the back of challenging economic conditions, low purchasing power and competitive pressures. Management currently expects **commodity costs** to increase by mid-single digits in 2011, but remains cautious that it might still go higher into the high single-digits. Management expect aluminium prices to be higher versus 2010, but through has covered up to 85% of its exposure through hedging. In sugar it has covered approximately 70% of demand.

CCH will continue to focus on implementing **cost reduction and productivity initiatives** as part of an ongoing effort to support the competitiveness and efficiency of its operations. Management has identified further restructuring initiatives of €30-35mn in 2011, and expects annualized benefits of €20-25mn from 2012 onwards.

The Company estimates future **CapEx** at approximately €1.5bn for 2011-2013.

Exhibit 5. FY 10 Balance Sheet

Balance Sheet

€mn	FY 10	FY 09	Δ%
Assets			
PPE	3,122.9	2,961.3	5.5%
Intangible assets	1,966.9	1,874.1	5.0%
Other non-current assets	212.1	212.9	-0.4%
Inventories	481.7	425.1	13.3%
Debtors	1,121.7	1,091.4	2.8%
Cash & Cash Equivalents	326.1	232.0	40.6%
Total Assets	**7,231.4**	**6,796.8**	**6.4%**
Liabilities & Equity			
Total Equity	**3,095.9**	**2,595.9**	**19.3%**
Long-term banks	1,656.4	2,100.6	-21.1%
Other non-current liabilities	442.7	457.7	-3.3%
Short-term banks	535.1	307.0	74.3%
Creditors	1,501.3	1,227.7	22.3%
Total Liabilities	**4,135.5**	**4,200.9**	**-1.6%**

Source: ATE Securities Research, Company Financial Statements

Focus on FCF generation

CCH maintained its **strong balance sheet and cash position**. FCF in FY 2010 stood at €549mn, stable yoy. Management expects to continue to be a highly cash generating business with a cumulative €1.6bn of FCF in 2011-2013.

Debt profile

During 2010, CCH adjusted its interest rate profile to reduce exposure to fluctuations in Euribor and stabilize future interest expense. This was executed by restructuring the interest rate terms of outstanding cross-currency swap contracts relating to the $900mn bonds and by unwinding outstanding fixed to floating interest rate swap contracts with an aggregate notional principal amount of €792.5mn. This has been the main factor that caused the €2.9mn increase in net finance cost in 2010, when compared to 2009, despite lower average borrowing levels during 2010. As a result of unwinding the interest rate swap contracts, Coca-Cola Hellenic received €48.5mn, of which €15.5mn related to accumulated net interest receivable and €33.0mn related to the fair value of the interest rate swap contracts.

During the fourth quarter of 2010, net finance costs were higher by €6.2mn in comparison to the prior year period, partly due to the fixing of interest rates undertaken earlier in 2010, and partly due to the net impact of the tender offer for the €500mn bond maturing in 2011.

Credit ratings

On 7 July 2010, Standard & Poor's Ratings Services affirmed Coca-Cola Hellenic's "A" long-term and "A-1" short-term corporate credit ratings and stable outlook. The long-term rating of the Company's senior unsecured debt was downgraded to "A-" on 16 November 2010.

The corporate credit ratings by Moody's remained unchanged over the period, i.e. "A3" long-term, "P2" short-term and stable outlook.

Value Drivers - Forecasts

We do not see CCH matching the pre-crisis levels of growth before 2012. We expect EBIT and EPS to grow by 9.6% and 10.4% respectively in 2011, mainly on the back of cost savings rather than top line growth. We expect a 2.5% growth in volumes in 2011.

Over the 2010-2015 period we expect CCH to exhibit low-single digit growth in terms of volume and sales per case, given the current product/channel mix and the uncertainty in the macro-economic environment (especially in established markets). Consequently, we project EBIT growth at 4.0%, with net income expected to grow at 5.3% CAGR, on increased operating expenses, lower operating leverage and adverse channel and geographic mix.

Sales Drivers

Macro assumptions

Over the 2010-2015 period we expect a 1.2% volume CAGR in established markets, a 3.3% volume CAGR in developing markets, and a 4.5% CAGR in emerging markets. In total, we expect a 3.2% volume CAGR.

Exhibit 6. Segmental macro data and CCH volume and pricing

Segmental data	2008A	2009A	2010A	2011F	2012F	2013F
Established markets						
Average GDP growth	0.8%	-3.7%	0.3%	1.0%	1.8%	2.2%
Average CPI growth	3.5%	0.1%	1.5%	1.3%	1.4%	1.6%
CCH volume growth	2.0%	7.4%	-3.4%	-0.3%	1.1%	1.6%
CCH pricing (reported)	0.6%	0.8%	0.2%	0.8%	1.0%	1.3%
Developing markets						
Average GDP growth	1.5%	-8.2%	1.3%	2.9%	3.4%	3.5%
Average CPI growth	7.7%	2.2%	1.7%	2.1%	2.2%	2.4%
CCH volume growth	6.5%	-4.5%	0.9%	2.8%	3.1%	3.5%
CCH pricing (reported)	6.8%	-10.8%	-1.7%	1.7%	1.8%	2.0%
Emerging markets						
Average GDP growth	6.2%	-5.0%	2.8%	3.9%	4.9%	4.8%
Average CPI growth	12.3%	6.5%	6.2%	6.2%	5.3%	4.7%
CCH volume growth	6.1%	-7.8%	5.6%	4.5%	4.7%	4.6%
CCH pricing (reported)	4.5%	-8.7%	8.2%	5.8%	4.8%	4.3%

Source: IMF forecasts, CCH, ATE Securities Research

Volume growth of 3.2% CAGR for 2010-2015 with emerging markets leading growth

Exhibit 7. Volume growth for the 2010-2015 period by region

Volume (mn unit cases)	2008A	2009A	2010A	2011F	2012F	2013F	CAGR 06-10	CAGR 10-13	CAGR 10-15
Established markets	692.1	743.2	718.2	715.9	723.5	735.4	4.0%	0.8%	1.2%
% of total	*32.7%*	*35.9%*	*34.2%*	*33.2%*	*32.6%*	*9.1%*			
Developing markets	406.6	388.3	391.7	402.7	415.3	429.9	3.2%	3.2%	3.3%
% of total	*19.2%*	*18.8%*	*18.7%*	*18.7%*	*18.7%*	*5.3%*			
Emerging markets	1,016.8	937.8	990.1	1,034.7	1,083.3	1,133.2	4.5%	4.6%	4.5%
% of total	*48.1%*	*45.3%*	*47.1%*	*48.1%*	*48.8%*	*14.1%*			
Total	**2,115.5**	**2,069.3**	**2,100.0**	**2,153.3**	**2,222.2**	**2,298.5**	**4.1%**	**3.1%**	**3.2%**
Total volume growth	4.8%	-2.2%	1.5%	2.5%	3.2%	3.4%			

Source: ATE Securities Research

Established markets

Shift towards non-CSDs due to health consciousness

Volume growth in **established markets** averaged a 4.0% CAGR for 2006-2010. In 2010 volumes were down 3.4% yoy. Greece, its largest market, was down 12% yoy, Ireland was down 2%, and only Switzerland posted higher volumes (+4.5% yoy). We expect 2011 volumes to remain at 2010 levels, with further volume decline in Greece, where we expect limited growth from 2012 onwards. Given the existing demographic trends (declining birth rates and ageing populations) in most countries and the weak macroeconomic conditions in Greece and Ireland, we expect consumer demand for CSDs to weaken further. We expect the consumption of non-CSDs, particularly water and juices, to continue growing at a faster rate, as they are associated with a healthier lifestyle and welcome CCH's initiatives regarding non-CSDs.

Developing markets

Volume growth in **developing markets** averaged a 3.2% CAGR for 2006-2010. In 2010, volumes were marginally up (+0.9% yoy), with volumes starting to grow in Czech Republic (+7% yoy) and early signs of recovery in Poland (FY 10: +0.5% yoy, Q4 10: + low-single digit). We forecast an annual growth of 2.8% for 2011, on improved macroeconomic conditions. Per capita consumption in most developing countries is still relatively low compared to established countries, with the exception of the Czech Republic and Slovakia, and there are significant growth opportunities for both CSD and non-CSD products, given that the non-alcoholic beverages market is fragmented and there is no market leader in more than one category. CCH does not control a CSD market share of more than 50% in these countries, with the exception of Croatia and Hungary.

Emerging markets

Volume growth in **emerging markets** averaged a 4.5% CAGR for 2006-2010, with CCH holding a 33.1% CSD market share in 2009 (up from 30.6% in 2007). In 2010, volumes were up 5.6% yoy, with Russia up +14% yoy, Ukraine up +9% yoy and Nigeria up +5% yoy. In addition, there are early signs of recovery in Romania (FY 10: -4% yoy, Q4 10: +mid-single digit yoy) and Hungary (FY 10: -2.5% yoy, Q4 10: + high-single digit yoy). We forecast an annual growth of 4.5% for 2011, on improved macroeconomic conditions. In the long run, emerging countries provide significant growth opportunities, mainly because of relatively low consumption rates, population size (especially in Russia, Nigeria and Ukraine) and favourable demographic characteristics, notably a larger proportion of young people in countries such as Nigeria who typically consume a higher amount of CSD products.

Product, Channel and Geographic Mix

Top and bottom line growth depends on the overall product, channel and geographic mix.

We expect the **product mix** effect to be neutral in the long run, with the growth in still beverages and water share in the Company's product portfolio likely to continue.

CCH has traditionally relied on the immediate consumption (IC) **channel** for increased profitability, since the IC channel enjoys higher profit margins (on higher prices) compared to the future consumption (FC) channel. Currently, the immediate consumption channel remains under pressure.

We expect that **geographic mix** might worsen due to the growing volume share of emerging markets, where products are sold at lower prices compared to the established markets.

Sales growth of 5.9% CAGR for 2010-2015 with emerging markets leading growth

We expect turnover to increase in emerging and developing markets, where growth prospects are fairly high and the Company has low market shares, due to the fragmented nature of the markets. Nevertheless, we expect growth in these markets to be below the levels posted until 2008.

Management expects **price increases** to be below CPI in 2011, at different levels across market segments, on the back of challenging macroeconomic conditions, low purchasing power and competitive pressures.

Exhibit 8. Sales forecast for the 2010-2013 period by region

By Region (€mn)	**2008A**	**2009A**	**2010A**	**2011F**	**2012F**	**2013F**	**CAGR 06-10**	**CAGR 10-13**	**CAGR 10-15**
Established	2,704.0	2,927.8	2,834.6	2,848.7	2,906.9	2,991.4	3.5%	1.8%	2.3%
% of total	*38.7%*	*44.7%*	*41.7%*	*39.8%*	*38.4%*	*37.2%*			
Developing	1,348.4	1,149.1	1,140.0	1,192.3	1,252.1	1,321.5	3.5%	5.0%	5.1%
% of total	*19.3%*	*17.6%*	*16.8%*	*16.7%*	*16.5%*	*16.4%*			
Emerging	2,928.3	2,466.7	2,819.0	3,116.8	3,420.4	3,730.2	7.0%	9.8%	9.3%
% of total	*41.9%*	*37.7%*	*41.5%*	*43.5%*	*45.1%*	*46.4%*			
Total	**6,980.7**	**6,543.6**	**6,793.6**	**7,157.8**	**7,579.3**	**8,043.1**	**4.9%**	**5.8%**	**5.9%**
Annual change (%)									
Established	2.6%	8.3%	-3.2%	0.5%	2.0%	2.9%			
Developing	13.7%	-14.8%	-0.8%	4.6%	5.0%	5.5%			
Emerging	10.9%	-15.8%	14.3%	10.6%	9.7%	9.1%			
Total	8.0%	-6.3%	3.8%	5.4%	5.9%	6.1%			

Source: ATE Securities Research

Established markets

CCH's revenues and profitability in established countries are dependent upon sales of CSDs (2009: 51.2% CSD market share, down from 55.2% in 2007).

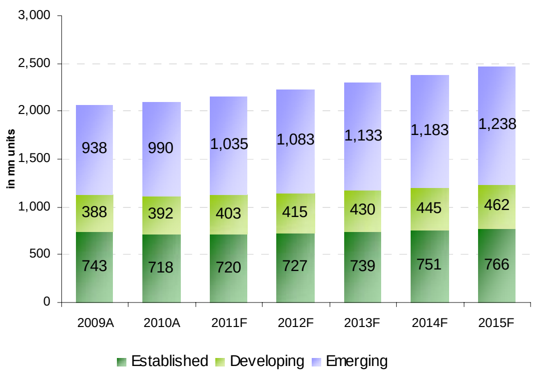
Developing markets

Developing countries have lower disposable income per capita than established countries and may be exposed to economic volatility. Sales per case countries are lower than established countries, and consumers tend to be more price-sensitive.

Emerging markets

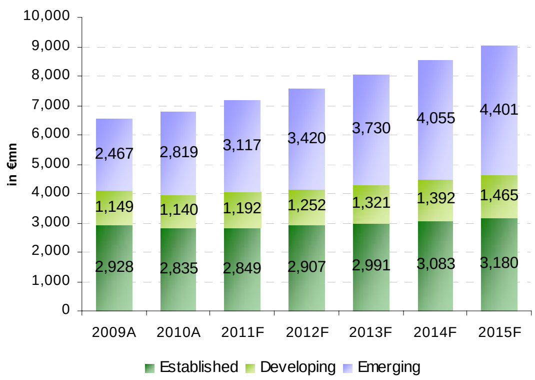
Most of the emerging countries are characterized by relatively low net sales revenue per unit case compared to established and developing countries. They are exposed to greater political and economic volatility and have lower per capita GDP. As a result, consumer demand is especially price sensitive.

Exhibit 9. Forecasted volume growth by region



Source: ATE Securities Research

Exhibit 10. Sales forecast for by region



Source: ATE Securities Research

Cost Drivers

COGS per case CAGR 2010-2015 at 2.3%

Management currently expects **commodity costs** to increase by mid to high single digits in 2011, especially PET and sugar. In particular, management expects aluminium prices to be higher versus 2010, but has covered up to 85% of its exposure through hedging. In addition, CCH is hedged on approximately 70% of sugar demand in 2011. On our estimates management guidance implies a 3.2% increase in COGS per case in 2011.

Continued focus on opex reduction

CCH will continue to focus on implementing **cost reduction and productivity initiatives** as part of an ongoing effort to support the competitiveness and efficiency of its operations. Management has identified further restructuring initiatives of €30-35mn in 2011, and expects annualized benefits of €20-25mn from 2012 onwards.

Exhibit 11. Sales and costs per unit case

€ per unit case	2008A	2009A	2010A	2011F	2012F	2013F	CAGR 06-10	CAGR 10-13	CAGR 10-15
Sales	**3.30**	**3.16**	**3.24**	**3.32**	**3.41**	**3.50**	**0.7%**	**2.7%**	**2.6%**
Established	3.91	3.94	3.95	3.98	4.02	4.07	-0.5%	1.0%	1.2%
Developing	3.32	2.96	2.91	2.96	3.01	3.07	0.3%	1.8%	1.8%
Emerging	2.88	2.63	2.85	3.01	3.16	3.29	2.4%	5.0%	4.6%
COGS	**1.97**	**1.89**	**1.93**	**1.99**	**2.03**	**2.06**	**0.6%**	**2.2%**	**2.3%**
OPEX	**1.11**	**0.97**	**1.00**	**1.00**	**1.02**	**1.05**	**0.6%**	**1.6%**	**2.1%**

Source: ATE Securities Research

Summary P&L projections

P&L We expect a 9.6% EBIT growth in 2011, mainly on the back of the planed cost savings. We project a 10.4% EPS growth, on the back of decreased taxation.

Exhibit 12. Summary P&L statement

P&L (€mn)	2008A	2009A	2010A	2011F	2012F	2013	CAGR 06-10	CAGR 10-13	CAGR 10-15
Sales	6,980.7	6,543.6	6,793.6	7,157.8	7,579.3	8,043.1	4.9%	5.8%	5.9%
EBITDA	1,039.0	1,019.3	1,046.6	1,124.5	1,212.9	1,309.9	4.6%	7.8%	7.8%
Comparable EBIT	659.4	650.9	681.7	747.2	815.1	899.7	4.6%	9.7%	8.5%
Net Income	227.6	399.2	423.2	467.4	534.1	609.6	6.1%	12.9%	12.1%
EPS	0.62	1.09	1.16	1.28	1.46	1.67	5.9%	12.9%	12.1%
DPS	0.28	0.30	0.00	0.33	0.37	0.43	-	-	-

Source: ATE Securities Research

Balance Sheet Drivers

CapEx Management guided for a cumulative CapEx of €1.5bn over the 2011-2013 period.

Free cash flow Management guided for a cumulative FCF of €1.6bn over the 2011-2013 period.

Loans - Bonds CCH has fully repaid the €500mn 4.375% notes maturing on July 15, 2011 (CCH bought back €200mn in December 2010 and on February 28 it announced the issue of an additional €300mn 4.25% fixed rate notes due Nov. 16, 2016). As a result, the Group's overall debt maturity profile has extended.

Exhibit 13. CCH debt maturity profile

Debt financing-bonds	2011F	2012F	2013F	2014F	2015F	2016F
Maturity			17/09/2013	15/01/2014	17/09/2015	16/11/2016
Amount (€mn)				500		600
Amount ($mn)			500		400	
Coupon			5.125%	7.875%	5.500%	4.250%

Source: ATE Securities Research, CCH

Market analysis

Strong geographical presence

Coca Cola Hellenic operates in 28 countries which are split into three segments. The countries included in each segment share similar levels of political and economic stability and development, regulatory environments, growth opportunities, customer bases and distribution infrastructures.

Exhibit 14. Coca Cola Hellenic's presence

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

Source: Coca Cola Hellenic, ATE Securities Research

The degree of fragmentation in the non-alcoholic beverage industry varies across territories. Developed markets are usually dominated by a few large players, while emerging markets are more fragmented with many local players. Non-alcoholic beverages are offered by a wide range of competitors, including major international and local beverage companies, as well as supermarket chains through private labels. Coca Cola Hellenic faces intense price competition from local non-premium brand producers and distributors, which typically produce market and sell lower quality non-alcoholic beverages at lower prices.

Established markets

Established markets, namely Austria, Cyprus, Greece, Italy (except Sicily), Ireland (the Republic of Ireland and Northern Ireland) and Switzerland, generally enjoy a **high degree of political and economic stability** and exhibit **high levels of disposable income per capita**, resulting in a **higher net revenue per case** compared to other markets.

CCH's revenues and profitability in these countries are mainly dependent upon sales of CSDs, though a declining rate in recent years CCH had a 51.2% CSD market share in 2009 down from 55.2% in 2007. Per capita consumption of CSDs has declined in recent years, with consumption of non-CSDs, particularly water and juices, growing at a faster rate, mainly because the latter are associated with a healthier lifestyle. The weakening of consumer demand for CSDs in established countries is also explained by the weak macroeconomic conditions as well as by demographic trends, given that they are experiencing declining birth rates and ageing populations. In addition, Greece, Ireland and to a lesser extent Italy no longer seem to enjoy the economic stability of the past.

CCH focuses on promoting CSD and non-CSD product categories, given that there is scope for expansion in both categories. In our view the Company should continue to do so, safeguarding lucrative profit margins and taking over additional market share. In addition, CCH has also turned towards the more profitable IC channel in these countries, aiming to extend its penetration of small retail outlets and specialized consumption venues.

As already mentioned, in 2010, **Greece**, CCH's home market, volumes were down 12% yoy, following a 2.1% CAGR volume growth for 2004-2009. Even though CSD per capita consumption declined, CCH is the market leader in the CSD category, (2009: 75.1% CSD market share). CSDs accounted for 52.9% of total volume sold in 2009. Volumes in **Ireland** were down 2% in 2010, but CCH is a market leader in the CSD category in terms of volume. **Italy** is the largest established market in terms of both population and volume, representing 62% and 44% of the total established markets' population and volume respectively in 2009 (including Socib), though CSD per capita consumption is relatively low and stable in recent years. **Austria** is amongst the countries with the highest CSD consumption per capita in the established market segment, though CCH's market share in the CSD category has dropped in recent years. The only country in which CCH posted an increase in volumes sold in 20101 is **Switzerland** (+4.5% yoy).

Developing markets

Developing countries include the Baltics (Estonia, Latvia, Lithuania), Croatia, the Czech Republic, Hungary, Poland, Slovakia and Slovenia. These countries have market-oriented economies, experiencing real GDP growth up until 2008. Developing countries generally have **lower disposable income per capita** than established countries and may be exposed to **economic volatility**. They are typically characterized by **lower net revenue per case** than established countries, and consumers tend to be more price-sensitive.

The Company faces competition from local players, since the non-alcoholic beverages market is fragmented, with no market leader in more than one market category. With the exception of **Croatia** and **Hungary** (a highly competitive market, with the presence of other major international brands and local non-premium brands), CCH does not control a CSD market share of more than 50% in any of these countries. Developing countries offer significant growth opportunities for both CSD and non-CSD products, since per capita consumption in most developing countries is still relatively low compared to established countries, with the exception of the **Czech Republic** and **Slovakia,** where there is an increased consumption of flavoured water.

Poland is the largest developing country in terms of both population and sales volume, representing 49% and 43% of the total developing markets' population and volume respectively in 2009. Even though CSDs per capita consumption increased in recent years, CCH CSD market share dropped to 28.7% in 2009 from 31.9% in 2007. The **Baltics** have the lowest CSD per capita consumption among developing countries and population dynamics are weak. The **Czech Republic** has the highest CSDs per capita consumption, though the market is very fragmented with CCH holding a small CSD market share of 16.7% in 2009. On the upside, population and economic growth macros seem more promising relative to most of the other developing countries.

Emerging markets

Emerging countries include Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, FYROM, Moldova, Montenegro, Nigeria, Romania, Russia, Serbia (including the Republic of Kosovo) and Ukraine. These countries are exposed to **greater political and economic volatility** and have **lower per capita GDP** than developing or established countries. As a result, consumer demand in emerging countries is especially **price sensitive**, making the affordability of the Company's products more important.

Most of the emerging countries are characterized by relatively **low net revenue per case** compared to established and developing countries. Consumers in some emerging countries are moving away from tap water and home made drinks as their principal beverages and have shown an increasing interest in branded beverages. In some of the emerging countries, consumers are showing particular interest in juices and branded waters.

Emerging countries provide significant growth opportunities, mainly because of relatively low consumption rates, population size (especially in **Russia**, **Nigeria** and **Ukraine**) and favourable demographic characteristics, notably the larger proportion of young people in countries such as Nigeria who typically consume a higher amount of CSD products. In fact, in 2010, volumes were up in all three markets: Russia +14% yoy, Ukraine +9% yoy and Nigeria +5% yoy. There are also early signs of recovery in another large market, Romania (FY 10: -4% yoy, Q4 10: +mid-single digit yoy) and Hungary (FY 10: -2.5% yoy, Q4 10: + high-single digit yoy).

Valuation

DCF Valuation

We use a two-stage DCF-based valuation approach to value Coca Cola Hellenic, making explicit projections for the 2010-2015 period and assigning a terminal value for the remainder. We assume single digit sales growth for the whole period, with an average EBITDA margin of 16.3% and an average ROE of 13.9%.

We also present sensitivity analysis scenaria that we find most appropriate so as to illustrate the high volatility and the effect each of the parameters might have on the earnings rollout and the overall operating conditions of the Group.

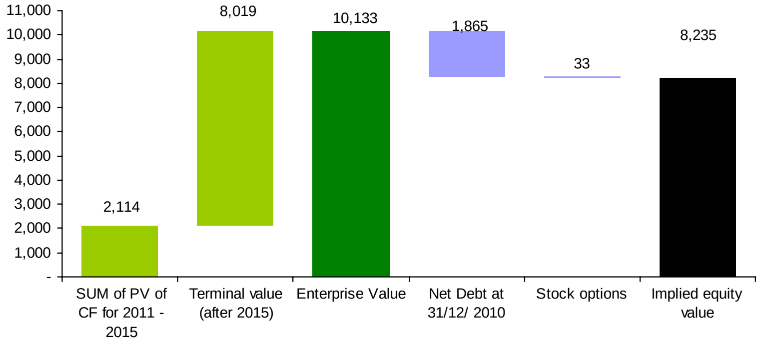
Terminal Value Assumptions

Using a risk-free rate of 5.4%, a market risk premium of 6.51%, and a stable-growth-period beta of 0.95, our workings return a cost of equity of 11.6%. Using a 4.29% cost of debt (after tax), our calculations return a WACC of 8.53%. We use a perpetuity growth rate of 2.5% (Valuation Summary shown in **Exhibit 16**).

Valuation

Our workings return a fair value of €22.20 per share, implying an upside potential of 13.8% on current price levels.

Exhibit 15. Breakdown of implied equity value (€mn)



Source: ATE Securities Research

Valuation Summary

Exhibit 16. Valuation Summary

DCF (€mn)	**2011F**	**2012F**	**2013F**	**2014F**	**2015F**
Sales	7,157.8	7,579.3	8,043.1	8,529.4	9,046.2
EBIT	747.2	815.1	899.7	960.1	1,026.1
Depreciation	401.2	424.8	446.8	469.5	493.4
CapEx	450.0	500.0	550.0	583.3	618.6
Change in NCWC	117.3	20.1	24.4	19.5	21.0
Operating Cash Flow	581.1	719.8	772.0	826.9	879.9
Tax	164.4	179.3	197.9	211.2	225.7
Cash Flow to the Firm (FCFF)	416.7	540.5	574.1	615.7	654.2
PV of Cash Flows	383.5	456.0	442.4	427.8	404.4
Sum of PV of Cash Flows					2,114.1
Terminal Year					
Terminal Value (TV)					12,971.2
PV of TV					8,018.8
Enterprise Value (Ent. V)					10,132.9
TV as % of Ent. V					79.1%
Cash & Marketable Securities					326.1
Debt					2,191.5
Options					32.5
Value of Equity					8,125.2
No. of Shares Outstanding (mn)					366.1
Value per Share (€)					**22.20**
Assumptions					
Risk-Free Rate					5.41%
Market Risk Premium					6.51%
Beta					0.95
Cost of Equity					11.60%
Cost of Debt					5.50%
Nominal Tax Rate					22.00%
After-Tax Cost of Debt					4.29%
WACC					8.53%

Source: ATE Securities Research

Sensitivity analysis

Our model is sensitive to various parameters that can have a major effect on earnings. Bear in mind that more than one parameter can change at anytime, making the accuracy of the estimate even more difficult.

Exhibit 17. Value per Share (€): Growth-WACC

g / wacc	8.13%	8.33%	**8.53%**	8.73%	8.93%
1.50%	20.02	19.44	18.90	18.38	17.90
2.00%	21.73	21.06	20.42	19.82	19.26
2.50%	23.75	22.95	22.20	21.49	20.83
3.00%	26.16	25.19	24.29	23.45	22.67
3.50%	29.10	27.90	26.81	25.79	24.85

Source: ATE Securities Research

Exhibit 18. Value per Share (€): g-EBIT margin

g / EBIT Margin	10.50%	11.00%	**11.50%**	12.00%	12.50%
1.50%	17.18	18.04	18.90	19.76	20.62
2.00%	18.56	19.49	20.42	21.35	22.28
2.50%	20.17	21.18	22.20	23.21	24.22
3.00%	22.07	23.18	24.29	25.40	26.51
3.50%	24.35	25.58	26.81	28.03	29.26

Source: ATE Securities Research

Comparative Valuation

Peer Group

We also compare Coca Cola Hellenic to a selected group of bottling companies on PE and EV/EBITDA terms.

Exhibit 19. Peer group 2010 financials

Companies			2010 financials		
(Amounts in € million)	Country	Local Currency	Revenues	EBITDA	EBITDA margin
Coca-Cola Hellenic Bottlin	**Greece**	**EUR**	**6,794**	**1,047**	**15.4%**
Britvic Plc	Britain	GBp	1,279	203	15.9%
Coca-Cola Amatil Limited	Australia	AUD	3,254	808	24.8%
Coca-Cola Enterprises	USA	USD	4,630	755	16.3%
Coca-Cola Femsa SAB	Mexico	MXN	6,019	1,234	20.5%
Embotelladora Andina	Chile	CLP	1,297	262	20.2%
Embotelladoras Arca Sab	Mexico	MXN	1,580	299	18.9%

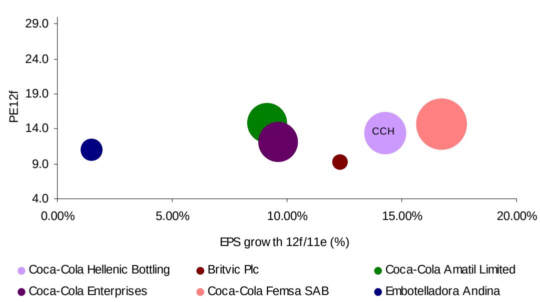
Source: ATE Securities Research

Exhibit 20. Peer group projections for 2011 and 2012

	Sales growth		EBITDA growth		EPS growth		DPS growth	
Company	11e	12f	11e	12f	11e	12f	11e	12f
Coca Cola Hellenic	**5.4%**	**5.9%**	**7.4%**	**7.9%**	**10.4%**	**14.3%**	**10.4%**	**14.3%**
Britvic Plc	5.1%	5.5%	9.3%	7.4%	14.3%	12.3%	12.6%	9.6%
Coca-Cola Amatil Limited	8.1%	7.5%	9.0%	8.6%	8.8%	9.1%	9.1%	10.1%
Coca-Cola Enterprises	5.4%	4.9%	8.2%	5.2%	11.9%	9.6%	11.6%	26.9%
Coca-Cola Femsa SAB	8.0%	5.8%	10.2%	-1.4%	12.9%	16.7%	9.7%	30.0%
Embotelladora Andina	8.2%	3.6%	7.9%	1.0%	10.5%	1.5%	-	-
Embotelladoras Arca Sab	10.0%	-	13.0%	46.9%	11.7%	-	11.7%	-

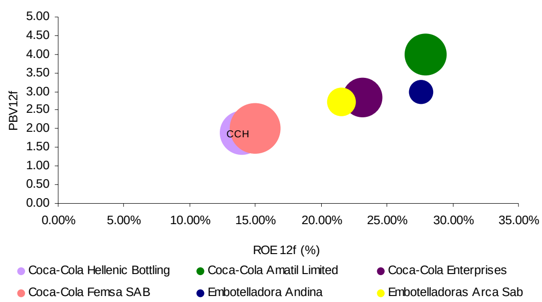
Source: ATE Securities Research

Exhibit 21. Coca Cola Hellenic combines subpar PE12f and below average EPS growth 12f



Source: ATE Securities Research, Bloomberg estimates

Exhibit 22. Coca Cola Hellenic combines low PBV12f and ROE12f



Source: ATE Securities Research, Bloomberg estimates

Multiples valuation

Coca Cola Hellenic currently trades at par and at a 2.8% discount to its peers on PE11e and PE12f terms respectively. On EV/EBITDA terms, CCH trades at a discount of 4.9% for FY 11 and 7.0% for FY 12.

Exhibit 23. Peer group valuation

Peer Group Comparables Matrix — April 13, 2011

Company	Mcap (€mn)	Ytd (%)	PE 11e	PE 12f	PBV 11e	PBV 12f	ROE (%) 11e	ROE (%) 12f	DivYield (%) 11e	DivYield (%) 12f	EV/Sales 11e	EV/Sales 12f	EV/EBITDA 11e	EV/EBITDA 12f
Coca Cola Hellenic	**7,194**	**1.4**	**15.4**	**13.5**	**2.1**	**1.9**	**13.8**	**14.0**	**1.7**	**1.9**	**1.2**	**1.1**	**7.9**	**7.1**
Britvic Plc	1,032	-19.23	10.5	9.2	13.7	5.7	-	-	4.6	5.2	1.1	1.0	7.3	6.7
Coca-Cola Amatil Limited	6,520	9.30	16.1	14.8	4.4	4.0	28.5	28.0	4.4	4.8	2.2	2.0	9.4	8.7
Coca-Cola Enterprises	6,246	10.35	13.5	12.1	3.2	2.8	20.9	23.2	1.7	1.9	1.4	1.3	8.2	7.5
Coca-Cola Femsa SAB	10,131	-8.06	16.6	14.7	2.2	2.0	14.6	15.0	2.4	2.7	1.6	1.5	8.0	7.3
Embotelladora Andina	2,282	-3.13	12.1	11.0	3.1	3.0	27.2	27.6	-	-	1.6	1.5	7.5	6.9
Embotelladoras Arca Sab	3,339	18.22	18.1	16.2	2.9	2.7	21.1	21.5	2.1	2.4	1.7	1.6	8.5	7.6
Weighted Average			15.4	13.9	3.4	2.9	20.2	20.8	2.6	2.8	1.7	1.6	8.3	7.6
Premium/discount			**-0.4%**	**-2.8%**	**-38.6%**	**-35.2%**	**-31.8%**	**-32.7%**	**-35.1%**	**-32.6%**	**-25.9%**	**-27.4%**	**-4.9%**	**-7.0%**

Source: ATE Securities Research, Bloomberg consensus estimates

Note: Averages are MCap weighted

Exchange rates: EUR/AUD: 1.38 EUR/CAD: 1.39 EUR/CLP: 685.36 EUR/GBP: 0.89 EUR/JPY: 121.74 EUR/MXN: 17.12 EUR/USD: 1.45

	EPS 11e	EPS 12f	BVPS 11e	BVPS 12f	ROE 11e	ROE 12f	DPS 11e	DPS 12f	Sales per 11e	Sales per 12f	EBITDA per 11e	EBITDA per 12f
Coca Cola Hellenic	1.28	1.46	9.27	10.44	13.8	14.0	0.33	0.37	19.53	20.68	3.07	3.31
Minus: Net debt per share									4.73	3.82	4.73	3.82
Implied Target Price according to Peers	19.72	20.21	31.98	30.34	28.80	29.21	12.76	13.25	28.13	28.47	20.89	21.39
Implied Target Price	**23.80**											

Source: ATE Securities Research

Value per share

Combining our two findings and giving a 60% weight to the DCF approach and 40% to the comparative approach, we arrive at the target price suggested as above at €22.80 per share.

Exhibit 24. Value per share (€)

Valuation methods	weight	Price (€)	Upside on current price
DCF	60%	22.20	13.8%
Comparables	40%	23.80	22.1%
Value per Share (€)		**22.80**	**16.9%**

Source: ATE Securities Research

Financials

Exhibit 1. Profit & Loss Statement – Balance Sheet – Ratios

€mn	2008A	2009A	2010A	2011F	2012F	2013F
Profit & Loss						
Volume (mn unit cases)	**2,116**	**2,069**	**2,100**	**2,153**	**2,222**	**2,298**
growth	*4.8%*	*-2.2%*	*1.5%*	*2.5%*	*3.2%*	*3.4%*
Sales	**6,981**	**6,544**	**6,794**	**7,158**	**7,579**	**8,043**
growth	*8.0%*	*-6.3%*	*3.8%*	*5.4%*	*5.9%*	*6.1%*
CoGs	4,170	3,906	4,050	4,284	4,504	4,736
Gross Profit	**2,811**	**2,638**	**2,744**	**2,874**	**3,075**	**3,307**
Gross Profit Margin	40.3%	40.3%	40.4%	40.1%	40.6%	41.1%
EBITDA	**1,039**	**1,019**	**1,047**	**1,125**	**1,213**	**1,310**
EBITDA Margin	14.9%	15.6%	15.4%	15.7%	16.0%	16.3%
Depreciation	365	361	388	394	417	438
Operating Profit (EBIT)	**455**	**639**	**645**	**712**	**800**	**900**
EBIT Margin	6.5%	9.8%	9.5%	10.0%	10.6%	11.2%
Comparable EBIT	**659**	**651**	**682**	**747**	**815**	**900**
Comparable EBIT Margin	9.4%	9.9%	10.0%	10.4%	10.8%	11.2%
Financial Income/Expense (net)	(108)	(73)	(76)	(99)	(99)	(99)
Income from Particip. & Investments	0	(2)	3	3	3	3
Profit Before Tax (EBT)	**346**	**564**	**572**	**616**	**704**	**803**
EBT Margin	5.0%	8.6%	8.4%	8.6%	9.3%	10.0%
Tax	106	143	137	135	155	177
Effective Tax Rate	30.7%	25.3%	23.9%	22.0%	22.0%	22.0%
EAT	**240**	**422**	**435**	**480**	**549**	**626**
EAT Margin	3.4%	6.4%	6.4%	6.7%	7.2%	7.8%
Minorities	12	22	12	13	15	17
Net Income (EATAM)	**228**	**399**	**423**	**467**	**534**	**610**
Net Income Margin	3.3%	6.1%	6.2%	6.5%	7.0%	7.6%
Comparable EATAM	**432**	**417**	**450**	**502**	**549**	**610**
Balance Sheet						
Non-Current Assets						
Property Plant & Equipment (PPE)	2,994	2,961	3,123	3,179	3,262	3,374
Intangible assets	1,918	1,874	1,967	1,959	1,951	1,943
Other non-current assets	228	213	212	212	212	212
Total	**5,140**	**5,048**	**5,302**	**5,351**	**5,426**	**5,529**
Current Assets						
Inventories	476	425	482	505	531	558
Trade & Other Receivables	1,162	1,075	1,122	1,182	1,251	1,328
Cash & Cash Equivalents	725	232	326	548	881	1,243
Total	**2,381**	**1,749**	**1,930**	**2,234**	**2,663**	**3,129**
Total Assets	**7,522**	**6,797**	**7,231**	**7,585**	**8,089**	**8,658**
Equity						
Share Capital	183	183	183	183	183	183
Treasury shares	-	(15)	(57)	(57)	(57)	(57)
Share premium account	1,665	1,114	1,119	938	938	938
Share options	-	-	-	-	-	-
Reserves & Retained Earnings	932	1,143	1,741	2,088	2,486	2,939
Dividends for shareholders	61	68	-	120	137	156
Equity to Co.'s Shareholders	**2,841**	**2,493**	**2,986**	**3,272**	**3,687**	**4,159**
Minority Interest	90	103	110	123	137	154
Total Equity	**2,931**	**2,596**	**3,096**	**3,395**	**3,824**	**4,314**
Non Current Liabilities						
Long-Term Borrowings	1,893	2,101	1,656	1,745	1,745	1,745
Other Long-Term Liabilities	423	458	443	443	443	443
Total	**2,316**	**2,558**	**2,099**	**2,187**	**2,187**	**2,187**
Current Liabilities						
Trade Payables & Other Liabilities	1,271	1,228	1,501	1,467	1,543	1,622
Current Income Tax Liabilities	41	66	-	-	-	-
Short-Term Borrowings	921	307	535	535	535	535
Other Short-Term Liabilities	-	-	-	-	-	-
Total	**2,275**	**1,643**	**2,036**	**2,002**	**2,078**	**2,157**
Total Liabilities	**4,591**	**4,201**	**4,136**	**4,190**	**4,265**	**4,345**
Total Liabilities & Equity	**7,522**	**6,797**	**7,231**	**7,585**	**8,089**	**8,658**

Source: ATE Securities Research

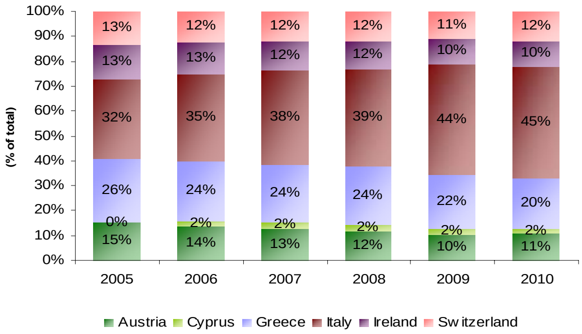
Selective Ratios	2008A	2009A	2010A	2011F	2012F	2013F
Valuation						
PE	16.6	18.0	17.0	15.4	13.5	11.8
PBV	1.3	2.8	2.3	2.1	1.9	1.7
EV/Sales	0.8	1.4	1.3	1.2	1.1	1.0
EV/EBITDA	5.6	9.2	8.7	7.9	7.1	6.3
EV/EBIT	12.9	14.7	14.0	12.5	10.7	9.1
Per share						
EPS	0.62	1.09	1.16	1.28	1.46	1.67
DPS	0.28	0.30	0.00	0.33	0.37	0.43
BVPS	8.02	7.10	8.46	9.27	10.44	11.78
Payout ratio	45%	27%	0%	27%	27%	27%
Div Yield (%)	2.7%	1.5%	-	1.7%	1.9%	2.2%
Liquidity (x)						
Interest Coverage (EBIT/Int.Exp)	4.19	8.77	8.52	7.19	8.08	9.09
Current	1.05	1.06	0.95	1.12	1.28	1.45
Quick	0.84	0.81	0.71	0.86	1.03	1.19
Debt / Equity	0.99	0.97	0.73	0.70	0.62	0.55
Net debt/Equity	0.74	0.87	0.62	0.53	0.38	0.25
Debt / Total Capital	0.49	0.48	0.41	0.40	0.37	0.35
Performance						
ROE	7.8%	15.4%	13.7%	13.8%	14.0%	14.1%
ROA	3.0%	5.9%	5.9%	6.2%	6.6%	7.0%
ROIC	4.0%	8.0%	8.0%	8.2%	8.7%	9.2%
Working Capital						
Inventories	42	40	43	43	43	43
Trade receivables	61	60	60	60	60	60
Trade payables	111	115	135	125	125	125
Operating cycle	102	100	104	103	103	103
Cash cycle	-9	-15	-32	-22	-22	-22

Source: ATE Securities Research

Segmental evolution

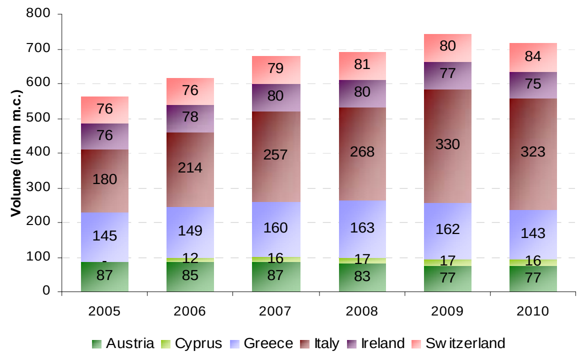
Established markets

Exhibit 25. Volume split per country



Source: Coca Cola Hellenic, ATE Securities Research

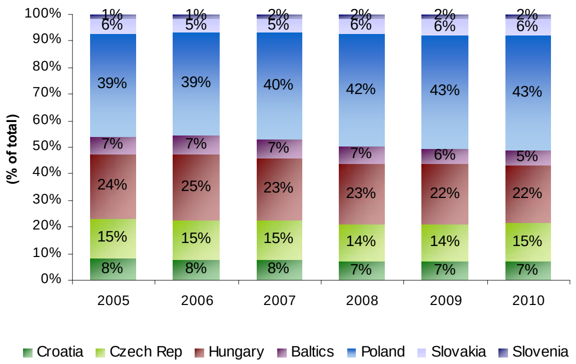
Exhibit 26. Volume evolution per country



Source: Coca Cola Hellenic, ATE Securities Research

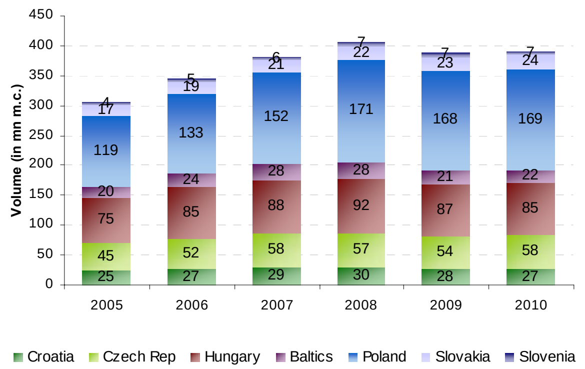
Developing markets

Exhibit 27. Volume split per country



Source: Coca Cola Hellenic, ATE Securities Research

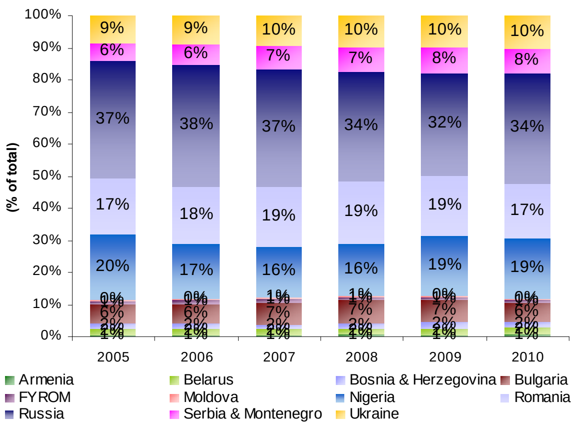
Exhibit 28. Volume evolution per country



Source: Coca Cola Hellenic, ATE Securities Research

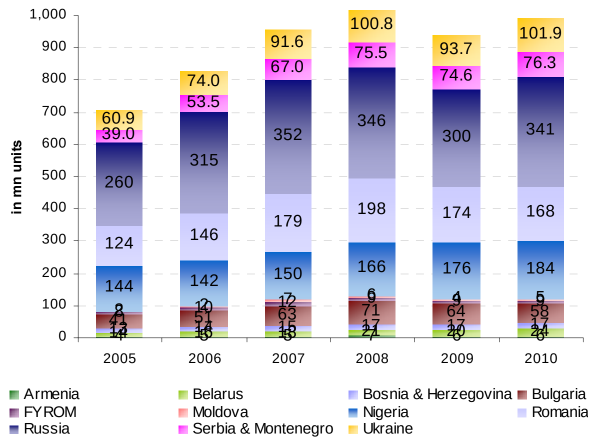
Emerging markets

Exhibit 29. Volume split per country



Source: Coca Cola Hellenic, ATE Securities Research

Exhibit 30. Volume evolution per country



Source: Coca Cola Hellenic, ATE Securities Research

Disclosures

GENERAL DISCLOSURES

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  ATE Securities SA (License no. 85/8.10.1996, 2/301/14.05.2004, 19/469/18.4.2008) is supervised by the Hellenic Capital Market Commission (HCMC).

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  (ii) Chinese Walls are set between the different Departments in order to secure confidentiality of flow of information and market abuse behaviour and
  (iii) The analysts of the Department make use of any public non material information, make company visits and take every effort to ensure the credibility of their sources.

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ATE Securities SA research analysts certify that:

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(ii) **No part of their compensation** was, is, or will be, directly or indirectly, related to the specific views or recommendations expressed in the report.

COMPANY-SPECIFIC DISCLOSURES

Share Price

All financial data calculated, are based on the closing price of the previous day, unless otherwise stated.

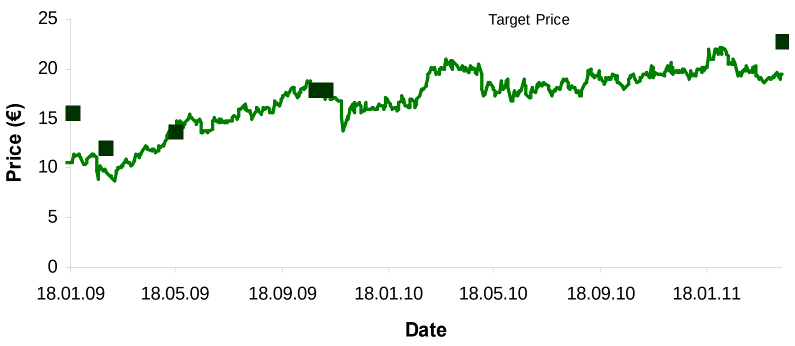
Frequency of Disclosures

There is no predetermined period for revision updates. ATE Securities SA policy, however, outlines that any major developments in the companies mentioned, should be carefully screened, and it is the analyst's decision whether any such developments materially change their view or opinion stated herein, in order to proceed for an update.

Companies Mentioned in the Report

Company	BBG-RIC Code	Price	Date	View	Disclosures
Coca Cola Hellenic	EEEK GA / HLB.AT	€ 19.50	12.04.2011	O	-

Investment Outlook History



	Date	Price (€)*	TP (€)	Upside / Downside(%)	View
1	19.01.09	10.54	15.66	+48.6%	O - 2 - 1
2	26.02.09	9.80	12.02	+22.7%	O - 2 - 1
3	18.05.09	13.40	13.8	+3.0%	N - 2 - 1
4	26.10.09	18.40	17.9	-2.7%	N - 2 - 1
5	06.11.09	16.94	17.9	+5.7%	N - 2 - 1
6	13.04.11	19.50	22.8	+16.9%	O - 2 - 1

* previous day close

Disclosures Outline

1		ATE Securities SA and / or any of its affiliates owns 5% or more of the total share capital of the Company	
2		The Company and / or its affiliates owns 5% or more of the total share capital of ATE Securities SA and / or its affiliates	
3		ATE Securities SA acts as a market maker for the securities of the Company	
4		ATE Securities SA has been asked to prepare and or will receive compensation from the Company for the preparation of the report	
5		ATE Securities SA, its affiliates or subsidiaries has acted as manager/co-manager in the underwriting or placement of securities of this Company within the past 12 months	
6		ATE Securities SA, its affiliates or subsidiaries has received compensation for investment banking services from this Company within the past 12 months	
7		ATE Securities SA, provides, or has provided the Company with non-investment-banking, securities related services in the past 12 months	
8		ATE Securities SA, receives, or has received non-investment-banking, securities related services by the Company, in the past 12 months	
9		ATE Securities SA, receives, or is expected to receive investment banking services from this Company within the next 3 months	
10		ATE Securities SA, receives, or is expected to receive non-investment-banking, securities related services from this Company, in the next 3 months	
11	i	ATE Securities SA has sent this report to the Company prior to publication for factual verification	
	ii	ATE Securities SA has altered the contents of the report sent initially, on the following issues:	*NO ALTERATION*
12		The analyst/s expressing views on the company/ies covered by ATE Sec. Universe, has/have a financial interest in the named company/ies:	*NONE*
13		The analyst/s expressing views on the company/ies covered by ATE Sec. Universe, has/have a BoD position in the named company/ies:	*NONE*

EQUITY RATING SYSTEM

As of Aug.1 2006, ATE Securities SA has adopted a new rating system. Under the old rating system, ratings and definitions were: Buy, when the estimated valuation fair value exceed current market price by 20% or more, Sell, when the current market price exceed the estimated valuation fair value by 20% or more and Hold, when the estimated valuation fair value falls between the two above range points.

ATE Securities SA - Universe

ATE Securities SA Universe has a universe focused mainly on large capitalisation stocks that represents approx. 76% of ATHEX Market Cap.

Guide to Investment Research Rating System

Under the new Investment Research Rating System, in effect as of Aug.1 2006, **Investment Outlook** refers to the overall view of the analyst covering the company and is not a recommendation. The overall assessment of the company includes a *three factor rating system*: **Investment Rating (O, N, U, NR, UR, R, RS, CS) - Risk Rating (1, 2, 3) - Income Rating (1, 2, 3, 4).**
Quantitative factors are updated at least quarterly or when deemed necessary.

Investment Rating

The five different categories are indicative of expectations of stock return, compared to the Market Return. Stock return includes price appreciation over the next 6-12 months. In specific:

VIEW	Prefix	Definition
Overweight	**O**	Stock Return > +9%
Neutral	**N**	Stock Return in the range [-9%, +9%]
Underweight	**U**	Stock Return < -9%
Not Rated	**NR**	The company is not covered by ATE Securities SA Research & Analysis Department
Under Review	**UR**	Rating not currently available
Restricted	**R**	ATE Securities SA policy and/or law prohibits investment recommendation
Rating Suspended	**RS**	There is no sufficient fundamental basis for determining an investment rating or target.
Coverage Suspended	**CS**	We have suspended coverage on this company

Risk Rating

Risk is measured by a 2-factor equally-weighted model, which takes into account (i) Stock Volatility and (ii) Liquidity

Risk Factor	Definition	Quantification (1)	
Stock Volatility	The stocks' standard deviation annualized (log scale)	Bottom Medium Top	25% percentile 25% percentile 50% percentile
Liquidity	Net Shares traded as % of total shares over a 12-month period	Top Medium Bottom	20% percentile 40% percentile 40% percentile

(1) percentiles of ATE Securities SA Universe

Source: Athens Stock Exchange, Bloomberg, Effect Finance Database

We use a scale of 1 to 3 to describe Low, Medium, High risk respectively, also taking into account qualitative factors.
When a rating is applied on an IPO, the scale 3 - ''High Risk'' is applied for a 12-month period.

Income Rating

An Income Rating is produced, based on the forecasted dividend yield for a 12-month period. This is then compared with the YtM of the 10-yr Greek Government bond, as shown below:

Income Measure	Definition	Quantification	
Equity Div. Yield	Relative performance w.r.t. the 10-yr Greek Government bond	More than 50bps Within the range [-50bps, +50bps] Less than 50bps No dividend	*High Div. Yielder* *Medium Div. Yielder* *Low Div. Yielder* *No Cash div. Yielder*

We use a scale of 1 to 4 to describe Low, Medium, High and No Div. income rating respectively.

ATE Securities SA Ratings Distribution

Ratings Distribution	Total	Overweight	Neutral	Underweight	Not Rated	Under Review	Restricted	Rating Suspended	Coverage Suspended
Equity Universe	25	6 (24%)	1 (4%)	0 (0%)	14 (56%)	3 (12%)	1 (4%)	-	-
Invest. Banking Services (per category)	0	-	-	-	-	-	-	-	-

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