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COCA COLA ENTERPRISES INC

Form 8-K

October 15, 2001

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 15, 2001

COCA-COLA ENTERPRISES INC.  
(Exact name of registrant as specified in its charter)

DELAWARE 01-09300 58-0503352  
(State of Incorporation) (Commission File No.) (IRS Employer Identification No.)

2500 WINDY RIDGE PARKWAY, ATLANTA, GEORGIA 30339  
(Address of principal executive offices, including zip code)

(770) 989-3000  
(Registrant's telephone number, including area code)

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Item 9. Regulation FD Disclosure

On October 15, 2001, the Company released pro forma financial information for purposes of additional analysis of the acquisition of Herb Coca-Cola.

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SIGNATURE

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 hereunto duly authorized.

COCA-COLA ENTERPRISES INC.  
(Registrant)

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Date: October 15, 2001

By:/s/ E. Liston Bishop III

-----  
E. Liston Bishop III  
Vice President and  
Deputy General Counsel

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EXHIBIT 99

## INDEX TO COCA-COLA ENTERPRISES INC. PROFORMA COMBINED CONDENSED FINANCIAL INFORMATION (UNAUDITED)

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### COCA-COLA ENTERPRISES INC. NOTES TO PRO FORMA COMBINED CONDENSED FINANCIAL INFORMATION (UNAUDITED)

#### INTRODUCTORY INFORMATION

The following unaudited pro forma combined condensed financial information sets forth the combined results of operations of Coca-Cola Enterprises Inc. (the "Company") and Hondo Incorporated and Herbco Enterprises, Inc. (collectively, "Herb Coca-Cola") assuming the Company purchased Herb Coca-Cola as of January 1, 2000. Although not required to be filed under the rules applicable to significant acquisitions, this pro forma financial information is provided for purposes of additional analysis of the effects of the acquisition of Herb Coca-Cola on the Company pursuant to Regulation FD.

On July 10, 2001 the Company completed the acquisition of 100 percent of the outstanding common and preferred shares of Herb Coca-Cola. The results of Herb's operations have been included in the Company's consolidated statements since July 1, 2001. Herb Coca-Cola was previously the third largest bottler of products of The Coca-Cola Company in the United States. As a result of the acquisition, the Company will sell approximately 80% of The Coca-Cola Company's bottle and can volume in the United States. The Company also expects cost savings and system rationalization as a result of the proximity of Herb Coca-Cola's operations to its existing territories.

The total transaction value was approximately \$1.4 billion, including cash of approximately \$1 billion and common stock of \$400 million. The value of the 25 million shares issued was determined based on the average closing price of the Company's common shares over the two day period before and after the terms of the acquisition were finalized and agreed to. The total transaction value is comprised of approximately \$1.3 billion for the bottling operations and \$100 million for the value of incremental tax benefits associated with the structure of the transaction.

The following unaudited pro forma financial information should be read in conjunction with the Company's audited and unaudited financial statements, including the notes thereto, contained in: (i) the Coca-Cola Enterprises' Annual Report on Form 10-K for the year ended December 31, 2000 and (ii) Coca-Cola Enterprises' Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2000, June 30, 2000, September 29, 2000, March 30, 2001, and June 29, 2001.

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The unaudited pro forma combined condensed statements of income for the six months ended June 29, 2001 and for the year ended December 31, 2000 and the unaudited pro forma combined condensed statements of income for each of the quarterly periods ended March 31, 2000, June 30, 2000, September 29, 2000, December 31, 2000, March 30, 2001, and June 29, 2001 present the combined operating results of the Company and Herb Coca-Cola as if the acquisition described above had occurred at the beginning of 2000. Certain reclassifications and adjustments have been made to the historical financial statements of Herb Coca-Cola to conform to the Company's financial presentation.

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## COCA-COLA ENTERPRISES INC.

### PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME FOR THE SIX MONTHS ENDED JUNE 29, 2001 (UNAUDITED; IN MILLIONS, EXCEPT PER SHARE DATA)

|   | Coca-Cola<br>Enterprises<br>Six Months<br>Ended<br>June 29,<br>2001 | Herb<br>Coca-Cola<br>Six Months<br>Ended<br>June 29,<br>2001 | Pro For<br>Adjustme |
|---|---|--|---------------------|
|   | -----   | -----  | -----               |
| Net Operating Revenues                                | \$ 7,457  | \$457  | \$ --               |
| Cost of Sales   | 4,613   | 284  | --                  |
|   | -----   | -----  | -----               |
| Gross Profit  | 2,844   | 173  | --                  |
| Selling, Delivery, and<br>Administrative Expenses     | 2,507   | 167  | (3)                 |
|   | -----   | -----  | -----               |
| Operating Income                                      | 337   | 6  | 3                   |
| Interest Expense, Net                                 | 380   | 6  | 24                  |
| Other Nonoperating Expense, Net                       | --  | --   | --                  |
|   | -----   | -----  | -----               |
| Loss Before Income Taxes                              | (43)  | --   | (21)                |
| Income Tax Expense (Benefit)                          | (28)  | --   | (8)                 |
| Nonrecurring Income Tax (Benefit)                     | (46)  | --   | --                  |
|   | -----   | -----  | -----               |
| Net Income (Loss)                                     | 31  | --   | (13)                |
| Preferred Stock Dividends                             | 2   | --   | --                  |
|   | -----   | -----  | -----               |
| Net Income (Loss) Applicable<br>to Common Shareowners | \$ 29   | \$ --  | \$ (13)             |
|   | =====   | =====  | =====               |
| Basic Average Common Shares<br>Outstanding            | 419   | --   | 25                  |
|   | =====   | =====  | =====               |

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|                               |         |       |       |
|-------------------------------|---------|-------|-------|
| Basic Net Income Per Share    |         |       |       |
| Applicable to Common          |         |       |       |
| Shareowners                   | \$ 0.07 | --    | --    |
|                               | =====   | ===== | ===== |
| Diluted Average Common Shares |         |       |       |
| Outstanding                   | 428     | --    | 25    |
|                               | =====   | ===== | ===== |
| Diluted Net Income Per Share  |         |       |       |
| Applicable to Common          |         |       |       |
| Shareowners                   | \$ 0.07 | --    | --    |
|                               | =====   | ===== | ===== |
| Cash Operating Profit Data:   |         |       |       |
| Operating Income              | \$ 337  | \$ 6  | \$ 3  |
| Depreciation                  | 437     | 23    | --    |
| Amortization                  | 225     | 4     | (3)   |
|                               | -----   | ----- | ----- |
| Cash Operating Profit         | \$ 999  | \$ 33 | \$ -- |
|                               | =====   | ===== | ===== |

The introductory information on Page 6 and the accompanying Notes to Unaudited Pro Forma Combined Condensed Financial Information on Page 15 are an integral part of these statements. Pro forma combined information should not be construed to be forecasts of future operating results.

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COCA-COLA ENTERPRISES INC.

## PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME FOR THE QUARTER ENDED JUNE 29, 2001 (UNAUDITED; IN MILLIONS, EXCEPT PER SHARE DATA)

|   | Coca-Cola<br>Enterprises<br>Quarter Ended<br>June 29,<br>2001 | Herb<br>Coca-Cola<br>Quarter Ended<br>June 29,<br>2001 | Pro Forma<br>Adjustments | P<br>C |
|---|---|--|--------------------------|--------|
|   | -----   | -----  | -----                    | -----  |
| Net Operating Revenues                            | \$ 4,105  | \$ 252   | \$ --                    | \$     |
| Cost of Sales                                     | 2,545   | 156  | --                       |        |
|   | -----   | -----  | -----                    |        |
| Gross Profit                                      | 1,560   | 96   | --                       |        |
| Selling, Delivery, and<br>Administrative Expenses | 1,289   | 95   | (2)                      |        |
|   | -----   | -----  | -----                    |        |
| Operating Income                                  | 271   | 1  | 2                        |        |
| Interest Expense, Net                             | 188   | 2  | 13                       |        |
| Other Nonoperating Expense, Net                   | --  | --   | --                       |        |
|   | -----   | -----  | -----                    |        |
| Income (Loss) Before Income Taxes                 | 83  | (1)  | (11)                     |        |

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|   |         |        |        |
|---|---------|--------|--------|
| Income Tax Expense (Benefit)  | 14      | --     | (4)    |
| Nonrecurring Income Tax (Benefit)                                   | (46)    | --     | --     |
|   | -----   | -----  | -----  |
| Net Income (Loss)   | 115     | (1)    | (7)    |
| Preferred Stock Dividends   | 1       | --     | --     |
|   | -----   | -----  | -----  |
| Net Income (Loss) Applicable to<br>Common Shareowners               | \$ 114  | \$ (1) | \$ (7) |
|   | =====   | =====  | =====  |
| Basic Average Common Shares<br>Outstanding                          | 419     | --     | 25     |
|   | =====   | =====  | =====  |
| Basic Net Income Per Share<br>Applicable to Common<br>Shareowners   | \$ 0.27 | --     | --     |
|   | =====   | =====  | =====  |
| Diluted Average Common Shares<br>Outstanding                        | 427     | --     | 25     |
|   | =====   | =====  | =====  |
| Diluted Net Income Per Share<br>Applicable to Common<br>Shareowners | \$ 0.27 | --     | --     |
|   | =====   | =====  | =====  |
| Cash Operating Profit Data:   |         |        |        |
| Operating Income  | \$ 271  | \$ 1   | \$ 2   |
| Depreciation  | 224     | 12     | --     |
| Amortization  | 113     | 2      | (2)    |
|   | -----   | -----  | -----  |
| Cash Operating Profit   | \$ 608  | \$ 15  | \$ --  |
|   | =====   | =====  | =====  |

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COCA-COLA ENTERPRISES INC.

## PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME FOR THE QUARTER ENDED MARCH 30, 2001 (UNAUDITED; IN MILLIONS, EXCEPT PER SHARE DATA)

|                        | Coca-Cola<br>Enterprises<br>Quarter Ended<br>March 30,<br>2001 | Herb<br>Coca-Cola<br>Quarter Ended<br>March 30,<br>2001 | Pro Forma<br>Adjustments |
|------------------------|--|---|--------------------------|
|                        | -----  | -----   | -----                    |
| Net Operating Revenues | \$ 3,352   | \$ 205  | \$ --                    |
| Cost of Sales          | 2,068  | 128   | --                       |

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|  |                    |                |                 |
|--|--------------------|----------------|-----------------|
| Gross Profit   | -----<br>1,284     | -----<br>77    | -----<br>--     |
| Selling, Delivery, and<br>Administrative Expenses                          | -----<br>1,219     | -----<br>72    | -----<br>(1)    |
| Operating Income   | 65                 | 5              | 1               |
| Interest Expense, Net  | 191                | 4              | 11              |
| Other Nonoperating Expense, Net  | -----<br>--        | -----<br>--    | -----<br>--     |
| Income (Loss) Before Income Taxes  | (126)              | 1              | (10)            |
| Income Tax Expense (Benefit)   | (42)               | --             | (4)             |
| Nonrecurring Income Tax (Benefit)  | -----<br>--        | -----<br>--    | -----<br>--     |
| Net Income (Loss)  | (84)               | 1              | (6)             |
| Preferred Stock Dividends  | -----<br>1         | -----<br>--    | -----<br>--     |
| Net Income (Loss) Applicable to<br>Common Shareowners                      | -----<br>\$ (85)   | -----<br>\$ 1  | -----<br>\$ (6) |
| Basic Average Common Shares<br>Outstanding                                 | -----<br>418       | -----<br>--    | -----<br>25     |
| Basic Net Income (Loss) Per Share<br>Applicable to Common<br>Shareowners   | -----<br>\$ (0.20) | -----<br>--    | -----<br>--     |
| Diluted Average Common Shares<br>Outstanding                               | -----<br>418       | -----<br>--    | -----<br>25     |
| Diluted Net Income (Loss) Per Share<br>Applicable to Common<br>Shareowners | -----<br>\$ (0.20) | -----<br>--    | -----<br>--     |
| Cash Operating Profit Data:  |                    |                |                 |
| Operating Income   | \$ 65              | \$ 5           | \$ 1            |
| Depreciation   | 213                | 11             | --              |
| Amortization   | 113                | 2              | (1)             |
| Cash Operating Profit  | -----<br>\$ 391    | -----<br>\$ 18 | -----<br>\$ --  |

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(UNAUDITED; IN MILLIONS, EXCEPT PER SHARE DATA)

|   | Coca-Cola<br>Enterprises<br>Year Ended<br>December 31,<br>2000 | Herb<br>Coca-Cola<br>Year Ended<br>December 31,<br>2000 | Pro Forma<br>Adjustments | Pro Fo<br>Combi |
|---|--|---|--------------------------|-----------------|
|   | -----  | -----   | -----                    | -----           |
| Net Operating Revenues  | \$ 14,750  | \$917   | \$ --                    | \$ 15,6         |
| Cost of Sales   | 9,083  | 555   | --                       | 9,6             |
|   | -----  | -----   | -----                    | -----           |
| Gross Profit  | 5,667  | 362   | --                       | 6,0             |
| Selling, Delivery, and<br>Administrative Expenses                   | 4,541  | 280   | (6)                      | 4,8             |
|   | -----  | -----   | -----                    | -----           |
| Operating Income  | 1,126  | 82  | 6                        | 1,2             |
| Interest Expense, Net   | 791  | 15  | 43                       | 8               |
| Other Nonoperating Expense, Net                                     | 2  | 4   | --                       |                 |
|   | -----  | -----   | -----                    | -----           |
| Income (Loss) Before Income Taxes                                   | 333  | 63  | (37)                     | 3               |
| Income Tax Expense (Benefit)  | 111  | --  | 10                       | 1               |
| Nonrecurring Income Tax (Benefit)                                   | (14)   | --  | --                       | (               |
|   | -----  | -----   | -----                    | -----           |
| Net Income (Loss)   | 236  | 63  | (47)                     | 2               |
| Preferred Stock Dividends   | 3  | --  | --                       |                 |
|   | -----  | -----   | -----                    | -----           |
| Net Income (Loss) Applicable to<br>Common Shareowners               | \$ 233   | \$ 63   | \$ (47)                  | \$ 2            |
|   | =====  | =====   | =====                    | =====           |
| Basic Average Common Shares<br>Outstanding                          | 419  | --  | 25                       | 4               |
|   | =====  | =====   | =====                    | =====           |
| Basic Net Income Per Share<br>Applicable to Common<br>Shareowners   | \$ 0.56  | --  | --                       | \$ 0.           |
|   | =====  | =====   | =====                    | =====           |
| Diluted Average Common Shares<br>Outstanding                        | 429  | --  | 25                       | 4               |
|   | =====  | =====   | =====                    | =====           |
| Diluted Net Income Per Share<br>Applicable to Common<br>Shareowners | \$ 0.54  | --  | --                       | \$ 0.           |
|   | =====  | =====   | =====                    | =====           |
| Cash Operating Profit Data:   |  |   |                          |                 |
| Operating Income  | \$ 1,126   | \$ 82   | \$ 6                     | \$ 1,2          |
| Depreciation  | 810  | 42  | --                       | 8               |
| Amortization  | 451  | 9   | (6)                      | 4               |
|   | -----  | -----   | -----                    | -----           |
| Cash Operating Profit   | \$ 2,387   | \$133   | \$ --                    | \$ 2,5          |
|   | =====  | =====   | =====                    | =====           |



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The introductory information on Page 6 and the accompanying Notes to Unaudited Pro Forma Combined Condensed Financial Information on Page 15 are an integral part of these statements. Pro forma combined information should not be construed to be forecasts of future operating results.

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## COCA-COLA ENTERPRISES INC.

### PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME FOR THE QUARTER ENDED DECEMBER 31, 2000 (UNAUDITED; IN MILLIONS, EXCEPT PER SHARE DATA)

|   | Coca-Cola<br>Enterprises<br>Quarter Ended<br>December 31,<br>2000 | Herb<br>Coca-Cola<br>Quarter Ended<br>December 31,<br>2000 | Pro Forma<br>Adjustments | Pro Forma<br>Combined |
|---|---|--|--------------------------|-----------------------|
|   | -----   | -----  | -----                    | -----                 |
| Net Operating Revenues  | \$ 3,561  | \$228  | \$ --                    | \$ 3,789              |
| Cost of Sales   | 2,219   | 133  | --                       | 2,352                 |
|   | -----   | ----   | -----                    | -----                 |
| Gross Profit  | 1,342   | 95   | --                       | 1,437                 |
| Selling, Delivery, and<br>Administrative Expenses                 | 1,142   | 68   | (2)                      | 1,208                 |
|   | -----   | ----   | -----                    | -----                 |
| Operating Income  | 200   | 27   | 2                        | 229                   |
| Interest Expense, Net   | 197   | 5  | 10                       | 212                   |
| Other Nonoperating Expense, Net                                   | 3   | 1  | --                       | 4                     |
|   | -----   | ----   | -----                    | -----                 |
| Income (Loss) Before Income Taxes                                 | --  | 21   | (8)                      | 13                    |
| Income Tax Expense (Benefit)                                      | (2)   | --   | 5                        | 3                     |
| Nonrecurring Income Tax (Benefit)                                 | (14)  | --   | --                       | (14)                  |
|   | -----   | ----   | -----                    | -----                 |
| Net Income (Loss)   | 16  | 21   | (13)                     | 24                    |
| Preferred Stock Dividends   | 1   | --   | --                       | 1                     |
|   | -----   | ----   | -----                    | -----                 |
| Net Income (Loss) Applicable to<br>Common Shareowners             | \$ 15   | \$ 21  | \$ (13)                  | \$ 23                 |
|   | =====   | =====  | =====                    | =====                 |
| Basic Average Common Shares<br>Outstanding                        | 417   | --   | 25                       | 442                   |
|   | =====   | =====  | =====                    | =====                 |
| Basic Net Income Per Share<br>Applicable to Common<br>Shareowners | \$ 0.04   | --   | --                       | \$ 0.05               |
|   | =====   | =====  | =====                    | =====                 |
| Diluted Average Common Shares<br>Outstanding                      | 427   | --   | 25                       | 452                   |
|   | =====   | =====  | =====                    | =====                 |

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## Diluted Net Income Per Share

Applicable to Common  
Shareowners

\$ 0.04

--

--

\$ 0.05

=====

=====

=====

=====

## Cash Operating Profit Data:

Operating Income

\$ 200

\$ 27

\$ 2

\$ 229

Depreciation

206

9

--

215

Amortization

111

3

(2)

112

-----

-----

-----

-----

Cash Operating Profit

\$ 517

\$ 39

\$ --

\$ 556

=====

=====

=====

=====

The introductory information on Page 6 and the accompanying Notes to Unaudited Pro Forma Combined Condensed Financial Information on Page 15 are an integral part of these statements. Pro forma combined information should not be construed to be forecasts of future operating results.

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COCA-COLA ENTERPRISES INC.

## PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME FOR THE QUARTER ENDED SEPTEMBER 29, 2000 (UNAUDITED; IN MILLIONS, EXCEPT PER SHARE DATA)

|   | Coca-Cola<br>Enterprises<br>Quarter Ended<br>September 29,<br>2000 | Herb<br>Coca-Cola<br>Quarter Ended<br>September 29,<br>2000 | Pro Forma<br>Adjustments | Pro Forma<br>Combined |
|---|--|---|--------------------------|-----------------------|
|   | -----  | -----   | -----                    | -----                 |
| Net Operating Revenues                            | \$3,868  | \$228   | \$ --                    | \$4,096               |
| Cost of Sales                                     | 2,368  | 141   | --                       | 2,509                 |
|   | -----  | -----   | -----                    | -----                 |
| Gross Profit                                      | 1,500  | 87  | --                       | 1,587                 |
| Selling, Delivery, and<br>Administrative Expenses | 1,105  | 70  | (1)                      | 1,174                 |
|   | -----  | -----   | -----                    | -----                 |
| Operating Income                                  | 395  | 17  | 1                        | 413                   |
| Interest Expense, Net                             | 197  | 3   | 11                       | 211                   |
| Other Nonoperating Expense, Net                   | --   | 1   | --                       | 1                     |
|   | -----  | -----   | -----                    | -----                 |
| Income (Loss) Before Income Taxes                 | 198  | 13  | (10)                     | 201                   |
| Income Tax Expense (Benefit)                      | 67   | --  | 1                        | 68                    |
| Nonrecurring Income Tax (Benefit)                 | --   | --  | --                       | --                    |
|   | -----  | -----   | -----                    | -----                 |
| Net Income (Loss)                                 | 131  | 13  | (11)                     | 133                   |
| Preferred Stock Dividends                         | 1  | --  | --                       | 1                     |
|   | -----  | -----   | -----                    | -----                 |

Net Income (Loss) Applicable to

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|   |                  |                |                  |                  |
|---|------------------|----------------|------------------|------------------|
| Common Shareowners  | \$ 130<br>=====  | \$ 13<br>===== | \$ (11)<br>===== | \$ 132<br>=====  |
| Basic Average Common Shares Outstanding                       | 418<br>=====     | --<br>=====    | 25<br>=====      | 443<br>=====     |
| Basic Net Income Per Share Applicable to Common Shareowners   | \$ 0.31<br>===== | --<br>=====    | --<br>=====      | \$ 0.30<br>===== |
| Diluted Average Common Shares Outstanding                     | 427<br>=====     | --<br>=====    | 25<br>=====      | 452<br>=====     |
| Diluted Net Income Per Share Applicable to Common Shareowners | \$ 0.30<br>===== | --<br>=====    | --<br>=====      | \$ 0.29<br>===== |
| Cash Operating Profit Data:                                   |                  |                |                  |                  |
| Operating Income  | \$ 395           | \$ 17          | \$ 1             | \$ 413           |
| Depreciation  | 203              | 11             | --               | 214              |
| Amortization  | 113              | 2              | (1)              | 114              |
|   | -----            | -----          | -----            | -----            |
| Cash Operating Profit   | \$ 711<br>=====  | \$ 30<br>===== | \$ --<br>=====   | \$ 741<br>=====  |

The introductory information on Page 6 and the accompanying Notes to Unaudited Pro Forma Combined Condensed Financial Information on Page 15 are an integral part of these statements. Pro forma combined information should not be construed to be forecasts of future operating results.

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## COCA-COLA ENTERPRISES INC.

### PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME FOR THE QUARTER ENDED JUNE 30, 2000 (UNAUDITED; IN MILLIONS, EXCEPT PER SHARE DATA)

|   | Coca-Cola<br>Enterprises<br>Quarter Ended<br>June 30,<br>2000 | Herb<br>Coca-Cola<br>Quarter Ended<br>June 30,<br>2000 | Pro Forma<br>Adjustments | Pro F<br>Combi |
|---|---|--|--------------------------|----------------|
|   | -----   | -----  | -----                    | -----          |
| Net Operating Revenues                            | \$ 4,027  | \$ 251   | \$ --                    | \$ 4           |
| Cost of Sales                                     | 2,483   | 155  | --                       | 2              |
|   | -----   | -----  | -----                    | -----          |
| Gross Profit                                      | 1,544   | 96   | --                       | 1              |
| Selling, Delivery, and<br>Administrative Expenses | 1,156   | 73   | (1)                      | 1              |
|   | -----   | -----  | -----                    | -----          |
| Operating Income                                  | 388   | 23   | 1                        |                |

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|   |         |       |         |       |
|---|---------|-------|---------|-------|
| Interest Expense, Net   | 200     | 3     | 11      |       |
| Other Nonoperating Expense, Net                                     | 1       | 1     | --      |       |
|   | -----   | ----- | -----   | ----- |
| Income (Loss) Before Income Taxes                                   | 187     | 19    | (10)    |       |
| Income Tax Expense (Benefit)  | 64      | --    | 4       |       |
| Nonrecurring Income Tax (Benefit)                                   | --      | --    | --      |       |
|   | -----   | ----- | -----   | ----- |
| Net Income (Loss)   | 123     | 19    | (14)    |       |
| Preferred Stock Dividends   | 1       | --    | --      |       |
|   | -----   | ----- | -----   | ----- |
| Net Income (Loss) Applicable to<br>Common Shareowners               | \$ 122  | \$ 19 | \$ (14) | \$    |
|   | =====   | ===== | =====   | ===== |
| Basic Average Common Shares<br>Outstanding                          | 420     | --    | 25      |       |
|   | =====   | ===== | =====   | ===== |
| Basic Net Income Per Share<br>Applicable to Common<br>Shareowners   | \$ 0.29 | --    | --      | \$    |
|   | =====   | ===== | =====   | ===== |
| Diluted Average Common Shares<br>Outstanding                        | 429     | --    | 25      |       |
|   | =====   | ===== | =====   | ===== |
| Diluted Net Income Per Share<br>Applicable to Common<br>Shareowners | \$ 0.29 | --    | --      | \$    |
|   | =====   | ===== | =====   | ===== |
| Cash Operating Profit Data:   |         |       |         |       |
| Operating Income  | \$ 388  | \$ 23 | \$ 1    | \$    |
| Depreciation  | 196     | 11    | --      |       |
| Amortization  | 112     | 2     | (1)     |       |
|   | -----   | ----- | -----   | ----- |
| Cash Operating Profit   | \$ 696  | \$ 36 | \$ --   | \$    |
|   | =====   | ===== | =====   | ===== |

The introductory information on Page 6 and the accompanying Notes to Unaudited Pro Forma Combined Condensed Financial Information on Page 15 are an integral part of these statements. Pro forma combined information should not be construed to be forecasts of future operating results.

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COCA-COLA ENTERPRISES INC.

PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME  
FOR THE QUARTER ENDED MARCH 31, 2000  
(UNAUDITED; IN MILLIONS, EXCEPT PER SHARE DATA)

|               |               |
|---------------|---------------|
| Coca-Cola     | Herb          |
| Enterprises   | Coca-Cola     |
| Quarter Ended | Quarter Ended |

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|  | March 31,<br>2000 | March 31,<br>2000 | Pro Forma<br>Adjustments | Pro Fo<br>Combin |
|--|-------------------|-------------------|--------------------------|------------------|
|  | -----             | -----             | -----                    | -----            |
| Net Operating Revenues   | \$ 3,293          | \$210             | \$ --                    | \$ 3,50          |
| Cost of Sales  | 2,012             | 126               | --                       | 2,13             |
|  | -----             | ----              | ----                     | -----            |
| Gross Profit   | 1,281             | 84                | --                       | 1,36             |
| Selling, Delivery, and<br>Administrative Expenses                          | 1,137             | 69                | (2)                      | 1,20             |
|  | -----             | ----              | ----                     | -----            |
| Operating Income   | 144               | 15                | 2                        | 16               |
| Interest Expense, Net  | 196               | 4                 | 11                       | 21               |
| Other Nonoperating Expense, Net  | (1)               | 1                 | --                       | --               |
|  | -----             | ----              | ----                     | -----            |
| Income (Loss) Before Income Taxes  | (51)              | 10                | (9)                      | (5)              |
| Income Tax Expense (Benefit)   | (17)              | --                | --                       | (1)              |
| Nonrecurring Income Tax (Benefit)  | --                | --                | --                       | --               |
|  | -----             | ----              | ----                     | -----            |
| Net Income (Loss)  | (34)              | 10                | (9)                      | (3)              |
| Preferred Stock Dividends  | 1                 | --                | --                       | --               |
|  | -----             | ----              | ----                     | -----            |
| Net Income (Loss) Applicable to<br>Common Shareowners                      | \$ (35)           | \$ 10             | \$ (9)                   | \$ (3)           |
|  | =====             | =====             | =====                    | =====            |
| Basic Average Common Shares<br>Outstanding                                 | 421               | --                | 25                       | 44               |
|  | =====             | =====             | =====                    | =====            |
| Basic Net Income (Loss) Per Share<br>Applicable to Common<br>Shareowners   | \$ (0.08)         | --                | --                       | \$ (0.0          |
|  | =====             | =====             | =====                    | =====            |
| Diluted Average Common Shares<br>Outstanding                               | 421               | --                | 25                       | 44               |
|  | =====             | =====             | =====                    | =====            |
| Diluted Net Income (Loss) Per Share<br>Applicable to Common<br>Shareowners | \$ (0.08)         | --                | --                       | \$ (0.0          |
|  | =====             | =====             | =====                    | =====            |
| Cash Operating Profit Data:  |                   |                   |                          |                  |
| Operating Income   | \$ 144            | \$ 15             | \$ 2                     | \$ 16            |
| Depreciation   | 204               | 11                | --                       | 21               |
| Amortization   | 114               | 2                 | (2)                      | 11               |
|  | -----             | ----              | ----                     | -----            |
| Cash Operating Profit  | \$ 462            | \$ 28             | \$ --                    | \$ 49            |
|  | =====             | =====             | =====                    | =====            |

The introductory information on Page 6 and the accompanying Notes to Unaudited Pro Forma Combined Condensed Financial Information on Page 15 are an integral part of these statements. Pro forma combined information should not be construed to be forecasts of future operating results.

COCA-COLA ENTERPRISES INC.  
NOTES TO PRO FORMA COMBINED CONDENSED  
FINANCIAL INFORMATION (UNAUDITED)

The following notes describe the pro forma adjustments necessary to reflect the effects of the acquisition.

NOTE A - Pro forma adjustments to "Selling, Delivery & Administrative Expenses" eliminate amortization of franchise and goodwill included in Herb Coca-Cola's results of operations. Adjustments to eliminate goodwill and franchise amortization have been made to present pro forma financial information as of January 1, 2000 in accordance with FASB Statement No. 142, Goodwill and Other Intangible Assets (FAS 142). Under the provisions of FAS 142, goodwill acquired in a business combination after June 30, 2001 is not amortized. In addition, as franchise is classified as an intangible asset with an indefinite useful life according to FAS 142, any franchise acquired in a business combination after June 30, 2001 is also not amortized.

NOTE B - The pro forma adjustments to "Interest Expense, Net" reflect the additional interest costs on debt issued to fund the cash portion of the purchase price as if the debt were outstanding on January 1, 2000 and the reduction of interest expense as if the assumed debt was repaid on January 1, 2000. These adjustments are made assuming an effective annual interest rate of 5.79%.

NOTE C - The pro forma adjustments to "Income Tax Expense (Benefit)" reflect the income tax attributes of the foregoing adjustments and the effect on the consolidated tax provision after inclusion of Herb Coca-Cola. On a quarterly basis, the pro forma adjustments reflect modifications to the Company's estimated effective annual income tax rate for full-year 2000 and 2001 giving effect to the results of operations of Herb Coca-Cola and the pro forma adjustments.

NOTE D - Pro forma basic and diluted net income (loss) per common share data are not presented for Herb Coca-Cola and pro forma adjustments because the results are not meaningful. All per share data is calculated prior to rounding to millions.

NOTE E - The Company's results include the following significant nonrecurring items: (i) a restructuring charge of \$12 million related to operations in Great Britain, recognized in the second quarter of 2000, (ii) insurance proceeds of \$20 million related to the Company's 1999 Belgian product recall, recognized in the third quarter of 2000, (iii) an income tax benefit of \$14 million principally due to a rate change in France and a revaluation of income tax obligations, recognized in the fourth quarter of 2000, and (iv) an income tax benefit of \$46 million principally due to rate changes in Canada, recognized in the second quarter of 2001.

Herb Coca-Cola's results include the following significant nonrecurring items: (i) net occupancy expense eliminated with the acquisition of \$2 million per quarter from the first quarter of 2000 through the second quarter of 2001, (ii) employee loyalty bonuses of \$20 million recognized in the second quarter of 2001, and (iii) bad debt expense of \$6 million recognized in the second quarter of 2001.

INDEX TO COCA-COLA ENTERPRISES INC. PROFORMA COMBINED CONDENSED  
FINANCIAL INFORMATION EXCLUDING  
NONRECURRING ITEMS (UNAUDITED)

|   | PAGE<br>NUMBERS<br>----- |
|---|--------------------------|
| Coca-Cola Enterprises Inc. Pro Forma Combined Condensed Financial<br>Information Excluding Nonrecurring Items (Unaudited):                        |                          |
| Introductory Information.....   | 17                       |
| Pro Forma Combined Condensed Statements of Income Excluding<br>Nonrecurring Items for the Quarters and the Six Months<br>Ended June 29, 2001..... | 19                       |
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| Notes to Pro Forma Combined Condensed Financial Information<br>Excluding Nonrecurring Items (Unaudited).....                                      | 21                       |

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COCA-COLA ENTERPRISES INC.  
PRO FORMA COMBINED CONDENSED FINANCIAL INFORMATION EXCLUDING  
NONRECURRING ITEMS (UNAUDITED)

INTRODUCTORY INFORMATION

The following unaudited pro forma combined condensed financial information sets forth the combined results of operations of Coca-Cola Enterprises Inc. (the "Company") and Hondo Incorporated and Herbco Enterprises, Inc. (collectively, "Herb Coca-Cola") assuming the Company purchased Herb Coca-Cola as of January 1, 2000 and after excluding certain nonrecurring items described in the notes on page 21 from results of operations of the Company and Herb Coca-Cola. This pro forma financial information is provided solely for the purposes of additional analysis of the acquisition of Herb Coca-Cola and is not intended to be a presentation in conformity with the rules governing the preparation of pro forma financial information.

On July 10, 2001 the Company completed the acquisition of 100 percent of the outstanding common and preferred shares of Herb Coca-Cola. The results of Herb's operations have been included in the Company's consolidated statements since July 1, 2001. Herb Coca-Cola was previously the third largest bottler of products of The Coca-Cola Company in the United States. As a result of the acquisition, the Company will sell approximately 80% of The Coca-Cola Company's bottle and can volume in the United States. The Company also expects cost

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savings and system rationalization as a result of the proximity of Herb Coca-Cola's operations to its existing territories.

The total transaction value was approximately \$1.4 billion, including cash of \$1 billion and common stock of \$400 million. The value of the 25 million shares issued was determined based on the average closing price of the Company's common shares over the two day period before and after the terms of the acquisition were finalized and agreed to. The total transaction value is comprised of approximately \$1.3 billion for the bottling operations and \$100 million for the value of incremental tax benefits associated with the structure of the transaction.

The following unaudited pro forma financial information should be read in conjunction with the Company's audited and unaudited financial statements, including the notes thereto, contained in: (i) the Coca-Cola Enterprises' Annual Report on Form 10-K for the year ended December 31, 2000 and (ii) Coca-Cola Enterprises' Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2000, June 30, 2000, September 29, 2000, March 30, 2001, and June 29, 2001.

The accompanying unaudited pro forma combined condensed statements of income excluding nonrecurring items for the six months ended June 29, 2001 and for the year ended December 31, 2000 and the unaudited pro forma combined condensed statements of income excluding nonrecurring items for each of the quarterly periods ended March 31, 2000, June 30, 2000, September 29, 2000, December 31, 2000, March 30, 2001, and June 29, 2001 present the combined operating results of the Company and Herb Coca-Cola as if the acquisition described above had occurred at the beginning of 2000. Certain reclassifications and adjustments have been made to the historical financial statements of Herb Coca-Cola to conform to the Company's financial presentation.

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### COCA-COLA ENTERPRISES INC. PRO FORMA COMBINED CONDENSED FINANCIAL INFORMATION EXCLUDING NONRECURRING ITEMS (UNAUDITED)

#### INTRODUCTORY INFORMATION - (CONTINUED)

This pro forma financial information is not intended to be indicative of the operating results that would have occurred if the acquisitions had been consummated in accordance with the assumptions set forth, nor is it intended to be a forecast of future operating results. Among the events and uncertainties which could adversely affect future periods are ineffective advertising, marketing and promotional programs that result in lower than expected volume, efforts to manage price that adversely affect volume, efforts to manage volume that adversely affect price, changes in the estimates of charges related to our anticipated restructuring, an inability to meet performance requirements for expected levels of marketing support payments from The Coca-Cola Company, material changes from expectations in the costs of raw materials and ingredients, an inability to achieve the expected timing for returns on cold drink equipment and employee infrastructure expenditures, an inability to meet projections for performance in newly acquired territories, potential assessment of additional taxes resulting from audits conducted by the Canadian Customs and Revenue Agency, unexpected costs or effect on European sales associated with conversion to the common European currency (the euro), and unfavorable interest rate and currency fluctuations. We caution readers that in addition to the above cautionary statements, all information contained herein should be read in conjunction with the detailed cautionary statements found on page 48 of the Company's Annual Report for the fiscal year ended December 31, 2000.



COCA-COLA ENTERPRISES INC.

PRO FORMA COMBINED CONDENSED STATEMENTS OF INCOME  
EXCLUDING NONRECURRING ITEMS  
For the Quarters and the Six Months Ended June 29, 2001  
(Unaudited; in millions, except per share data)

|  | Pro Forma<br>Combined<br>Quarter Ended<br>March 30,<br>2001 | Pro Forma<br>Combined<br>Quarter Ended<br>June 29,<br>2001 | Pro Forma<br>Combined<br>Six Months<br>Ended<br>June 29, 2001 |
|--|---|--|---|
|  | -----   | -----  | -----   |
| Net Operating Revenues   | \$ 3,557  | \$4,356  | \$ 7,913  |
| Cost of Sales  | 2,195   | 2,699  | 4,894   |
|  | -----   | -----  | -----   |
| Gross Profit   | 1,362   | 1,657  | 3,019   |
| Selling, Delivery, and<br>Administrative Expenses                        | 1,289   | 1,355  | 2,644   |
|  | -----   | -----  | -----   |
| Operating Income   | 73  | 302  | 375   |
| Interest Expense, Net  | 206   | 203  | 409   |
| Other Nonoperating Expense, Net  | --  | --   | --  |
|  | -----   | -----  | -----   |
| Income (Loss) Before Income Taxes  | (133)   | 99   | (34)  |
| Income Tax Expense (Benefit)   | (45)  | 20   | (25)  |
| Nonrecurring Income Tax (Benefit)  | --  | --   | --  |
|  | -----   | -----  | -----   |
| Net Income (Loss)  | (88)  | 79   | (9)   |
| Preferred Stock Dividends  | 1   | 1  | 2   |
|  | -----   | -----  | -----   |
| Net Income (Loss) Applicable to<br>Common Shareowners                    | \$ (89)   | \$ 78  | \$ (11)   |
|  | =====   | =====  | =====   |
| Basic Average Common Shares<br>Outstanding                               | 443   | 444  | 444   |
|  | =====   | =====  | =====   |
| Basic Net Income (Loss) Per Share<br>Applicable to Common<br>Shareowners | \$ (0.20)   | \$ 0.17  | \$ (0.03)   |
|  | =====   | =====  | =====   |
| Diluted Average Common Shares<br>Outstanding                             | 443   | 452  | 444   |
|  | =====   | =====  | =====   |
| Diluted Net Income (Loss) Per Share<br>Applicable to Common              |   |  |   |

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|                             |           |         |           |
|-----------------------------|-----------|---------|-----------|
| Shareowners                 | \$ (0.20) | \$ 0.17 | \$ (0.03) |
|                             | =====     | =====   | =====     |
| Cash Operating Profit Data: |           |         |           |
| Operating Income            | \$ 73     | \$ 302  | \$ 375    |
| Depreciation                | 224       | 236     | 460       |
| Amortization                | 114       | 113     | 227       |
|                             | -----     | -----   | -----     |
| Cash Operating Profit       | \$ 411    | \$ 651  | \$ 1,062  |
|                             | =====     | =====   | =====     |

The introductory information on pages 17 and 18 and the accompanying Notes to Unaudited Pro Forma Combined Condensed Financial Information on page 21 are an integral part of these statements. Pro forma combined information contained in these statements should not be construed to be forecasts of future operating results.

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## COCA-COLA ENTERPRISES INC.

### PRO FORMA COMBINED CONDENSED STATEMENTS OF INCOME EXCLUDING NONRECURRING ITEMS For the Quarters and the Year Ended December 31, 2000 (Unaudited; in millions, except per share data)

|   | Pro Forma<br>Combined<br>Quarter Ended<br>March 31,<br>2000 | Pro Forma<br>Combined<br>Quarter Ended<br>June 30,<br>2000 | Pro Forma<br>Combined<br>Quarter Ended<br>September 30,<br>2000 | Pro Forma<br>Combined<br>Quarter Ended<br>December 31,<br>2000 |
|---|---|--|---|--|
|   | -----   | -----  | -----   | -----  |
| Net Operating Revenues                            | \$ 3,503  | \$4,278  | \$4,096   | \$3,503  |
| Cost of Sales                                     | 2,137   | 2,638  | 2,508   | 2,137  |
|   | -----   | -----  | -----   | -----  |
| Gross Profit                                      | 1,366   | 1,640  | 1,588   | 1,366  |
| Selling, Delivery, and<br>Administrative Expenses | 1,203   | 1,213  | 1,193   | 1,203  |
|   | -----   | -----  | -----   | -----  |
| Operating Income                                  | 163   | 427  | 395   | 163  |
| Interest Expense, Net                             | 211   | 214  | 212   | 211  |
| Other Nonoperating Expense, Net                   | --  | 2  | 1   | --   |
|   | -----   | -----  | -----   | -----  |
| Income (Loss) Before Income Taxes                 | (48)  | 211  | 182   | (48)   |
| Income Tax Expense (Benefit)                      | (16)  | 72   | 62  | (16)   |
| Nonrecurring Income Tax (Benefit)                 | --  | --   | --  | --   |
|   | -----   | -----  | -----   | -----  |
| Net Income (Loss)                                 | (32)  | 139  | 120   | (32)   |
| Preferred Stock Dividends                         | 1   | 1  | 1   | 1  |
|   | -----   | -----  | -----   | -----  |

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|  |                    |                  |                  |          |
|--|--------------------|------------------|------------------|----------|
| Net Income (Loss) Applicable to<br>Common Shareowners                      | \$ (33)<br>=====   | \$ 138<br>=====  | \$ 119<br>=====  | \$<br>== |
| Basic Average Common Shares<br>Outstanding                                 | 446<br>=====       | 445<br>=====     | 443<br>=====     | ==       |
| Basic Net Income (Loss) Per Share<br>Applicable to Common<br>Shareowners   | \$ (0.07)<br>===== | \$ 0.31<br>===== | \$ 0.27<br>===== | \$<br>== |
| Diluted Average Common Shares<br>Outstanding                               | 446<br>=====       | 454<br>=====     | 452<br>=====     | ==       |
| Diluted Net Income (Loss) Per Share<br>Applicable to Common<br>Shareowners | \$ (0.07)<br>===== | \$ 0.30<br>===== | \$ 0.26<br>===== | \$<br>== |
| Cash Operating Profit Data:  |                    |                  |                  |          |
| Operating Income   | \$ 163             | \$ 427           | \$ 395           | \$       |
| Depreciation   | 215                | 207              | 215              |          |
| Amortization   | 114<br>-----       | 112<br>-----     | 113<br>-----     | --       |
| Cash Operating Profit  | \$ 492<br>=====    | \$ 746<br>=====  | \$ 723<br>=====  | \$<br>== |

The introductory information on pages 17 and 18 and the accompanying Notes to Unaudited Pro Forma Combined Condensed Financial Information on page 21 are an integral part of these statements. Pro forma combined information contained in these statements should not be construed to be forecasts of future operating results.

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## COCA-COLA ENTERPRISES INC. NOTES TO PRO FORMA COMBINED CONDENSED FINANCIAL INFORMATION EXCLUDING NONRECURRING ITEMS (UNAUDITED)

The following notes describe the pro forma adjustments necessary to reflect the effects of the acquisition and the nonrecurring items excluded from this supplemental presentation.

NOTE A - Pro forma adjustments included in "Selling, Delivery & Administrative Expenses" eliminate amortization of franchise and goodwill included in Herb Coca-Cola's results of operations. Adjustments to eliminate goodwill and franchise amortization have been made to present pro forma financial information as of January 1, 2000 in accordance with FASB Statement No. 142, Goodwill and Other Intangible Assets (FAS 142). Under the provisions of FAS 142, goodwill acquired in a business combination after June 30, 2001 is not amortized. In addition, as franchise is classified as an intangible asset with an indefinite useful life according to FAS 142, any franchise acquired in a business combination after June 30, 2001 is also not amortized.

NOTE B - The pro forma adjustments included in "Interest Expense, Net" reflect the additional interest costs on debt issued to fund the cash portion of the purchase price as if the debt were outstanding on January 1, 2000 and the

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reduction of interest expense as if the assumed debt was repaid on January 1, 2000. These adjustments are made assuming an effective annual interest rate of 5.79%.

NOTE C - The pro forma adjustments included in "Income Tax Expense (Benefit)" reflect the income tax attributes of the foregoing adjustments and the effect on the consolidated tax provision after inclusion of Herb Coca-Cola. On a quarterly basis, the pro forma adjustments reflect modifications to the Company's estimated effective annual income tax rate for full-year 2000 and 2001 giving effect to the results of operations of Herb Coca-Cola and the pro forma adjustments.

NOTE D - The Company's results in the accompanying presentation exclude the following significant nonrecurring items: (i) a restructuring charge of \$12 million related to operations in Great Britain, recognized in the second quarter of 2000, (ii) insurance proceeds of \$20 million related to the Company's 1999 Belgian product recall, recognized in the third quarter of 2000, (iii) an income tax benefit of \$14 million principally due to a rate change in France and a revaluation of income tax obligations, recognized in the fourth quarter of 2000, and (iv) an income tax benefit of \$46 million principally due to rate changes in Canada, recognized in the second quarter of 2001.

Herb Coca-Cola's results presented exclude the following significant nonrecurring items: (i) net occupancy expense eliminated with the acquisition \$2 million per quarter from the first quarter of 2000 through the second quarter of 2001, (ii) employee loyalty bonuses of \$20 million recognized in the second quarter of 2001, and (iii) bad debt expense of \$6 million recognized in the second quarter of 2001.

NOTE E - All per share data is calculated prior to rounding to millions.