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

FORM 10-Q

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

For the quarterly period ended April 3, 2015

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

(State of incorporation)

27-2197395

(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** **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** **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

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a 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**

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

232,985,422 Shares of \$0.01 Par Value Common Stock as of April 3, 2015

COCA-COLA ENTERPRISES, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED APRIL 3, 2015

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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)

| | First Quarter | |
|--|---------------|----------|
| | 2015 | 2014 |
| Net sales | \$ 1,631 | \$ 1,870 |
| Cost of sales | 1,063 | 1,220 |
| Gross profit | 568 | 650 |
| Selling, delivery, and administrative expenses | 410 | 466 |
| Operating income | 158 | 184 |
| Interest expense, net | 30 | 28 |
| Other nonoperating income (expense) | 2 | (1) |
| Income before income taxes | 130 | 155 |
| Income tax expense | 34 | 40 |
| Net income | \$ 96 | \$ 115 |
| Basic earnings per share | \$ 0.41 | \$ 0.45 |
| Diluted earnings per share | \$ 0.40 | \$ 0.44 |
| Dividends declared per share | \$ 0.28 | \$ 0.25 |
| Basic weighted average shares outstanding | 235 | 255 |
| Diluted weighted average shares outstanding | 240 | 260 |

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

COCA-COLA ENTERPRISES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(Unaudited; in millions)

| | First Quarter | |
|---|---------------|--------|
| | 2015 | 2014 |
| Net income | \$ 96 | \$ 115 |
| Components of other comprehensive (loss) income: | | |
| Currency translations | | |
| Pretax activity, net | (279) | 11 |
| Tax effect | — | — |
| Currency translations, net of tax | (279) | 11 |
| Net investment hedges | | |
| Pretax activity, net | 152 | (2) |
| Tax effect | (53) | 1 |
| Net investment hedges, net of tax | 99 | (1) |
| Cash flow hedges | | |
| Pretax activity, net | (2) | (3) |
| Tax effect | — | 1 |
| Cash flow hedges, net of tax | (2) | (2) |
| Pension plan adjustments | | |
| Pretax activity, net | 7 | 6 |
| Tax effect | (2) | (1) |
| Pension plan adjustments, net of tax | 5 | 5 |
| Other comprehensive (loss) income, net of tax | (177) | 13 |
| Comprehensive (loss) income | \$ (81) | \$ 128 |

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)

| | April 3, 2015 | December 31, 2014 |
|--|------------------|----------------------|
| ASSETS | | |
| Current: | | |
| Cash and cash equivalents | \$ 301 | \$ 223 |
| Trade accounts receivable, less allowances of \$15 and \$17, respectively | 1,475 | 1,514 |
| Amounts receivable from The Coca-Cola Company | 63 | 67 |
| Inventories | 358 | 388 |
| Other current assets | 320 | 268 |
| Total current assets | 2,517 | 2,460 |
| Property, plant, and equipment, net | 1,957 | 2,101 |
| Franchise license intangible assets, net | 3,423 | 3,641 |
| Goodwill | 94 | 101 |
| Other noncurrent assets | 199 | 240 |
| Total assets | \$ 8,190 | \$ 8,543 |
| LIABILITIES | | |
| Current: | | |
| Accounts payable and accrued expenses | \$ 1,770 | \$ 1,872 |
| Amounts payable to The Coca-Cola Company | 97 | 104 |
| Current portion of debt | 523 | 632 |
| Total current liabilities | 2,390 | 2,608 |
| Debt, less current portion | 3,678 | 3,320 |
| Other noncurrent liabilities | 189 | 207 |
| Noncurrent deferred income tax liabilities | 917 | 977 |
| Total liabilities | 7,174 | 7,112 |
| SHAREOWNERS' EQUITY | | |
| Common stock, \$0.01 par value – Authorized – 1,000,000,000 shares; Issued – 355,157,319 and 354,551,447 shares, respectively | 3 | 3 |
| Additional paid-in capital | 3,990 | 3,958 |
| Reinvested earnings | 2,021 | 1,991 |
| Accumulated other comprehensive loss | (891) | (714) |
| Common stock in treasury, at cost – 122,171,897 and 115,305,477 shares, respectively | (4,107) | (3,807) |
| Total shareowners' equity | 1,016 | 1,431 |
| Total liabilities and shareowners' equity | \$ 8,190 | \$ 8,543 |

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 Quarter | |
|--|---------------|---------------|
| | 2015 | 2014 |
| Cash Flows from Operating Activities: | | |
| Net income | \$ 96 | \$ 115 |
| Adjustments to reconcile net income to net cash derived from operating activities: | | |
| Depreciation and amortization | 71 | 75 |
| Share-based compensation expense | 8 | 8 |
| Deferred income tax benefit | (9) | (4) |
| Pension expense less than contributions | (5) | (2) |
| Net changes in assets and liabilities | (3) | (125) |
| Net cash derived from operating activities | <u>158</u> | <u>67</u> |
| Cash Flows from Investing Activities: | | |
| Capital asset investments | (98) | (88) |
| Capital asset disposals | — | 12 |
| Other investing activities, net | (9) | — |
| Net cash used in investing activities | <u>(107)</u> | <u>(76)</u> |
| Cash Flows from Financing Activities: | | |
| Net change in commercial paper | (109) | 402 |
| Issuances of debt | 527 | — |
| Payments on debt | (3) | (104) |
| Shares repurchased under share repurchase programs | (313) | (289) |
| Dividend payments on common stock | (65) | (63) |
| Other financing activities, net | 10 | 6 |
| Net cash derived from (used in) financing activities | <u>47</u> | <u>(48)</u> |
| Net effect of currency exchange rate changes on cash and cash equivalents | <u>(20)</u> | <u>—</u> |
| Net Change in Cash and Cash Equivalents | <u>78</u> | <u>(57)</u> |
| Cash and Cash Equivalents at Beginning of Period | <u>223</u> | <u>343</u> |
| Cash and Cash Equivalents at End of Period | <u>\$ 301</u> | <u>\$ 286</u> |

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 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 first quarter of 2015 may not necessarily be indicative of the results that may be expected for the full year ending December 31, 2015.

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, 2014 (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. There were four additional selling days in the first quarter of 2015 versus the first quarter of 2014, and there will be four fewer selling days in the fourth quarter of 2015 versus the fourth quarter of 2014 (based upon a standard five-day selling week).

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Full Year |
|--------|------------------|-------------------|------------------|-------------------|--------------|
| 2015 | 67 | 65 | 65 | 64 | 261 |
| 2014 | 63 | 65 | 65 | 68 | 261 |
| Change | 4 | — | — | (4) | — |

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):

| | April 3, 2015 | December 31, 2014 |
|----------------------------|------------------|----------------------|
| Finished goods | \$ 221 | \$ 238 |
| Raw materials and supplies | 137 | 150 |
| Total inventories | \$ 358 | \$ 388 |

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

NOTE 3—PROPERTY, PLANT, AND EQUIPMENT

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

| | April 3, 2015 | December 31, 2014 |
|---|------------------|----------------------|
| Land | \$ 136 | \$ 147 |
| Building and improvements | 897 | 961 |
| Machinery, equipment, and containers | 1,393 | 1,476 |
| Cold drink equipment | 1,112 | 1,168 |
| Vehicle fleet | 83 | 91 |
| Furniture, office equipment, and software | 280 | 287 |
| Property, plant, and equipment | 3,901 | 4,130 |
| Accumulated depreciation and amortization | (2,084) | (2,162) |
| | 1,817 | 1,968 |
| Construction in process | 140 | 133 |
| Property, plant, and equipment, net | \$ 1,957 | \$ 2,101 |

NOTE 4—ACCOUNTS PAYABLE AND ACCRUED EXPENSES

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

| | April 3, 2015 | December 31, 2014 |
|---------------------------------------|------------------|----------------------|
| Trade accounts payable | \$ 510 | \$ 537 |
| Accrued customer marketing costs | 643 | 656 |
| Accrued compensation and benefits | 218 | 257 |
| Accrued taxes | 145 | 172 |
| Accrued deposits | 57 | 60 |
| Other accrued expenses | 197 | 190 |
| Accounts payable and accrued expenses | \$ 1,770 | \$ 1,872 |

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):

| | First Quarter | |
|---|---------------|----------|
| | 2015 | 2014 |
| Amounts affecting net sales: | | |
| Fountain syrup and packaged product sales | \$ 3 | \$ 4 |
| Amounts affecting cost of sales: | | |
| Purchases of concentrate, syrup, mineral water, and juice | \$ (481) | \$ (542) |
| Purchases of finished products | (11) | (10) |
| Marketing support funding earned | 46 | 51 |
| Total | \$ (446) | \$ (501) |

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

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

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 | April 3, 2015 | December 31, 2014 |
|--|---------------------------------------|------------------|----------------------|
| Assets: | | | |
| Derivatives designated as hedging instruments: | | | |
| Foreign currency contracts ^(A) | Other current assets | \$ 116 | \$ 58 |
| Foreign currency contracts | Other noncurrent assets | 11 | — |
| Total | | 127 | 58 |
| Derivatives not designated as hedging instruments: | | | |
| Foreign currency contracts | Other current assets | 18 | 24 |
| Commodity contracts | Other current assets | 3 | 3 |
| Total | | 21 | 27 |
| Total Assets | | \$ 148 | \$ 85 |
| Liabilities: | | | |
| Derivatives designated as hedging instruments: | | | |
| Foreign currency contracts ^(A) | Accounts payable and accrued expenses | \$ 55 | \$ 29 |
| Foreign currency contracts | Other noncurrent liabilities | 7 | 12 |
| Total | | 62 | 41 |
| Derivatives not designated as hedging instruments: | | | |
| Foreign currency contracts | Accounts payable and accrued expenses | 24 | 22 |
| Commodity contracts | Accounts payable and accrued expenses | 7 | 8 |
| Commodity contracts | Other noncurrent liabilities | 4 | 5 |
| Total | | 35 | 35 |
| Total Liabilities | | \$ 97 | \$ 76 |

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

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

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):

| Type | April 3, 2015 | | December 31, 2014 | |
|----------------------------|-----------------|-----------------|-------------------|-----------------|
| | Notional Amount | Latest Maturity | Notional Amount | Latest Maturity |
| Foreign currency contracts | USD 1.3 billion | June 2021 | USD 1.3 billion | June 2021 |

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):

| Cash Flow Hedging Instruments | Amount of Gain (Loss) Recognized in AOCI on Derivative Instruments ^(A) | |
|-------------------------------|---|--------|
| | First Quarter | |
| | 2015 | 2014 |
| Foreign currency contracts | \$ 6 | \$ (5) |

| Cash Flow Hedging Instruments | Location - Statements of Income | Amount of Gain (Loss) Reclassified from AOCI into Earnings ^(B) | |
|---|-------------------------------------|---|--------|
| | | First Quarter | |
| | | 2015 | 2014 |
| Foreign currency contracts | Cost of sales | \$ (5) | \$ 1 |
| Foreign currency contracts ^(C) | Other nonoperating income (expense) | 13 | (4) |
| Total | | \$ 8 | \$ (3) |

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

^(B) Over the next 12 months, deferred losses totaling \$12 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.

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

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):

| Type | April 3, 2015 | | December 31, 2014 | |
|----------------------------|-----------------|-----------------|-------------------|-----------------|
| | Notional Amount | Latest Maturity | Notional Amount | Latest Maturity |
| Foreign currency contracts | USD 639 million | December 2015 | USD 222 million | July 2015 |
| Commodity contracts | USD 160 million | December 2018 | USD 125 million | December 2017 |

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):

| Non-Designated Hedging Instruments | Location - Statements of Income | First Quarter | |
|------------------------------------|--|---------------|--------|
| | | 2015 | 2014 |
| Commodity contracts | Cost of sales | \$ 1 | \$ (6) |
| Commodity contracts | Selling, delivery, and administrative expenses | — | (1) |
| Foreign currency contracts | Other nonoperating income (expense) ^(A) | 14 | 1 |
| Total | | \$ 15 | \$ (6) |

^(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 April 3, 2015, our Corporate segment earnings included net mark-to-market losses on non-designated commodity hedges totaling \$8 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 ^(A) | Cost of Sales | SD&A | Total |
|---|---------------|---------|---------|
| Balance at December 31, 2014 | \$ 1 | \$ (11) | \$ (10) |
| Amounts recognized during the period and recorded in our Corporate segment, net | — | 1 | 1 |
| Amounts transferred from our Corporate segment to our Europe operating segment, net | — | 1 | 1 |
| Balance at April 3, 2015 | \$ 1 | \$ (9) | \$ (8) |

^(A) Over the next 12 months, deferred losses totaling \$4 million are expected to be reclassified from our Corporate segment earnings into the earnings of our Europe operating segment as the underlying hedged transactions occur.

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.

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

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

| Type | April 3, 2015 | | December 31, 2014 | |
|-----------------------------------|-----------------|-----------------|-------------------|-----------------|
| | Notional Amount | Latest Maturity | Notional Amount | Latest Maturity |
| Foreign currency contracts | USD 400 million | November 2015 | USD 250 million | November 2015 |
| Foreign currency denominated debt | USD 2.0 billion | March 2030 | USD 1.6 billion | May 2026 |

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):

| Net Investment Hedging Instruments | Amount of Gain (Loss) Recognized in AOCI on Derivative Instruments ^(A) | |
|------------------------------------|---|---------------|
| | First Quarter | |
| | 2015 | 2014 |
| Foreign currency contracts | \$ 17 | \$ — |
| Foreign currency denominated debt | 82 | (1) |
| Total | \$ 99 | \$ (1) |

^(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):

| | April 3, 2015 | | December 31, 2014 | |
|--|-------------------|----------------------|-------------------|----------------------|
| | Principal Balance | Rates ^(A) | Principal Balance | Rates ^(A) |
| U.S. dollar commercial paper | \$ 37 | 0.4% | \$ 146 | 0.5% |
| U.S. dollar notes due 2015-2021 | 1,793 | 3.1 | 1,793 | 3.1 |
| Euro notes due 2017-2030 ^(B) | 2,349 | 2.4 | 1,987 | 2.6 |
| Capital lease obligations ^(C) | 22 | n/a | 26 | n/a |
| Total debt^(D) | 4,201 | | 3,952 | |
| Current portion of debt | (523) | | (632) | |
| Debt, less current portion | \$ 3,678 | | \$ 3,320 | |

^(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 March 2015, we issued €500 million, 1.9 percent notes due 2030.

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

^(D) The total fair value of our outstanding debt, excluding capital lease obligations, was \$4.4 billion and \$4.2 billion at April 3, 2015 and December 31, 2014, respectively. The fair value of our debt is determined using quoted market prices for publicly traded instruments (Level 1).

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 April 3, 2015, 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 us to limit the incurrence of certain liens or encumbrances in excess of defined amounts. Additionally, our credit facilities required that our net debt to total capital ratio not exceed a defined amount. We were in compliance with these requirements as of April 3, 2015. On April 30, 2015,

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

the required net debt to total capital ratio was amended to an interest coverage ratio. 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.

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):

| | First Quarter | |
|--|---------------|--------------|
| | 2015 | 2014 |
| Components of net periodic benefit costs: | | |
| Service cost | \$ 14 | \$ 14 |
| Interest cost | 13 | 16 |
| Expected return on plan assets | (24) | (24) |
| Amortization of actuarial loss | 7 | 6 |
| Total costs | <u>\$ 10</u> | <u>\$ 12</u> |

Contributions

Contributions to our pension plans totaled \$15 million and \$14 million during the first quarter of 2015 and 2014, respectively. The following table summarizes our projected contributions for the full year ending December 31, 2015, as well as actual contributions for the year ended December 31, 2014 (in millions):

| | Projected ^(A) 2015 | Actual ^(A) 2014 |
|-----------------------------|----------------------------------|-------------------------------|
| Total pension contributions | <u>\$ 55</u> | <u>\$ 51</u> |

^(A) These amounts represent only contributions made by CCE.

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NOTE 10—TAXES

Our effective tax rate was approximately 27 percent and 26 percent for the first quarter of 2015 and 2014, 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 Quarter | |
|---|---------------|--------------|
| | 2015 | 2014 |
| U.S. federal statutory expense | \$ 46 | \$ 54 |
| Taxation of foreign operations, net ^(A) | (27) | (30) |
| U.S. taxation of foreign earnings, net of tax credits | 12 | 13 |
| Nondeductible items | 2 | 3 |
| Other, net | 1 | — |
| Total provision for income taxes | <u>\$ 34</u> | <u>\$ 40</u> |

^(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.

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

During the third quarter of 2015, we expect to repatriate to the U.S. 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. Our historical foreign earnings will continue to 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):

| | First Quarter | |
|--|----------------|----------------|
| | 2015 | 2014 |
| Net income | \$ 96 | \$ 115 |
| Basic weighted average shares outstanding | 235 | 255 |
| Effect of dilutive securities ^(A) | 5 | 5 |
| Diluted weighted average shares outstanding | 240 | 260 |
| Basic earnings per share | <u>\$ 0.41</u> | <u>\$ 0.45</u> |
| Diluted earnings per share | <u>\$ 0.40</u> | <u>\$ 0.44</u> |

^(A) Options to purchase 7.9 million and 8.2 million shares were outstanding at April 3, 2015 and March 28, 2014, respectively. During the first quarter of 2015 and 2014, options to purchase 1.0 million and 0.8 million shares, respectively, 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.

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During the first quarter of 2015 and 2014, we repurchased 6.9 million and 6.6 million shares, respectively, under our share repurchase program. Refer to Note 15.

During the first quarter of 2015, we issued an aggregate of 0.6 million shares of common stock in connection with the exercise of share options with a total intrinsic value of \$16.1 million.

Dividend payments on our common stock totaled \$65 million and \$63 million during the first quarter of 2015 and 2014, respectively. In February 2015, our Board of Directors approved a \$0.03 per share increase in our quarterly dividend from \$0.25 per share to \$0.28 per share beginning in the first quarter of 2015.

NOTE 12—OPERATING SEGMENT

We operate in one industry and have one operating segment (our Europe 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 quarter of 2015 or 2014.

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 |
|--|----------|-----------|--------------|
| First Quarter 2015: | | | |
| Net sales ^(A) | \$ 1,631 | \$ — | \$ 1,631 |
| Operating income (loss) ^(B) | 190 | (32) | 158 |
| First Quarter 2014: | | | |
| Net sales ^(A) | \$ 1,870 | \$ — | \$ 1,870 |
| Operating income (loss) ^(B) | 224 | (40) | 184 |

^(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 Quarter | |
|-------------------|---------------|------|
| | 2015 | 2014 |
| Net sales: | | |
| Great Britain | 35% | 33% |
| France | 30 | 31 |
| Belgium | 15 | 16 |
| The Netherlands | 8 | 8 |
| Norway | 7 | 7 |
| Sweden | 5 | 5 |
| Total | 100% | 100% |

^(B) Our Corporate segment earnings include net mark-to-market gains on our non-designated commodity hedges totaling \$2 million for the first quarter of 2015, and net mark-to-market losses of \$2 million for the first quarter of 2014. As of April 3, 2015, our Corporate segment earnings included net mark-to-market losses on non-designated commodity hedges totaling

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\$8 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):

| | First Quarter | |
|-----------------------|---------------|-------------|
| | 2015 | 2014 |
| Europe ^(A) | \$ 9 | \$ 8 |
| Corporate | — | — |
| Total | \$ 9 | \$ 8 |

^(A) During the first quarter of 2015 we incurred \$3 million under our business transformation program and \$6 million related to other restructuring activities.

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 have: (1) streamlined and reduced the cost structure of our finance support function, including the establishment of a new centralized shared services center; (2) restructured 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) improved the efficiency and effectiveness of certain aspects of our operations, including activities related to our cold drink equipment.

We are substantially complete with this program, and to date our nonrecurring restructuring charges totaled \$229 million, including severance, transition, consulting, accelerated depreciation, and lease termination costs. During the first quarter of 2015 and 2014, we recorded nonrecurring restructuring charges under this program totaling \$3 million and \$8 million, respectively. 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, 2014 ^(A) | 30 | — | 12 | 42 |
| Provision | 26 | 7 | 48 | 81 |
| Cash payments | (33) | — | (55) | (88) |
| Noncash items | — | (7) | — | (7) |
| Balance at December 31, 2014 ^(A) | 23 | — | 5 | 28 |
| Provision | — | — | 3 | 3 |
| Cash payments | (5) | — | — | (5) |
| Noncash items | — | — | — | — |
| Balance at April 3, 2015 ^(A) | \$ 18 | \$ — | \$ 8 | \$ 26 |

^(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) During 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.

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Notes to Condensed Consolidated Financial Statements

NOTE 14—ACCUMULATED OTHER COMPREHENSIVE LOSS (INCOME)

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, 2014 | \$ 41 | \$ (54) | \$ (7) | \$ (311) | \$ (331) |
| Other comprehensive (loss) income before reclassifications | (482) | 166 | 34 | 20 | (262) |
| Amounts reclassified from AOCI | — | — | (45) | (76) | (121) |
| Net change in other comprehensive (loss) income | (482) | 166 | (11) | (56) | (383) |
| Balance at December 31, 2014 | (441) | 112 | (18) | (367) | (714) |
| Other comprehensive (loss) income before reclassifications | (279) | 99 | 6 | — | (174) |
| Amounts reclassified from AOCI | — | — | (8) | 5 | (3) |
| Net change in other comprehensive (loss) income | (279) | 99 | (2) | 5 | (177) |
| Balance at April 3, 2015 | \$ (720) | \$ 211 | \$ (20) | \$ (362) | \$ (891) |

^(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

Beginning in October 2010, our Board of Directors approved a series of resolutions authorizing the repurchase of shares of our stock. Since 2010, we have repurchased \$4.0 billion in outstanding shares, representing 119.3 million shares, under these resolutions. In December 2013, our Board of Directors authorized 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 currently have \$269 million in authorized share repurchases remaining under the December 2013 resolution. In December 2014, our Board of Directors approved a resolution to authorize additional share repurchases for an aggregate price of not more than \$1.0 billion.

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.

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

| | First Quarter | |
|--|---------------|----------|
| | 2015 | 2014 |
| Number of shares repurchased | 6.9 | 6.6 |
| Weighted average purchase price per share | \$ 43.69 | \$ 45.23 |
| Amount of share repurchases ^(A) | \$ 300 | \$ 300 |

^(A) Total cash paid in the first quarter of 2015 and 2014 for these share repurchases totaled \$313 million and \$289 million, respectively, due to the timing of settlement.

We currently expect to purchase approximately \$600 million in outstanding shares during 2015 under our share repurchase program, subject to economic, operating, and other factors, including acquisition opportunities. In addition to market conditions, we consider

alternative uses of cash and/or debt, balance sheet ratios, and shareowner returns when evaluating share repurchases. For additional information about our share repurchase program, refer to Note 15 of the Notes to Consolidated Financial Statements in our Form 10-K.

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):

| | April 3, 2015 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---------------------------------------|-------------------|---|---|---|
| Derivative assets ^(A) | \$ 148 | \$ — | \$ 148 | \$ — |
| Derivative liabilities ^(A) | \$ 97 | \$ — | \$ 97 | \$ — |
| | December 31, 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) | \$ 85 | \$ — | \$ 85 | \$ — |
| Derivative liabilities ^(A) | \$ 76 | \$ — | \$ 76 | \$ — |

^(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

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 first quarter of 2015 may not necessarily be indicative of the results that may be expected for the full year ending December 31, 2015.

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 were four additional selling days in the first quarter of 2015 versus the first quarter of 2014, and there will be four fewer selling days in the fourth quarter of 2015 versus the fourth quarter of 2014 (based upon a standard five-day selling week).

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Full Year |
|--------|------------------|-------------------|------------------|-------------------|--------------|
| 2015 | 67 | 65 | 65 | 64 | 261 |
| 2014 | 63 | 65 | 65 | 68 | 261 |
| Change | 4 | — | — | (4) | — |

Strategic Vision and 2015 Business Plan

Our strategic vision is to “*be the best beverage sales and service company*,” and to support this vision we are focused on three primary objectives which are to (1) lead category value growth; (2) excel at serving our customers with world-class capabilities; and (3) drive an inclusive and passionate culture. In addition to these objectives, we operate with a strong commitment to sustainability leadership and a shared vision and partnership with The Coca-Cola Company (TCCC). For more information about our transactions with TCCC, refer to Note 5 of the Notes to Condensed Consolidated Financial Statements in this Form 10-Q.

In alignment with our vision and objectives, our 2015 business plan is centered on strategies to navigate the realities of our operating environment, which include unfavorable macroeconomic conditions, a challenging customer environment, and shifting consumer taste and preferences. These strategies focus on leveraging our core brand portfolio, strengthening our focus on high growth brands, and continuing to promote brand and package innovation.

Financial Results

Our net income in the first quarter of 2015 was \$96 million, or \$0.40 per diluted share, compared to net income of \$115 million, or \$0.44 per diluted share, in the first quarter of 2014. 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):

First Quarter 2015

- Charges totaling \$9 million (\$7 million net of tax, or \$0.03 per diluted share) related to our restructuring activities; and
- Net mark-to-market gains totaling \$2 million (\$2 million net of tax, or \$0.01 per diluted share) related to non-designated commodity hedges associated with underlying transactions that relate to a different reporting period.

First Quarter 2014

- Charges totaling \$8 million (\$5 million net of tax, or \$0.02 per diluted share) related to our restructuring activities; and
- Net mark-to-market losses totaling \$2 million (\$1 million net of tax) related to non-designated commodity hedges associated with underlying transactions that relate to a different reporting period.

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Our financial performance during the first quarter of 2015 reflects the impact of the following significant factors:

- Strong currency headwinds which negatively impacted our results, partially offset by the benefit of four additional selling days compared to the first quarter of 2014;
- Year-over-year volume increase of 1.0 percent adjusted for the selling day shift, and bottle and can net price per case decline of 2.0 percent reflecting the continued challenging marketplace environment and the impact of promotional activity;
- Year-over-year bottle and can cost of sales per case decline of 2.0 percent resulting from favorable cost trends in certain key commodities;
- Modest increases in underlying operating expenses versus prior year reflecting the impact of four additional selling days in the quarter, partially offset by the realized cost savings associated with our business transformation program; and
- Year-over-year diluted earnings per share decline of 9.0 percent reflecting the negative impact of currency, partially offset by the benefit of our share repurchase program.

During the first quarter of 2015, the following two factors significantly impacted our operating and financial results: (1) the weakening of the euro currency compared to the U.S. dollar, which fell more than 15 percent year-over-year and (2) the four additional selling days in the first quarter of 2015 compared to the first quarter of 2014.

Excluding the impact of currency, our net sales grew 4.0 percent principally driven by the additional selling days. Also impacting net sales, bottle and can net price per case declined 2.0 percent and volume increased 1.0 percent, adjusted for the selling day shift. This performance reflects the continued difficult marketplace and macroeconomic trends across our territories and promotional activities embedded in our plan to drive growth. Our bottle and can net price per case performance also reflects the impact of strong prior year hurdles, as during the first quarter of 2014 we realized the highest pricing levels of the year.

On a territory basis, Great Britain delivered volume gains of 8.5 percent, reflecting the impact of promotional activities in the marketplace as well as cycling weak results in the first quarter of 2014. Continental Europe experienced a volume decline of 3.5 percent compared to growth of 3.5 percent in the first quarter of 2014. From a brand and product perspective, we continued to activate our marketing initiatives with a key focus on our recent territory expansions for Coca-Cola Life, smartwater, and Finley.

Bottle and can cost of sales per case declined 2.0 percent during the first quarter of 2015 reflecting the benefit of favorable cost trends for PET (plastic), which was largely the result of lower oil prices, and sugar. To mitigate our exposure to commodity price volatility we continue to execute our risk management strategy through the use of supplier agreements and hedging instruments.

Our underlying operating expenses increased modestly during the first quarter of 2015 reflecting the impact of four additional selling days, partially offset by the realized cost savings associated with our business transformation program and timing of expenditures.

During the first quarter of 2015, our diluted earnings per share declined 9.0 percent, driven by a \$0.09 decrease due to currency headwinds, offsetting a \$0.03 benefit from our share repurchase activity. We repurchased approximately \$300 million of our shares under our share repurchase program in the first quarter of 2015.

Looking Forward

During the first quarter of 2015, we continued to work closely with our customers to execute the elements of our 2015 business plan and drive innovation to improve our long-term growth. Throughout the remainder of the year we will build on our new one-brand strategy aimed at bringing a common identity to our Coca-Cola trademark portfolio and encouraging consumers to “Choose Happiness.” Additionally we will commemorate the 100th anniversary of the contour Coca-Cola bottle and launch our marketing initiatives surrounding the 2015 Rugby World Cup which will take place in Great Britain later this year. We will also continue to elevate our brand visibility in the cold channel and expand our presence in the discount and digital channels. We remain focused on delivering our 2015 business plan, aimed at realizing the full value of our innovation and marketing initiatives and continuing to build shareowner value.

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Operations Review

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

| | First Quarter | |
|--|---------------|--------|
| | 2015 | 2014 |
| Net sales | 100.0% | 100.0% |
| Cost of sales | 65.2 | 65.2 |
| Gross profit | 34.8 | 34.8 |
| Selling, delivery, and administrative expenses | 25.1 | 25.0 |
| Operating income | 9.7 | 9.8 |
| Interest expense, net | 1.8 | 1.4 |
| Other nonoperating income (expense) | 0.1 | (0.1) |
| Income before income taxes | 8.0 | 8.3 |
| Income tax expense | 2.1 | 2.1 |
| Net income | 5.9% | 6.2% |

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):

| | First Quarter | | | |
|--------------|---------------|------------------|--------|------------------|
| | 2015 | | 2014 | |
| | Amount | Percent of Total | Amount | Percent of Total |
| Europe | \$ 190 | 120.5% | \$ 224 | 121.5% |
| Corporate | (32) | (20.5) | (40) | (21.5) |
| Consolidated | \$ 158 | 100.0% | \$ 184 | 100.0% |

During the first quarter of 2015, we generated operating income of \$158 million, compared to \$184 million in the same period of 2014. The following table summarizes the significant components of the year-over-year change in our operating income for the period presented (in millions; percentages rounded to the nearest 0.5 percent):

| | First Quarter 2015 | |
|---|--------------------|-------------------------|
| | Amount | Change Percent of Total |
| Changes in operating income: | | |
| Impact of bottle and can price-mix on gross profit | \$ (44) | (24.0)% |
| Impact of bottle and can cost-mix on gross profit | 23 | 12.5 |
| Impact of bottle and can volume on gross profit | 5 | 2.5 |
| Impact of bottle and can selling day shift on gross profit | 34 | 18.5 |
| Impact of post-mix, non-trade, and other on gross profit | 3 | 1.5 |
| Net mark-to-market gains related to non-designated commodity hedges | 4 | 2.0 |
| Net impact of restructuring charges | (1) | (0.5) |
| Other selling, delivery, and administrative expenses | (14) | (7.5) |
| Currency exchange rate changes | (37) | (19.5) |
| Other changes | 1 | 0.5 |
| Change in operating income | \$ (26) | (14.0)% |

Net Sales

Net sales decreased 13.0 percent in the first quarter of 2015 to \$1.6 billion. This change includes currency exchange rate decreases of 17.0 percent when compared to the first quarter of 2014.

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Net sales per case decreased 18.0 percent in the first quarter of 2015 when compared to the first quarter of 2014. The following table summarizes the significant components of the year-over-year change in our net sales per case for the period presented (rounded to the nearest 0.5 percent and based on wholesale physical case volume):

| | First Quarter 2015 |
|---|---------------------------|
| Changes in net sales per case: | |
| Bottle and can net price per case | (2.0)% |
| Bottle and can currency exchange rate changes | (16.0) |
| Change in net sales per case | <u>(18.0)%</u> |

During the first quarter of 2015, 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 in 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. During the first quarter of 2015, our bottle and can net price per case declined 2.0 percent versus the prior year as a result of increased promotional activity to respond to the ongoing marketplace challenges. Our bottle and can net price per case performance also reflects the impact of strong prior year hurdles, as during the first quarter of 2014 we realized the highest pricing levels of the year.

Volume

The following table summarizes the year-over-year change in our bottle and can volume for the period presented, as adjusted to reflect the impact of four additional selling days in the first quarter of 2015 when compared to the first quarter of 2014 (rounded to the nearest 0.5 percent):

| | First Quarter 2015 |
|--|---------------------------|
| Change in volume | 6.5% |
| Impact of selling day shift ^(A) | (5.5) |
| Change in volume, adjusted for selling day shift | <u>1.0%</u> |

^(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 four additional selling days in the first quarter of 2015 when compared to the first quarter of 2014 (rounded to the nearest 0.5 percent):

| | First Quarter | | |
|------------------------------|----------------------|------------------------------|------------------------------|
| | Change | 2015 Percent of Total | 2014 Percent of Total |
| Coca-Cola trademark | —% | 69.0% | 69.5% |
| Sparkling flavors and energy | 0.5 | 16.5 | 17.0 |
| Juices, isotonic, and other | 1.5 | 11.0 | 10.5 |
| Water | 15.0 | 3.5 | 3.0 |
| Total | <u>1.0%</u> | <u>100.0%</u> | <u>100.0%</u> |

During the first quarter of 2015, volume increased 1.0 percent when compared to the first quarter of 2014. Our volume performance reflects the continued difficult retail environment across our territories, coupled with the impact of promotional activities embedded in our plan to drive growth. Great Britain delivered volume gains of 8.5 percent, reflecting the impact of these promotional activities in the marketplace as well as cycling weak results in the first quarter of 2014. Continental Europe experienced a volume decline of 3.5 percent compared to growth of 3.5 percent in the first quarter of 2014.

In the first quarter of 2015, our Coca-Cola trademark beverage brand sales remained flat. Volume gains related to the expansion of Coca-Cola Life into all territories and the continued strong performance of Coca-Cola Zero were offset by declines in Coca-Cola Classic and Diet Coke/Coca-Cola light. Our sparkling flavors and energy category volume increased 0.5 percent during the first quarter of 2015, driven by increases in our energy portfolio, particularly Monster. These increases were partially offset by

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declines in our sparkling flavors including Sprite and Fanta. Juices, isotonics, and other volume increased 1.5 percent in the first quarter of 2015 driven by a double-digit increase in Capri-Sun, partially offset by declines in Ocean Spray and Minute Maid. Sales volume of our water brands increased 15.0 percent in the first quarter of 2015, reflecting the successful introduction of smartwater in Great Britain and increased sales of Chaudfontaine in continental Europe.

During the first quarter of 2015, we continued to activate our marketing initiatives with a key focus on our recent territory expansions for Coca-Cola Life, smartwater, and Finley. Throughout the remainder of the year we plan to commemorate the 100th anniversary of the contour Coca-Cola bottle and execute our marketing initiatives surrounding the 2015 Rugby World Cup which will take place in Great Britain later this year. Also, our new one-brand strategy aimed at bringing a common identity to our Coca-Cola trademark portfolio and encouraging consumers to "Choose Happiness" will be a key focus.

Consumption

The following table summarizes our volume by consumption type for the periods presented, with the percentage change adjusted to reflect the impact of four additional selling days in the first quarter of 2015 when compared to the first quarter of 2014 (rounded to the nearest 0.5 percent):

| | First Quarter | | |
|--------------------------------------|---------------|-----------------------|-----------------------|
| | Change | 2015 Percent of Total | 2014 Percent of Total |
| Future Consumption ^(A) | 1.0% | 65.0% | 64.5% |
| Immediate Consumption ^(B) | 0.5 | 35.0 | 35.5 |
| Total | 1.0% | 100.0% | 100.0% |

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

(B) Immediate consumption packages include containers that are typically less than one liter, 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 four additional selling days in the first quarter of 2015 when compared to the first quarter of 2014 (rounded to the nearest 0.5 percent):

| | First Quarter | | |
|-----------------|---------------|-----------------------|-----------------------|
| | Change | 2015 Percent of Total | 2014 Percent of Total |
| PET (plastic) | 2.5% | 43.5% | 42.5% |
| Cans | (1.0) | 40.5 | 41.5 |
| Glass and other | 1.0 | 16.0 | 16.0 |
| Total | 1.0% | 100.0% | 100.0% |

Cost of Sales

Cost of sales totaled \$1.1 billion during the first quarter of 2015, representing a decrease of 13.0 percent when compared to the first quarter of 2014. This change includes a currency exchange rate decrease of 17.0 percent when compared to the first quarter of 2014.

Cost of sales per case decreased 18.0 percent in the first quarter of 2015 when compared to the first quarter of 2014. The following table summarizes the significant components of the year-over-year change in our cost of sales per case for the period presented (rounded to the nearest 0.5 percent and based on wholesale physical case volume):

| | First Quarter 2015 |
|---|--------------------|
| Changes in cost of sales per case: | |
| Bottle and can ingredient and packaging costs | (2.0)% |
| Bottle and can currency exchange rate changes | (16.0) |
| Change in cost of sales per case | (18.0)% |

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Bottle and can cost of sales per case declined 2.0 percent during the first quarter of 2015 as compared to the first quarter of 2014 as we benefited from favorable cost trends for PET (plastic), which was largely the result of lower oil prices, and sugar. To mitigate our exposure to commodity price volatility we continue to execute our risk management strategy through the use of supplier agreements and hedging instruments.

Selling, Delivery, and Administrative Expenses

SD&A expenses decreased \$56 million, or 12.0 percent, in the first quarter of 2015 from \$466 million in the first quarter of 2014. This change includes a currency exchange rate decrease of 14.5 percent when compared to the first quarter of 2014.

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

| | First Quarter 2015 | |
|---|--------------------|-------------------------|
| | Amount | Change Percent of Total |
| Changes in SD&A expenses: | | |
| General and administrative expenses | \$ 7 | 1.5 % |
| Selling and marketing expenses | 6 | 1.0 |
| Delivery and merchandising expenses | 3 | 0.5 |
| Depreciation and amortization expenses | 2 | 0.5 |
| Net mark-to-market gains related to non-designated commodity hedges | (3) | (0.5) |
| Net impact of restructuring charges | 1 | — |
| Currency exchange rate changes | (68) | (14.5) |
| Other | (4) | (0.5) |
| Change in SD&A expenses | <u>\$ (56)</u> | <u>(12.0)%</u> |

SD&A expenses as a percentage of net sales was 25.1 percent in the first quarter of 2015 and 25.0 percent in the first quarter of 2014. Our underlying operating expenses increased modestly during the first quarter of 2015 reflecting the impact of four additional selling days, partially offset by the realized cost savings associated with our business transformation program and timing of expenditures.

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. We are substantially complete with this program, and to date our nonrecurring restructuring charges totaled \$229 million, including severance, transition, consulting, accelerated depreciation, and lease termination costs. Substantially all nonrecurring restructuring charges related to this program are included in SD&A expenses on our Condensed Consolidated Statements of Income. For further information on our business transformation program, refer to Note 13 of the Notes to Condensed Consolidated Financial Statements in this Form 10-Q.

Under this program, including non-restructuring related business process improvement initiatives, we expect to generate ongoing annualized cost savings of approximately \$110 million by 2015, some of which we expect to reinvest into the business.

Interest Expense, Net

Interest expense, net increased \$2 million in the first quarter of 2015 to \$30 million. The following table summarizes the primary items that impacted our interest expense, net for the periods presented (in millions, except percentages):

| | First Quarter | |
|-------------------------------------|---------------|----------|
| | 2015 | 2014 |
| Average outstanding debt balance | \$ 4,056 | \$ 3,945 |
| Weighted average cost of debt | 2.8% | 2.9% |
| Fixed-rate debt (% of portfolio) | 99% | 90% |
| Floating-rate debt (% of portfolio) | 1% | 10% |

Other Nonoperating Income (Expense)

Other nonoperating income totaled \$2 million in the first quarter of 2015. Other nonoperating expense totaled \$1 million for the first quarter of 2014. 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 27 percent and 26 percent for the first quarter of 2015 and 2014, respectively. Refer to Note 10 of the Notes to Condensed Consolidated Financial Statements in this Form 10-Q for a reconciliation of our income tax provision to the U.S. statutory rate for the first quarter of 2015 and 2014.

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 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 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 April 3, 2015, 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 April 3, 2015, we had \$523 million in debt maturities in the next 12 months, including \$37 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.

Beginning in October 2010, our Board of Directors approved a series of resolutions authorizing the repurchase of shares of our stock. Since 2010, we have repurchased \$4.0 billion in outstanding shares, representing 119.3 million shares, under these resolutions. In December 2013, our Board of Directors authorized 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 currently have \$269 million in authorized share repurchases remaining under the December 2013 resolution. In December 2014, our Board of Directors approved a resolution to authorize additional share repurchases for an aggregate price of not more than \$1.0 billion.

We currently expect to repurchase approximately \$600 million in outstanding shares during 2015 under our share repurchase programs, subject to economic, operating, and other factors, including acquisition opportunities. For additional information about our share repurchase programs, refer to Note 15 of the Notes to Condensed Consolidated Financial Statements.

During the third quarter of 2015, we expect to repatriate to the U.S. 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 April 3, 2015, 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 \$65 million and \$63 million during the first quarter of 2015 and 2014, respectively. In February 2015, our Board of Directors approved a \$0.03 per share increase in our quarterly dividend from \$0.25 per share to \$0.28 per share beginning in the first quarter of 2015.

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. During the first quarter of 2015, our ratings outlook was revised by S&P from negative to stable. Our rating outlooks from Moody's and Fitch are also stable. 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 facilities required that our net debt to total capital ratio not exceed a defined amount. We were in compliance with these requirements as of April 3, 2015. On April 30, 2015, the required net debt to total capital ratio was amended to an interest coverage ratio. 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 quarter of 2015, our primary sources of cash included: (1) proceeds of \$527 million on issuances of debt; and (2) \$158 million from operating activities, net of cash payments related to restructuring programs of \$5 million and contributions to our defined benefit pension plans of \$15 million. Our primary uses of cash included: (1) cash payments totaling \$313 million for shares repurchased under our share repurchase program; (2) net payments on commercial paper of \$109 million; (3) capital asset investments of \$98 million; and (4) dividend payments on common stock of \$65 million.

During the first quarter of 2014, our primary sources of cash included: (1) net issuances of commercial paper of \$402 million; and (2) \$67 million from operating activities, net of cash payments related to restructuring programs of \$13 million and contributions to our defined benefit pension plans of \$14 million. Our primary uses of cash included: (1) cash payments totaling \$289 million for shares repurchased under our share repurchase program; (2) payments on debt of \$104 million, primarily resulting from the maturing of \$100 million notes; (3) capital asset investments of \$88 million; and (4) dividend payments on common stock of \$63 million.

Operating Activities

Our net cash derived from operating activities totaled \$158 million and \$67 million in the first quarter of 2015 and 2014, respectively. This increase was driven by favorable working capital changes due to the timing of our quarter-end relative to the calendar month-end compared to the first quarter of 2014. This increase was partially offset by a decline in our year-over-year operating income performance driven by currency exchange rate changes.

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Investing Activities

Our capital asset investments represent the principal use of cash for our investing activities. During 2015, we expect our capital expenditures to be approximately \$325 million and to be invested in a similar proportion of asset categories as those listed below. The following table summarizes our capital asset investments for the periods presented (in millions):

| | First Quarter | |
|--|---------------|--------------|
| | 2015 | 2014 |
| Supply chain infrastructure improvements | \$ 56 | \$ 42 |
| Cold drink equipment | 32 | 32 |
| Information technology | 9 | 9 |
| Fleet and other | 1 | 5 |
| Total capital asset investments | \$ 98 | \$ 88 |

Financing Activities

Our net cash derived from financing activities totaled \$47 million during the first quarter of 2015 compared to \$48 million during the first quarter of 2014. The following table summarizes our financing activities related to issuances of and payments on debt for the periods presented (in millions):

| | Maturity Date | Rate | First Quarter | |
|---|---------------|------|---------------|---------------|
| | | | 2015 | 2014 |
| Issuances of debt | | | | |
| €500 million notes | March 2030 | 1.9% | \$ 527 | \$ — |
| Total issuances of debt, excluding commercial paper | | | 527 | — |
| Net issuances of commercial paper | | | — | 402 |
| Total issuances of debt | | | \$ 527 | \$ 402 |

| | Maturity Date | Rate ^(A) | First Quarter | |
|--|---------------|---------------------|-----------------|-----------------|
| | | | 2015 | 2014 |
| Payments on debt | | | | |
| \$100 million notes | February 2014 | — | \$ — | \$ (100) |
| Other payments, net | — | — | (3) | (4) |
| Total payments on debt, excluding commercial paper | | | (3) | (104) |
| Net payments on commercial paper | | | (109) | — |
| Total payments on debt | | | \$ (112) | \$ (104) |

^(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 \$313 million and \$289 million during the first quarter of 2015 and 2014, respectively, for share repurchases, as well as dividend payments on common stock of \$65 million and \$63 million during the first quarter of 2015 and 2014, respectively.

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Financial Position

The following table illustrates selected changes in our consolidated balance sheets (in millions), as well as the impact of currency on these changes. Notable fluctuations excluding the impact of currency are discussed below:

| | April 3, 2015 | December 31, 2014 | Change | Currency Impact | Change Excluding Currency |
|---|------------------|----------------------|---------|--------------------|---------------------------------|
| Trade accounts receivable | \$ 1,475 | \$ 1,514 | \$ (39) | \$ (103) | \$ 64 |
| Inventories | 358 | 388 | (30) | (30) | — |
| Other current assets | 320 | 268 | 52 | (13) | 65 |
| Property, plant, and equipment, net | 1,957 | 2,101 | (144) | (147) | 3 |
| Franchise license intangible assets, net and Goodwill | 3,517 | 3,742 | (225) | (225) | — |
| Other noncurrent assets | 199 | 240 | (41) | (8) | (33) |
| Accounts payable and accrued expenses | 1,770 | 1,872 | (102) | (123) | 21 |
| Current portion of debt | 523 | 632 | (109) | — | (109) |
| Debt, less current portion | 3,678 | 3,320 | 358 | (166) | 524 |
| Other noncurrent liabilities | 189 | 207 | (18) | (13) | (5) |
| Common stock in treasury, at cost | 4,107 | 3,807 | 300 | — | 300 |

Trade accounts receivable increased \$64 million, or 4.0 percent, primarily driven by the timing of receipts from customers.

Other current assets increased \$65 million, or 24.5 percent, primarily driven by increases in certain derivative assets and current deferred income tax assets, partially offset by a decrease in certain income tax receivables.

Other noncurrent assets decreased \$33 million, or 14.0 percent, primarily driven by a decline in noncurrent deferred income tax assets, partially offset by increases in our noncurrent assets related to our defined benefit pension plans.

Accounts payable and accrued expenses increased \$21 million, or 1.0 percent, driven by an increase in certain derivative liabilities, partially offset by a decrease in incentive compensation accruals due to the timing of payments.

Current portion of debt decreased \$109 million, or 17.5 percent, driven by net payments on commercial paper of \$109 million.

Debt, less current portion increased \$524 million, or 16.0 percent, primarily driven by the issuance in March 2015 of €500 million, 1.9 percent notes due 2030. 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 \$300 million, or 8.0 percent, driven by our repurchase of \$300 million in outstanding shares during the first quarter of 2015 under our share repurchase program. For additional information about our share repurchases, refer to Note 15 of the Notes to Condensed Consolidated Financial Statements in this Form 10-Q.

Defined Benefit Plan Contributions

Contributions to our pension plans totaled \$15 million and \$14 million during the first quarter of 2015 and 2014, respectively. The following table summarizes our projected contributions for the full year ending December 31, 2015, as well as our actual contributions for the year ended December 31, 2014 (in millions):

| | Projected ^(A) 2015 | Actual ^(A) 2014 |
|-----------------------------|----------------------------------|-------------------------------|
| Total pension contributions | \$ 55 | \$ 51 |

^(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 April 3, 2015, approximately 99 percent of our debt portfolio was comprised of fixed-rate debt, and 1 percent was floating-rate debt. We estimate that a 1 percent change in market interest rates as of April 3, 2015 would change the fair value of our fixed-rate debt outstanding as of April 3, 2015 by approximately \$300 million.

We also estimate that a 1 percent change in the interest costs of floating-rate debt outstanding as of April 3, 2015 would change interest expense on an annual basis by less than \$1 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 first quarter of 2015 by approximately \$20 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 \$10 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 April 3, 2015, we estimate that a 10 percent change in market prices would change the fair value of our non-designated commodity hedges by approximately \$15 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 first quarter of 2015 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, 2014.

COCA-COLA ENTERPRISES, INC.

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 first quarter of 2015 (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) |
|--|--|--|--|--|
| January 1, 2015 through January 30, 2015 | 3.5 | \$ 43.40 | 3.5 | \$ 1,419.0 |
| January 31, 2015 through February 27, 2015 | 3.4 | 43.98 | 3.4 | 1,269.0 |
| February 28, 2015 through April 3, 2015 | — | — | — | 1,269.0 |
| Total | <u>6.9</u> | \$ 43.69 | <u>6.9</u> | \$ 1,269.0 |

^(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 2013, our Board of Directors authorized 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. In December 2014, our Board of Directors approved a resolution to authorize additional share repurchases for an aggregate price of not more than \$1.0 billion. 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

Not applicable.

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 | Rules of the Coca-Cola Enterprises Belgian, Coca-Cola Enterprises Services Belgium and Luxembourg Stock Savings Plan (As Amended and Restated Effective January 1, 2014). | Filed herewith. |
| 10.2 | Trust Deed and Rules of Coca-Cola Enterprises UK Share Plan (Effective 2010 and Amended on December 10, 2014). | Filed herewith. |
| 10.3 | 2014 Special Restricted Stock Unit Award Agreement for Hubert Patricot in connection with the Coca-Cola Enterprises, Inc. 2010 Incentive Award Plan (As Amended Effective February 7, 2012). | Filed herewith. |
| 10.4 | Form of Special Restricted Stock Unit Award Agreement to U.S. Senior Officer in connection with the Coca-Cola Enterprises, Inc. 2010 Incentive Award Plan (As Amended Effective February 7, 2012) for awards made after April 30, 2015. | Filed herewith. |
| 10.5 | Amendment to Five Year Credit Agreement, dated September 20, 2012, amount Coca-Cola Enterprises, Inc., and the lenders party thereto, Citibank, N.A., as administrative agent, Deutsche Bank Securities Inc., as syndication agent, Credit Suisse Securities (USA) LLC, as documentation agent, and Citigroup Global Markets Inc., Deutsche Bank Securities Inc. and Credit Suisse Securities (USA) LLC as joint lead arrangers and joint book managers. | 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. |

COCA-COLA ENTERPRISES, INC.

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: April 30, 2015

/s/ Manik H. Jhangiani

Manik H. Jhangiani

Senior Vice President and Chief Financial Officer

Date: April 30, 2015

/s/ Suzanne D. Patterson

Suzanne D. Patterson

Vice President, Controller and Chief Accounting Officer

Rules of the Coca-Cola Enterprises Belgium / Coca-Cola Enterprises Services
Belgian and Luxembourg Stock Savings Plan with respect to shares of
Coca-Cola Enterprises, Inc.,
as amended and restated effective January 1, 2014
(the "Belgium Plan")

Purpose of the Plan

The Belgium Plan provides employees of Coca-Cola Enterprises, Inc.'s (the "Company's") subsidiaries in Belgium and Luxembourg (the "Participating Companies") who have an employment contract with an indefinite term with the opportunity to invest part of their net salary in the purchase of shares of the Company's common stock (the "Shares").

Operation of the Plan

Participating in the Plan

An eligible employee may elect to participate in the Belgium Plan on a monthly basis by submitting a participation form (in the form prescribed by the Participating Companies) to the trustee of the Belgium Plan or, as the case may be, by completing a participation form online. On the participation form, the eligible employee elects the monthly amount of his or her net salary that he or she wishes to allocate for the purchase of Shares under the Belgium Plan. The amount that an eligible employee can invest must be at least €25 per month and can be no more than 10% of the employee's net monthly salary.

The contributions to the Belgium Plan made by a participating employee are "matched" with a contribution by the respective Participating Company employing the participating employee, whereby such matching contributions amount to 20% of the contributions made by the participating employee.

The participating employee's contributions to the Belgium Plan and the corresponding matching contribution by the respective Participating Company are paid to the trustee of the Belgium Plan and are deposited into an account opened by the trustee of the Belgium Plan. Both contributions are used to purchase Shares for the participating employee at the end of each calendar month, as a consequence of which a participating employee can purchase Shares at a discount of 16.67%.

Modifying or cancelling Participation in the Plan

A participating employee may modify or cancel his or her participation in the Belgium Plan by submitting a modification or cancellation form (in the form prescribed by the Participating Companies) to the trustee of the Belgium Plan or, as the case may be, by completing a modification or cancellation form online. The modification or cancellation will become effective as soon as practicable after its submission.

Purchasing Shares

The Shares are purchased on the open market by the trustee of the Belgium Plan (normally in the first week of the month following the month in which the participating employee's contributions are wired to the trustee of the Belgium Plan) at the then-applicable market price and are deposited in the account opened and held by the trustee of the Belgium Plan for and on behalf of the participating employees.

Any dividends (net of U.S. withholding tax) paid on Shares held for a participating employee under the Belgium Plan are reinvested in additional Shares. There are no matching contributions by the Participating Companies in relation to these dividend amounts.

Holding period of the Purchased Shares

For participating employees in Belgium, all Shares acquired under the Belgium Plan must be held by the participating employee for two (2) years. For participating employees in Luxembourg, all Shares acquired under the Belgium Plan must be held by the participating employee for four (4) years. After the expiration of this holding period, the participating employee may, but is not required to, sell or otherwise dispose of the Shares. The aforementioned holding periods do not apply to the additional Shares purchased with the dividends which are reinvested.

If a participating employee is no longer employed by one of the Participating Companies following the end of the holding period relating to the Shares last purchased under the Plan, he/she must, within a six (6) month period following the end of that holding period, either sell all the Shares or transfer them to his/her personal account. In the absence of any instruction within the aforementioned six (6) month period, the Shares will be sold in accordance with the rules set forth below.

Sale of Shares

Each participating employee may sell the Shares, if he or she desires, after the expiry of the applicable two (2) or four (4) year holding period. To sell the Shares, the participating employee must address his or her order to the trustee of the Belgium Plan (in the form prescribed by the Participating Companies) or, as the case may be, complete the order online.

Transactions for the sale of Shares are organized by the trustee of the Belgium Plan and occur (i) in the beginning of each calendar month, on the same date on which Share purchase transactions occur (the "Monthly Sale"), or (ii) as soon as practicable after a sale order has been submitted to the trustee of the Belgium Plan (the "Spot Sale"). If a participating employee wishes to sell Shares in a Monthly Sale transaction, the participating employee must send the appropriate form (prescribed by the Participating Companies) to the trustee of the Belgium Plan or, as the case may be, place the sale order online prior to the end of the month preceding the month in which the next Monthly Sale will take place. In case of a Monthly Sale, the trustee's administration fees related to the sale of Shares and the broker's commission fees related to the sale of the Shares will be borne by the Participating Companies. In case of a Spot Sale, the trustee's administration fees related to the sale of Shares will be borne by the Participating Companies, but the broker's commission fees related to the sale of the Shares will be borne by the respective participating employee. Any stock exchange transaction tax which would be due upon the sale of the Shares will in all cases be borne by the participating employee.

General Provisions

Limitation on Rights Conferred Under Belgian Plan

The Belgium Plan has been established voluntarily, it is discretionary in nature and it may be modified, amended, suspended or terminated at any time by the Participating Companies. Neither the Belgium Plan nor any action taken hereunder shall be construed as (i) giving any participating employee the right to continue as a participant in the Belgium

Plan or in the employ or service of the Company or a Participating Company, (ii) interfering in any way with the right of the Company or a Participating Company to terminate any participating employee's employment or service at any time, (iii) giving a participating employee any claim to be granted any Shares under the Belgium Plan or to be treated uniformly with other participants or employees, or (iv) conferring on a participating employee any of the rights of a shareowner of the Company unless and until the participating employee is duly issued or transferred Shares in accordance with the terms of the Belgium Plan.

No Representations or Covenants With Respect To Tax Qualification; Tax Obligations

Although the Participating Companies and/or the Company may endeavor to qualify the Belgium Plan for favorable tax treatment or avoid adverse tax treatment, the Participating Companies and the Company make no representation to that effect and expressly disavow any covenant to maintain favorable or avoid unfavorable tax treatment. The Company and the Participating Companies shall be unconstrained in their corporate activities without regard to the potential negative tax impact on participating employees in the Belgium Plan.

Further, although the Belgium Plan may be intended to qualify for favorable tax treatment under applicable laws, in the event that the Participating Companies and/or the Company have any tax withholding obligations with respect to the Belgium Plan, the participating employee must make adequate provision for such tax, social security or other withholding obligations if any, which arise as a result of the participating employee's participation in the Belgium Plan. At any time, the Participating Companies and the Company, as applicable, may, but shall not be obligated to, withhold from the participating employee's compensation, or from any payment due or transfer made under the Belgium Plan, the amount (in cash or Shares) necessary for the Participating Companies or the Company, as applicable, to meet applicable any withholding obligations.

Compliance with Laws

Participation in the Belgium Plan and the purchase of Shares under the Belgium Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges on which the Company is listed as may be required. There will be no obligation to purchase and deliver Shares under the Belgium Plan prior to: (i) obtaining any approvals from governmental agencies that the Company and/or a Participating Company determines are necessary or advisable; and (ii) completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company and/or a Participating Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

The inability or impracticability of the Company or the Participating Companies to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's or the Participating Companies' counsel to be necessary to the lawful issuance and purchase of any Shares hereunder shall relieve the Company and

the Participating Companies of any liability in respect of the failure to issue or purchase such Shares as to which such requisite authority shall not have been obtained.

No Advice Regarding Belgium Plan

The Company and the Participating Companies are not providing any tax, legal or financial advice, nor making any recommendations regarding any participating employee's participation in the Belgium Plan or acquisition or sale of Shares pursuant to the Belgium Plan. Participating employees are hereby advised to consult with their personal tax, legal and financial advisors regarding their participation in the Belgium Plan before taking any action related to the Belgium Plan.

Governing Law

The validity, construction and effect of the Belgium Plan, any rules and regulations under the Belgium Plan, and any participation agreement shall be determined in accordance with Belgian law, without giving effect to principles of conflicts of laws.

Term of the Belgium Plan

No further Shares shall be issued under the Belgium Plan after October 1, 2020 unless the Company's shareowners approve the offering of the Belgium Plan after that date.

BOTTLING GREAT BRITAIN LIMITED

and

COCA-COLA ENTERPRISES EUROPE LIMITED

and

COCA-COLA ENTERPRISES LIMITED

and

CAPITA IRG TRUSTEES LIMITED

TRUST DEED AND RULES

of the

**COCA-COLA ENTERPRISES UK EMPLOYEE
SHARE PLAN (Effective 2010)**

*Adopted by the Board of Directors of Bottling Great Britain Limited
on 19 August 2010*

*Approved under Schedule 2 of the Income Tax (Earnings and Pensions) Act 2003 by HM
Revenue and Customs on 4th November 2010 under Reference A105827*

Amended by the Board on 10 December 2014

**THE COCA-COLA ENTERPRISES UK
EMPLOYEE SHARE PLAN (Effective 2010)**

- 1. PURPOSE**
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- 24. NOTICES**
- 25. PROPER LAW**

THIS DEED made on 1 November 2010

BETWEEN

- (1) **BOTTLING GREAT BRITAIN LIMITED** whose registered office is situated at Charter Place, Uxbridge, Middlesex UB8 1EZ (hereinafter called “the Company”)
- and
- (2) **COCA-COLA ENTERPRISES EUROPE LIMITED** (whose registered office is at Charter Place, Uxbridge, Middlesex UB8 1EZ and **COCA-COLA ENTERPRISES LIMITED** (whose registered office is at Charter Place, Uxbridge, Middlesex UB8 1EZ (hereinafter together with the Company called “the Participating Companies”)
- and
- (3) **CAPITA IRG TRUSTEES LIMITED** whose registered office is at Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU (hereinafter called “the Trustees”).

1. PURPOSE

The purpose of this Deed is to establish a trust for the employee share ownership plan known as the Coca-Cola Enterprises UK Employee Share Plan (Effective 2010) (“the Plan”) which satisfies Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003.

2. STATUS

The Plan consists of this Deed and the attached Rules and Appendices. The definitions in the Rules apply to this Deed. The Company shall from time to time determine which of parts A to D of the Rules shall have effect. Where the Company determines that part B shall have effect it shall also specify whether there is to be an Accumulation Period of up to 12 months, which shall apply equally to all Qualifying Employees in the Plan.

3. DECLARATION OF TRUST

3.1 The Participating Companies and the Trustees have agreed that all the Shares and other assets which are issued to or transferred to the Trustees are to be held on the trusts declared by this Deed, and subject to the terms of the Rules. When Shares or assets are transferred to the Trustees by the Participating Companies with the intention of being held as part of the Plan they shall be held upon the trusts and provisions of this Deed and the Rules.

3.2 The Trustees shall hold the Trust Fund upon the following trusts namely:

- (a) as to Shares which have not been awarded to Participants (“Unawarded Shares”) upon trust during the Trust Period to allocate those Shares in accordance with the terms of this Deed and the Rules;
- (b) as to Shares which have been awarded to a Participant (“Plan Shares”) upon trust for the benefit of that Participant on the terms and conditions set out in the Rules;

- (c) as to Partnership Share Money upon trust to purchase Shares for the benefit of the contributing Qualifying Employee in accordance with the Rules; and
- (d) as to other assets (“Surplus Assets”) upon trust to use them to purchase further Shares to be held on the trusts declared in (a) above, at such time during the Trust Period and on such terms as the Trustees in their absolute discretion think fit

3.3 The income of Unawarded Shares and Surplus Assets shall be accumulated by the Trustees and added to, and held upon the trusts applying to, Surplus Assets.

3.4 The income of Plan Shares and Partnership Share Money shall be dealt with in accordance with the Rules.

3.5 The perpetuity period in respect of the trusts and powers declared by this Deed and the Rules shall be the period of 125 years from the date of this Deed.

4. NUMBER OF TRUSTEES

Unless a corporate Trustee is appointed, there shall always be at least two Trustees. Where there is no corporate Trustee, and the number of Trustees falls below two, the continuing Trustee has the power to act only to achieve the appointment of a new Trustee.

5. INFORMATION

- 5.1 The Trustees shall be entitled to rely without further enquiry on all information supplied to them by the Participating Companies with regard to their duties as trustees and in particular, but without prejudice to the generality of the foregoing, any notice given by a Participating Company to the Trustees in respect of the eligibility of any person to become or remain a Participant shall be conclusive in favour of the Trustees.
- 5.2 Except as otherwise provided, the Trustees may in their discretion agree with the Company or any of the Participating Companies matters relating to the operation and administration of the Trust as they may consider advisable in the interest of the Trust and so that no person claiming an interest under this Trust shall be entitled to question the legality or correctness of any arrangement or agreement made between the Company or any of the Participating Companies and the Trustees in relation to such operation or administration.
- 5.3 The decision of the board of directors of the Company in any dispute affecting Participants or Participating Companies shall be final and conclusive.
- 5.4 The Trustees may employ on such terms as the Company may agree as to remuneration, any agent or agents to transact all or any business of whatsoever nature required to be done in the proper administration of the Trust.

6. RESIDENCE OF TRUSTEES

Every Trustee shall be resident in the United Kingdom. The Company shall immediately remove any Trustee who ceases to be so resident and, if necessary, appoint a replacement.

7. CHANGE OF TRUSTEES

The Company has the power to appoint or remove any Trustee for any reason. The change of Trustee shall be effected by resolution of the board of directors of the Company and shall take effect from the date that written notice of such removal is delivered to the Trustees, or such later date as the Company and the Trustees shall agree. Any Trustee may resign on three month's notice given in writing to the Participating Companies, provided that there will be at least two Trustees or a corporate Trustee immediately after the retirement.

8. INVESTMENT AND DEALING WITH TRUST ASSETS

- 8.1 Save as otherwise provided for by the Plan the Trustees shall not sell or otherwise dispose of Plan Shares.
- 8.2 The Trustees shall obey any directions given by a Participant in accordance with the Rules in relation to his Plan Shares and any rights and income relating to those Shares. In the absence of any such direction, or provision by the Plan, the Trustees shall take no action. If no directions are received from Participants in relation to the action they wish the Trustees to take in voting their Plan Shares, those shares will be not be voted.
- 8.3 The Participating Companies shall, as soon as practicable after deduction from Salary, pass the Partnership Share Money to the Trustees who will put the money into an account with:

- (a) a person falling within section 991(2)(b) of the Income Tax Act 2007 (institutions authorised to accept deposits);
- (b) a building society; or
- (c) a firm falling within section 991(2)(c) of the Income Tax Act 2007 (EEA firms permitted to accept deposits),

until it is either used to acquire Partnership Shares on the Acquisition Date, or, in accordance with the Plan, returned to the individual from whose Salary the Partnership Share Money has been deducted.

The Trustees shall pass on any interest arising on this invested money to the individual from whose Salary the Partnership Share Money has been deducted at least once in each calendar year. The Trustees are, however, not obliged to keep monies in an interest bearing account.

- 8.4 The Trustees may either retain or sell Unawarded Shares at their absolute discretion provided that they shall sell any Unawarded Shares which they have held for one year and eleven months. The proceeds of any sale of Unawarded Shares shall form part of Surplus Assets.
- 8.5 The Trustees shall have all the powers of investment of a beneficial owner in relation to Surplus Assets.
- 8.6 The Trustees shall not be under any liability to the Participating Companies or to current or former Qualifying Employees by reason of a failure to diversify investments, which results from the retention of Plan Shares or Unawarded Shares.
- 8.7 The Trustees are not required to interfere in the management or conduct of the business of the Company regardless of the size of the Trustees' holding of Shares, and will not be obliged to seek information about the affairs of the Company and may leave the conduct of the Company's business wholly to the directors or management of the Company.
- 8.8 The Trustees may delegate powers, duties or discretions to any persons and on any terms. No delegation made under this Clause shall divest the Trustees of their responsibilities under this Deed or under the Schedule.

The Trustees may allow any Shares to be registered in the name of an appointed nominee provided that such Shares shall be registered in a designated account. Such registration shall not divest the Trustees of their responsibilities under this Deed or the Schedule.

The Trustees may at any time, and shall if the Participating Companies so direct, revoke any delegation made under this Clause or require any Plan assets held by another person to be returned to the Trustees, or both.

9. LOANS TO TRUSTEES

The Trustees shall have the power to borrow money for the purpose of:

- (a) acquiring Shares; and

- (b) paying any other expenses properly incurred by the Trustees in administering the Plan.

10. SHARES FROM QUALIFYING SHARE OWNERSHIP TRUSTS Where Shares are transferred to the Trustees in accordance with paragraph 78 of the Schedule, they shall award such Shares only as Free Shares and Matching Shares, and in priority to other available Shares.

11. TRUSTEES' OBLIGATIONS UNDER THE PLAN

Notice of Award of Free Shares and Matching Shares

11.1 As soon as practicable after Free Shares and Matching Shares have been awarded to a Participant, the Trustees shall give the Participant a notice stating:

- (a) the number and description of those Shares;
- (b) whether those Shares are subject to any restrictions within the meaning of paragraph 99(4) of the Schedule and, if so, the details of those restrictions;
- (c) their Initial Market Value on the date of Award; and
- (c) the Holding Period applicable to them and any applicable Forfeiture Period.

Notice of Award of Partnership Shares

11.2 As soon as practicable after any Partnership Shares have been acquired for a Participant and at least once in every six months, the Trustees shall give the Participant a notice stating:

- (a) the number and description of those Shares;
- (b) whether those Shares are subject to any restrictions within the meaning of paragraph 99(4) of the Schedule and, if so, the details of those restrictions;
- (b) the amount of money applied by the Trustees in acquiring those Shares on behalf of the Participant; and
- (c) the Market Value used to determine the number of Shares awarded, in accordance with Rule 6.13.

Notice of acquisition of Dividend Shares

11.3 As soon as practicable after Dividend Shares have been acquired on behalf of a Participant, the Trustees shall give the Participant a notice stating:

- (a) the number and description of those Shares;
- (b) their Market Value on the Acquisition Date;
- (c) the Holding Period applicable to them; and
- (d) any amount not reinvested and carried forward for acquisition of further Dividend Shares.

Notice of any foreign tax deducted before dividend paid

- 11.4 Where any foreign cash dividend is received in respect of Plan Shares held on behalf of a Participant, the Trustees shall give the Participant notice of the amount of any foreign tax deducted from the dividend before it was paid.

Restrictions during the Holding Period

- 11.5 During the Holding Period the Trustees shall not dispose of any Free Shares, Matching Shares or Dividend Shares (whether by transfer to the employee or otherwise) except as allowed by the following paragraphs of the Schedule:

- (a) paragraph 37 (power of Trustees to accept general offers);
- (b) paragraph 77 (power of Trustees to raise funds to subscribe for rights issue);
- (c) paragraph 79 (meeting PAYE obligations); and
- (d) paragraph 90(5) (termination of plan: early removal of shares with participant's consent).

PAYE Liability etc.

- 11.6 The Trustees may dispose of a Participant's Shares or accept a sum from the Participant in order to meet any PAYE liability in the circumstances provided in paragraph 79 of the Schedule (PAYE: shares ceasing to be subject to the plan) and any NICs liability.

The Trustees shall maintain the records necessary to enable them to carry out their PAYE and NICs obligations, and the PAYE and NICs obligations of the employer company so far as they relate to the Plan.

Where the Participant becomes liable to income tax under ITEPA 2003 or Chapters 3 or 4 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 (dividends etc), the Trustees shall inform the Participant of any facts which are relevant to determining that liability.

Money's worth received by Trustees

- 11.7 The Trustees shall pay over to the Participant as soon as is practicable, any money or money's worth received by them in respect of or by reference to any Shares, other than new shares within paragraph 87 of the Schedule (company reconstructions).

This is subject to:

- (a) the provisions of paragraphs 62 to 69 of the Schedule (dividend reinvestment);
- (b) the Trustees obligations under sections 510 to 514 of ITEPA 2003 (PAYE: shares ceasing to be subject to the plan; capital receipts); and
- (c) the Trustees' PAYE obligations.

General offers

- 11.8** If any offer, compromise, arrangement or scheme is made which affects the Plan Shares the Trustees shall notify Participants. Each Participant may direct how the Trustees shall act in relation to that Participant's Plan Shares. In the absence of any direction, the Trustees shall take no action.

Duty to monitor Participants in connected schemes

- 11.9** The Trustees shall maintain records of Participants who have participated in one or more other plans established by the Company or a Connected Company and approved under the Schedule or which qualifies as a Schedule 2 SIP.

12. POWER OF TRUSTEES TO RAISE FUNDS TO SUBSCRIBE FOR A RIGHTS ISSUE

If instructed by Participants in respect of their Plan Shares the Trustees may dispose of some of the rights under a rights issue arising from those Shares to obtain enough funds to exercise the remaining rights.

The rights referred to are the rights to buy additional shares or rights in the same company.

13. POWER TO AGREE MARKET VALUE OF SHARES

Where the Market Value of Shares is to be determined for the purposes of the Schedule, the Trustees may agree with HMRC that it shall be determined by reference to such date or dates, or to an average of the values on a number of dates, as specified in the agreement.

14. PERSONAL INTEREST OF TRUSTEES

Trustees, and directors, officers or employees of a corporate Trustee, shall not be liable to account for any benefit accruing to them by virtue of their:

- (a) participation in the Plan as a Qualifying Employee;
- (b) ownership, in a beneficial or fiduciary capacity, of any shares or other securities in any Participating Company;
- (c) being a director or employee of any Participating Company, being a creditor, or being in any other contractual relationship with any such company.

15. TRUSTEES' MEETINGS

If and so long as there is more than one Trustee, the Trustees shall hold meetings as often as is necessary for the administration of the Plan. There shall be at least two Trustees present at a meeting and the Trustees shall give due notice to all the Trustees of such a meeting. Decisions made at such a meeting by a majority of the Trustees present shall be binding on all the Trustees. A written resolution signed by all the Trustees shall have the same effect as a resolution passed at a meeting.

16. SUBSIDIARY COMPANIES

Any Subsidiary (in addition to those Subsidiaries which are parties to this Deed) may with the agreement of the Company become a party to this Deed and the Plan by executing a deed of adherence agreeing to be bound by the Deed and Rules.

Any company which ceases to be a Subsidiary shall cease to be a Participating Company.

17. EXPENSES OF PLAN

The Participating Companies shall meet the costs of the preparation and administration of this Plan.

18. TRUSTEES' LIABILITY AND INDEMNITY

18.1 The Participating Companies shall jointly and severally indemnify each of the Trustees, and the directors, officers and employees of a corporate Trustee, against any expenses and liabilities which are incurred through acting as a Trustee of the Plan and which cannot be recovered from the Trust Fund. This does not apply to expenses and liabilities which are incurred through fraud, wilful wrongdoing or negligence or are covered by insurance under Clause 18.3 below.

18.2 No Trustee shall be personally liable for any breach of trust (other than through fraud, wilful wrongdoing or negligence) over and above the extent to which the Trustee, and the directors, officers and employees of a corporate Trustee, are indemnified by the Participating Companies in accordance with Clause 18.1 above.

18.3 A non-remunerated Trustee may insure the Plan against any loss caused by him or any of his employees, officers, agents or delegates. A non-remunerated Trustee may also insure himself and any of these persons against liability for breach of trust not involving fraud or wilful wrongdoing or negligence of the Trustee or the person concerned.

18.4 A Trustee who carries on a profession or business may charge for services rendered on a basis agreed with the Participating Companies. A firm or company in which a Trustee is interested or by which he is employed may also charge for services rendered on this basis and may, unless otherwise agreed, act in accordance with its general terms and conditions from time to time in force.

19. COVENANT BY THE PARTICIPATING COMPANIES

The Participating Companies hereby jointly and severally covenant with the Trustees that they shall pay to the Trustees all sums which they are required to pay under the Rules and shall at all times comply with the Rules.

20. ACCEPTANCE OF GIFTS

The Trustees may accept gifts of Shares and other assets which shall be held upon the trusts declared by Clause 3(1) or 3(2) as the case may be.

21. TRUSTEES' LIEN

The Trustees' lien over the Trust Fund in respect of liabilities incurred by them in the performance of their duties (including the repayment of borrowed money and tax liabilities) shall be enforceable subject to the following restrictions:

- (a) the Trustees shall not be entitled to resort to Partnership Share Money for the satisfaction of any of their liabilities; and
- (b) the Trustees shall not be entitled to resort to Plan Shares for the satisfaction of their liabilities except to the extent that this is permitted by the Plan.

22. AMENDMENTS TO THE PLAN

The Company may, with the Trustees' written consent, from time to time amend the Plan provided that no amendment which would adversely prejudice to a material extent the rights attaching to any Plan Shares awarded to or acquired by Participants may be made nor may any alteration be made giving to Participating Companies a beneficial interest in Plan Shares.

23. TERMINATION OF THE PLAN

23.1 The Plan shall terminate:

- (a) in accordance with a Plan Termination Notice issued by the Company to the Trustees under paragraph 89 of the Schedule; or
- (b) if earlier, on the expiry of the Trust Period.

23.2 The Company shall immediately upon executing a Plan Termination Notice provide a copy of the notice to the Trustees and each individual for whom the Trustees hold Plan Shares or who has entered into a Partnership Share Agreement which was in force immediately before the Plan Termination Notice was issued.

23.3 Upon the issue of a Plan Termination Notice or upon the expiry of the Trust Period paragraph 90 of the Schedule shall have effect.

23.4 Any Shares or other assets which remain undisposed of after the requirements of paragraph 90 of the Schedule have been complied with shall be held by the Trustees upon trust to pay or apply them to or for the benefit of the Participating Companies as at the termination date in such proportion, having regard to their respective contributions, as the Trustees shall in their absolute discretion think appropriate.

23.5 No further Awards will be made after 1 October 2020 unless shareholder approval is obtained to offer Awards after that date.

24. NOTICES

Subject to Clause 11.10, each advice, request, or other communication to be given or made under the Plan shall be in writing and either (i) delivered or sent to the relevant party at its address as notified to the other party or (ii) provided to the relevant party in an electronic format.

25. PROPER LAW

This Deed and the Rules of the Plan shall be governed by and construed in accordance with the laws of England and Wales.

IN WITNESS whereof this deed has been executed and delivered the day and year first above written.

Executed as a Deed on behalf of
BOTTLING GREAT BRITAIN LIMITED by:

Director /s/ Paul Van Reesch

Director/Secretary /s/ Ralf Peters

Executed as a Deed on behalf of
COCA-COLA ENTERPRISES EUROPE LIMITED by:

Director /s/ Ralf Peters

Director/Secretary /s/ Paul Van Reesch

Executed as a Deed on behalf of
COCA-COLA ENTERPRISES LIMITED by:

Director /s/ Paul Van Reesch

Director/Secretary /s/ Ralf Peters

The Common Seal of
CAPITA IRG TRUSTEES LIMITED
was hereunto affixed
in the presence of:

Director /s/ Nigel Fish

Authorised Signatory /s/ Rebecca Morgan

**RULES OF THE COCA-COLA ENTERPRISES UK EMPLOYEE SHARE PLAN
(Effective 2010)**

- 1. DEFINITIONS**
 - 2. PURPOSE OF THE PLAN**
 - 3. ELIGIBILITY OF INDIVIDUALS**
 - 4. PARTICIPATION ON SAME TERMS**
 - 5. FREE SHARES (PART A)**
 - 6. PARTNERSHIP SHARES (PART B)**
 - 7. MATCHING SHARES (PART C)**
 - 8. DIVIDEND SHARES (PART D)**
 - 9. ACQUISITION OF SHARES**
 - 10. COMPANY RECONSTRUCTIONS**
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- APPENDIX A. FREE SHARE AGREEMENT**
- APPENDIX B. PARTNERSHIP SHARE AGREEMENT**

**RULES OF THE COCA-COLA ENTERPRISES UK EMPLOYEE SHARE PLAN
(Effective 2010)**

1. DEFINITIONS

1.1 The following words and expressions have the following meanings:

| | |
|------------------------------|---|
| “Accumulation Period” | in relation to Partnership Shares, the period during which the Trustees accumulate a Qualifying Employee’s Partnership Share Money before acquiring Partnership Shares or repaying it to the employee |
| “Acquisition Date” | (a) in relation to Partnership Shares, where there is no Accumulation Period, the meaning given by paragraph 50(4) of the Schedule (b) in relation to Partnership Shares, where there is an Accumulation Period, the meaning given by paragraph 52(5) of the Schedule; and (c) in relation to Dividend Shares, the meaning given by paragraph 66(4) of the Schedule |
| “Associated Company” | the same meaning as in paragraph 94 of the Schedule |
| “Award Date” | in relation to Free Shares or Matching Shares, the date on which such Shares are awarded |
| “Award” | (a) in relation to Free Shares and Matching Shares, the appropriation of Free Shares and Matching Shares in accordance with the Plan; and (b) in relation to Partnership Shares, the acquisition of Partnership Shares on behalf of Qualifying Employees in accordance with the Plan |
| “Close Company” | the same meaning as in section 989 of the Income Tax Act 2007 as extended by paragraph 20(4) of the Schedule |
| “Company” | Bottling Great Britain Limited |
| “Connected Company” | the same meaning as in paragraph 18(3) of the Schedule |
| “Control” | the same meaning as in section 719 of ITEPA 2003 or, for the purposes of Rules 5.13(c), 7.7 and 8.12, the same meaning as in section 450 of the Corporation Tax Act 2010 |
| “Dealing Day” | a day on which the New York Stock Exchange is open for the transaction of business |

| | |
|-------------------------------|---|
| “Deed” | the trust deed constituting the Plan with any subsequent amendment thereto |
| “Dividend Shares” | Shares acquired on behalf of a Participant from reinvestment of dividends under Part D of the Plan and which are subject to the Plan |
| “Free Share Agreement” | an agreement in the terms set out in Appendix A |
| “Forfeiture Period” | in relation to the Free Shares and Matching Shares, the period of up to three years from the Award Date determined by the Company and specified in the Free Share Agreement or Partnership Share Agreement (as applicable) |
| “Free Shares” | Shares awarded under Part A of the Plan which are subject to the Plan |
| “Holding Period” | (a) in relation to Free Shares, the period specified by the Company as mentioned in Rule 5.11; (b) in relation to Matching Shares, the period specified by the Company as mentioned in Rule 7.5; and (c) in relation to Dividend Shares, the period of 3 years from the Acquisition Date |
| “HMRC” | HM Revenue and Customs |
| “ICTA 1988” | the Income and Corporation Taxes Act 1988 |
| "Initial Market Value" | the Market Value of a Share on an Award Date. Where the Share is subject to a restriction or risk of forfeiture, the market value shall be determined without reference to that restriction or risk |
| “ITEPA 2003” | the Income Tax (Earnings and Pensions) Act 2003 |
| "Market Value” | in relation to Shares to be awarded under the Plan on any date (a) the closing price of a Share on the New York Stock Exchange Composite Transactions Index; or (b) on any day the Market Value of a Share determined in accordance with the provisions of Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed for the purposes of the Plan with HMRC's Shares and Assets Valuation on or before that day |
| “Matching Shares” | Shares awarded under Part C of the Plan and which are subject to the Plan |

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| “NICs” | National Insurance Contributions |
| “Parent Company” | Coca-Cola Enterprises, Inc. |
| “Participant” | an individual who has received under the Plan an Award of Free Shares, Matching Shares or Partnership Shares, or on whose behalf Dividend Shares have been acquired |
| “Participating Company” | the Company and such of its Subsidiaries as are parties to this Deed or have executed deeds of adherence to the Plan under Clause 16 of the Trust Deed |
| “Partnership Share Agreement” | an agreement in the terms set out in Appendix B |
| “Partnership Shares” | Shares awarded under Part B of the Plan and which are subject to the Plan |
| “Partnership Share Money” | money deducted from a Qualifying Employee’s Salary pursuant to a Partnership Share Agreement and held by the Trustees to acquire Partnership Shares or to be returned to such a person |
| “Performance Allowances” | <p>the criteria for an Award of Free Shares where:</p> <p>(a) whether Shares are awarded; or</p> <p>(b) the number or value of Shares awarded</p> <p>is conditional on performance targets being met</p> |
| “Plan” | Coca-Cola Enterprises UK Employee Share Plan (Effective 2010) |
| “Plan Shares” | <p>(a) Free Shares, Matching Shares or Partnership Shares awarded to Participants;</p> <p>(b) Dividend Shares acquired on behalf of Participants; and</p> <p>(c) shares in relation to which paragraph 87(7) (company reconstructions: new shares) of the Schedule applies</p> <p>that remain subject to the Plan</p> |
| “Plan Termination Notice” | a notice issued under paragraph 89 of the Schedule |
| “Qualifying Corporate Bond” | the same meaning as in section 117 of the Taxation of Chargeable Gains Act 1992 |
| “Qualifying Employee” | an employee who must be invited to participate in an award in accordance with Rule 3.5 and any |

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| | employee who the Company has invited in accordance with Rule 3.6 |
| “Qualifying Period” | a period as the board of directors of the Company shall in their absolute discretion so decide being: <ul style="list-style-type: none"> (a) in the case of Free Shares a period not exceeding 18 months before the Award is made; (b) in the case of Partnership Shares and Matching Shares where there is an Accumulation Period a period not exceeding six months before the start of the Accumulation Period; and (c) in the case of Partnership Shares and Matching Shares where there is no Accumulation Period a period not exceeding 18 months before the deduction of Partnership Share Money relating to the Award |
| “Redundancy” | the same meaning as in the Employment Rights Act 1996 |
| “Relevant Employment” | employment by the Company or any Associated Company |
| “Rules” | these Rules together with any amendments thereto effected in accordance with Clause 22 of the Deed |
| “Salary” | the same meaning as in paragraph 43(4) of the Schedule |
| “Schedule” | Schedule 2 to ITEPA 2003 |
| “Schedule 2 SIP” | a share incentive plan that meets the requirements of Parts 2 to 9 of the Schedule |
| “Shares” | Shares of common stock in the capital of the Parent Company which comply with the conditions set out in Part 4 of the Schedule |
| “Subsidiary” | any company which is for the time being under the Control of the Company |
| “Tax Year” | a year beginning on 6 April and ending on the following 5 April |
| “Trustees” | the trustees or trustee for the time being of the Plan or any subsequent trustee or trustees as provided for in accordance with Clause 7 of the Deed |
| “Trust Fund” | all assets transferred to the Trustees to be held on the terms of the Deed and the assets from time to time representing such assets, including any accumulations of income |

“Trust Period” the period of 125 years beginning with the date of the Deed

1.2 References to any Act, or Part, Chapter, or section shall include any statutory modification, amendment or re-enactment of that Act, for the time being in force.

1.3 Words of the feminine gender shall include the masculine and vice versa and words in the singular shall include the plural and vice versa unless, in either case, the context otherwise requires or it is otherwise stated.

2. PURPOSE OF THE PLAN

The purpose of the Plan is to enable employees of Participating Companies to acquire Shares in the Parent Company which give them a continuing stake in that Parent Company.

3. ELIGIBILITY OF INDIVIDUALS

3.1 Subject to Rule 3.2, individuals are eligible to participate in an Award only if:

- (a) they are employees of a Participating Company;
- (b) they have been such employees at all times during any Qualifying Period;
- (c) they are eligible on the date(s) set out in paragraph 14 of the Schedule; and
- (d) they do not fail to be eligible under Rule 3.3.

3.2 Individuals are not eligible to participate in an Award of Free Shares, Partnership Shares or Matching Shares in any Tax Year if in that Tax Year they are to receive at the same time an Award under another plan established by the Company or a Connected Company and approved under the Schedule or qualifying as a Schedule 2 SIP, or if they would have received such an Award but for their failure to meet a performance target (see Rule 5.5).

3.3 Notwithstanding any provision of any other of these Rules whatsoever:

- (a) the Plan shall not form part of any contract of employment between the Company, the Parent Company, a Subsidiary or any Associated Company and any Participant and it shall not confer on any Participant any legal or equitable rights (other than those constituted by the Awards themselves) whatsoever against the Company, the Parent Company, a Subsidiary or an Associated Company directly or indirectly or give rise to any cause of action at law or in equity against the Company, the Parent Company, a Subsidiary or any Associated Company;
- (b) Participation in an Award is a matter entirely separate from any pension right or entitlement a Participant may have and from his terms or conditions of employment and participation in the Plan shall in no respect whatever affect his pension rights or entitlements or terms or conditions of employment and in particular (but without limiting the generality of the foregoing) any Participant who ceases to be an employee of any Company, Subsidiary or Associated Company shall not be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under the Plan which he might otherwise have enjoyed whether such compensation is claimed by way of damages for

wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise howsoever and notwithstanding that he may have been dismissed wrongfully or unfairly (within the meaning of the Employment Rights Act 1996).

Employees who must be invited to participate in Awards

- 3.6 Individuals shall be eligible to receive an Award of shares under the Plan if they meet the requirements in Rule 3.1 and are UK resident taxpayers within the meaning of paragraph 8(2) of the Schedule.

In this case they shall be invited to participate in any Awards of Free Shares, Partnership Shares or Matching Shares, and acquisitions of Dividend Shares, as are set out in the Plan.

Employees who may be invited to participate in Awards

- 3.7 The Company may also invite, at its discretion, any employee who meets the requirements in Rule 3.1 to participate in any Award of Free Shares, Partnership Shares or Matching Shares, and acquisitions of Dividend Shares, as are set out in the Plan.

4. PARTICIPATION ON SAME TERMS

- 4.1 Every Qualifying Employee shall be invited to participate in an Award on the same terms. All who do participate in an Award shall do so on the same terms.
- 4.2 The Company may make an Award of Free Shares to Qualifying Employees by reference to their remuneration, length of service or hours worked.
- 4.3 The Company may make an Award of Free Shares to Qualifying Employees by reference to their performance as set out in Rule 5.5.
- 4.4 The Participating Companies shall make contributions to the Trustees to finance any purchase by the Trustees of Free and/or Matching Shares for award on an Award Date.

PART A

5. FREE SHARES

- 5.1 Every Qualifying Employee shall enter into a Free Share Agreement with the Company. The Free Share Agreement may be entered into using an electronic acceptance procedure authorised by the Company.
- 5.2 The Trustees, acting with the prior consent of the Company, may from time to time award Free Shares.
- 5.3 The number of Free Shares to be awarded by the Trustees to each Qualifying Employee on an Award Date shall be determined by the Company in accordance with this Rule.

Maximum annual Award

- 5.4 The Initial Market Value of the Shares awarded to a Qualifying Employee in any Tax Year shall not exceed £3,600 (or such higher amount as may be permitted under paragraph 35 of the Schedule).

Allocation of Free Shares by reference to performance

- 5.5 The Company may stipulate that the number of Free Shares (if any) to be awarded to each Qualifying Employee on a given Award Date shall be determined by reference to Performance Allowances.

5.6 If Performance Allowances are used, they shall apply to all Qualifying Employees.

- (a) Performance Allowances shall be determined by reference to such fair and objective criteria (performance targets) relating to business results as the Company shall determine over such period as the Company shall specify;
- (b) performance targets must be set for performance units of one or more employees; and
- (c) for the purposes of an Award of Free Shares an employee must not be a member of more than one performance unit.

5.7 Where the Company decides to use Performance Allowances it shall, as soon as reasonably practicable:

- (a) notify each employee participating in the Award of the performance targets and measures which, under the Plan, shall be used to determine the number or value of Free Shares awarded to him; and
- (b) notify all Qualifying Employees of any Participating Company, in general terms, of the performance targets and measures to be used to determine the number or value of Free Shares to be awarded to each Participant in the Award.

5.8 The Company shall determine the number of Free Shares (if any) to be awarded to each Qualifying Employee by reference to performance using method 1 or method 2. The same method shall be used for all Qualifying Employees for each Award.

Performance Allowances: method 1

5.9 By this method:

- (a) at least 20% of Free Shares awarded in any performance period shall be awarded without reference to performance;
- (b) the remaining Free Shares shall be awarded by reference to performance; and
- (c) the highest Award made to an individual by reference to performance in any period shall be no more than four times the highest Award to an individual without reference to performance.

If this method is used:

- the Free Shares awarded without reference to performance (paragraph (a) above) shall be awarded on the same terms mentioned in Rule 4; and
- the Free Shares awarded by reference to performance (paragraph (b) above) need not be allocated on the same terms mentioned in Rule 4.

Performance Allowances: method 2

5.10 By this method:

- (a) some or all Free Shares shall be awarded by reference to performance;

- (b) the Award of Free Shares to Qualifying Employees who are members of the same performance unit shall be made on the same terms, as mentioned in Rule 4; and
- (c) Free Shares awarded for each performance unit shall be treated as separate Awards.

Holding Period for Free Shares

- 5.11 The Company shall, in relation to each Award Date, specify a Holding Period throughout which a Participant shall be bound by the terms of the Free Share Agreement.
- 5.12 The Holding Period shall, in relation to each Award, be a specified period of not less than 3 years nor more than 5 years, beginning with the Award Date and shall be the same for all Participants who receive an Award at the same time. The Holding Period shall not be increased in respect of Free Shares already awarded under the Plan.
- 5.13 A Participant may during the Holding Period direct the Trustees:
 - (a) to accept an offer for any of their Free Shares if the acceptance or agreement shall result in a new holding being equated with those Shares for the purposes of capital gains tax; or
 - (b) to accept an offer of a Qualifying Corporate Bond (whether alone or with other assets or cash or both) for their Free Shares if the offer forms part of such a general offer as is mentioned in paragraph (c) below; or
 - (c) to accept an offer of cash, with or without other assets, for their Free Shares if the offer forms part of a general offer (which can be made to different shareholders by different means) which is made to holders of shares of the same class as their Shares, or to holders of shares in the same company and which is made in the first instance on a condition such that if it is satisfied the person making the offer shall have Control of that company; or
 - (d) to exercise a right arising under section 983 of the Companies Act 2006 to require the offeror to acquire their Free Shares, in the case of a takeover offer (as defined in section 974 of the Companies Act 2006) that relates to the Parent Company and where the class or classes of shares to which the takeover offer relates includes the class of their Shares; or
 - (e) to agree to a transaction affecting their Free Shares or such of them as are of a particular class, if the transaction would be entered into pursuant to a compromise, arrangement or scheme applicable to or affecting:
 - (i) all of the ordinary share capital of the Parent Company or, as the case may be, all the shares of the class in question; or
 - (ii) all the shares, or all the shares of the class in question, which are held by a class of shareholders identified otherwise than by reference to their employment or their participation in a plan approved under the Schedule or which qualifies as a Schedule 2 SIP.
- 5.14 The performance targets and measures referred to in this Rule 5 may be relaxed, waived, or amended if an event occurs which causes the Company to consider that any of the existing targets or measures have become unfair or impractical. Provided

that any such amendment shall be fair and reasonable and shall not be any more difficult or any less difficult to satisfy than the original target or measure.

PART B

6. PARTNERSHIP SHARES

- 6.1 The Company may at any time invite every Qualifying Employee to enter into a Partnership Share Agreement. The Partnership Share Agreement may be entered into using an electronic acceptance procedure authorised by the Company.
- 6.2 Partnership Shares shall not be subject to any provision under which they may be forfeit.

Maximum amount of deductions

- 6.3 The amount of Partnership Share Money deducted from an employee's Salary shall not exceed £1,800 in any Tax Year (or such other amount or period as may be permitted from time to time under paragraph 46(1) of the Schedule), and the Company may set a lower limit. If the Salary is not paid monthly, the applicable limit shall be calculated proportionately.
- 6.4 The amount of Partnership Share Money deducted in a Tax Year must not exceed 10% of the employee's Salary for that Tax Year. The Company may set a lower annual limit, which may be framed in accordance with paragraph 46(4A) of the Schedule.
- 6.5 Any amount deducted in excess of that allowed by Rule 6.3 or Rule 6.4 shall be paid over to the employee, subject to both deduction of income tax under PAYE and NICs, as soon as practicable.

Minimum amount of deductions

- 6.6 The minimum amount to be deducted under the Partnership Share Agreement in any month shall be the same in relation to all Partnership Share Agreements entered into in response to invitations issued on the same occasion. It shall not be greater than £10.

Notice of possible effect of deductions on benefit entitlement

- 6.7 Every Partnership Share Agreement shall contain a notice under paragraph 48 of the Schedule.

Restriction imposed on number of Shares awarded

- 6.8 The Company may specify the maximum number of Shares to be included in an Award of Partnership Shares.
- 6.9 The Partnership Share Agreement shall contain an undertaking by the Company to notify each Qualifying Employee of any restriction on the number of Shares to be included in an Award.
- 6.10 The notification in Rule 6.9 above shall be given:
- (a) if there is no Accumulation Period, before the deduction of the Partnership Share Money relating to the Award; and
 - (b) if there is an Accumulation Period, before the beginning of the Accumulation Period relating to the Award.

Plan with no Accumulation Period

- 6.11 The Trustees shall acquire Shares on behalf of the Qualifying Employee using the Partnership Share Money. They shall acquire the Shares on the Acquisition Date. The number of Shares awarded to each employee shall be determined in accordance with the Market Value of the Shares on that date.

Plan with Accumulation Period

- 6.12 If there is an Accumulation Period, the Trustees shall acquire Shares on behalf of the Qualifying Employee, on the Acquisition Date, using the Partnership Share Money. Any Accumulation Period must not exceed 12 months and must be the same for all Participants in a particular Award.
- 6.13 The number of Shares acquired on behalf of each Participant shall be determined by reference to one of the following methods:
- (a) the lower of the Market Value of the Shares at the beginning of the Accumulation Period and the Market Value of the Shares on the Acquisition Date;
 - (b) the Market Value of the Shares at the beginning of the Accumulation Period; and
 - (c) the Market Value of the Shares on the Acquisition Date,
- and the method to be used shall be specified in the Partnership Share Agreement.
- 6.14 If a transaction occurs during an Accumulation Period which results in a new holding of Shares being equated for the purposes of capital gains tax with any of the Shares to be acquired under the Partnership Share Agreement, the employee may agree that the Partnership Share Agreement shall have effect after the time of that transaction as if it were an agreement for the purchase of shares comprised in the new holding.

Surplus Partnership Share Money

- 6.15 Any surplus Partnership Share Money remaining after the acquisition of Shares by the Trustees:
- (a) may, with the agreement of the Participant, be carried forward to the next Accumulation Period or the next deduction date; and
 - (b) in any other case, shall be paid over to the Participant, subject to both deduction of income tax under PAYE and NICs, as soon as practicable.
- 6.16 Where the Participant ceases to be in Relevant Employment during an Accumulation Period, the Trustees shall repay all surplus Partnership Share Money to the Participant as soon as practicable.

Scaling down

- 6.17 If the Company receives applications for Partnership Shares exceeding the Award maximum determined in accordance with Rule 6.8 then the following steps shall be taken in sequence until the excess is eliminated:
- Step 1. the excess of the monthly deduction chosen by each applicant over £10 shall be reduced pro rata;

Step 2. all monthly deductions shall be reduced to £10;

Step 3. applications shall be selected by lot, each based on a monthly deduction of £10.

Each application shall be deemed to have been modified or withdrawn in accordance with the foregoing provisions, and each employee who has applied for Partnership Shares shall be notified of the change.

Withdrawal from Partnership Share Agreement

6.18 An employee may withdraw from a Partnership Share Agreement at any time by notice in writing to the Company. Unless a later date is specified in the notice, such a notice shall take effect 30 days after the Company receives it. Any Partnership Share Money then held on behalf of an employee shall be paid over to that employee as soon as practicable. This payment shall be subject to income tax under PAYE and NICs.

Repayment of Partnership Share Money on withdrawal of approval or Termination

6.19 If approval to the Plan is withdrawn or a Plan Termination Notice is issued in respect of the Plan, any Partnership Share Money held on behalf of employees shall be repaid to them as soon as practicable, subject to deduction of income tax under PAYE, and NICs.

PART C

7. MATCHING SHARES

7.1 The Partnership Share Agreement sets out the basis on which a Participant is entitled to Matching Shares in accordance with this Part of the Rules.

General requirements for Matching Shares

7.2 Matching Shares shall:

- (a) be Shares of the same class and carrying the same rights as the Partnership Shares to which they relate;
- (b) subject to Rule 7.4, be awarded on the same day as the Partnership Shares to which they relate are acquired on behalf of the Participant; and
- (c) be awarded to all Participants on exactly the same basis.

Ratio of Matching Shares to Partnership Shares

7.3 The Partnership Share Agreement shall specify the ratio of Matching Shares to Partnership Shares for the time being offered by the Company and that ratio shall not exceed 2:1 (or such higher ratio as may be permitted under paragraph 60(2) of the Schedule). The Company may vary the ratio before Partnership Shares are acquired. Employees shall be notified of the terms of any such variation before the Partnership Shares are awarded under the Partnership Share Agreement.

7.4 If the Partnership Shares on the day referred to in Rule 7.2(b) above are not sufficient to produce a Matching Share, the match shall be made when sufficient Partnership Shares have been acquired to allow at least one Matching Share to be appropriated.

Holding Period for Matching Shares

- 7.5 The Company shall, in relation to each Award Date, specify a Holding Period throughout which a Participant shall be bound by the terms of the Partnership Share Agreement. If, at any time during the Holding Period, the Participant ceases to be in Relevant Employment, the Participant's obligations with respect to that period come to an end.
- 7.6 The Holding Period shall, in relation to each Award, be a specified period of not less than 3 years nor more than 5 years, beginning with the Award Date and shall be the same for all Participants who receive an Award at the same time. The Holding Period shall not be increased in respect of Matching Shares awarded under the Plan.
- 7.7 A Participant may during the Holding Period direct the Trustees:
- (a) to accept an offer for any of their Matching Shares if the acceptance or agreement shall result in a new holding being equated with those original Shares for the purposes of capital gains tax; or
 - (b) to accept an offer of a Qualifying Corporate Bond (whether alone or with other assets or cash or both) for their Matching Shares if the offer forms part of such a general offer as is mentioned in paragraph (c) below; or
 - (c) to accept an offer of cash, with or without other assets, for their Matching Shares if the offer forms part of a general offer (which can be made to different shareholders by different means) which is made to holders of shares of the same class as their Shares or to the holders of shares in the same company, and which is made in the first instance on a condition such that if it is satisfied the person making the offer shall have Control of that company; or
 - (d) to exercise a right arising under section 983 of the Companies Act 2006 to require the offeror to acquire their Matching Shares, in the case of a takeover offer (as defined in section 974 of the Companies Act 2006) that relates to the Parent Company and where the class or classes of shares to which the takeover offer relates includes the class of their Matching Shares; or
 - (e) to agree to a transaction affecting their Matching Shares or such of them as are of a particular class, if the transaction would be entered into pursuant to a compromise, arrangement or scheme applicable to or affecting;
 - (i) all of the ordinary share capital of the Parent Company or, as the case may be, all the shares of the class in question; or
 - (ii) all the shares, or all the shares of the class in question, which are held by a class of shareholders identified otherwise than by reference to their employment or their participation in a plan approved under the Schedule or which qualifies as a Schedule 2 SIP.

PART D

8. DIVIDEND SHARES

Reinvestment of cash dividends

- 8.1 The Free Share Agreement or Partnership Share Agreement, as appropriate, shall set out the rights and obligations of Participants receiving Dividend Shares under the Plan.
- 8.2 The Company may direct that any cash dividend in respect of Plan Shares held on behalf of Participants may be applied in acquiring further Plan Shares on their behalf.
- 8.3** Dividend Shares shall be Shares:
- (a) of the same class and carrying the same rights as the Shares in respect of which the dividend is paid; and
 - (b) which are not subject to any provision for forfeiture.
- 8.4 The Company may decide to direct the Trustees to:
- (a) apply some or all of Participants' dividends, up to the limit specified in Rule 8.6, to acquire Dividend Shares;
 - (b) to pay all dividends in cash to all Participants; or
 - (c) to offer Participants the choice of either paragraph (a) or (b) above.
- If only some of the Participants' dividends are to be used to acquire Dividend Shares, the Company must direct how that amount is to be determined.
- 8.5 The Company may revoke or modify any direction for reinvestment of cash dividends.
- 8.6 If the amounts received by the Trustees exceed any limit specified by the Company, the balance shall be paid to the Participant as soon as practicable.
- 8.7 If dividends are to be reinvested, the Trustees shall apply the cash dividends to acquire Shares on behalf of the Participant on the Acquisition Date. The number of Dividend Shares acquired on behalf of each Participant shall be determined by the Market Value of the Shares on the Acquisition Date.

Certain amounts not reinvested to be carried forward

- 8.8 Any amount that is not reinvested because the amount of the cash dividend is insufficient to acquire a Share may be retained by the Trustees and carried forward to be added to the amount of the next cash dividend to be reinvested. Any amounts so carried forward must be separately identifiable.
- 8.9 If, during the period of 3 years beginning with the date on which the dividend was paid:
- (a) it is not reinvested; or
 - (b) the Participant ceases to be in Relevant Employment; or
 - (c) a Plan Termination Notice is issued,

the amount shall be repaid to the Participant as soon as practicable. On making such a payment, the Participant shall be provided with the information specified in paragraph 80(4) of the Schedule.

Holding Period for Dividend Shares

- 8.10 The Holding Period shall be a period of 3 years, beginning with the Acquisition Date. If, at any time during the Holding Period, the Participant ceases to be in Relevant Employment, the Participant's obligations with respect to that period come to an end.
- 8.11 A Participant may during the Holding Period direct the Trustees:
- (a) to accept an offer for any of their Dividend Shares if the acceptance or agreement shall result in a new holding being equated with those Shares for the purposes of capital gains tax; or
 - (b) to accept an offer of a Qualifying Corporate Bond (whether alone or with other assets or cash or both) for their Dividend Shares if the offer forms part of such a general offer as is mentioned in paragraph (c) below; or
 - (c) to accept an offer of cash, with or without other assets, for their Dividend Shares if the offer forms part of a general offer (which can be made to different shareholders by different means) which is made to holders of shares of the same class as their Shares or to holders of shares in the same company, and which is made in the first instance on a condition such that if it is satisfied the person making the offer shall have Control of that company; or
 - (d) to exercise a right arising under section 983 of the Companies Act 2006 to require the offeror to acquire their Matching Shares, in the case of a takeover offer (as defined in section 974 of the Companies Act 2006) that relates to the Parent Company and where the class or classes of shares to which the takeover offer relates includes the class of their Shares; or
 - (e) to agree to a transaction affecting their Dividend Shares or such of them as are of a particular class, if the transaction would be entered into pursuant to a compromise, arrangement or scheme applicable to or affecting:
 - (i) all of the ordinary share capital of the Parent Company or, as the case may be, all the shares of the class in question; or
 - (ii) all the shares, or all the shares of the class in question, which are held by a class of shareholders identified otherwise than by reference to their employment or their participation in a plan approved under the Schedule or which qualifies as a Schedule 2 SIP.
- 8.12 Where a Participant is charged to tax in the event of their Dividend Shares ceasing to be subject to the Plan, they shall be provided with the information specified in paragraph 80 (4) of the Schedule.

9. ACQUISITION OF SHARES

All Awards under the Plan shall be satisfied by existing Shares which are purchased by the Trustees on the open market. The Trustees shall not have the right to subscribe to the Parent Company for newly issued Shares in order to satisfy an Award.

10. COMPANY RECONSTRUCTIONS

10.1 The following provisions of this Rule apply if there occurs in relation to any of a Participant's Plan Shares (referred to in this Rule as "the Original Holding"):

- (a) a transaction which results in a new holding (referred to in this Rule as "the New Holding") being equated with the Original Holding for the purposes of capital gains tax; or
- (b) a transaction which would have that result but for the fact that what would be the new holding consists of or includes a Qualifying Corporate Bond.

10.2 If an issue of Shares of any of the following description (in respect of which a charge to income tax arises) is made as part of a company reconstruction, those Shares shall be treated for the purposes of this Rule as not forming part of the New Holding:

- (a) redeemable shares or securities issued as mentioned in paragraph C or D of section 1000(1) of the Corporation Tax Act 2010;
- (b) share capital issued in circumstances such that section 1022(3) of the Corporation Tax Act 2010 applies; or
- (c) share capital to which section 410 of the Income Tax (Trading and Other Income) Act 2005 applies that is issued in a case where subsection (2) or (3) of that section applies.

10.3 In this Rule:

"Corresponding Shares" in relation to any New Shares, means the Shares in respect of which the New Shares are issued or which the New Shares otherwise represent;

"New Shares" means shares comprised in the New Holding which were issued in respect of, or otherwise represent, shares comprised in the Original Holding.

10.4 Subject to the following provisions of this Rule, references in this Plan to a Participant's Plan Shares shall be respectively construed, after the time of the company reconstruction, as being or, as the case may be, as including references to any New Shares.

10.5 For the purposes of the Plan:

- (a) a company reconstruction shall be treated as not involving a disposal of Shares comprised in the Original Holding; and
- (b) the date on which any New Shares are to be treated as having been appropriated to or acquired on behalf of the Participant

shall be that on which Corresponding Shares were so appropriated or acquired.

- 10.6 In the context of a New Holding, any reference in this Rule to shares includes securities and rights of any description which form part of the New Holding for the purposes of Chapter II of Part IV of the Taxation of Chargeable Gains Act 1992.

11. RIGHTS ISSUES

- 11.1 Any shares or securities allotted under Clause 12 of the Deed shall be treated as Plan Shares identical to the shares in respect of which the rights were conferred. They shall be treated as if they were awarded to or acquired on behalf of the Participant under the Plan in the same way and at the same time as those Plan Shares in respect of which they are allotted.

- 11.2 Rule 11.1 does not apply:

- (a) to shares and securities allotted as the result of taking up a rights issue where the funds to exercise those rights were obtained otherwise than by virtue of the Trustees disposing of rights in accordance with this Rule; or
- (b) where the rights to a share issue attributed to Plan Shares are different from the rights attributed to other ordinary shares of the Company.

12. LEAVERS

A Participant who ceases to be in Relevant Employment must remove his Shares from the Trust within 90 days of his cessation of such employment. If the Trustees do not receive sufficient notice from the Participant for the sale or transfer of Plan Shares within 90 days, then the Trustees shall have the discretion to dispose of those Shares to meet any PAYE or NICs liability on behalf of the Participant.

13. FORFEITURE

The Company may determine that Participants shall, during the Forfeiture Period, forfeit all beneficial entitlement (or such proportion as the Company shall from time to time determine in respect of all Participants) to Free Shares and/or Matching Shares awarded to them and such beneficial entitlement shall become vested in the Trustees for no consideration, provided that:

- (a) prior to the Award Date, the Company notify Qualifying Employees of the basis on which the Matching Shares and/or Free Shares shall be capable of forfeiture; and
- (b) the Participant's Free Share Agreement or Partnership Share Agreement pursuant to which Free Shares or Matching Shares are awarded provides that such Free Shares or Matching Shares are subject to forfeiture and the circumstances in which those Shares will be forfeited.

Coca-Cola Enterprises, Inc.

**2014 Special Retention Award
to Hubert Patricot**

32,300 Restricted Stock Units

The terms and conditions applicable to this restricted stock unit award (“RSU Award” or “Award”) made by Coca-Cola Enterprises, Inc. (the “Company”) to Hubert Patricot are described below in this Restricted Stock Unit Award Agreement (the “Agreement”).

These RSUs are granted as a special retention award under the Coca-Cola Enterprises, Inc. 2010 Incentive Award Plan (As Amended February 7, 2012) (the “Plan”), the terms of which are incorporated into this Agreement. All capitalized terms in the Agreement shall have the meaning assigned to them in this Agreement or in the Plan.

1. **RSU Awards.** A RSU Award represents an unfunded promise by the Company to deliver shares of Coca-Cola Enterprises, Inc. common stock (“Stock”) and to pay certain amounts to you upon the vesting of all or a portion of the restricted stock units (“RSUs”) credited under your RSU Award. A RSU Award does not entitle you to vote any shares of the Company’s Stock or receive actual dividends. A RSU Award may not be transferred, assigned, hypothecated, pledged, or otherwise encumbered or subjected to any lien, obligation, or liability of you or any other party.
2. **Vesting in Your Special RSU Award.** This RSU Award will vest on March 3, 2018, provided you are continually employed by the Company or an Affiliated Company through that date.

Notwithstanding the foregoing, your RSU Award will become one-hundred percent (100%) vested in the event of your termination of employment under the following circumstances:

- Your death or termination due to your Disability;
- Your involuntary termination without Cause; or
- Your voluntary termination for Good Reason within two years of a Change in Control of the Company.

3. **Effect of Separation from Service.** If you separate from service with the Company or a Affiliated Company on account of any reason other than described in Section 2, above, 100% of the RSU Award will be forfeited.
4. **Dividend Equivalents on Your RSU Award.** Upon vesting of your RSU Award pursuant to Section 2 above, immediately prior to the distribution of the shares of Stock subject to your vested RSU Award, your RSU account will be credited with dividend equivalent units. The value of these dividend equivalent units will equal the total amount of dividends declared by the Board on a share of the Stock from the Grant Date through the date on which your RSUs vest, multiplied by the number of vested RSUs.
5. **Form and Timing of Payments from Your RSU Account.** The Company will distribute a share of Stock to you (electronically or in certificate form) for each RSU that vests under your RSU Award, and it will make a cash payment to you equal to any dividend equivalent units credited to your RSU account. Your RSU account will be distributed to you as soon as practicable following the date your RSUs vest.
6. **Definitions.** For purposes of this Award, the following definitions apply:
 - a. “Affiliated Company” means any subsidiary of the Company. Additionally, solely for purposes of this award, “Affiliated Company” includes The Coca-Cola Company or an employer that is a franchisee of The Coca-Cola Company if, with the approval of your then current employer, you become employed by such company immediately following your voluntary termination of employment.
 - b. “Cause” shall be as defined in your employment agreement and means (i) action on your part which materially damages or risks materially damaging your or your employer’s reputation; or (ii) your commission of serious misconduct or any serious breach or repeated or continued breach (after your receipt of a warning in writing and your refusal or failure to remedy such breach within a reasonable time) of your obligations under your employment agreement.

- c. "Disability" means your inability, by reason of a medically determinable physical or mental impairment, to engage in any substantially gainful activity, which condition, in the opinion of a physician approved of by the Company, is expected to have a duration of not less than one year.
 - d. "Good Reason" means your (i) demotion or diminution of duties, responsibilities and status, (ii) a material reduction in base salary and annual incentive opportunities, or (iii) assignment to a position requiring relocation of more than 50 miles from your primary workplace.
7. **Deemed Acceptance of Award.** There is no need to acknowledge your acceptance of this Award, as you will be deemed to have accepted the Award and the terms and conditions of the Plan and this document unless you notify the Company otherwise in writing. This deemed acceptance is applicable even if you do not acknowledge acceptance through the electronic process the Company may make available at the time of grant.
8. **Acknowledgment of Nature of Plan and RSUs.** In accepting the Award, you acknowledge, understand and agree that:
- a. the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
 - b. the RSU Award is voluntary and occasional and does not create any contractual or other right to receive future RSU Awards, or benefits in lieu of RSUs even if RSUs have been awarded in the past;
 - c. all decisions with respect to the RSU Award and future Awards, if any, will be at the sole discretion of the Company and the RSUs are not an employment condition for any purpose including, but not limited to, for purposes of any legislation adopted to implement EU Directive 2000/78/EC of November 27, 2000;
 - d. the RSU Award and your participation in the Plan or any policies adopted pursuant to the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, with your employer or any Subsidiary and shall not interfere with the ability of the Company, your employer or any Subsidiary, as applicable, to terminate your employment or service relationship (if any);
 - e. your participation in the Plan is voluntary;
 - f. the RSU Award and the shares of Stock subject to the RSU Award are not intended to replace any pension rights or compensation;
 - g. the RSU Award and the shares of Stock subject to the RSU Award and the income and the value of the same are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, dismissal, redundancy, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
 - h. the future value of the underlying shares of Stock is unknown, indeterminable and cannot be predicted with certainty;
 - i. if you receive shares of Stock, the value of such shares acquired on vesting of RSUs may increase or decrease in value;
 - j. no claim or entitlement to compensation or damages shall arise from forfeiture of the RSU Award resulting from the termination of your employment or other service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and in consideration of the grant of the RSU Award to which you are otherwise not entitled, you irrevocably agree never to institute any such claim against the Company, any of its Subsidiaries or your employer, waive your ability, if any, to bring any such claim, and release the Company, its Subsidiaries and your employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;
 - k. for purposes of the RSU Award, your employment or service relationship will be considered terminated as of the date you are no longer actively providing services to the Company or one of its Subsidiaries (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the

jurisdiction where you are employed or the terms of your employment agreement, if any) and unless otherwise expressly provided in this Agreement or determined by the Company, your right to vest in the Award under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., your period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); the Board/Committee shall have the exclusive discretion to determine when you are no longer actively providing services for purposes of your Award (including whether you may still be considered to be providing services while on a leave of absence);

- l. the RSU Award and the benefits evidenced by this Agreement do not create any entitlement, not otherwise specifically provided for in the Plan or by the Company in its discretion, to have the RSUs or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Company’s Stock; and
 - n. neither the Company, your employer nor any Subsidiary shall be liable for any foreign exchange rate fluctuation between your employer’s local currency and the United States dollar that may affect the value of the RSU Award or of any amounts due to you pursuant to the settlement of the RSUs or the subsequent sale of Stock acquired upon vesting of the RSU Award.
9. **Tax Obligations.** You acknowledge that, regardless of any action taken by the Company or, if different, your employer, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you or deemed by the Company or your employer in their discretion to be an appropriate charge to you even if legally applicable to the Company or your employer (“Tax-Related Items”) is and remains your responsibility and may exceed the amount actually withheld by the Company or your employer. You further acknowledge that the Company and/or your employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSU Award, including, but not limited to, the grant, vesting or settlement of the RSU Award, the subsequent sale of any shares of Stock acquired pursuant to such settlement and the receipt of any dividends or dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction between the grant date and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or your employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any Tax-Related Items becoming due with respect to the RSUs, the issuance of shares upon vesting of the RSUs or the receipt of any cash payments, you shall pay, or make adequate arrangements to satisfy all Tax-Related Items. In this regard, you authorize the Company or your employer to withhold all applicable Tax-Related Items from outstanding RSUs, from your wages or other cash compensation payable to you by the Company or your employer or from any cash payment received upon the payment of your RSU Award. In addition, if or to the extent any applicable Tax-Related Items payment or withholding obligation has not been satisfied prior to the Award’s payment date (and if permissible under local law), the Company or your employer shall withhold shares of Stock to satisfy the withholding or payment obligation, provided that the Company or your employer shall withhold only the amount of shares necessary to satisfy the minimum withholding amount. To the extent the Tax-Related Items obligation is satisfied by reducing the number of shares of Stock issued upon vesting of the RSUs, for tax purposes, you are deemed to have been issued the full number of shares of Stock subject to the vested RSUs, notwithstanding that a number of shares of Stock are held back solely for the purpose of paying the Tax-Related Items. Further, in the event that such share withholding method is prevented by applicable law or has materially adverse accounting or tax consequences, the Tax-Related Items withholding obligation that has not been satisfied prior to the payment of the RSU Award may be satisfied by one or a combination of the following: (A) withholding from proceeds of the sale of shares of Stock acquired upon payment of the RSUs, either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without further consent); or (B) withholding from your wages or other cash compensation payable to you by the Company and/or your employer. In the event that the Company withholds the Tax-Related Items from the proceeds of the sale of shares of Stock acquired upon payment of the RSUs, it may do so using maximum applicable withholding rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the Stock equivalent. Finally, you agree to pay to the Company or your employer any amount of Tax-Related Items that the Company or your employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Stock or the proceeds of the sale of shares of Stock to you, if you fail to comply with your obligations in connection with the Tax-Related Items.

Additionally, you agree that if you do not pay or your employer or the Company does not withhold from you the full amount of income tax that you owe due to the vesting of the RSUs, or the release or assignment of the RSUs for consideration, or the receipt of any other benefit in connection with the RSU Award (the "Taxable Event") within 90 days after the Taxable Event, or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount that should have been withheld shall constitute a loan owed by you to your employer, effective 90 days after the Taxable Event. You agree that the loan will bear interest at the official rate of HM Revenue and Customs ("HMRC") and will be immediately due and repayable by you, and the Company and/or your employer may recover it at any time thereafter by withholding the funds from salary, bonus or any other funds due to you by your employer, by withholding in shares of Stock issuable upon vesting and settlement of the RSUs or from the cash proceeds from the sale of shares of Stock issued upon vesting or by demanding cash or a cheque from you.

Notwithstanding the foregoing, if you are an officer or executive director (as within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In the event that you are an officer or executive director and income tax is not collected from or paid by you within 90 days of the Taxable Event, the amount of any uncollected income tax may constitute a benefit to you on which additional income tax and national insurance contributions may be payable. You will be responsible for reporting any income tax on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company and/or your employer (as appropriate) for the value of any national insurance contributions due on this additional benefit.

10. **Data Privacy.** You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other Award materials ("Data") by and among, as applicable, your employer, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and your employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social security/ insurance number or other identification number, salary, nationality, job title, residency status, any shares of Stock or directorships held in the Company, details of all RSUs or any other entitlement to shares of Stock awarded, canceled, vested, unvested or outstanding in your favor, for the purpose of implementing, administering and managing the Plan. You understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country, or elsewhere (including outside the European Economic Area), and that the recipient's country may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the shares of Stock received upon vesting of the RSUs may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consent herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with your employer will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to award you RSUs or other equity awards or administer or maintain such Awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

11. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or request your consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
12. **Repayment/Forfeiture.** In the event a two-thirds majority of the independent members of the Board, after permitting you to respond on your own behalf, determines that you engaged in fraud or ethical misconduct that resulted in or directly contributed to the restatement of the Company's financials, the Board may require you to repay some or all

of the gains from the vesting of the RSUs under this Award if such vesting occurs in or after the year or years affected by the restatement. Additionally, any benefits you may receive hereunder shall be subject to repayment or forfeiture as may be required to comply with (i) any applicable listing standards of a national securities exchange adopted in accordance with Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (regarding recovery of erroneously awarded compensation) and any implementing rules and regulations of the U.S. Securities and Exchange Commission adopted thereunder, (ii) similar rules under the laws of any other jurisdiction and (iii) any policies adopted by the Company to implement such requirements, all to the extent determined by the Company in its discretion to be applicable to you.

13. **Severability.** If one or more of the provisions of this Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Agreement to be construed so as to foster the intent of this Agreement and the Plan.
14. **Language.** If you receive this Agreement or any other document related to the Plan translated into a language other than English and the meaning of the translated version is different than the English version, the English version will control.
15. **Waiver.** The waiver by the Company with respect to your (or any other Participant's) compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by you of any provision of this Agreement.
16. **Governing Law.** The RSU Award and the provisions of this Agreement are governed by, and subject to, the laws of the State of Georgia, U.S.A., (excluding Georgia's conflict of laws provision). For purposes of litigating any dispute that arises under this Award or the Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Georgia, and agree that such litigation shall be conducted in the courts of Cobb County, Georgia, or the federal courts for the United States for the Northern District of Georgia, and no other courts, where this grant is made and/or to be performed.
17. **Compliance with Law.** Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Stock, the Company shall not be required to deliver any Stock issuable upon settlement of the RSU Award prior to the completion of any registration or qualification of the shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. You understand that the Company is under no obligation to register or qualify the shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares. Further, you agree that the Company shall have unilateral authority to amend the Plan and the Agreement without your consent to the extent necessary to comply with securities or other laws applicable to issuance of shares of Stock.
18. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on your participation in the Plan, on the RSU Award and on any shares of Stock acquired under the Plan for legal or administrative reasons and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
19. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying shares of Stock. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.
20. **Headings.** The headings in this Agreement have been inserted for convenience of reference only, and are to be ignored in any construction of the provisions of this Agreement.

21. **Plan Administration.** The Plan is administered by a Committee of the Company's Board, whose function is to ensure the Plan is managed according to its respective terms and conditions. To the extent any provision of this Agreement is inconsistent or in conflict with any provision of the Plan, the Plan shall govern. A request for a copy of the Plan and any questions pertaining to the Plan should be directed to:

EXECUTIVE COMPENSATION OFFICE
COCA-COLA ENTERPRISES, INC.
2500 WINDY RIDGE PARKWAY
ATLANTA, GA 30339 USA
(001) 678-260-3000

Coca-Cola Enterprises, Inc.

**Form of Special Restricted Stock Unit Award
To U.S. Senior Officer After April 30, 2015**

The terms and conditions applicable to this Special Restricted Stock Unit Award (“RSU Award” or “Award”) made by Coca-Cola Enterprises, Inc. (the “Company”) to you on [insert date of grant] is described below.

This grant was made under the Coca-Cola Enterprises, Inc. 2010 Incentive Award Plan (the “Plan”), the terms of which are incorporated into this document. All capitalized terms in this agreement (the “Agreement”) shall have the meaning assigned to them in this Agreement or in the Plan.

1. **Special RSU Award.** A RSU Award represents an unfunded promise by the Company to deliver shares of Coca-Cola Enterprises, Inc. common stock and to pay certain amounts to you upon the vesting of all or a portion of the restricted stock units credited under your RSU Award, or as provided otherwise in this Agreement. A RSU Award does not entitle you to vote any shares of the Company’s common stock or receive actual dividends. A RSU Award may not be transferred, assigned, hypothecated, pledged, or otherwise encumbered or subjected to any lien, obligation, or liability of you or any other party.
2. **Vesting of Special RSU Award.** Your Special RSU Award will vest, as follows:
 - a. Provided you are continuously employed by the Company or a Subsidiary through the vesting date: [insert vesting date(s)]

For purposes of this RSU Award, you will be treated as having remained continuously employed if you become an employee of The Coca-Cola Company or an employer that is 20% owned by, or a franchisee of, The Coca-Cola Company immediately following your voluntary termination of employment with the Company or any Subsidiary.
 - b. 100% upon your death or your termination due to your Disability
 - c. 100% in the event of your Severance Termination within two years after a Change in Control of the Company (as defined in the Plan)
 - d. *A pro rata* portion upon your Severance Termination. The *pro rata* portion of the RSU Award will be determined as follows: (i) the number of months between the grant date and your termination date will be divided by the number of months between the grant date and the number of months of service required for the unvested portion of the award to vest, and (ii) the resulting percentage will be applied to the total number of unvested restricted stock units to determine the number of restricted stock units that vest.
3. **Dividend Equivalents under Your RSU Award.** Under your RSU Award, you will earn cash credits equal to the dividends declared by the Board of Directors on a share of the Company’s stock from the date of grant through the date your RSU Award is paid to you, multiplied by number of restricted stock units that vest. These “Dividend Equivalents” will be credited immediately prior to payment of your RSU Award.
4. **Effect of Separation from Service.** If you separate from service with the Company or a Subsidiary on account of any reason other than described in Section 2, above, 100% of the RSU Award will be forfeited. If no portion of your RSU Award vests, no Dividend Equivalents are credited under this Award.
5. **Form of Payment of Your RSU Award.** The Company will deliver a share of Coca-Cola Enterprises, Inc. common stock to you for each restricted stock unit that vests under your RSU Award, and it will make a cash payment to you equal to Dividend Equivalents earned under the Award.
6. **Definitions.** For purposes of this Award, the following definitions apply:
 - a. “Disability” means an inability, by reason of a medically determinable physical or mental impairment, to engage in any substantially gainful activity, which condition is expected to have a duration of not less than one year.
 - b. “Severance Termination” means your involuntary termination without Cause or, within two years following a Change in Control of the Company, your voluntary termination for Good Reason, provided you execute a release of all potential claims against the Company. For purposes of this definition, “Cause” means (i) willful or gross

misconduct that is materially detrimental to the Company, (ii) acts of personal dishonesty or fraud toward the Company or (iii) conviction of a felony, except for a conviction related to vicarious liability based solely on your position with the Company, provided that you had no involvement in actions leading to such liability or had acted upon the advice of the Company's counsel; and "Good Reason" means your (i) demotion or diminution of duties, responsibilities and status, (ii) a material reduction in base salary and annual incentive opportunities, or (iii) assignment to a position requiring relocation of more than 50 miles from your primary workplace.

7. **Deemed Acceptance of Award.** You will be deemed to have accepted this grant and its terms and conditions as provided under the Plan and this document unless you notify the Company otherwise in writing. This deemed acceptance is applicable even if you do not acknowledge acceptance through the electronic process the Company may make available at the time of grant.
8. **Acknowledgment of Nature of Plan.** In accepting the Award, you acknowledge that:
 - a. the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan;
 - b. all decisions with respect to future awards, if any, will be at the sole discretion of the Company; and
 - c. neither the award of restricted stock units nor any provision of this Award Agreement, the Plan or the policies adopted pursuant to the Plan confer upon you any right with respect to employment or continuation of current employment, and in the event that you are not an employee of the Company, this Award shall not be interpreted to form an employment contract or relationship with the Company.
9. **Tax Obligations.** Regardless of any action the Company or your employer takes with respect to any or all income tax (including federal, state and local taxes), social insurance, payroll tax or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items and is and remains your responsibility and may exceed the amount actually withheld by the Company or your employer. You further acknowledge that the Company and/or your employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSU Award, including their grant or the vesting of the Award, or conversion of the RSUs into shares; the receipt of any cash payments or the subsequent sale of any shares acquired at vesting and the receipt of any dividends; and (2) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, you acknowledge that the Company and/or your employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any Tax-Related Items becoming due with respect to the RSUs, the issuance of shares upon vesting of the RSUs or the receipt of any cash payments, you shall pay, or make adequate arrangements to satisfy all withholding obligations of the Company and/or your employer. In this regard, you authorize the Company or your employer to withhold all applicable Tax-Related Items legally payable by you from outstanding RSUs, from your wages or other cash compensation payable to you by the Company or your employer or from any cash payment received upon the payment of your RSU Award. In addition, if to the extent any applicable Tax-Related Items payment or withholding obligation has not been satisfied prior to the Award's payment date (and if permissible under local law), the Company or your employer shall withhold shares to satisfy the withholding or payment obligation, provided that the Company or your employer shall withhold only the amount of shares necessary to satisfy the minimum withholding amount. To the extent the Tax-Related Items obligation is satisfied by reducing the number of shares of Stock issued upon vesting of the RSUs, for tax purposes, you are deemed to have been issued the full number of shares of Stock subject to the vested RSUs, notwithstanding that a number of shares of Stock are held back solely for the purpose of paying the Tax-Related Items. Further, in the event that such share withholding method is prevented by applicable law or has materially adverse accounting or tax consequences, the Tax-Related Items withholding obligation that has not been satisfied prior to the payment of the RSU Award may be satisfied by one or a combination of the following: (A) withholding from proceeds of the sale of shares of Stock acquired upon payment of the RSUs, either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization); or (B) withholding from your wages or other cash compensation payable to you by the Company and/or your employer. You shall pay to the Company or to your employer any amount of Tax-Related Items that the Company or your employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Stock or the proceeds of the sale of shares of Stock to you if you fail to comply with your obligations in connection with the Tax-Related Items.

10. **Repayment/Forfeiture.** Any benefits you may receive hereunder shall be subject to repayment or forfeiture as may be required to comply with (i) any repayment and forfeiture established by the Human Resources and Compensation Committee of the Board of Directors of the Company, (ii) any applicable listing standards of a national securities exchange adopted in accordance with Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (regarding recovery of erroneously awarded compensation) and any implementing rules and regulations of the U.S. Securities and Exchange Commission adopted or (iii) any similar rules under the laws of any other jurisdiction.

11. **Data Privacy.** By accepting this award, you hereby explicitly consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement by and among, as applicable, your employer, the Company, and Affiliated Companies for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and your employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all restricted stock units or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in your favor, for the purpose of implementing, administering and managing the Plan (“Data”). You understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country, or elsewhere, and that the recipient’s country may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the shares received upon vesting of the restricted stock units may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consent herein, in any case without cost, by contacting in writing the Executive Compensation Office. You understand that refusal or withdrawal of consent may affect your ability to participate in the Plan.

12. **Electronic Delivery.** The Company may, in its sole discretion, decide to deliver any documents related to restricted stock units awarded under the Plan or future restricted stock units that may be awarded under the Plan by electronic means or request your consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

13. **Plan Administration.** The Plan is administered by a Committee of the Company’s Board of Directors, whose function is to ensure the Plan is managed according to its terms and conditions. To the extent any provision of this award is inconsistent or in conflict with any provision of the Plan, the Plan shall govern. Any request for a copy of the Plan and any questions pertaining to the Plan should be directed to:

EXECUTIVE COMPENSATION OFFICE
2500 WINDY RIDGE PARKWAY
ATLANTA, GA 30339
USA
(678) 260-3000

FIRST AMENDMENT

FIRST AMENDMENT dated as of April 30, 2015 (this "Amendment"), to the Five-Year Credit Agreement, dated as of September 20, 2012 (the "Credit Agreement"), among Coca-Cola Enterprises, Inc., a Delaware corporation (the "Borrower"), Citibank, N.A. as administrative agent, Deutsche Bank Securities Inc. ("DBSI") as syndication agent, Credit Suisse Securities (USA) LLC ("CS Securities") as documentation agent, Citigroup Global Markets, Inc. ("CGMI"), DBSI and CS Securities, as joint book-running managers and joint lead arrangers, and the Lenders thereunder.

WHEREAS, the Lenders have agreed to extend credit to the Borrower under the Credit Agreement on the terms and subject to the conditions set forth therein; and

WHEREAS, the parties hereto have agreed to amend certain provisions of the Credit Agreement as set forth herein;

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used but not otherwise defined herein have the meanings assigned to them in the Credit Agreement.

SECTION 2. Amendment of the Credit Agreement. Effective on the Amendment Effective Date (as defined below), the Credit Agreement is hereby amended as follows:

- (a) by adding to Section 1.01 thereof, the following definitions in the appropriate alphabetical order:

"Consolidated EBITDA" means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, an amount equal to Consolidated Net Income for such period plus (a) the following without duplication and to the extent deducted in calculating such Consolidated Net Income: (i) Consolidated Interest Charges for such period, (ii) the provision for Federal, state, local and foreign income taxes payable by the Borrower and its Subsidiaries for such period, (iii) total depreciation and amortization expense, (iv) non-cash charges or expenses relating to the refinancing or redemption of Indebtedness in such period, (v) non-cash charges or expenses relating to the impairment of property, plant and equipment, investments, goodwill or other intangible assets in such period, (vi) non-recurring non-cash charges in connection with acquisitions, dispositions and discontinued operations, and cash and non-cash restructuring charges, (vii) non-cash charges or expenses related to stock option awards or other equity compensation and (viii) other non-recurring expenses of the Borrower and its Subsidiaries reducing such Consolidated Net Income which do not represent a cash item in such period or any future period, minus (b) to the extent included in calculating such Consolidated Net Income, (i) Federal, state, local and foreign income tax credits of the Borrower and its Subsidiaries for such period, (ii) all non-cash items increasing Consolidated Net Income for such period and (iii) the interest income of the Borrower and its Subsidiaries for such period; provided that, for purposes of calculating EBITDA for any period, any notional gains or losses on commodity hedges not been settled during such period shall be disregarded.

“Consolidated Interest Charges” means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, without duplication, the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses of the Borrower and its Subsidiaries in connection with borrowed money and interest rate swaps (including capitalized or amortized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, and (b) the portion of rent expense of the Borrower and its Subsidiaries with respect to such period under capital leases that is treated as interest in accordance with GAAP minus interest income of the Borrower and its Subsidiaries for such period.

“Consolidated Interest Coverage Ratio” means, as of any date of determination, the ratio of (a) Consolidated EBITDA for the period of the four prior fiscal quarters ending on such date to (b) Consolidated Interest Charges for such period.

“Consolidated Net Income” means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the net income of the Borrower and its Subsidiaries (excluding extraordinary gains and extraordinary losses) for that period.

- (b) by deleting from Section 1.01 thereof, the definitions of “Cash” and “Total Capital” in their entirety.
- (c) by deleting the entire provision of Section 5.02(b) thereof and replacing it with the following provision:

“Consolidated Interest Coverage Ratio. Permit the Consolidated Interest Coverage Ratio as of the end of any fiscal quarter of the Borrower to be less than 3.00 to 1.00.”

SECTION 3. Representations and Warranties.

- (a) To induce the other parties hereto to enter into this Amendment, the Borrower represents and warrants to such other parties that, on and as of the Amendment Effective Date, this Amendment has been duly authorized, executed and delivered by the Borrower and constitutes the Borrower’s legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.
- (b) The Borrower represents and warrants that (i) the representations and warranties of the Borrower set forth in Section 4.01 (except the representations set forth in subsection (e) and in subsection (f) thereof (other than clause (ii) thereof)) of the Credit Agreement shall be true in all material respects on and as of the Amendment Effective Date, except to the extent they expressly relate to an earlier date in which case they shall be true in all material respects as of such earlier date and (ii) no Default or Event of Default shall have occurred and be continuing on the Amendment Effective Date.

SECTION 4. Effectiveness. This Amendment shall become effective on the date (the “Amendment Effective Date”) on which each of the following conditions is satisfied:

- (a) The Administrative Agent shall have received counterparts hereof duly executed and delivered by the Borrower, the Required Lenders and the Administrative Agent.
- (b) The Borrower shall have paid all other amounts due and payable under Section 6 of this Amendment, to the extent invoiced.

The Administrative Agent shall notify the Borrower and the Lenders of the Amendment Effective Date and such notice shall be conclusive and binding.

SECTION 5. Effect of Amendment. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights or remedies of the Lenders or the Administrative Agent under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Loan Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. This Amendment shall constitute a “Loan Document” for all purposes of the Credit Agreement and the other Loan Documents. On and after the Amendment Effective Date, any reference to the Credit Agreement contained in the Loan Documents shall mean the Credit Agreement as amended hereby.

SECTION 6. Costs and Expenses. The Borrower agrees to reimburse each of the Administrative Agent for its reasonable out-of-pocket expenses in connection with this Amendment and the transactions contemplated hereby, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent.

SECTION 7. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Amendment by signing any such counterpart. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 8. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

SECTION 9. .

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

COCA-COLA ENTERPRISES, INC.,

by

/s/ Joyce King-Lavinder

Name: Joyce King-Lavinder

Title: Vice President and Treasurer

CITIBANK, N.A.,
as a Lender and as Administrative Agent,

by

/s/ Carolyn Kee

Name: Carolyn Kee

Title: Vice President

To approve this Amendment:

Institution: BANK OF AMERICA, N.A.,

by

/s/ J. Casey Cosgrove

Name: J. Casey Cosgrove

Title: Director

To approve this Amendment:

Institution: BARCLAYS BANK PLC,

by

/s/ Christopher R. Lee

Name: Christopher R. Lee

Title: Vice President

To approve this Amendment:

Institution: BNP PARIBAS,

by

/s/ Mike Shryock

Name: Mike Shryock

Title: Managing Director

For any Lender requiring a second signature line:

by

/s/ Emma Petersen

Name: Emma Petersen

Title: Vice President

To approve this Amendment:

Institution: CREDIT SUISSE AG, CAYMAN
ISLANDS BRANCH,

by

/s/ Vipul Dhadha

Name: Vipul Dhadha

Title: Authorized Signatory

For any Lender requiring a second signature line:

by

/s/ Franziska Schoch

Name: Franziska Schoch

Title: Authorized Signatory

To approve this Amendment:

Institution: DEUTSCHE BANK AG NEW YORK BRANCH,

by

/s/ Ming K. Chu

Name: Ming K. Chu

Title: Vice President

For any Lender requiring a second signature line:

by

/s/ Virginia Cosenza

Name: Virginia Cosenza

Title: Vice President

To approve this Amendment:

Institution: HSBC BANK USA, NATIONAL ASSOCIATION,

by

/s/ Alan Vitulich

Name: Alan Vitulich

Title: Director

[Signature Page to First Amendment]

To approve this Amendment:

Institution: MIZUHO BANK, LTD,

by

/s/ David Lim

Name: David Lim

Title: Authorized Signatory

[Signature Page to First Amendment]

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

| | First Quarter | |
|---|---------------|---------------|
| | 2015 | 2014 |
| Computation of Earnings: | | |
| Income before income taxes | \$ 130 | \$ 155 |
| Add: | | |
| Interest expense | 30 | 28 |
| Amortization of debt premium/discount and expenses | 1 | 1 |
| Interest portion of rent expense | 6 | 6 |
| Earnings as adjusted | <u>\$ 167</u> | <u>\$ 190</u> |
| Computation of Fixed Charges: | | |
| Interest expense | \$ 30 | \$ 28 |
| Amortization of debt premium/discount and expenses | 1 | 1 |
| Interest portion of rent expense | 6 | 6 |
| Fixed charges | <u>\$ 37</u> | <u>\$ 35</u> |
| Ratio of Earnings to Fixed Charges^(A) | <u>4.57</u> | <u>5.42</u> |

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

**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: April 30, 2015

/s/ John F. Brock

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

**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: April 30, 2015

/s/ Manik H. Jhangiani

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

**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 April 3, 2015 (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

April 30, 2015

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.

**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 April 3, 2015 (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

April 30, 2015

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.