UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 26, 2014

or

[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 001-34874

Coca-Cola Enterprises, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**27-2197395**
(State of incorporation)	(I.R.S. Employer Identification No.)

2500 Windy Ridge Parkway
Atlanta, Georgia 30339
(Address of principal executive offices, including zip code)

678-260-3000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes** [X] **No** [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). **Yes** [X] **No** [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [X]	**Accelerated filer** [ ]
Non-accelerated filer [ ] **(Do not check if a smaller reporting company)**	**Smaller reporting company** [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **Yes** [ ] **No** [X]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

241,734,401 Shares of $0.01 Par Value Common Stock as of September 26, 2014

COCA-COLA ENTERPRISES, INC.

QUARTERLY REPORT ON FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 26, 2014

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

COCA-COLA ENTERPRISES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited; in millions, except per share data)

	Third Quarter		First Nine Months	
	2014	2013	2014	2013
Net sales	$ 2,136	$ 2,174	$ 6,339	$ 6,180
Cost of sales	1,328	1,387	4,035	4,006
Gross profit	808	787	2,304	2,174
Selling, delivery, and administrative expenses	463	473	1,480	1,477
Operating income	345	314	824	697
Interest expense, net	31	26	89	75
Other nonoperating income (expense)	—	1	—	(3)
Income before income taxes	314	289	735	619
Income tax expense	76	—	184	87
Net income	$ 238	$ 289	$ 551	$ 532
Basic earnings per share	$ 0.97	$ 1.09	$ 2.21	$ 1.96
Diluted earnings per share	$ 0.96	$ 1.07	$ 2.17	$ 1.92
Dividends declared per share	$ 0.25	$ 0.20	$ 0.75	$ 0.60
Basic weighted average shares outstanding	244	264	249	271
Diluted weighted average shares outstanding	248	269	254	277

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

COCA-COLA ENTERPRISES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited; in millions)

	Third Quarter		First Nine Months	
	2014	2013	2014	2013
Net income	$ 238	$ 289	$ 551	$ 532
Components of other comprehensive income:				
Currency translations				
Pretax activity, net	(279)	204	(255)	14
Tax effect	—	—	—	—
Currency translations, net of tax	(279)	204	(255)	14
Net investment hedges				
Pretax activity, net	153	(52)	169	(34)
Tax effect	(54)	18	(59)	12
Net investment hedges, net of tax	99	(34)	110	(22)
Cash flow hedges				
Pretax activity, net	(9)	(10)	(15)	18
Tax effect	2	3	3	(5)
Cash flow hedges, net of tax	(7)	(7)	(12)	13
Pension plan adjustments				
Pretax activity, net	7	8	20	20
Tax effect	(1)	(2)	(4)	(4)
Pension plan adjustments, net of tax	6	6	16	16
Other comprehensive (loss) income, net of tax	(181)	169	(141)	21
Comprehensive income	$ 57	$ 458	$ 410	$ 553

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

COCA-COLA ENTERPRISES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited; in millions, except share data)

	September 26, 2014	December 31, 2013
ASSETS		
Current:		
Cash and cash equivalents	$ 218	$ 343
Trade accounts receivable, less allowances of $19 and $16, respectively	1,800	1,515
Amounts receivable from The Coca-Cola Company	95	89
Inventories	410	452
Other current assets	305	169
Total current assets	2,828	2,568
Property, plant, and equipment, net	2,167	2,353
Franchise license intangible assets, net	3,824	4,004
Goodwill	115	124
Other noncurrent assets	352	476
Total assets	$ 9,286	$ 9,525
LIABILITIES		
Current:		
Accounts payable and accrued expenses	$ 1,994	$ 1,939
Amounts payable to The Coca-Cola Company	124	145
Current portion of debt	729	111
Total current liabilities	2,847	2,195
Debt, less current portion	3,419	3,726
Other noncurrent liabilities	183	221
Noncurrent deferred income tax liabilities	1,107	1,103
Total liabilities	7,556	7,245
SHAREOWNERS' EQUITY		
Common stock, $0.01 par value – Authorized – 1,000,000,000 shares; Issued – 354,167,172 and 352,374,063 shares, respectively	4	3
Additional paid-in capital	3,940	3,899
Reinvested earnings	1,940	1,577
Accumulated other comprehensive loss	(472)	(331)
Common stock in treasury, at cost – 112,432,771 and 94,776,979 shares, respectively	(3,682)	(2,868)
Total shareowners' equity	1,730	2,280
Total liabilities and shareowners' equity	$ 9,286	$ 9,525

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

COCA-COLA ENTERPRISES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in millions)

	First Nine Months	
	2014	2013
Cash Flows from Operating Activities:		
Net income	$ 551	$ 532
Adjustments to reconcile net income to net cash derived from operating activities:		
Depreciation and amortization	231	231
Share-based compensation expense	21	24
Deferred income tax expense (benefit)	60	(66)
Pension expense less than contributions	(5)	(3)
Net changes in assets and liabilities	(267)	(121)
Net cash derived from operating activities	591	597
Cash Flows from Investing Activities:		
Capital asset investments	(239)	(220)
Capital asset disposals	27	—
Settlement of net investment hedges	21	—
Net cash used in investing activities	(191)	(220)
Cash Flows from Financing Activities:		
Net change in commercial paper	242	182
Issuances of debt	347	459
Payments on debt	(111)	(220)
Shares repurchased under share repurchase programs	(800)	(888)
Dividend payments on common stock	(185)	(161)
Other financing activities, net	(1)	8
Net cash used in financing activities	(508)	(620)
Net effect of currency exchange rate changes on cash and cash equivalents	(17)	10
Net Change in Cash and Cash Equivalents	(125)	(233)
Cash and Cash Equivalents at Beginning of Period	343	721
Cash and Cash Equivalents at End of Period	$ 218	$ 488

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

COCA-COLA ENTERPRISES, INC.
Notes to Condensed Consolidated Financial Statements

NOTE 1—BUSINESS AND REPORTING POLICIES

Business

Coca-Cola Enterprises, Inc. ("CCE," "we," "our," or "us") is a marketer, producer, and distributor of nonalcoholic beverages. We market, produce, and distribute our products to customers and consumers through licensed territory agreements in Belgium, continental France, Great Britain, Luxembourg, Monaco, the Netherlands, Norway, and Sweden. We operate in the highly competitive beverage industry and face strong competition from other general and specialty beverage companies. Our financial results are affected by a number of factors including, but not limited to, consumer preferences, cost to manufacture and distribute products, foreign currency exchange rates, general economic conditions, local and national laws and regulations, raw material availability, and weather patterns.

Sales of our products tend to be seasonal, with the second and third quarters accounting for higher unit sales of our products than the first and fourth quarters. In a typical year, we earn more than 60 percent of our annual operating income during the second and third quarters. The seasonality of our sales volume, combined with the accounting for fixed costs, such as depreciation, amortization, rent, and interest expense, impacts our results on an interim period basis. Additionally, year-over-year shifts in holidays and selling days can impact our results on an interim period. Accordingly, our results for the third quarter and first nine months of 2014 may not necessarily be indicative of the results that may be expected for the full year ending December 31, 2014.

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial reporting and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals and expense allocations) considered necessary for fair presentation have been included. The Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and accompanying Notes contained in our Annual Report on Form 10-K for the year ended December 31, 2013 (Form 10-K).

Our Condensed Consolidated Financial Statements include all entities that we control by ownership of a majority voting interest. All significant intercompany accounts and transactions are eliminated in consolidation.

For reporting convenience, our first three quarters close on the Friday closest to the end of the quarterly calendar period. Our fiscal year ends on December 31st. The following table summarizes the number of selling days for the periods presented (based on a standard five-day selling week):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
2014	63	65	65	68	261
2013	64	65	65	67	261
Change	(1)	—	—	1	—

NOTE 2—INVENTORIES

We value our inventories at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method. The following table summarizes our inventories as of the dates presented (in millions):

	September 26, 2014	December 31, 2013
Finished goods	$ 259	$ 260
Raw materials and supplies	151	192
Total inventories	$ 410	$ 452

NOTE 3—PROPERTY, PLANT, AND EQUIPMENT

The following table summarizes our property, plant, and equipment as of the dates presented (in millions):

	September 26, 2014	December 31, 2013
Land	$ 155	$ 166
Building and improvements	998	1,024
Machinery, equipment, and containers	1,704	1,773
Cold drink equipment	1,604	1,721
Vehicle fleet	94	110
Furniture, office equipment, and software	440	431
Property, plant, and equipment	4,995	5,225
Accumulated depreciation and amortization	(2,946)	(3,050)
	2,049	2,175
Construction in process	118	178
Property, plant, and equipment, net	$ 2,167	$ 2,353

NOTE 4—ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The following table summarizes our accounts payable and accrued expenses as of the dates presented (in millions):

	September 26, 2014	December 31, 2013
Trade accounts payable	$ 552	$ 486
Accrued customer marketing costs	733	625
Accrued compensation and benefits	233	321
Accrued taxes	214	229
Accrued deposits	65	72
Other accrued expenses	197	206
Accounts payable and accrued expenses	$ 1,994	$ 1,939

NOTE 5—RELATED PARTY TRANSACTIONS

Transactions with The Coca-Cola Company (TCCC)

We are a marketer, producer, and distributor principally of products of TCCC, with greater than 90 percent of our sales volume consisting of sales of TCCC products. Our license arrangements with TCCC are governed by product licensing agreements. From time to time, the terms and conditions of these agreements with TCCC are modified.

The following table summarizes the transactions with TCCC that directly affected our Condensed Consolidated Statements of Income for the periods presented (in millions):

	Third Quarter		First Nine Months	
	2014	2013	2014	2013
Amounts affecting net sales:				
Fountain syrup and packaged product sales	$ 4	$ 5	$ 13	$ 13
Amounts affecting cost of sales:				
Purchases of concentrate, syrup, mineral water, and juice	$ (522)	$ (568)	$ (1,722)	$ (1,735)
Purchases of finished products	(15)	(15)	(39)	(43)
Marketing support funding earned	56	52	163	148
Total	$ (481)	$ (531)	$ (1,598)	$ (1,630)

For additional information about our relationship with TCCC, refer to Note 3 of the Notes to Consolidated Financial Statements in our Form 10-K.

NOTE 6—DERIVATIVE FINANCIAL INSTRUMENTS

We utilize derivative financial instruments to mitigate our exposure to certain market risks associated with our ongoing operations. The primary risks that we seek to manage through the use of derivative financial instruments include currency exchange risk, commodity price risk, and interest rate risk. All derivative financial instruments are recorded at fair value on our Condensed Consolidated Balance Sheets. We do not use derivative financial instruments for trading or speculative purposes. While certain of our derivative instruments are designated as hedging instruments, we also enter into derivative instruments that are designed to hedge a risk, but are not designated as hedging instruments (referred to as an “economic hedge” or “non-designated hedge”). Changes in the fair value of these non-designated hedging instruments are recognized in each reporting period in the expense line item on our Condensed Consolidated Statements of Income that is consistent with the nature of the hedged risk. We are exposed to counterparty credit risk on all of our derivative financial instruments. We have established and maintain strict counterparty credit guidelines and enter into hedges only with financial institutions that are investment grade or better. We continuously monitor our counterparty credit risk and utilize numerous counterparties to minimize our exposure to potential defaults. We do not require collateral under these agreements.

The fair value of our derivative contracts (including forwards, options, cross currency swaps, and interest rate swaps) is determined using standard valuation models. The significant inputs used in these models are readily available in public markets or can be derived from observable market transactions and, therefore, our derivative contracts have been classified as Level 2. Inputs used in these standard valuation models include the applicable spot, forward, and discount rates which are current as of the valuation date. The standard valuation model for our option contracts also includes implied volatility which is specific to individual options and is based on rates quoted from a widely used third-party resource. Refer to Note 16.

The following table summarizes the fair value of our assets and liabilities related to derivative financial instruments and the respective line items in which they were recorded on our Condensed Consolidated Balance Sheets as of the dates presented (in millions):

Hedging Instruments	Location – Balance Sheets	September 26, 2014	December 31, 2013
Assets:			
Derivatives designated as hedging instruments:			
Foreign currency contracts[(A)]	Other current assets	$ 35	$ 11
Foreign currency contracts	Other noncurrent assets	2	—
Total		37	11
Derivatives not designated as hedging instruments:			
Foreign currency contracts	Other current assets	3	—
Commodity contracts	Other current assets	3	1
Foreign currency contracts	Other noncurrent assets	3	7
Commodity contracts	Other noncurrent assets	1	—
Total		10	8
Total Assets		$ 47	$ 19
Liabilities:			
Derivatives designated as hedging instruments:			
Foreign currency contracts[(A)]	Accounts payable and accrued expenses	$ 37	$ 29
Foreign currency contracts	Other noncurrent liabilities	28	43
Total		65	72
Derivatives not designated as hedging instruments:			
Commodity contracts	Accounts payable and accrued expenses	2	12
Foreign currency contracts	Other noncurrent liabilities	3	7
Commodity contracts	Other noncurrent liabilities	—	1
Total		5	20
Total Liabilities		$ 70	$ 92

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(A) Amounts include the gross interest receivable or payable on our cross currency swap agreements.

Cash Flow Hedges

We use cash flow hedges to mitigate our exposure to changes in cash flows attributable to currency fluctuations associated with certain forecasted transactions, including purchases of raw materials and services denominated in non-functional currencies, the receipt of interest and principal on intercompany loans denominated in non-functional currencies, and the payment of interest and principal on debt issuances in a non-functional currency. Effective changes in the fair value of these cash flow hedging instruments are recognized in accumulated other comprehensive income (loss) (AOCI) on our Condensed Consolidated Balance Sheets. The effective changes are then recognized in the period that the forecasted purchases or payments impact earnings in the expense line item on our Condensed Consolidated Statements of Income that is consistent with the nature of the underlying hedged item. Any changes in the fair value of these cash flow hedges that are the result of ineffectiveness are recognized immediately in the expense line item on our Condensed Consolidated Statements of Income that is consistent with the nature of the underlying hedged item.

The following table summarizes our outstanding cash flow hedges as of the dates presented (all contracts denominated in a foreign currency have been converted into U.S. dollars using the period end spot rate):

	September 26, 2014		December 31, 2013	
Type	Notional Amount	Latest Maturity	Notional Amount	Latest Maturity
Foreign currency contracts	USD 1.6 billion	June 2021	USD 1.6 billion	June 2021

COCA-COLA ENTERPRISES, INC.
Notes to Condensed Consolidated Financial Statements

The following tables summarize the effect of our derivative financial instruments, net of tax, designated as cash flow hedges on our AOCI and Condensed Consolidated Statements of Income for the periods presented (in millions):

	Amount of Gain (Loss) Recognized in AOCI on Derivative Instruments[A]			
	Third Quarter		First Nine Months	
Cash Flow Hedging Instruments	2014	2013	2014	2013
Foreign currency contracts	$ 38	$ (41)	$ 13	$ 9

		Amount of Gain (Loss) Reclassified from AOCI into Earnings[B]			
		Third Quarter		First Nine Months	
Cash Flow Hedging Instruments	Location - Statements of Income	2014	2013	2014	2013
Foreign currency contracts	Cost of sales	$ (1)	$ 1	$ 1	$ 2
Foreign currency contracts[C]	Other nonoperating income (expense)	46	(35)	24	(6)
Total		$ 45	$ (34)	$ 25	$ (4)

(A) The amount of ineffectiveness associated with these hedging instruments was not material.

(B) Over the next 12 months, deferred losses totaling $9 million are expected to be reclassified from AOCI as the forecasted transactions occur. The amounts will be recorded on our Condensed Consolidated Statements of Income in the expense line item that is consistent with the nature of the underlying hedged item.

(C) The gain (loss) recognized on these currency contracts is offset by the gain (loss) recognized on the remeasurement of the underlying debt instruments; therefore, there is a minimal consolidated net effect in other nonoperating income (expense) on our Condensed Consolidated Statements of Income.

Economic (Non-designated) Hedges

We periodically enter into derivative instruments that are designed to hedge various risks, but are not designated as hedging instruments. These hedged risks include those related to commodity price fluctuations associated with forecasted purchases of aluminum, sugar, and vehicle fuel. At times, we also enter into other short-term non-designated hedges to mitigate our exposure to changes in cash flows attributable to currency fluctuations associated with short-term intercompany loans and certain cash equivalents denominated in non-functional currencies.

The following table summarizes our outstanding economic hedges as of the dates presented (all contracts denominated in a foreign currency have been converted into U.S. dollars using the period end spot rate):

	September 26, 2014		December 31, 2013	
Type	Notional Amount	Latest Maturity	Notional Amount	Latest Maturity
Foreign currency contracts	USD 256 million	October 2014	USD 55 million	January 2014
Commodity contracts	USD 112 million	December 2015	USD 129 million	December 2015

Changes in the fair value of outstanding economic hedges are recognized each reporting period in the expense line item on our Condensed Consolidated Statements of Income that is consistent with the nature of the hedged risk.

The following table summarizes the gains (losses) recognized from our non-designated derivative financial instruments on our Condensed Consolidated Statements of Income for the periods presented (in millions):

		Third Quarter		First Nine Months	
Non-Designated Hedging Instruments	**Location - Statements of Income**	**2014**	**2013**	**2014**	**2013**
Commodity contracts	Cost of sales	$ 6	$ (3)	$ 4	$ (16)
Commodity contracts	Selling, delivery, and administrative expenses	(1)	—	(1)	—
Foreign currency contracts	Other nonoperating income (expense)[(A)]	4	(6)	4	1
	Total	$ 9	$ (9)	$ 7	$ (15)

(A) The gain (loss) recognized on these currency contracts is offset by the gain (loss) recognized on the remeasurement of the underlying hedged items; therefore, there is a minimal consolidated net effect in other nonoperating income (expense) on our Condensed Consolidated Statements of Income.

Mark-to-market gains/(losses) related to our non-designated commodity hedges are recognized in the earnings of our Corporate segment until such time as the underlying hedged transaction affects the earnings of our Europe operating segment. In the period the underlying hedged transaction occurs, the accumulated mark-to-market gains/(losses) related to the hedged transaction are reclassified from the earnings of our Corporate segment into the earnings of our Europe operating segment. This treatment allows our Europe operating segment to reflect the true economic effects of the underlying hedged transaction in the period the hedged transaction occurs without experiencing the mark-to-market volatility associated with these non-designated commodity hedges.

As of September 26, 2014, our Corporate segment earnings included net mark-to-market gains on non-designated commodity hedges totaling $2 million. These amounts will be reclassified into the earnings of our Europe operating segment when the underlying hedged transactions occur. For additional information about our segment reporting, refer to Note 12.

The following table summarizes the deferred gain (loss) activity in our Corporate segment during the period presented (in millions):

Gains (Losses) Deferred at Corporate Segment	**Cost of Sales**	**SD&A**	**Total**
Balance at December 31, 2013	$ (12)	$ —	$ (12)
Amounts recognized during the period and recorded in our Corporate segment, net	4	—	4
Amounts transferred from our Corporate segment to our Europe operating segment, net	10	—	10
Balance at September 26, 2014	$ 2	$ —	$ 2

Net Investment Hedges

We have entered into currency forwards, options, and foreign currency denominated borrowings designated as net investment hedges of our foreign subsidiaries. Changes in the fair value of these hedges resulting from currency exchange rate changes are recognized in AOCI on our Condensed Consolidated Balance Sheets to offset the change in the carrying value of the net investment being hedged. Any changes in the fair value of these hedges that are the result of ineffectiveness are recognized immediately in other nonoperating income (expense) on our Condensed Consolidated Statements of Income. During the third quarter of 2014, we settled our November 2014 net investment hedges prior to maturity. We received $21 million upon settlement of these hedges.

The following table summarizes our outstanding instruments designated as net investment hedges as of the dates presented:

	September 26, 2014		December 31, 2013	
Type	Notional Amount	Latest Maturity	Notional Amount	Latest Maturity
Foreign currency contracts	USD 75 million	November 2015	USD 190 million	November 2014
Foreign currency denominated debt	USD 1.6 billion	May 2026	USD 1.4 billion	May 2025

The following table summarizes the effect of our derivative financial instruments, net of tax, designated as net investment hedges on our AOCI for the periods presented (in millions):

	Amount of Gain (Loss) Recognized in AOCI on Derivative Instruments(A)			
	Third Quarter		First Nine Months	
Net Investment Hedging Instruments	2014	2013	2014	2013
Foreign currency contracts	$ 18	$ (11)	$ 19	$ (5)
Foreign currency denominated debt	81	(23)	91	(17)
Total	$ 99	$ (34)	$ 110	$ (22)

(A) The amount of ineffectiveness associated with these hedging instruments was not material.

NOTE 7—DEBT

The following table summarizes our debt as of the dates presented (in millions, except rates):

	September 26, 2014		December 31, 2013	
	Principal Balance	Rates(A)	Principal Balance	Rates(A)
U.S. dollar commercial paper	$ 242	0.2%	$ —	—%
U.S. dollar notes due 2015-2021(B)	1,793	3.1	1,891	2.9
Euro notes due 2017-2026(C)	2,083	2.6	1,915	2.5
Capital lease obligations(D)	30	n/a	31	n/a
Total debt(E)	4,148		3,837	
Current portion of debt(F)	(729)		(111)	
Debt, less current portion	$ 3,419		$ 3,726	

(A) These rates represent the weighted average interest rates or effective interest rates on the balances outstanding, as adjusted for the effects of interest rate swap agreements, if applicable.

(B) In February 2014, we repaid $100 million floating rate notes at maturity.

(C) In May 2014, we issued €250 million, 2.8 percent notes due 2026.

(D) These amounts represent the present value of our minimum capital lease payments.

(E) The total fair value of our outstanding debt, excluding capital lease obligations, was $4.3 billion and $3.8 billion at September 26, 2014 and December 31, 2013, respectively. The fair value of our debt is determined using quoted market prices for publicly traded instruments (Level 1).

(F) In the third quarter of 2014, our $475 million, 2.1 percent notes due September 2015 became current.

Credit Facilities

We have amounts available to us for borrowing under a $1 billion multi-currency credit facility with a syndicate of eight banks. This credit facility matures in 2017 and is for general corporate purposes, including serving as a backstop to our commercial paper program and supporting our working capital needs. At September 26, 2014, our availability under this credit facility was $1 billion. Based on information currently available to us, we have no indication that the financial institutions syndicated under this facility would be unable to fulfill their commitments to us as of the date of the filing of this report.

Covenants

Our credit facility and outstanding notes contain various provisions that, among other things, require limitation of the incurrence of certain liens or encumbrances in excess of defined amounts. Additionally, our credit facility requires that our net debt to total capital ratio does not exceed a defined amount. We were in compliance with these requirements as of September 26, 2014. These requirements currently are not, nor is it anticipated that they will become, restrictive to our liquidity or capital resources.

NOTE 8—COMMITMENTS AND CONTINGENCIES

Tax Audits

Our tax filings are subjected to audit by tax authorities in most jurisdictions in which we do business. These audits may result in assessments of additional taxes that are subsequently resolved with the authorities or potentially through the courts. We believe that we have adequately provided for any assessments that could result from those proceedings where it is more likely than not that we will pay some amount.

Indemnifications

In the normal course of business, we enter into agreements that provide general indemnifications. We have not made significant indemnification payments under such agreements in the past, and we believe the likelihood of incurring such a payment obligation in the future is remote. Furthermore, we cannot reasonably estimate future potential payment obligations because we cannot predict when and under what circumstances they may be incurred. As a result, we have not recorded a liability in our Condensed Consolidated Financial Statements with respect to these general indemnifications.

We have certain indemnity obligations to TCCC resulting from the merger with TCCC that occurred on October 2, 2010 (the Merger). For additional information regarding the Merger, including our remaining indemnity obligations to TCCC, refer to Note 8 of the Notes to Consolidated Financial Statements in our Form 10-K.

NOTE 9—EMPLOYEE BENEFIT PLANS

Pension Plans

We sponsor a number of defined benefit pension plans. The following table summarizes the net periodic benefit costs of our pension plans for the periods presented (in millions):

	Third Quarter		First Nine Months	
	2014	2013	2014	2013
Components of net periodic benefit costs:				
Service cost	$ 13	$ 14	$ 40	$ 43
Interest cost	16	14	48	42
Expected return on plan assets	(24)	(22)	(73)	(64)
Amortization of net prior service cost	1	2	2	4
Amortization of actuarial loss	6	6	18	16
Net periodic benefit cost	12	14	35	41
Other[(A)]	—	—	—	2
Total costs	$ 12	$ 14	$ 35	$ 43

(A) During the first nine months of 2013, we recorded additional pension expense related to our restructuring activities (refer to Note 13).

Contributions

Contributions to our pension plans totaled $40 million and $46 million during the first nine months of 2014 and 2013, respectively. The following table summarizes our projected contributions for the full year ending December 31, 2014, as well as actual contributions for the year ended December 31, 2013 (in millions):

	Projected(A) 2014	Actual(A) 2013
Total pension contributions	$ 60	$ 72

(A) These amounts represent only contributions made by CCE. During 2013, we contributed an incremental $15 million to our Great Britain defined benefit pension plan to improve the funded status of the plan. For additional information about the funded status of our defined benefit pension plans, refer to Note 9 of the Notes to Consolidated Financial Statements in our Form 10-K.

NOTE 10—TAXES

Our effective tax rate was approximately 25 percent and 14 percent for the first nine months of 2014 and 2013, respectively. The following table provides a reconciliation of our income tax expense at the statutory U.S. federal rate to our actual income tax expense for the periods presented (in millions):

	First Nine Months	
	2014	2013
U.S. federal statutory expense	$ 257	$ 217
Taxation of foreign operations, net(A)	(138)	(115)
U.S. taxation of foreign earnings, net of tax credits	60	57
Nondeductible items	12	(4)
Rate and law change benefit, net(B)(C)	(1)	(71)
Other, net	(6)	3
Total provision for income taxes	$ 184	$ 87

(A) Our effective tax rate reflects the benefit of having all of our operations outside of the U.S., most of which are taxed at statutory rates lower than the statutory U.S. rate, and the benefit of some income being fully or partially exempt from income taxes due to various operating and financing activities.

(B) During the third quarter of 2014, France extended the temporary corporate income tax surcharge of 10.7 percent to the year 2015. As a result, we recognized a deferred tax benefit of approximately $1 million during the third quarter of 2014 related to net deferred tax assets that are expected to be realized in 2015.

(C) During the third quarter of 2013, the United Kingdom enacted a corporate income tax rate reduction of 3 percentage points of which 2 percentage points were effective April 1, 2014 and 1 percentage point will be effective April 1, 2015. As a result, we recognized a deferred tax benefit of approximately $71 million during the third quarter of 2013 to reflect the impact of this change.

Repatriation of Current Year Foreign Earnings to the U.S.

During the third quarter of 2014, we repatriated to the U.S. $450 million of our 2014 foreign earnings for the payment of dividends, share repurchases, interest on U.S.-issued debt, salaries for U.S.-based employees, and other corporate-level operations in the U.S. Our historical foreign earnings, including our 2014 foreign earnings that were not repatriated in 2014, will remain permanently reinvested, and, if we do not generate sufficient current year foreign earnings to repatriate to the U.S. in any future given year, we expect to have adequate access to capital in the U.S. to allow us to satisfy our U.S.-based cash flow needs in that year. Therefore, historical foreign earnings and future foreign earnings that are not repatriated to the U.S. will remain permanently reinvested and will be used to service our foreign operations, non-U.S. debt, and to fund future acquisitions. For additional information about our undistributed foreign earnings, refer to Note 10 of the Notes to Consolidated Financial Statements in our Form 10-K.

NOTE 11—EARNINGS PER SHARE

We calculate our basic earnings per share by dividing net income by the weighted average number of shares and participating securities outstanding during the period. Our diluted earnings per share are calculated in a similar manner, but include the effect of dilutive securities. To the extent these securities are antidilutive, they are excluded from the calculation of diluted earnings per share.

The following table summarizes our basic and diluted earnings per share calculations for the periods presented (in millions, except per share data; per share data is calculated prior to rounding):

	Third Quarter		First Nine Months	
	2014	2013	2014	2013
Net income	$ 238	$ 289	$ 551	$ 532
Basic weighted average shares outstanding	244	264	249	271
Effect of dilutive securities[A]	4	5	5	6
Diluted weighted average shares outstanding	248	269	254	277
Basic earnings per share	$ 0.97	$ 1.09	$ 2.21	$ 1.96
Diluted earnings per share	$ 0.96	$ 1.07	$ 2.17	$ 1.92

(A) Options to purchase 7.7 million and 8.0 million shares were outstanding as of September 26, 2014 and September 27, 2013, respectively. During the first nine months of 2014, options to purchase 0.1 million shares were not included in the computation of diluted earnings per share because the effect of including these options in the computation would have been antidilutive. The dilutive impact of the remaining options outstanding in each period was included in the effect of dilutive securities.

Under our share repurchase program, during the third quarter and first nine months of 2014, we repurchased 4.2 million and 17.3 million shares, respectively, and during the third quarter and first nine months of 2013, we repurchased 7.9 million and 24.6 million shares, respectively. Refer to Note 15.

During the first nine months of 2014, we issued an aggregate of 0.8 million shares of common stock in connection with the exercise of share options with a total intrinsic value of $24.9 million.

Dividend payments on our common stock totaled $185 million and $161 million during the first nine months of 2014 and 2013, respectively. In February 2014, our Board of Directors approved a $0.05 per share increase in our quarterly dividend from $0.20 per share to $0.25 per share beginning in the first quarter of 2014.

NOTE 12—OPERATING SEGMENT

We operate in one industry and have one operating segment. This segment derives its revenues from marketing, producing, and distributing nonalcoholic beverages. No single customer accounted for more than 10 percent of our net sales during the first nine months of 2014 or 2013.

Our segment operating income includes the segment's revenue less substantially all the segment's cost of production, distribution, and administration. We evaluate the segment's performance based on several factors, of which net sales and operating income are the primary financial measures.

Mark-to-market gains (losses) related to our non-designated commodity hedges are recognized in the earnings of our Corporate segment until such time as the underlying hedged transaction affects the earnings of our Europe operating segment. In the period the underlying hedged transaction occurs, the accumulated mark-to-market gains (losses) related to the hedged transaction are reclassified from the earnings of our Corporate segment into the earnings of our Europe operating segment. This treatment allows our Europe operating segment to reflect the true economic effects of the underlying hedged transaction in the period the hedged transaction occurs without experiencing the mark-to-market volatility associated with these non-designated commodity hedges. For additional information about our non-designated hedges, refer to Note 6.

The following table summarizes selected segment financial information for the periods presented (in millions):

	Europe	Corporate	Consolidated
Third Quarter 2014:			
Net sales	$ 2,136	$ —	$ 2,136
Operating income (loss)	366	(21)	345
Third Quarter 2013:			
Net sales	$ 2,174	$ —	$ 2,174
Operating income (loss)	350	(36)	314
First Nine Months 2014:			
Net sales[(A)]	$ 6,339	$ —	$ 6,339
Operating income (loss)[(B)]	911	(87)	824
First Nine Months 2013:			
Net sales[(A)]	$ 6,180	$ —	$ 6,180
Operating income (loss)[(B)]	804	(107)	697

(A) The following table summarizes the contribution of total net sales by country as a percentage of total net sales for the periods presented:

	First Nine Months	
	2014	2013
Net sales:		
Great Britain	34%	33%
France	30	30
Belgium	15	15
The Netherlands	8	8
Norway	7	8
Sweden	6	6
Total	100%	100%

(B) Our Corporate segment earnings include net mark-to-market gains on our non-designated commodity hedges totaling $14 million for the first nine months of 2014, and net mark-to-market losses of $8 million for the first nine months of 2013. As of September 26, 2014, our Corporate segment earnings included net mark-to-market gains on non-designated commodity hedges totaling $2 million. These amounts will be reclassified into the earnings of our Europe operating segment when the underlying hedged transactions occur. For additional information about our non-designated hedges, refer to Note 6.

NOTE 13—RESTRUCTURING ACTIVITIES

The following table summarizes our restructuring costs for the periods presented (in millions):

	Third Quarter		First Nine Months	
	2014	2013	2014	2013
Europe[(A)]	$ 1	$ 7	$ 63	$ 109
Corporate	—	—	—	—
Total	$ 1	$ 7	$ 63	$ 109

(A) All restructuring expenses recorded during the third quarter and first nine months of 2014 related to our Business Transformation Program. During the third quarter and first nine months of 2013, we recorded restructuring expense of $6 million and $87 million, respectively, related to our Business Transformation Program and $1 million and $22 million, respectively, related to our Norway Business Optimization which concluded at the end of 2013.

Business Transformation Program

In 2012, we announced a business transformation program designed to improve our operating model and create a platform for driving sustainable future growth. Through this program we intend to: (1) streamline and reduce the cost structure of our finance support function, including the establishment of a new centralized shared services center; (2) restructure our sales and marketing organization to better align central and field sales, and to deploy standardized channel-focused organizations within each of our territories; and (3) improve the efficiency and effectiveness of certain aspects of our operations, including activities related to our cold drink equipment.

We expect to be substantially complete with this program by the end of 2014 and anticipate nonrecurring restructuring charges of approximately $240 million, including severance, transition, consulting, accelerated depreciation, and lease termination costs. Approximately $20 million of this amount is expected to be non-cash. During the third quarter and first nine months of 2014, we recorded nonrecurring restructuring charges under this program totaling $1 million and $63 million, respectively. During the third quarter and first nine months of 2013, we recorded nonrecurring restructuring charges under this program totaling $6 million and $87 million, respectively. To date, we have recorded nonrecurring restructuring charges totaling $208 million under this program. Substantially all nonrecurring restructuring charges related to this program are included in selling, delivery, and administrative expenses (SD&A) on our Condensed Consolidated Statements of Income.

The following table summarizes these restructuring charges for the periods presented (in millions):

	Severance Pay and Benefits	Accelerated Depreciation[(B)]	Other[(C)]	Total
Balance at January 1, 2012[(A)]	$ —	$ —	$ —	$ —
Provision	41	2	3	46
Cash payments	—	—	(2)	(2)
Noncash items	—	(2)	—	(2)
Balance at December 31, 2012[(A)]	41	—	1	42
Provision	67	5	27	99
Cash payments	(78)	—	(17)	(95)
Noncash items	—	(5)	1	(4)
Balance at December 31, 2013[(A)]	30	—	12	42
Provision	10	6	47	63
Cash payments	(26)	—	(54)	(80)
Noncash items	—	(6)	—	(6)
Balance at September 26, 2014[(A)]	$ 14	$ —	$ 5	$ 19

(A) Substantially all of the amounts are included in accounts payable and accrued expenses on our Condensed Consolidated Balance Sheets.

(B) Accelerated depreciation represents the difference between the depreciation expense of the asset using the original useful life and the depreciation expense of the asset under the reduced useful life due to the restructuring activity.

(C) In 2012 and 2013, these charges primarily related to program management and consulting costs. During the first nine months of 2014, these charges primarily related to costs incurred regarding our cold-drink operations, including social and other transition costs associated with the transfer of certain employees and assets to a third party.

NOTE 14—ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

AOCI is comprised of net income and other adjustments, including foreign currency translation adjustments, hedges of our net investments in our foreign subsidiaries, changes in the fair value of certain derivative financial instruments qualifying as cash flow hedges, and pension plan adjustments. We do not provide income taxes on currency translation adjustments (CTA), as the historical earnings from our foreign subsidiaries are considered to be permanently reinvested. If current year earnings are repatriated, the amount to be repatriated is determined in U.S. dollars and converted to the equivalent amount of foreign currency at the time of repatriation; therefore, the repatriation of current year earnings does not have an impact on the CTA component of our AOCI balance.

The following table summarizes the change in the components of our AOCI balance for the periods presented (in millions; all amounts are presented net of tax):

	Currency Translations	Net Investment Hedges	Cash Flow Hedges(A)	Pension Plan Adjustments(B)	Total
Balance at January 1, 2013	$ (41)	$ (14)	$ (22)	$ (353)	$ (430)
Other comprehensive income (loss) before reclassifications	82	(40)	(6)	21	57
Amounts reclassified from AOCI	—	—	21	21	42
Net change in other comprehensive income (loss)	82	(40)	15	42	99
Balance at December 31, 2013	41	(54)	(7)	(311)	(331)
Other comprehensive (loss) income before reclassifications	(255)	110	13	—	(132)
Amounts reclassified from AOCI	—	—	(25)	16	(9)
Net change in other comprehensive (loss) income	(255)	110	(12)	16	(141)
Balance at September 26, 2014	$ (214)	$ 56	$ (19)	$ (295)	$ (472)

(A) For additional information about our cash flow hedges, refer to Note 6.

(B) For additional information about our pension plans, refer to Note 9.

NOTE 15—SHARE REPURCHASE PROGRAM

In December 2012, our Board of Directors authorized share repurchases for an aggregate price of not more than $1.5 billion, as part of a publicly announced program. Share repurchases under this authorization were completed during the second quarter of 2014. In December 2013, our Board of Directors authorized additional share repurchases for an aggregate price of not more than $1.0 billion. Share repurchase activity under this authorization commenced during the second quarter of 2014 when the share repurchases under the previous authorization were completed. We can repurchase shares in the open market and in privately negotiated transactions. Repurchased shares are added to treasury stock and are available for general corporate purposes, including acquisition financing and the funding of various employee benefit and compensation plans. When we evaluate share repurchases, we consider market conditions and alternative uses of cash and/or debt, balance sheet ratios, and shareowner returns. For additional information about our share repurchase program, refer to Note 15 of the Notes to Consolidated Financial Statements in our Form 10-K.

The following table summarizes the share repurchase activity for the periods presented (in millions, except per share data):

	Third Quarter		First Nine Months	
	2014	2013	2014	2013
Number of shares repurchased	4.2	7.9	17.3	24.6
Weighted average purchase price per share	$ 47.43	$ 37.89	$ 46.11	$ 36.53
Amount of share repurchases(A)	$ 200	$ 300	$ 800	$ 900

(A) Total cash paid in the first nine months of 2013 for these share repurchases totaled $888 million due to the timing of settlement.

NOTE 16—FAIR VALUE MEASUREMENTS

The following tables summarize our non-pension financial assets and liabilities recorded at fair value on a recurring basis (at least annually) as of the dates presented (in millions):

	September 26, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Derivative assets[(A)]	$ 47	$ —	$ 47	$ —
Derivative liabilities[(A)]	$ 70	$ —	$ 70	$ —

	December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Derivative assets[(A)]	$ 19	$ —	$ 19	$ —
Derivative liabilities[(A)]	$ 92	$ —	$ 92	$ —

(A) We are required to report our derivative instruments at fair value. We calculate our derivative asset and liability values using a variety of valuation techniques, depending on the specific characteristics of the hedging instrument, taking into account credit risk. The fair value of our derivative contracts (including forwards, options, cross currency swaps, and interest rate swaps) is determined using standard valuation models. The significant inputs used in these models are readily available in public markets or can be derived from observable market transactions and, therefore, our derivative contracts have been classified as Level 2. Inputs used in these standard valuation models include the applicable spot, forward, and discount rates which are current as of the valuation date. The standard valuation model for our option contracts also includes implied volatility which is specific to individual options and is based on rates quoted from a widely used third-party resource.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Business and Basis of Presentation

Coca-Cola Enterprises, Inc. ("CCE," "we," "our," or "us") is a marketer, producer, and distributor of nonalcoholic beverages. We market, produce, and distribute our products to customers and consumers through licensed territory agreements in Belgium, continental France, Great Britain, Luxembourg, Monaco, the Netherlands, Norway, and Sweden. We operate in the highly competitive beverage industry and face strong competition from other general and specialty beverage companies. Our financial results are affected by a number of factors including, but not limited to, consumer preferences, cost to manufacture and distribute products, foreign currency exchange rates, general economic conditions, local and national laws and regulations, raw material availability, and weather patterns.

Sales of our products tend to be seasonal, with the second and third quarters accounting for higher unit sales of our products than the first and fourth quarters. In a typical year, we earn more than 60 percent of our annual operating income during the second and third quarters. The seasonality of our sales volume, combined with the accounting for fixed costs, such as depreciation, amortization, rent, and interest expense, impacts our results on a quarterly basis. Additionally, year-over-year shifts in holidays and selling days can impact our results on an interim period basis. Accordingly, our results for the third quarter and first nine months of 2014 may not necessarily be indicative of the results that may be expected for the full year ending December 31, 2014.

For reporting convenience, our first three quarters close on the Friday closest to the end of the quarterly calendar period. Our fiscal year ends on December 31st. There was one less selling day in the first quarter of 2014 versus the first quarter of 2013, and there will be one additional selling day in the fourth quarter of 2014 versus the fourth quarter of 2013 (based upon a standard five-day selling week).

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
2014	63	65	65	68	261
2013	64	65	65	67	261
Change	(1)	—	—	1	—

Relationship with The Coca-Cola Company (TCCC)

We are a marketer, producer, and distributor principally of products of TCCC with greater than 90 percent of our sales volume consisting of sales of TCCC products. Our license arrangements with TCCC are governed by product licensing agreements. From time to time, the terms and conditions of these agreements with TCCC are modified. Our financial results are greatly impacted by our relationship with TCCC. For additional information about our transactions with TCCC, refer to Note 5 of the Notes to Condensed Consolidated Financial Statements in this Form 10-Q.

Financial Results

Our net income in the third quarter of 2014 was $238 million, or $0.96 per diluted share, compared to net income of $289 million, or $1.07 per diluted share, in the third quarter of 2013. The following items included in our reported results affect the comparability of our year-over-year financial performance (the items listed below are based on defined terms and thresholds and represent all material items management considered for year-over-year comparability):

Third Quarter 2014

- Restructuring charges totaling $1 million ($1 million net of tax) related to our Business Transformation Program;
- Net mark-to-market gains totaling $8 million ($6 million net of tax, or $0.02 per diluted share) related to non-designated commodity hedges associated with underlying transactions that relate to a different reporting period; and
- Net tax items totaling $6 million ($0.02 per diluted share) principally related to the tax impact of both changes in underlying rates and cumulative nonrecurring items on the quarter.

Third Quarter 2013

- Restructuring charges totaling $7 million ($4 million net of tax, or $0.01 per diluted share) related to our Business Transformation Program and Norway Business Optimization;
- Net mark-to-market gains totaling $1 million ($1 million net of tax) related to non-designated commodity hedges associated with underlying transactions that relate to a different reporting period; and

- A deferred tax benefit of $71 million ($0.26 per diluted share) due to the enactment of a United Kingdom tax rate change that reduced the corporate income tax rate by 3 percentage points of which 2 percentage points were effective April 1, 2014 and 1 percentage point will be effective April 1, 2015.

Financial Summary

Our financial performance during the third quarter of 2014 reflects the impact of the following significant factors:

- Year-over-year volume decrease of 4.0 percent driven by sustained macroeconomic softness, a difficult retail environment, poor weather early in the quarter, and strong prior year volume comparisons;
- Flat year-over-year bottle and can net price per case reflecting the impact of planned promotional activity and challenging operating conditions;
- Year-over-year bottle and can cost of sales per case decline of 1.0 percent due to mix-shifts into lower cost packages and the impact of favorable cost trends in certain key commodities; and
- Lower underlying operating expenses resulting from reduced volume, strong expense control, and the realized savings associated with our Business Transformation Program.

Our operating and financial performance during the third quarter of 2014 was impacted by challenging marketplace conditions, including persistent macroeconomic softness, a difficult retail environment, and poor weather early in the quarter, particularly in France. Third quarter volume declined 4.0 percent year-over-year driven by declines in both sparkling and still beverage brands. Our bottle and can net price per case was flat versus prior year reflecting planned promotional activities and mix-shifts to lower priced packages.

During the third quarter of 2014, volume declined 5.0 percent in our continental European territories and 2.5 percent in Great Britain. This volume performance was primarily driven by declines in Coca-Cola trademark and other sparkling beverage brands versus strong prior year volume comparisons. Despite these decreases, we continued to see overall growth in Coca-Cola Zero and energy drinks.

During the third quarter of 2014, we continued our brand and product initiatives with the Share a Coke promotion as well as the launch of two new products, Coca-Cola Life in Great Britain and Sweden, and smartwater in Great Britain. Furthermore, Finley, an adult sparkling non-alcoholic beverage introduced in France earlier this year and recently expanded into Belgium, continues to receive a positive consumer response. We remain committed to expanding our offerings through further portfolio innovation to create value for our customers and consumers.

Bottle and can cost of sales per case declined 1.0 percent during the third quarter of 2014, reflecting mix-shifts into lower cost packages, and benefits from favorable cost trends in some of our key commodities, principally sugar. Despite these recent favorable trends, the cost environment remains volatile. As such, we continue to seek opportunities to mitigate our exposure to commodity price volatility through the use of supplier agreements and hedging instruments.

Our underlying operating expenses declined during the third quarter of 2014 as a result of lower volume levels, strong operating expense controls, and the realization of cost savings associated with efforts under our Business Transformation Program as we approach its completion.

Our diluted earnings per share benefited from operating income growth and the impact of share repurchase activity, which increased diluted earnings per share in the third quarter of 2014 by approximately $0.07. During 2014, we repurchased approximately $800 million of our shares under our share repurchase program.

Operations Review

The following table summarizes our Condensed Consolidated Statements of Income as a percentage of net sales for the periods presented:

	Third Quarter		First Nine Months	
	2014	2013	2014	2013
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	62.2	63.8	63.7	64.8
Gross profit	37.8	36.2	36.3	35.2
Selling, delivery, and administrative expenses	21.6	21.8	23.3	23.9
Operating income	16.2	14.4	13.0	11.3
Interest expense, net	1.5	1.1	1.4	1.3
Other nonoperating income (expense)	—	—	—	—
Income before income taxes	14.7	13.3	11.6	10.0
Income tax expense [(A)]	3.6	—	2.9	1.4
Net income	11.1%	13.3%	8.7%	8.6%

(A) During the third quarter and first nine months of 2013, income tax expense reflects the enactment of the United Kingdom corporate income tax rate reduction.

Operating Income

The following table summarizes our operating income by segment for the periods presented (in millions; percentages rounded to the nearest 0.5 percent):

	Third Quarter				First Nine Months			
	2014		2013		2014		2013	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Europe	$ 366	106.0%	$ 350	111.5%	$ 911	110.5%	$ 804	115.5%
Corporate	(21)	(6.0)	(36)	(11.5)	(87)	(10.5)	(107)	(15.5)
Consolidated	$ 345	100.0%	$ 314	100.0%	$ 824	100.0%	$ 697	100.0%

During the third quarter and first nine months of 2014, we generated operating income of $345 million and $824 million, respectively, compared to $314 million and $697 million in the same periods of 2013. The following table summarizes the significant components of the year-over-year change in our operating income for the periods presented (in millions; percentages rounded to the nearest 0.5 percent):

	Third Quarter 2014		First Nine Months 2014	
	Amount	Change Percent of Total	Amount	Change Percent of Total
Changes in operating income:				
Impact of bottle and can price-mix on gross profit	$ (2)	(0.5)%	$ 13	2.0%
Impact of bottle and can cost-mix on gross profit	12	4.0	25	3.5
Impact of bottle and can volume on gross profit	(31)	(10.0)	(14)	(2.0)
Impact of bottle and can selling day shift on gross profit	—	—	(9)	(1.5)
Impact of post-mix, non-trade, and other on gross profit	3	1.0	—	—
Net mark-to-market gains related to non-designated commodity hedges	7	2.5	21	3.0
Net impact of restructuring charges	6	2.0	46	6.5
Other selling, delivery, and administrative expenses	13	4.0	3	0.5
Currency exchange rate changes	10	3.0	41	6.0
Other changes	13	4.0	1	—
Change in operating income	$ 31	10.0 %	$ 127	18.0%

Net Sales

Net sales decreased 1.5 percent in the third quarter of 2014 to $2.1 billion, and increased 2.5 percent in the first nine months of 2014 to $6.3 billion. These changes include currency exchange rate increases of 2.0 percent and 4.0 percent when compared to the third quarter and first nine months of 2013, respectively.

Net sales per case increased 2.5 percent in the third quarter of 2014 when compared to the third quarter of 2013, and also increased 3.5 percent in the first nine months of 2014 when compared to the first nine months of 2013. The following table summarizes the significant components of the year-over-year change in our net sales per case for the periods presented (rounded to the nearest 0.5 percent and based on wholesale physical case volume):

	Third Quarter 2014	First Nine Months 2014
Changes in net sales per case:		
Bottle and can net price per case	—%	—%
Bottle and can currency exchange rate changes	2.0	4.0
Post-mix, non-trade, and other	0.5	(0.5)
Change in net sales per case	2.5%	3.5%

During the third quarter of 2014, our bottle and can sales accounted for approximately 94 percent of our total net sales. Bottle and can net price per case is based on the invoice price charged to customers reduced by promotional allowances and is impacted by the price charged per package or brand, the volume generated by each package or brand, and the channels in which those packages or brands are sold. To the extent we are able to increase volume in higher-margin packages or brands that are sold through higher-margin channels, our bottle and can net pricing per case will increase without an actual increase in wholesale pricing. Our bottle and can net price per case was flat versus prior year as a result of planned promotional activities and negative mix-shifts to lower priced packages.

Volume

The following table summarizes the year-over-year change in our bottle and can volume for the periods presented, as adjusted to reflect the impact of one less selling day in the first nine months of 2014 when compared to the first nine months of 2013 (selling days are the same in the third quarter of 2014 and 2013; rounded to the nearest 0.5 percent):

	Third Quarter 2014	First Nine Months 2014
Change in volume	(4.0)%	(1.0)%
Impact of selling day shift[(A)]	—	0.5
Change in volume, adjusted for selling day shift	(4.0)%	(0.5)%

(A) Represents the impact of changes in selling days between periods (based upon a standard five-day selling week).

Brands

The following table summarizes our bottle and can volume results by major brand category for the periods presented, with the percentage change adjusted to reflect the impact of one less selling day in the first nine months of 2014 when compared to the first nine months of 2013 (selling days are the same in the third quarter of 2014 and 2013; rounded to the nearest 0.5 percent):

	Third Quarter			First Nine Months		
	Change	2014 Percent of Total	2013 Percent of Total	Change	2014 Percent of Total	2013 Percent of Total
Coca-Cola trademark	(3.5)%	67.5%	67.0%	— %	68.5%	68.0%
Sparkling flavors and energy	(6.5)	18.0	18.5	(2.5)	17.5	18.0
Juices, isotonics, and other	(4.5)	11.0	11.0	(1.0)	10.5	10.5
Water	(2.5)	3.5	3.5	3.5	3.5	3.5
Total	(4.0)%	100.0%	100.0%	(0.5)%	100.0%	100.0%

During the third quarter of 2014, volume declined 4.0 percent when compared to the third quarter of 2013. This decline reflects the impact of persistent macroeconomic softness, a difficult retail environment, strong prior year volume comparisons, and poor weather early in the quarter, particularly in France. Our volume performance during the third quarter of 2014 included a 4.0 percent decrease in the sale of both our sparkling and still beverage brands. Volume in continental Europe decreased 5.0 percent during the quarter, primarily driven by France. Great Britain experienced an overall volume decrease of 2.5 percent, driven by declines in both our sparkling and still beverage brands.

In the third quarter of 2014, our Coca-Cola trademark beverage brand sales decreased 3.5 percent when compared to strong volume performance in the prior year. This decline was primarily attributable to a 4.0 percent decrease in Coca-Cola Classic sales and 9.0 percent decrease in Diet Coke/Coca-Cola light, offset by Coca-Cola Zero growth of 2.0 percent. Our sparkling flavors and energy category volume decreased 6.5 percent during the third quarter of 2014, driven by declines in sparkling brands, including Sprite and Fanta, offset partially by increases in our energy portfolio. Juices, isotonics, and other volume declined 4.5 percent in the third quarter of 2014 driven by declines in our juice and sports drinks brands, offset partially by growth in Nestea. Sales volume of our water brands decreased 2.5 percent in the third quarter of 2014, reflecting declines in Chaudfontaine in continental Europe and Schweppes Abbey Well in Great Britain.

During the third quarter of 2014, we continued our brand and product initiatives with the Share a Coke promotion as well as the launch of two new products, Coca-Cola Life in Great Britain and Sweden, and smartwater in Great Britain. Furthermore, Finley, an adult sparkling non-alcoholic beverage introduced in France earlier this year and recently expanded into Belgium, continues to receive a positive consumer response. We remain committed to expanding our offerings through further portfolio innovation to create value for our customers and consumers.

Consumption

The following table summarizes our volume by consumption type for the periods presented, with the percentage change adjusted to reflect the impact of one less selling day in the first nine months of 2014 when compared to the first nine months of 2013 (selling days are the same in the third quarter of 2014 and 2013; rounded to the nearest 0.5 percent):

	Third Quarter			First Nine Months		
	Change	2014 Percent of Total	2013 Percent of Total	Change	2014 Percent of Total	2013 Percent of Total
Multi-serve[(A)]	(4.5)%	63.0%	57.0%	(1.0)%	64.0%	58.0%
Single-serve[(B)]	(3.0)	37.0	43.0	—	36.0	42.0
Total	(4.0)%	100.0%	100.0%	(0.5)%	100.0%	100.0%

(A) Multi-serve packages include containers that are typically greater than one liter, purchased by consumers in multi-packs in take-home channels at ambient temperatures, and are intended for consumption in the future.

(B) Single-serve packages include containers that are typically one liter or less, purchased by consumers as a single bottle or can in cold drink channels at chilled temperatures, and are intended for consumption shortly after purchase.

Packages

The following table summarizes our volume by package type for the periods presented, with the percentage change adjusted to reflect the impact of one less selling day in the first nine months of 2014 when compared to the first nine months of 2013 (selling days are the same in the third quarter of 2014 and 2013; rounded to the nearest 0.5 percent):

	Third Quarter			First Nine Months		
	Change	2014 Percent of Total	2013 Percent of Total	Change	2014 Percent of Total	2013 Percent of Total
PET (plastic)	(3.5)%	43.5%	43.0%	(3.5)%	43.0%	44.0%
Cans	(5.0)	40.5	41.0	1.5	41.0	40.0
Glass and other	(2.0)	16.0	16.0	1.0	16.0	16.0
Total	(4.0)%	100.0%	100.0%	(0.5)%	100.0%	100.0%

Cost of Sales

Cost of sales totaled $1.3 billion and $4.0 billion during the third quarter and first nine months of 2014, respectively, representing a decrease of 4.5 percent and an increase of 0.5 percent when compared to the third quarter and first nine months of 2013, respectively. These changes include a currency exchange rate increase of 1.5 percent and 3.5 percent when compared to the third quarter and first nine months of 2013, respectively.

Cost of sales per case decreased 0.5 percent and increased 2.0 percent in the third quarter and first nine months of 2014 when compared to the third quarter and first nine months of 2013, respectively. The following table summarizes the significant components of the year-over-year change in our cost of sales per case for the periods presented (rounded to the nearest 0.5 percent and based on wholesale physical case volume):

	Third Quarter 2014	First Nine Months 2014
Changes in cost of sales per case:		
Bottle and can ingredient and packaging costs	(1.0)%	(0.5)%
Bottle and can currency exchange rate changes	1.5	3.5
Post mix, non-trade, and other	(1.0)	(1.0)
Change in cost of sales per case	(0.5)%	2.0 %

Bottle and can cost of sales per case declined 1.0 percent during the third quarter of 2014, reflecting mix-shifts into lower cost packages and benefits from favorable cost trends in some of our key commodities, principally sugar. Despite these recent favorable trends, the cost environment remains volatile. As such, we continue to seek opportunities to mitigate our exposure to commodity price volatility through the use of supplier agreements and hedging instruments.

Selling, Delivery, and Administrative Expenses

Selling, delivery, and administrative (SD&A) expenses decreased $10 million, or 2.0 percent, in the third quarter of 2014, and increased $3 million, in the first nine months of 2014. These changes include currency exchange rate increases of 2.0 percent and 3.5 percent when compared to the third quarter and first nine months of 2013, respectively.

The following table summarizes the significant components of the year-over-year change in our SD&A expenses for the periods presented (in millions; percentages rounded to the nearest 0.5 percent):

	Third Quarter 2014		First Nine Months 2014	
	Amount	Change Percent of Total	Amount	Change Percent of Total
Changes in SD&A expenses:				
General and administrative expenses	$ (4)	(1.0)%	$ 25	1.5%
Selling and marketing expenses	(7)	(1.5)	(6)	(0.5)
Delivery and merchandising expenses	(2)	(0.5)	(4)	—
Warehousing expenses	(2)	(0.5)	(12)	(1.0)
Depreciation and amortization expenses	(1)	—	(5)	(0.5)
Net mark-to-market gains related to non-designated commodity hedges	1	—	1	—
Net impact of restructuring charges	(6)	(1.0)	(42)	(3.0)
Currency exchange rate changes	8	2.0	47	3.5
Other	3	0.5	(1)	—
Change in SD&A expenses	$ (10)	(2.0)%	$ 3	—%

SD&A expenses as a percentage of net sales was 21.6 percent and 21.8 percent in the third quarter of 2014 and 2013, respectively, and 23.3 percent and 23.9 percent in the first nine months of 2014 and 2013, respectively. Our underlying operating expenses declined during the third quarter of 2014 as a result of lower volume levels, strong expense control, and the realization of cost savings associated with efforts under our Business Transformation Program as we approach its completion.

Business Transformation Program

In 2012, we announced a business transformation program designed to improve our operating model and create a platform for driving sustainable future growth. Through this program we intend to: (1) streamline and reduce the cost structure of our finance support function, including the establishment of a new centralized shared services center; (2) restructure our sales and marketing organization to better align central and field sales, and to deploy standardized channel-focused organizations within each of our territories; and (3) improve the efficiency and effectiveness of certain aspects of our operations, including activities related to our cold drink equipment.

We expect to be substantially complete with this program by the end of 2014 and anticipate nonrecurring restructuring charges of approximately $240 million, including severance, transition, consulting, accelerated depreciation, and lease termination costs.

Approximately $20 million of this amount is expected to be non-cash. During the third quarter and first nine months of 2014, we recorded nonrecurring restructuring charges under this program totaling $1 million and $63 million, respectively. During the third quarter and first nine months of 2013, we recorded nonrecurring restructuring charges under this program totaling $6 million and $87 million, respectively. To date, we have recorded nonrecurring restructuring charges totaling $208 million under this program. Substantially all nonrecurring restructuring charges related to this program are included in selling, delivery, and administrative expenses (SD&A) on our Condensed Consolidated Statements of Income.

Interest Expense, Net

Interest expense, net increased $5 million in the third quarter of 2014 to $31 million. This is primarily due to the issuance of €350 million notes in November 2013 and €250 million notes in May 2014. The following table summarizes the primary items that impacted our interest expense, net for the periods presented (in millions, except percentages):

	Third Quarter		First Nine Months	
	2014	2013	2014	2013
Average outstanding debt balance	$ 4,566	$ 3,820	$ 4,284	$ 3,618
Weighted average cost of debt	2.7%	2.7%	2.8%	2.7%
Fixed-rate debt (% of portfolio)	94%	83%	94%	83%
Floating-rate debt (% of portfolio)	6%	17%	6%	17%

Other Nonoperating Income (Expense)

Other nonoperating income totaled $1 million in the third quarter of 2013. Other nonoperating expense totaled $3 million for the first nine months of 2013. Our other nonoperating income (expense) principally includes gains and losses on transactions denominated in a currency other than the functional currency of a particular legal entity.

Income Tax Expense

Our effective tax rate was approximately 25 percent and 14 percent for the first nine months of 2014 and 2013, respectively. This change in our effective tax rate reflects the impact of the United Kingdom corporate income tax rate reduction enacted in the third quarter of 2013. Refer to Note 10 of the Notes to Condensed Consolidated Financial Statements in this Form 10-Q for additional details of the United Kingdom corporate income tax rate change and a reconciliation of our income tax provision to the U.S. statutory rate for the first nine months of 2014 and 2013.

Cash Flow and Liquidity Review

Liquidity and Capital Resources

Our sources of capital include, but are not limited to, cash flows from operations, public and private issuances of debt and equity securities, and bank borrowings. We believe that our operating cash flow, cash on hand, and available short-term and long-term capital resources are sufficient to fund our working capital requirements, scheduled debt payments, interest payments, capital expenditures, benefit plan contributions, income tax obligations, dividends to our shareowners, any contemplated acquisitions, and share repurchases for the foreseeable future. We continually assess the counterparties and instruments we use to hold our cash and cash equivalents, with a focus on preservation of capital and liquidity. Based on information currently available, we do not believe that we are at significant risk of default by our counterparties.

We have amounts available to us for borrowing under a $1 billion multi-currency credit facility with a syndicate of eight banks. This credit facility matures in 2017 and is for general corporate purposes, including serving as a backstop to our commercial paper program and supporting our working capital needs. At September 26, 2014, our availability under this credit facility was $1 billion. Based on information currently available to us, we have no indication that the financial institutions syndicated under this facility would be unable to fulfill their commitments to us as of the date of the filing of this report.

We satisfy seasonal working capital needs and other financing requirements with operating cash flow, cash on hand, short-term borrowings under our commercial paper program, bank borrowings, and our line of credit. At September 26, 2014, we had $729 million in debt maturities in the next 12 months, including $242 million in commercial paper. In addition to using operating cash flow and cash on hand, we may repay our short-term obligations by issuing more debt, which may take the form of commercial paper and/or long-term debt.

In December 2012, our Board of Directors authorized share repurchases for an aggregate price of not more than $1.5 billion, as part of a publicly announced program. Share repurchases under this authorization were completed during the second quarter of 2014. In December 2013, our Board of Directors authorized additional share repurchases for an aggregate price of not more than $1.0 billion. Share repurchase activity under this authorization commenced during the second quarter of 2014 when the share repurchases under the previous authorization were completed. During the third quarter and first nine months of 2014, we repurchased $200 million and $800 million in outstanding shares, respectively. When we evaluate share repurchases, we consider market conditions and alternative uses of cash and/or debt, balance sheet ratios, and shareowner returns. For additional information about our share repurchase program, refer to Note 15 of the Notes to Condensed Consolidated Financial Statements in this Form 10-Q.

During the third quarter of 2014, we repatriated to the U.S. $450 million of our 2014 foreign earnings for the payment of dividends, share repurchases, interest on U.S.-issued debt, salaries for U.S.-based employees, and other corporate-level operations in the U.S. Our historical foreign earnings, including our 2014 foreign earnings that were not repatriated in 2014, will remain permanently reinvested and if we do not generate sufficient current year foreign earnings to repatriate to the U.S. in any future given year, we expect to have adequate access to capital in the U.S. to allow us to satisfy our U.S.-based cash flow needs in that year. Therefore, historical foreign earnings and future foreign earnings that are not repatriated to the U.S. will remain permanently reinvested and will be used to service our foreign operations, non-U.S. debt, and to fund future acquisitions. During 2015, we expect to repatriate a portion of our 2015 foreign earnings to satisfy our 2015 U.S.-based cash flow needs. The amount to be repatriated to the U.S. will depend on, among other things, our actual 2015 foreign earnings and our actual 2015 U.S.-based cash flow needs. For additional information about our repatriation of foreign earnings, refer to Note 10 of the Notes to Condensed Consolidated Financial Statements in this Form 10-Q.

At September 26, 2014, substantially all of the cash and cash equivalents recorded on our Condensed Consolidated Balance Sheets was held by consolidated entities that are located outside of the U.S. Our disclosure of cash and cash equivalents held by consolidated entities located outside of the U.S. is not meant to imply the cash will be repatriated to the U.S. at a future date. Any future repatriation of foreign earnings to the U.S. will be based on actual U.S.-based cash flow needs and actual foreign entity cash available at the time of the repatriation.

Dividend payments on our common stock totaled $185 million and $161 million during the first nine months of 2014 and 2013, respectively. In February 2014, our Board of Directors approved a $0.05 per share increase in our quarterly dividend from $0.20 per share to $0.25 per share beginning in the first quarter of 2014.

Credit Ratings and Covenants

Our credit ratings are periodically reviewed by rating agencies. Currently, our long-term ratings from Moody’s, Standard and Poor’s (S&P), and Fitch are A3, BBB+, and BBB+, respectively. Our ratings outlook from Moody’s and Fitch are stable and S&P is negative. Changes in our operating results, cash flows, or financial position could impact the ratings assigned by the various rating agencies. Our credit rating can be materially influenced by a number of factors including, but not limited to, acquisitions, investment decisions, and capital management activities of TCCC and/or changes in the credit rating of TCCC. Should our credit ratings be adjusted downward, we may incur higher costs to borrow, which could have a material impact on our financial condition and results of operations.

Our credit facility and outstanding notes contain various provisions that, among other things, require us to limit the incurrence of certain liens or encumbrances in excess of defined amounts. Additionally, our credit facility requires that our net debt to total capital ratio does not exceed a defined amount. We were in compliance with these requirements as of September 26, 2014. These requirements currently are not, nor is it anticipated that they will become, restrictive to our liquidity or capital resources.

Summary of Cash Activities

During the first nine months of 2014, our primary sources of cash included: (1) $591 million from operating activities, net of cash payments related to restructuring programs of $80 million and contributions to our defined benefit pension plans of $40 million; (2) proceeds of $347 million on issuances of debt; and (3) net issuances of commercial paper of $242 million. Our primary uses of cash included: (1) cash payments totaling $800 million for shares repurchased under our share repurchase program; (2) capital asset investments of $239 million; (3) dividend payments on common stock of $185 million; and (4) payments on debt of $111 million, primarily resulting from the maturing of $100 million notes.

During the first nine months of 2013, our primary sources of cash included: (1) $597 million from operating activities, net of cash payments related to restructuring programs of $67 million and contributions to our defined benefit pension plans of $46 million; (2) proceeds of $459 million on issuances of debt; and (3) net issuances of commercial paper of $182 million. Our primary uses of cash included: (1) cash payments totaling $888 million for shares repurchased under our share repurchase program; (2) payments on debt of $220 million, primarily resulting from the maturing of our Swiss franc 200 million notes; (3) capital asset investments of $220 million; and (4) dividend payments on common stock of $161 million.

Operating Activities

Our net cash derived from operating activities totaled $591 million and $597 million in the first nine months of 2014 and 2013, respectively. This decrease was driven by the timing of customer cash payments, offset partially by our improved year-over-year operating income performance.

Investing Activities

Our capital asset investments represent the principal use of cash for our investing activities. During 2014, we expect our capital expenditures to be approximately $325 million and to be invested in a similar proportion of asset categories as those listed in the table below.

The following table summarizes our capital asset investments for the periods presented (in millions):

	First Nine Months	
	2014	2013
Supply chain infrastructure improvements	$ 125	$ 126
Cold drink equipment	81	57
Information technology	26	26
Fleet and other	7	11
Total capital asset investments	$ 239	$ 220

Our investing activities during the first nine months of 2014 included $27 million in capital asset disposals, driven, in part, by our Business Transformation Program.

Additionally, investing activities during the first nine months of 2014 includes the receipt of $21 million from the settlement of net investment hedges.

Financing Activities

Our net cash used in financing activities totaled $508 million during the first nine months of 2014 compared to $620 million during the first nine months of 2013. The following table summarizes our financing activities related to issuances of and payments on debt for the periods presented (in millions):

			First Nine Months	
Issuances of debt	**Maturity Date**	**Rate**	**2014**	**2013**
€250 million notes	May 2026	2.8%	$ 347	$ —
€350 million notes	May 2025	2.4%	—	459
Total issuances of debt, excluding commercial paper			347	459
Net issuances of commercial paper			242	182
Total issuances of debt			$ 589	$ 641

			First Nine Months	
Payments on debt	**Maturity Date**	**Rate[(A)]**	**2014**	**2013**
$100 million notes	February 2014	—	$ (100)	$ —
CHF 200 million notes	March 2013	3.8%	—	(211)
Other payments, net	—	—	(11)	(9)
Total payments on debt			$ (111)	$ (220)

(A) The $100 million notes carried a variable interest rate at three-month USD Libor plus 30 basis points. At maturity the effective rate on these notes was 0.5 percent.

Our financing activities included cash payments of $800 million and $888 million during the first nine months of 2014 and 2013, respectively, for share repurchases, as well as dividend payments on common stock of $185 million and $161 million during the first nine months of 2014 and 2013, respectively.

Financial Position

Assets

Trade accounts receivable increased $285 million, or 19.0 percent, to $1.8 billion at September 26, 2014 from $1.5 billion at December 31, 2013. This increase was primarily attributable to the seasonality of our business and the timing of our fiscal month-end relative to the calendar month-end, offset partially by a decrease in currency exchange rates.

Inventories decreased $42 million, or 9.5 percent, to $410 million at September 26, 2014 from $452 million at December 31, 2013. This decrease was driven by a decrease in currency exchange rates and the impact of timing of certain raw material purchases, partially offset by an increase in finished product inventory resulting from lower volume.

Other current assets increased $136 million, or 80.5 percent, to $305 million at September 26, 2014 from $169 million at December 31, 2013. This change was primarily driven by an increase in current deferred income tax assets and an increase in certain derivative assets.

Other noncurrent assets decreased $124 million, or 26.0 percent, to $352 million at September 26, 2014 from $476 million at December 31, 2013. This change was primarily driven by a decline in noncurrent deferred income tax assets and currency exchange rate changes, partially offset by increases in our noncurrent assets related to our defined benefit pension plans.

Liabilities and Equity

Accounts payable and accrued expenses increased $55 million, or 3.0 percent, to $2.0 billion at September 26, 2014 from $1.9 billion at December 31, 2013. The increase in accounts payable and accrued expenses was primarily related to the seasonality of our business and an increase in accruals related to our customer marketing agreements in Great Britain, primarily resulting from changes in program levels and timing of payments. These increases were partially offset by a decrease in accrued compensation due to the timing of certain severance payments under our Business Transformation Program, the payment of certain incentive compensation amounts, as well as currency exchange rate decreases. For additional information about our accounts payable and accrued expenses, refer to Note 4 of the Notes to Condensed Consolidated Financial Statements in this Form 10-Q.

Current portion of debt increased $618 million to $729 million at September 26, 2014 from $111 million at December 31, 2013. This increase was primarily driven by our $475 million, 2.1 percent notes due September 2015, which became current during the third quarter of 2014 and net issuances of commercial paper of $242 million. These increases were partially offset by the repayment of our $100 million floating rate notes at maturity in February 2014.

Debt, less current portion decreased $307 million to $3.4 billion at September 26, 2014 from $3.7 billion at December 31, 2013. This decrease was primarily driven by our $475 million, 2.1 percent notes due September 2015 which became current during the third quarter of 2014, as well as currency exchange rate changes. These decreases were partially offset by the issuance in May 2014 of €250 million, 2.8 percent notes due 2026. For additional information about our debt, refer to Note 7 of the Notes to Condensed Consolidated Financial Statements in this Form 10-Q.

Common stock in treasury, at cost increased $814 million, or 28.5 percent, to $3.7 billion at September 26, 2014 from $2.9 billion at December 31, 2013. This increase was primarily driven by our repurchase of $800 million in outstanding shares during the first nine months of 2014 under our share repurchase program.

Defined Benefit Plan Contributions

Contributions to our pension plans totaled $40 million and $46 million during the first nine months of 2014 and 2013, respectively. The following table summarizes our projected contributions for the full year ending December 31, 2014, as well as our actual contributions for the year ended December 31, 2013 (in millions):

	Projected[(A)] 2014	Actual[(A)] 2013
Total pension contributions	$ 60	$ 72

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(A) These amounts represent only contributions made by CCE. For additional information about the funded status of our defined benefit pension plans, refer to Note 9 of the Notes to Consolidated Financial Statements in our Form 10-K.

Contingencies

For information about our contingencies, refer to Note 8 of the Notes to Condensed Consolidated Financial Statements in this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rates

Interest rate risk is present with both our fixed-rate and floating-rate debt. Interest rate swap agreements and other risk management instruments are used, at times, to manage our fixed/floating debt portfolio. At September 26, 2014, approximately 94 percent of our debt portfolio was comprised of fixed-rate debt, and 6 percent was floating-rate debt. We estimate that a 1 percent change in market interest rates as of September 26, 2014 would change the fair value of our fixed-rate debt outstanding as of September 26, 2014 by approximately $610 million.

We also estimate that a 1 percent change in the interest costs of floating-rate debt outstanding as of September 26, 2014 would change interest expense on an annual basis by less than $5 million. This amount is determined by calculating the effect of a hypothetical interest rate change on our floating-rate debt after giving consideration to our interest rate swap agreements and other risk management instruments. This estimate does not include the effects of other actions to mitigate this risk or changes in our financial structure.

Currency Exchange Rates

Our operations are in Western Europe. As such, we are exposed to translation risk because our operations are in local currency and must be translated into U.S. dollars. As currency exchange rates fluctuate, translation of our Statements of Income into U.S. dollars affects the comparability of revenues, expenses, operating income, and diluted earnings per share between years. We estimate that a 10 percent unidirectional change in currency exchange rates would have changed our operating income for the third quarter of 2014 by approximately $40 million.

Commodity Price Risk

The competitive marketplace in which we operate may limit our ability to recover increased costs through higher sales prices. As such, we are subject to market risk with respect to commodity price fluctuations, principally related to our purchases of aluminum, PET (plastic), steel, sugar, and vehicle fuel. When possible, we manage our exposure to this risk primarily through the use of supplier pricing agreements that enable us to establish the purchase prices for certain commodities. We also, at times, use derivative financial instruments to manage our exposure to this risk. Including the effect of pricing agreements and other hedging instruments entered into to date, we estimate that a 10 percent increase in the market prices of these commodities over the current market prices would cumulatively increase our cost of sales during the next 12 months by approximately $20 million. This amount does not include the potential impact of changes in the conversion costs associated with these commodities.

Certain of our suppliers restrict our ability to hedge prices through supplier agreements. As a result, at times, we enter into non-designated commodity hedging programs. Based on the fair value of our non-designated commodity hedges outstanding as of September 26, 2014, we estimate that a 10 percent change in market prices would change the fair value of our non-designated commodity hedges by approximately $10 million. For additional information about our derivative financial instruments, refer to Note 6 of the Notes to Condensed Consolidated Financial Statements in this Form 10-Q.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management evaluated, under the supervision and with the participation of management, including the Chief Executive Officer and the Chief Financial Officer, the effectiveness of our "disclosure controls and procedures" (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in reports we file or submit under the Exchange Act is (1) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (2) is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the third quarter of 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Not applicable.

Item 1A. Risk Factors

There have been no changes to the risk factors disclosed in Item 1A of Part 1, "Risk Factors," in our Form 10-K for the year ended December 31, 2013.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table presents information about repurchases of Coca-Cola Enterprises, Inc. common stock made by us during the third quarter of 2014 (in millions, except average price per share):

Period	Total Number of Shares (or Units) Purchased[A]	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased As Part of Publicly Announced Plans or Programs[B]	Maximum Number or Approximate Dollar Value of Shares (or Units) That May Yet Be Purchased Under the Plans or Programs[B]
June 28, 2014 through July 25, 2014	2.1	$ 48.28	2.1	$ 794.0
July 26, 2014 through August 22, 2014	2.1	46.61	2.1	694.0
August 23, 2014 through September 26, 2014	—	—	—	694.0
Total	4.2	$ 47.43	4.2	$ 694.0

(A) Shares repurchased were primarily attributable to shares purchased under our publicly announced share repurchase program and were purchased in open-market transactions.

(B) In December 2012, our Board of Directors authorized share repurchases for an aggregate price of not more than $1.5 billion, as part of a publicly announced program. Share repurchases under this authorization were completed during the second quarter of 2014. In December 2013, our Board of Directors authorized additional share repurchases for an aggregate price of not more than $1.0 billion. Share repurchase activity under this authorization commenced during the second quarter of 2014 when the share repurchases under the previous authorization were completed. We can repurchase shares in the open market and in privately negotiated transactions as part of our share repurchase program. Repurchased shares are added to treasury stock and are available for general corporate purposes, including acquisition financing and the funding of various employee benefit and compensation plans.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On October 21, 2014, the Company's Board of Directors approved an amendment to the employment agreement of our Chief Executive Officer, John F. Brock, to extend the term of his agreement through December 29, 2016, one year past the current agreement's specified term. The Human Resources and Compensation Committee also approved amending Mr. Brock's agreement to reflect the continuation of his current level of annual compensation throughout the term of the agreement. The amendment to Mr. Brock's agreement, which is effective October 21, 2014, is set forth as Exhibit 10.1 to this Quarterly Report (Mr. Brock's current employment agreement was filed as Exhibit 10.1 to our Quarterly Report on Form 10-Q, filed October 24, 2013).

COCA-COLA ENTERPRISES, INC.

Item 6. Exhibits

(a) Exhibit (numbered in accordance with Item 601 of Regulation S-K):

Exhibit Number	Description	Incorporated by Reference or Filed Herewith
10.1	Amendment to the Employment Agreement between John F. Brock and Coca-Cola Enterprises, Inc. (Effective October 21, 2014).*	Filed herewith.
12	Ratio of Earnings to Fixed Charges.	Filed herewith.
31.1	Certification of John F. Brock, Chairman and Chief Executive Officer of Coca-Cola Enterprises, Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
31.2	Certification of Manik H. Jhangiani, Senior Vice President and Chief Financial Officer of Coca-Cola Enterprises, Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
32.1	Certification of John F. Brock, Chairman and Chief Executive Officer of Coca-Cola Enterprises, Inc., pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
32.2	Certification of Manik H. Jhangiani, Senior Vice President and Chief Financial Officer of Coca-Cola Enterprises, Inc., pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
101.INS	XBRL Instance Document.	Filed herewith.
101.SCH	XBRL Taxonomy Extension Schema Document.	Filed herewith.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	Filed herewith.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	Filed herewith.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.	Filed herewith.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	Filed herewith.

* Management contracts and compensatory plans or arrangements required to be filed as exhibits to this form, pursuant to Item 15(b).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COCA-COLA ENTERPRISES, INC.
(Registrant)

Date: October 23, 2014	/s/ Manik H. Jhangiani
	Manik H. Jhangiani
	Senior Vice President and Chief Financial Officer
Date: October 23, 2014	/s/ Suzanne D. Patterson
	Suzanne D. Patterson
	Vice President, Controller and Chief Accounting Officer

EXHIBIT 12

COCA-COLA ENTERPRISES, INC.
EARNINGS TO FIXED CHARGES
(in millions; except ratios)

	Third Quarter		First Nine Months	
	2014	**2013**	**2014**	**2013**
Computation of Earnings:				
Income before income taxes	$ 314	$ 289	$ 735	$ 619
Add:				
Interest expense	34	27	92	78
Amortization of debt premium/discount and expenses	1	1	2	2
Interest portion of rent expense	6	8	18	25
Earnings as adjusted	$ 355	$ 325	$ 847	$ 724
Computation of Fixed Charges:				
Interest expense	$ 34	$ 27	$ 92	$ 78
Amortization of debt premium/discount and expenses	1	1	2	2
Interest portion of rent expense	6	8	18	25
Fixed charges	$ 41	$ 36	$ 112	$ 105
Ratio of Earnings to Fixed Charges[(A)]	8.81	9.05	7.56	6.91

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(A) Ratios were calculated prior to rounding to millions.

EXHIBIT 31.1

302 CERTIFICATION
OF CHIEF EXECUTIVE OFFICER

I, John F. Brock, Chief Executive Officer of Coca-Cola Enterprises, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Coca-Cola Enterprises, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 23, 2014

/s/ John F. Brock

John F. Brock
Chief Executive Officer
Coca-Cola Enterprises, Inc.

EXHIBIT 31.2

302 CERTIFICATION
OF CHIEF FINANCIAL OFFICER

I, Manik H. Jhangiani, Chief Financial Officer of Coca-Cola Enterprises, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Coca-Cola Enterprises, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 23, 2014

/s/ Manik H. Jhangiani

Manik H. Jhangiani
Chief Financial Officer
Coca-Cola Enterprises, Inc.

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Coca-Cola Enterprises, Inc. (the “Company”) on Form 10-Q for the period ending September 26, 2014 (the “Report”), I, John F. Brock, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) to my knowledge, the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John F. Brock

John F. Brock
Chief Executive Officer

October 23, 2014

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Coca-Cola Enterprises, Inc. and will be retained by Coca-Cola Enterprises, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Coca-Cola Enterprises, Inc. (the "Company") on Form 10-Q for the period ending September 26, 2014 (the "Report"), I, Manik H. Jhangiani, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) to my knowledge, the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Manik H. Jhangiani

Manik H. Jhangiani
Chief Financial Officer

October 23, 2014

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Coca-Cola Enterprises, Inc. and will be retained by Coca-Cola Enterprises, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement"), entered into as of October 21, 2014, between Coca-Cola Enterprises, Inc., a Delaware corporation (the "Company"), and John F. Brock (the "Executive"). This Agreement amends and restates the employment agreement between the Company and the Executive dated September 10, 2012, and the amendment thereto, dated October 22, 2013 (together, the "Prior Agreement"). The Company and the Executive may be referred to herein collectively as the "Parties," or individually as a "Party."

WHEREAS, the Parties wish to amend and restate the Prior Agreement to reflect the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, the Parties agree as follows:

1. **Employment; Employment Term**. The Company agrees to continue to employ the Executive as the Chairman of the Board of Directors and Chief Executive Officer of the Company and any successor thereto, and the Executive agrees to continue to be employed by the Company, subject to the terms and provisions of this Agreement. The term of employment under this Agreement shall expire on December 29, 2016 (the "Term"); provided that the term of this Agreement may be extended by mutual written agreement between the Executive and the Company. If the Parties agree to any such extension, the Parties shall specify the terms and conditions of the Executive's continuing employment, and the provisions of this Agreement that applied during the Continued Term shall not apply during any extension period except as explicitly provided under this Agreement or by the Parties in connection with the extension.

2. **Duties**. During the Term, the Company and the Executive agree that the Executive shall have all responsibilities and authorities and perform such duties that are usually incident to his positions with the Company as provided in the Company's Certificate of Incorporation, By-Laws, and written policies together with such other duties and responsibilities as may be assigned to him from time to time by the Board of Directors (the "Board") of the Company. During his employment hereunder, the Executive shall devote his entire time, energy, and skill during regular business hours (other than during periods of illness, vacation, and other approved absences) to the Company and its Affiliates, and the Executive shall render his services solely and exclusively for the Company and its Affiliates, provided that (i) exceptions to such exclusivity in effect on the date hereof shall continue in effect, subject to the discretion of the Board to withdraw such exception if such exception involves a conflict of interest or materially interferes with the Executive's ability to perform his duties, and (ii) the Board shall grant additional exceptions to such exclusivity upon request unless such exceptions involve a conflict of interest or materially interfere with the Executive's ability to perform his duties with the Company.

For purposes of this Agreement, "Affiliate" means a company that would be considered a single employer together with the Company under Sections 414(b) or 414(c) of the Internal Revenue Code (the "Code").

3. **Location of Executive's Principal Office**. During the Term, the Executive's principal office shall be in the Company's headquarters office which shall be based in the Atlanta, Georgia metropolitan area, unless mutually agreed otherwise by the Executive and the Company.

4. **Base Salary**. During the Term, the Company shall pay the Executive a Base Salary at an annual rate of not less than $1,200,000. The Base Salary shall be subject to review and possible increase, but not decrease, by the Human Resources and Compensation Committee of the Board (the "HRCC") each February, and any increases shall be effective the following April 1. Adjustments to the Base Salary shall be based on the Executive's performance and other factors that the HRCC deems appropriate. Following each adjustment, the term Base Salary shall thereafter refer to the adjusted amount.

5. **Annual Incentive**. The Executive shall have the opportunity to receive an annual incentive award in accordance with the terms of the Executive Management Incentive Plan (the "MIP Award"). During the Term, the Executive's annual target MIP Award shall be at least 150% of his annual Base Salary, payable upon the achievement of goals established and approved by the HRCC. The MIP Award shall be payable in a single lump-sum payment in March following the end of the applicable performance period.

6. **Long-Term Incentive Awards**. During the Term, the Executive shall receive two annual long-term incentive awards, each with a target award value of at least $7,000,000 (each, an "LTIP Award"), provided that the Executive is employed by the Company at the time such award is to be granted. The LTIP Awards may be delivered in one or more forms, including but not limited to stock options, restricted stock units ("RSUs"), restricted stock, or performance stock units ("PSUs"). The 2014 LTIP Award may be made at any time during the remainder of 2014 or the first quarter of 2015, and the 2015 LTIP Award may be made at any time in 2015 or the first quarter of 2016, provided that the vesting schedule shall be no less favorable than if the LTIP Awards had been made in November 2014 and November 2015, respectively. The target award value shall be determined (i) for stock options, based on the grant date fair value using the valuation methodology applied for Company financial reporting purposes and (ii) for stock units or restricted stock, based on the number of shares subject to the award (determined at target for PSUs) multiplied by the fair market value of Company stock at grant.

Vesting for each type of LTIP Award shall be as follows. Stock options granted in 2014 shall vest ½ on the first anniversary of the grant date in 2015 and ½ on the second anniversary of the grant date in 2016. Stock options granted in 2015 shall vest ½ on the first anniversary of the grant date in 2016 and ½ on the second anniversary of the grant date in 2017. Stock options shall have a 10-year term. PSUs granted in 2014 shall have service-based cliff vesting requiring service through December 29, 2016, and PSUs, RSUs, and restricted stock granted in 2015 shall have service-based cliff vesting requiring service through December 29, 2017. In addition, PSUs granted in 2014 and 2015 shall have a performance-vesting requirement based on such metrics as are established by the HRCC. PSUs (if and to the extent vested) shall be paid after vesting on the following basis: PSUs granted in 2014 shall be paid on or about April 30, 2018, and PSUs granted in 2015 shall be paid on the date specified by the HRCC, which date shall not be later than on or about April 30, 2019. With respect to each LTIP Award made in 2014 and 2015, the service-based vesting condition shall take into account service as an employee and as a consultant following the Executive's termination of employment in accordance with the Sections 9(a) and 9(b), as applicable, as well as Section 10(i). Such continued vesting shall apply as long as the Executive is willing and available to provide the consulting services during the twelve month period specified in Section 10 (i), without regard to whether the Company utilizes such services or terminates the consulting relationship, provided that if the Company terminates the consulting relationship for Cause, the continued vesting shall cease to apply.

7. **Benefits**. During the Term, the Executive shall be entitled to participate in any employee benefit plans or programs for which he is eligible that are provided by the Company to its management employees based in the United States, such as retirement, health, life insurance, and disability plans, vacation and sick leave policies, business expense reimbursement policies, and international assignment programs that the Company has in effect from time to time. All prior service recognized by Coca-Cola Enterprises Inc., the Company's predecessor, ("Legacy CCE") for benefit plan purposes as of the Closing shall be recognized by the Company for benefit plan purposes. The Company retains the right to terminate or alter the terms of any benefit programs that it may establish, provided that no such termination or alteration shall adversely affect any vested benefit under any benefit program.

9. **Indemnification**. During the Executive's employment and thereafter for the period during which the Executive may be subject to liability relating to his services as an officer or director of the Company or any of its Affiliates, the Company will maintain a directors and officers liability policy, and the Executive shall be covered by such directors and officers liability policy at the same level as applicable to the Company's other directors and officers, and the Executive shall be indemnified to the fullest extent permitted by law and by the Company's Certificate of Incorporation and By-Laws. Furthermore, the Executive shall be entitled to indemnification with respect to his services at Legacy CCE.

9. **Payments upon Termination of Employment**.

(a) Voluntary Termination by the Executive. If the Executive voluntarily terminates employment with the Company during the Term, the Company shall pay the Executive any earned but unpaid Base Salary and any amounts to which the Executive is legally entitled under the generally applicable terms of pension, savings, disability, or other programs. Any MIP Award that is already fully earned by service through the end of the applicable measurement period but not yet paid shall be payable in accordance with its terms, but the Company shall not be under any obligation to make payment with respect to MIP Award measurement periods that have not been completed. The Company shall also not be under any obligation to make payment with respect to any unvested LTIP Awards or, except that if the Executive's termination of employment occurs on or after the first day of November following the grant of the 2014 or 2015 equity award, the consulting services to be credited under Section 6, above, shall be included for purposes of satisfying the service-vesting requirements of such awards. Payments of earned but unpaid Base Salary under this Section 9(a) shall be made as soon as administratively practicable following the Executive's termination of employment, but no later than 60 days following the Executive's termination of employment.

(b) Termination by the Company for Reasons Other Than for Cause. If the Company terminates the Executive's employment for reasons other than for Cause during the Term, the Executive shall be entitled to the payments and rights described in this Section 9(b).

Provided the Executive is in compliance with the requirements of Section 10 at the time of the relevant payment, the Company shall make the following lump-sum cash payments to the Executive: (i) the amounts described in Section 9(a), (ii) a pro rata MIP Award based on actual results for the year of the Executive's termination of employment and the number of months of the Executive's employment in the year, and (iii) an amount equal to the Executive's annual Base Salary plus the amount of the Executive's most recent target MIP Award. Payments made under clauses (i), (iii) and (iv) of this paragraph shall be made as soon as administratively practicable following the Executive's termination of employment, but no later than 60 days following the Executive's termination of employment, subject to any different payment schedule required pursuant to Section 13. Payment under clause (ii) of this paragraph shall be made in March of the year following the year of the Executive's termination of employment.

In addition, provided the Executive complies with the requirements of Section 10, (A) the service-vesting conditions for 2014 LTIP Award shall be waived on a pro rata basis, which pro rata determination will be made by dividing the number of months of service between the grant date and the date of the Executive's termination of employment plus the number of months of consulting services credited under Section 6, above, by the number of months of service that would have been required to vest in such award (not to exceed 100% vesting); and (B) the service-vesting conditions for 2015 LTIP Awards shall be waived on a pro rata basis , which pro rata determination will be made by dividing the number of months of service between the grant date and the Executives termination date plus the number of months of consulting services provided under Section 6, above, by the number of months of service that would have been required to vest in such an award. In addition, if the Executive is at least age 55 and has at least five years of service with the Company and Legacy CCE as of the termination date, the months of service used in the numerator for the pro rata determination of the 2014 and 2015 LTIP Awards shall be increased by 12 (not to exceed 100% vesting). Notwithstanding the foregoing, PSUs granted in either 2014 or 2015 shall not automatically satisfy the performance condition to vesting as a result of this paragraph, but must satisfy the performance condition on the basis of actual performance in accordance with the terms of the awards. All option awards that are vested shall remain exercisable for the balance of the original term of the grant.

(c) Termination by the Company for Cause. If the Company terminates the Executive's employment for Cause during the Term, the Company shall pay the Executive only any earned but unpaid Base Salary and any amounts to which the Executive is legally entitled under the generally applicable terms of pension, savings, disability, or other programs. Payments of earned but unpaid Base Salary shall be made as soon as administratively practicable, but no later than 60 days following the Executive's termination of employment.

For purposes of this Agreement, "Cause" means (i) willful or gross misconduct by the Executive that is materially detrimental to the Company or an Affiliate, including but not limited to a willful violation of the Company's trading policy or code of business conduct that is materially detrimental to the Company or an Affiliate, (ii) acts of personal dishonesty or fraud by the Executive toward the Company or an Affiliate, (iii) the Executive's conviction of a felony, except for a conviction related to vicarious liability based solely on his or her position with the Company or an Affiliate, provided that the Executive had no involvement in actions leading to such liability or had acted upon the advice of the Company's or an Affiliate's counsel, or (iv) the Executive's refusal to cooperate in an investigation of the Company of an Affiliate if requested to do so by the Board. For purposes of this definition of Cause, no act or failure to act by the Executive shall be considered "willful" unless it occurs without the Executive's good faith belief that such act or failure to act was in, or not contrary to, the best interests of the Company. Before the Executive may be terminated for Cause he shall be given 30 days to cure his misconduct, if cure is possible.

(d) Termination Due to Death. In the event of the Executive's death during the Term, the Executive's estate shall receive a payment of the Executive's MIP Award for the full year of his death, based on actual performance results. Such payment shall be made in March of the year following the year of the Executive's death.

In addition, in the event of the Executive's Death during the Term of the Agreement, the Company shall fully vest all of the Executive's outstanding equity grants, with the performance vesting of any PSUs based on actual results for performance periods that have concluded and based on target award levels for performance periods in progress. All option awards that are vested shall remain exercisable for the lesser of 60 months following termination of employment or the balance of the original term of the grant.

(e) Termination Due to Disability. In the event that the Executive's employment is terminated due to Disability, the Company shall make the payments to the Executive set forth in Section 9(d), substituting references to the Executive's Disability for references to the Executive's death.

For purposes of this Agreement, "Disability" means the Executive's inability by reason of a medically determinable physical or mental impairment, to engage in the ordinary duties of his position with the Company, which condition, in the opinion of a doctor mutually agreed upon by the Executive and the Company, is expected to have a duration of not less than one year.

(f) Termination Following Change in Control. If a Change in Control of the Company occurs and, within 24 months following such Change in Control, the Company terminates the Executive's employment for reasons other than for Cause or the Executive terminates employment for Good Reason, the Company or its successor shall provide to the Executive the following payments and benefits, subject to the requirements of Section 10: (i) the amounts described in Section 9(a), (ii) a pro rata MIP Award based on actual results for the year of the Executive's termination of employment and the number of months of the Executive's employment in the year, (iii) an amount equal to the Executive's annual Base Salary plus the most recent target MIP Award multiplied by 1.5, and (iv) full vesting of all outstanding equity grants.

For purposes of the Agreement, "Change in Control" shall have the meaning specified in the Company's 2010 Incentive Award Plan; and "Good Reason" means (A) a material diminution of duties, responsibilities or authority or a material adverse change in the scope of authority, as measured from the Executive's first role with the Company following the execution of this Agreement, (B) a reduction in Base Salary or annual target MIP Award opportunity, or (C) a change from the work location specified in this Agreement that was not mutually agreed upon in writing by the Executive and the Company, provided, however, that (I) the Executive does not consent in writing to such event, (II) the Executive gives written notice to the Company within 60 days of the date on which the Executive first receives notice of the circumstances giving rise to the event, (III) the Company has not remedied the matter within 30 days, and (IV) if the matter is not remedied, the Executive actually separates from service.

(g) No Duty to Seek New Employment in Mitigation of Damages. In the event of termination of the Executive's employment with the Company for any reason, the Executive shall be under no duty to seek new employment or otherwise seek to mitigate damages arising from termination in order to be eligible for the provisions of this Section 9. In the event that the Executive does obtain new employment there shall be no reduction or offset to payments made under this Section 9 on account of such employment.

10. **Executive's Obligations**.

(a) General. All payments and benefits provided under this Agreement are expressly conditioned on the Executive's compliance with the obligations contained in Sections 10(b) through 10(i). If the Executive violates any of the obligations set forth in this Section 10 in the 36 months following his termination of employment, the Executive shall forfeit any remaining payments, any unvested or unpaid restricted stock or stock units, and any outstanding stock options (whether or not vested).

(b) Mutual Release of Claims. All payments and benefits provided under Sections 9(b), (e) and (f) of this Agreement are subject to the Executive's execution and delivery of a mutual release of claims waiving any and all claims, except for those reserved in the form of release, that the Executive may have against the Company and its Affiliates, and vice-versa. Such release shall be in the form attached hereto as Exhibit A and must be signed by the Executive and returned to the Company no later than 45 days after the Executive's separation from service with the Company. If the Company has executed and delivered the mutual release of claims to the Executive and has not revoked such release, but the Executive fails to execute and deliver such release, or the Executive revokes such release as provided therein, then the Executive shall not be entitled to further payments or benefits under this Agreement, and the Executive must reimburse the Company for any such payments made in anticipation of the execution and non-revocation of the release.

(c) Noncompetition. Provided the Company is not in breach of its obligations to make any of the payments or provide any of the benefits provided in Sections 4 through 9 of this Agreement, during the period beginning with the Executive's termination of employment during the Term for any reason and ending on the 12-month anniversary of the Executive's termination of employment (hereinafter be referred to as the "Restricted Period"), the Executive (i) shall not accept a position on the board of any business entity without the approval of the HRCC, which approval shall not be unreasonably withheld and (ii) shall not directly or indirectly, on the Executive's own behalf or on behalf of any person or entity, compete with the Company by performing activities or duties substantially similar to the activities or duties performed by the Executive for the Company during the year preceding the Executive's termination of employment for any business entity that is a Direct Competitor of the Company within the Restricted Area.

A "Direct Competitor" of the Company is any business or operations in direct competition with the Company within the Restricted Area owned or operated by (i) PepsiCo, Inc.; (ii) Dr. Pepper Snapple Group, Inc.; (iii) if PepsiCo, Inc. or Dr. Pepper Snapple Group, Inc. do not have the highest or next highest market share among the producers and distributors of non-alcoholic beverages within the Restricted Area at the time the Executive's employment terminates, then any company that has the highest or next highest market share among the producers and distributors of non-alcoholic beverages within the Restricted Area at the time the Executive's employment with the Company terminates; or (iv) any company that provides bottling operations to the companies listed in subparts (i), (ii), and (iii) within the Restricted Area. The "Restricted Area" is any geographic area within the scope of the Executive's management authority. The Executive expressly acknowledges and agrees that, because of the nature of the services the Executive has provided to the Company, the Executive has provided services throughout the Restricted Area and, therefore, the Restricted Area is reasonably defined to protect the Company's legitimate business interests.

(d) Nonsolicitation. The Executive shall not, during the Restricted Period, directly or indirectly, on his own behalf or on behalf of any person or entity, solicit, divert, or appropriate to any non-alcoholic beverage business or operations, any person who transacted business with the Company or its Affiliates during the year preceding the date of the Executive's termination of employment, provided that such person or entity is a person or entity with whom the Executive has had direct contact or has been a party to marketing or sales strategies with regard to.

The Executive further shall not, during the Restricted Period, directly or indirectly, on his own behalf or on behalf of any person or entity, solicit, divert, or hire away, or attempt to solicit, divert, or hire away to any person or entity, any person employed by the Company or an Affiliate on the date of the Executive's termination of employment or at any time during the one-year period preceding the Executive's termination of employment. Notwithstanding the foregoing, the Executive may provide an employment reference setting forth his personal views about any former non-executive employee of the Company at the unsolicited request of such former employee or any third party.

(e) Confidentiality and Non-Disclosure. Except as required by law or pursuant to the order of a Court or government entity or in any legal proceeding to enforce this Agreement, the Executive shall not knowingly use, reveal, disclose, or divulge to any entity other than the Company without the express written authorization of the Company (i) any trade secrets of the Company for so long as they remain trade secrets and (ii) any Confidential Information after the Executive's termination of employment, provided that the Executive knew at the time that such information was a trade secret or Confidential Information of the Company and provided that such information has not otherwise been disclosed to the public or is not otherwise in the public domain.

"Confidential Information" means any data or information with respect to the business conducted by the Company or its Affiliates that is not generally known to the public and that is a valuable asset to the Company, including, but not limited to, sales reports, product pricing, sales materials, selling procedures, marketing agreements and programs, customer lists, customer requirements, specifications for new products, sources of supply for ingredients, packaging, and other materials used in the Company's products, and the business plans and financial data of the Company, except to the extent that any such information is readily available in the public domain through no fault of the Executive.

(f) Nondisparagement. The Executive shall not disparage the Company, its Affiliates, or their employees, products, or services in any form or fashion that would cause any third party to lower its perception about the integrity, public or private image, professional competence, or quality of products or service of said entities or persons following the Executive's termination of employment. The Company agrees that it will not, and it will instruct its officers and directors not to, disparage the Executive in any form or fashion that would cause any third party to lower its perception about the integrity, public or private image, professional competence, or quality of the Executive. Notwithstanding the foregoing, nothing contained herein shall prevent any person from (i) responding publicly to incorrect, disparaging or derogatory public statements to the extent reasonably necessary to correct or refute such public statements or (ii) making any truthful statement to the extent necessary to enforce this Agreement or required by law or by any court, arbitrator or administrative or legislative body (including any committee thereof) with apparent jurisdiction to order such person to disclose or make accessible such information.

(g) Records/Company Property. The Executive shall, following his termination of employment, return to the Company all documents (including copies and computer records thereof) of any nature that relate to or contain proprietary or confidential information concerning the Company, its Affiliates, its customers, or employees (except for documents describing or relating to the Executive's employment terms, compensation or employee benefits and awards), and any and all property of the Company in his possession, including, but not limited to, computers, electronic recording media, business records, papers, documents, and other Company property.

(h) Cooperation. The Executive shall cooperate with the Company and its counsel in any litigation or human resources matters in which he may be a witness or potential witness or have knowledge of the relevant facts or evidence by making himself available (on reasonable notice and consistent with the Executive's other reasonable commitments) to testify at the request of the Company or Affiliate in any action, suit or proceeding, whether civil, criminal, administrative or investigative, and otherwise to assist the Company in any such action, suit or proceeding by providing information and meeting and consulting with members of management of, or other representatives of, or counsel to, the Company as reasonably requested in relation to a matter of which the Executive had knowledge or for which he was responsible before termination of employment. The Company shall promptly reimburse the Executive for reasonable and necessary expenses incurred in the course of complying with this provision, including, but not limited to, reasonable attorney's fees in the event that the Executive reasonably desires to be represented in such matters by independent counsel. If such cooperation requires the Executive to commit more than 5 days (8 hours per day) within a 30 day rolling period, the Company will pay the Executive a per diem amount equal to the daily amount of the Executive's final annual Base Salary from the Company.

(i) Consulting Services. For a period of 12 months following the date of the Executive's voluntary termination for any reason or involuntary termination without Cause, the Executive agrees to provide the Company with a minimum of 10 hours per month of consulting services regarding corporate strategy and other business affairs of the Company, as requested by the Chief Executive Officer or the Board of Directors. The Company shall reimburse the Executive for all out-of-pocket expenses incurred by the Executive in providing such consulting services, provided such expenses are approved in advance by a senior officer of the Company.

(j) Repayment of Benefits in Certain Cases. If a two-thirds majority of the independent members of the Board, after permitting the Executive to respond on his own behalf or through counsel to all charges against him, determines (i) within two years of the Executive's termination of employment that the Executive could have been terminated for Cause, (ii) that the Executive has violated any of the obligations of Section 10(c) or (d), or (iii) that the Executive engaged in fraud or ethical misconduct that resulted in or directly contributed to the restatement of the Company's financial results, then (A) such event shall be treated as a violation of the obligations of this Section 10 and the forfeitures described in Section 9(a) shall be applicable, and (B) the Executive shall promptly repay to the Company an amount equal to the sum of all payments provided under Section 9(b) other than those payments that would have been provided under Section 9(c) and all gains from the vesting of Company restricted stock and restricted or performance stock units and upon the exercise of Company stock options occurring upon or subsequent to separation from service with the Company. If clause (iii) is applicable, the Board may also require the Executive to repay some or all of the Executive's incentive compensation for the year or years affected by the restatement and gains from the vesting of Company restricted stock and stock units and upon the exercise of Company stock options occurring in or after the year or years affected by the restatement. Any dispute regarding this Section 10(j), including, without limitation, a dispute regarding whether the Executive could have been terminated for Cause, shall be subject to the arbitration provisions of Section 12.

(k) Remedies with Respect to Covenants. In the event of any breach by the Executive of the covenants and representations contained in this Section 10 (a "Breach"), or threatened Breach, the Company shall be entitled, in addition to any other remedies and damages available, to an injunction to restrain such Breach or threatened Breach. Any member of an Affiliate for which the Executive performs services may enforce this Agreement, and any injunction or other remedy under this Section 10(k) shall be enforceable in the United States and any other jurisdiction.

11. **Notices**. All notices and demands shall be deemed given when mailed and addressed as follows:

(a) if to the Company:

Corporate Secretary
Coca-Cola Enterprises, Inc.
2500 Windy Ridge Parkway
Atlanta, GA 30339

(b) if to the Executive:

88 West Paces Ferry Road NW
Atlanta, GA 30305

12. **Arbitration**. Any dispute regarding the terms of this Agreement shall be resolved through binding arbitration before a sole arbitrator in Atlanta, Georgia, administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules then in effect. Judgment upon any award rendered by the arbitrator, including any injunctive relief, may be entered

in any court having jurisdiction thereof. Each Party shall pay its own expenses, including but not limited to attorneys' fees, of the arbitration or of any litigation arising out of this employment agreement, provided, however, that the arbitrator shall have the authority to award attorneys' fees to the prevailing party. Notwithstanding the foregoing, any dispute regarding the terms of a plan or arrangement referenced in this Agreement shall be resolved as specified in such plan or arrangement. For the avoidance of doubt, any dispute regarding the noncompetition and non-solicitation provisions set forth in Sections 10(c) and (d) shall not be subject to arbitration, but shall be brought in a court of competent jurisdiction.

13. **Compliance with Section 409A**. This Agreement is intended to comply with Section 409A of the Code and shall be interpreted, administered and operated in a manner consistent with that intent. Notwithstanding anything herein to the contrary, if at the time of the Executive's separation from service with the Company the Executive is a "specified employee" as defined in Section 409A of the Code (and the regulations thereunder) and any payments or benefits otherwise payable hereunder as a result of such separation from service are subject to Section 409A of the Code, then the Company shall defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided) until the date that is six months following the Executive's separation from service with the Company (or the earliest date as is permitted under Section 409A of the Code), and the Company shall pay any such delayed amounts in a lump sum at such time. If, in order to comply with Section 409A of the Code and Treas. Reg. §1.409A-3(f), some or all of the payments described in Section 9(b)(iii) are required to be paid in installments in the manner set forth in the CCE Executive Severance Plan as in effect on the date of the Closing, then such amounts shall be paid in such installments rather than in a lump sum. If any payments or other benefits due to the Executive hereunder could cause the application of an accelerated or additional tax under Section 409A of the Code, such payments or other benefits shall be deferred if deferral will make such payment or other benefits compliant under Section 409A of the Code, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner, determined by the Company, that does not cause such an accelerated or additional tax. Each payment made under this Agreement shall be designated as a "separate payment" within the meaning of Section 409A of the Code. References to "termination of employment" and similar terms used in this Agreement are intended to refer to "separation from service" within the meaning of Section 409A of the Code to the extent necessary to comply with Section 409A of the Code.

14. **Section 280G Payments**. Notwithstanding anything herein to the contrary, to the extent that any severance pay, Retention Award, stock option, restricted stock, RSUs, or other equity awards or benefits paid to, distributed to, or vested in the Executive pursuant to this Agreement or any other agreement or arrangement between the Company and the Executive (collectively, the "280G Payments") (a) constitute a "parachute payment" within the meaning of Section 280G of the Code and (b) but for this Section 14 would be subject to the excise tax imposed by Section 4999 of the Code, then the 280G Payments shall be payable either (i) in full or (ii) in such lesser amount which would result in no portion of such 280G Payments being subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state, and local income or excise taxes (including the excise tax imposed by Section 4999) results in the Executive's receipt on an after-tax basis, of the greatest amount of benefits under this Agreement, notwithstanding that all or a portion of such benefits may be taxable under Section 4999 of the Code.

All calculations required by this Section 14 shall be made in good faith by the Company or such third party designated by the Company. Such calculations shall be provided to the Executive in writing as soon as practicable and shall be subject to the Executive's review and comment, which the Company shall consider in good faith. Following the Executive's comment, such calculations shall be conclusive and binding on the Parties for purposes of this Section 14. Notwithstanding the foregoing, if the calculations indicate that the Executive's 280G Payments would be reduced pursuant to the preceding paragraph, the Executive may elect that an independent third party jointly designated by the Executive and the Company verify the calculations. If the Executive and the Company cannot agree on an independent third party, each shall designate an independent third party and the two designated parties shall choose a third party. The third party's calculations shall be provided to the Executive and the Company in writing as soon as practicable and shall be subject to the Executive's and Company's review and comment, which the third party shall consider in good faith. Following the Executive's and Company's comment, such third party calculations shall be conclusive and binding on the Parties for purposes of this Section 14.

The reduction in any 280G Payments, if applicable, shall be effected in the following order: (i) any cash payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c); (ii) any equity awards that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24 (b) or (c); (iii) any cash payments that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c), in order of the cash payments with the largest 280G Payment value; (iv) acceleration of vesting of any stock options subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) for which the exercise price exceeds the then fair market value of the underlying stock, in order of the option tranches with the largest 280G Payment value; (v) acceleration of vesting of any equity award subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) that is not a stock option, in order of the equity tranches with the largest 280G Payment value; and (vi) acceleration of vesting of any stock options subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) for which the exercise price is less than the fair market value of the underlying stock in such manner as would net the Executive the largest remaining spread value if the options were all exercised as of the Code Section 280G event.

15. **Miscellaneous**.

(a) Entire Agreement. This Agreement sets forth the entire and final agreement and understanding of the Parties and contains all of the agreements made between the Parties with respect to the subject matter hereof. This Agreement supersedes any and all other agreements in effect as of the date hereof, either oral or in writing, between the Parties hereto, with respect to the subject matter hereof, including, without limitation, the Prior Agreement.

(b) Amendments. This Agreement may not be amended or modified other than by a written agreement signed by the Parties to this Agreement or their respective successors and legal representatives.

(c) Headings. The headings in this Agreement are inserted for convenience only and are not to be considered a construction of the provisions hereof.

(d) Severability. If any provision of this Agreement is held to be invalid or unenforceable, its invalidity or unenforceability shall not affect any other provision of the

Agreement, and the Agreement shall be construed and enforced as if such provision had not been included.

(e) Survival. The respective rights and obligations of the Parties under Sections 6 through 15 shall survive any termination or expiration of this Agreement and shall continue to apply upon any extension of the term of this Agreement.

(f) Assignment and Successors. This Agreement shall be binding upon and shall inure to the benefit of any successors or assigns to the Company. The Executive may not assign any of his rights, except to his beneficiaries or heirs in accordance with the terms of an equity award or benefit plan, or delegate any of his duties or obligations under this Agreement or any portion hereof. If the Company changes its name, then references in this Agreement to the Company's new name shall be deemed to be substituted for references to the Company's prior name.

(g) Governing Law. This Agreement is intended to be governed by the laws of the state of Delaware, without regard for any choice of law principles of any jurisdiction.

(h) Consent to Jurisdiction. With respect to disputes regarding matters that are expressly excluded from the mandatory arbitration provision set forth in Section 12 of this Agreement, the following provisions apply:

(i) Each of the parties consents to the exclusive jurisdiction of the Chancery Courts of the State of Delaware and the United Sates District Court for the District of Delaware, as well as to the jurisdiction of all courts to which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of, or in connection with, this Agreement.

(ii) Each party expressly waives any and all rights to bring any suit, action or other proceeding in or before any court or tribunal other than the Courts described above and covenants that it shall not seek in any manner to resolve any dispute other than as set forth in this Section 15(h) or to challenge or set aside on the basis of lack of jurisdiction, inconvenient venue, or improper forum any decision, award or judgment obtained in accordance with the provisions of this Agreement.

(iii) Each of the parties expressly waives any and all objections it may have to venue, including, without limitation, the inconvenience of such forum, in any of such courts. In addition, each of the Parties consents to the service of process by personal service or any manner in which notices may be delivered in accordance with Section 11 of this Agreement.

(i) Withholding. The Company shall be entitled to withhold or cause to be withheld from amounts to be paid to the Executive under this Agreement any federal, state, or local withholding or other taxes or amounts that it is from time to time required to withhold.

(j) Waiver. Waiver by any Party hereto of any breach or default by the other Party of any of the terms of this Agreement shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived. No waiver of any provision of this Agreement shall be implied from any course of dealing between the Parties hereto or from any failure by either Party hereto to assert its or his rights hereunder on any occasion or series of occasions.

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Agreement as of the day and year first above written.

COCA-COLA ENTERPRISES, INC.

By: /s/ Pamela O. Kimmet
Pamela O. Kimmet
Senior Vice President, Human Resources

Date: October 21, 2014

JOHN F. BROCK

/s/ John F. Brock

Date: October 21, 2014

EXHIBIT A

FORM OF MUTUAL RELEASE AGREEMENT

THIS MUTUAL RELEASE AGREEMENT ("Release"), entered into as of the date(s) indicated below, between Coca-Cola Enterprises, Inc., a Delaware corporation (the "Company"), and ________________ (the "Executive").

WHEREAS, the Company and the Executive have entered into an Employment Agreement dated ______________, 2014 ("Agreement"); and

WHEREAS, the Executive will separate or has separated from service with the Company effective __________.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in the Agreement and releases contained in this Release, the Company and the Executive agree as follows:

1. **Executive Release**. The Executive agrees, for himself, his spouse, heirs, executor or administrator, assigns, insurers, attorneys and other persons or entities acting or purporting to act on his behalf, to irrevocably and unconditionally release, acquit and forever discharge the Company, its affiliates, subsidiaries, directors, officers, employees, shareholders, partners, agents, representatives, predecessors, successors, assigns, insurers, attorneys, benefit plans sponsored by the Company and said plans' fiduciaries, agents and trustees (collectively, "Company Parties"), from any and all actions, cause of action, suits, claims, obligations, liabilities, debts, demands, contentions, damages, judgments, levies and executions of any kind, whether in law or in equity, known or unknown, which the Executive has, or has had, against any of the Company Parties as of the date of execution of this Release arising out of or relating to the Executive's employment or separation from service with the Company. This Release specifically includes without limitation any claims arising in tort or contract, any claim based on wrongful discharge, any claim based on breach of contract, any claim arising under federal, state or local law prohibiting race, sex, age, religion, national origin, handicap, disability or other forms of discrimination, any claim arising under federal, state or local law concerning employment practices, and any claim relating to compensation or benefits. This specifically includes, without limitation, any claim which the Executive has or has had under Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act, as amended, the Americans with Disabilities Act, as amended, and the Employee Retirement Income Security Act of 1974, as amended. Nothing herein shall release the Company from any claims or damages based on (i) any right the Executive may have to enforce this Release or the Agreement, (ii) any right or claim that arises after the date of this Release, (iii) any right the Executive may have to benefits or entitlements under any applicable plan, agreement, program, award, policy or arrangement of the Company, (iv) the Executive's eligibility for indemnification in accordance with the certificate of incorporation and by-laws of the Company, or any applicable insurance policy, with respect to any liability the Executive incurs or incurred as an employee or officer of the Company, or (v) any right the Executive may have to obtain contribution as permitted by law in the event of entry of judgment against the Executive as a result of any act or failure to act for which the Executive and the Company are jointly liable.

2. **Company Release**. The Company agrees, for itself and its successors and assigns, to irrevocably and unconditionally release, acquit and forever discharge the Executive, his spouse, heirs, executor or administrator (collectively, "Executive Parties") from any and all actions, cause of action, suits, claims, obligations, liabilities, debts, demands, contentions, damages, judgments, levies and executions of any kind, whether in law or in equity, known or unknown, which the Company has, or has had, against the Executive Parties as of the date of execution of this Release arising out of or relating to the Executive's employment or separation from service with the Company including but not limited to any claim, demand, obligation, liability or cause of action arising under any federal, state, or local employment law or ordinance, tort, contract, or

breach of public policy theory, or alleged violation of any other legal obligation. Nothing herein shall release the Executive from any claims or damages based on (i) any right the Company may have to enforce this Release or the Agreement, including, but not limited to, claims for reimbursement of payments made under Section 11(b) of the Agreement in the event of revocation of the Release and any rights or claims that arise under Section 11(j) of the Agreement, (ii) any right or claim that arises after the date of this Release, (iii) any right the Company may have to obtain contribution as permitted by law in the event of entry of judgment against it as a result of any act or failure to act for which the Company and the Executive are jointly liable, and (iv) any claims the Company is required to pursue under applicable federal or state law, including, but not limited to, the Sarbanes-Oxley Act of 2002.

3. **Age Discrimination Claims**. As part of this Release, the Executive understands that he is waiving all claims for age discrimination under the Age Discrimination in Employment Act. The Executive represents and acknowledges that he has carefully read and understands all of the provisions of this Release, and that he is voluntarily entering into this Release. The Executive represents and acknowledges that he has been advised in writing to, and has been afforded the right and opportunity to, consult with an attorney prior to executing this Release. The Executive has [twenty-one (21)] [forty-five (45)] days within which to consider this Release, and seven (7) days following its execution to revoke this Release by written notice to the Company.

THIS RELEASE CONTAINS A WAIVER AND GENERAL RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS. THE EXECUTIVE ACKNOWLEDGES THAT HE HAS CAREFULLY READ AND UNDERSTANDS THIS RELEASE, AND THAT HE HAS HAD THE OPPORTUNITY TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING THIS RELEASE.

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Release on the date(s) indicated below.

COCA-COLA ENTERPRISES, INC.

By:_______________________________ Date:
[NAME]
[TITLE]

[EXECUTIVE]
__________________________________ Date:
[NAME]