

Part I

ITEM 1. BUSINESS

Introduction

Coca-Cola Enterprises Inc. at a glance

- Marketing, selling, manufacturing and distributing non-alcoholic beverages
- Serving a market of approximately 407 million consumers throughout North America, Great Britain, continental France, Belgium, the Netherlands, Luxembourg, and Monaco
- Being the world's largest Coca-Cola bottler
- Representing approximately 20% of total Coca-Cola product volume worldwide

We were incorporated in Delaware in 1944 as a wholly owned subsidiary of The Coca-Cola Company. We have been a publicly traded company since 1986. The Coca-Cola Company owned approximately 36% of our common stock at December 31, 2005.

Our bottling territories in North America and Europe contained approximately 407 million people at the end of 2005. We sold approximately 42 billion bottles and cans (or 2.0 billion physical cases) throughout our territories in 2005. Products licensed to us through The Coca-Cola Company and its affiliates and joint ventures represented about 93% of this volume.

We have perpetual bottling rights within the United States for products with the name "Coca-Cola." For substantially all other products within the United States, and all products elsewhere, the bottling rights have stated expiration dates. However, for all bottling rights granted by The Coca-Cola Company with stated expiration dates, we believe our interdependent relationship with The Coca-Cola Company and the substantial cost and disruption that would be caused by nonrenewals of these licenses ensure that they will be renewed upon expiration. The terms of these licenses are discussed in more detail in the sections of this report entitled "North American Beverage Agreements" and "European Beverage Agreements."

References in this report to "we," "our," or "us" refer to Coca-Cola Enterprises Inc. and its subsidiaries and divisions, unless the context requires otherwise.

Relationship with The Coca-Cola Company

The Coca-Cola Company is our largest shareowner. Three of our thirteen directors are executive officers of The Coca-Cola Company.

We conduct our business primarily under agreements with The Coca-Cola Company. These agreements give us the exclusive right to produce, market, and distribute beverage products of The Coca-Cola Company in authorized containers in specified territories. These agreements provide The Coca-Cola Company with the ability, in its sole discretion, to establish prices, terms of payment, and other terms and conditions for our purchase of concentrates and syrups from The Coca-Cola Company. See "North American Beverage Agreements" and "European Beverage Agreements" below. Other significant transactions and agreements with The Coca-Cola Company include arrangements for cooperative marketing, advertising expenditures, purchases of sweeteners, strategic marketing initiatives, and, from time to time, acquisitions of bottling territories.

We and The Coca-Cola Company are looking at all aspects of our respective operations to ensure that we are operating in the most efficient and effective way possible. This analysis includes our supply chains, information services and sales organizations. In addition, our objective is to simplify our relationship and to better align our mutual economic interests, freeing up system resources to reinvest against our brands and to drive growth.

Territories

Our bottling territories in North America are located in 46 states of the United States, the District of Columbia, the United States Virgin Islands, and all ten provinces of Canada. At December 31, 2005, these territories contained approximately 260 million people, representing about 78% of the population of the United States and 98% of the population of Canada.

Our bottling territories in Europe consist of Belgium, continental France, Great Britain, Luxembourg, Monaco, and the Netherlands. The aggregate population of these territories was approximately 147 million at December 31, 2005.

The revenue split between our North American and European operations was 72% and 28%, respectively. Great Britain contributed approximately 46% of European net operating revenues in 2005.

Products

Our top five brands in North America in 2005:

- Coca-Cola classic
- Diet Coke
- Sprite
- Dasani
- caffeine free Diet Coke

Our top five brands in Europe in 2005:

- Coca-Cola
- Diet Coke/Coca-Cola light
- Fanta
- Schweppes
- Sprite

We manufacture most of our finished product from syrups and concentrates that we buy from The Coca-Cola Company and other licensors.

We deliver most of our product directly to retailers for sale to the ultimate consumers, but for some products, in some territories, we distribute through wholesalers who deliver to retailers.

During 2005, our package mix (based on wholesale physical case volume) was as follows:

- In North America:
 - 60% cans
 - 14% 20-ounce
 - 11% 2-liter
 - 15% other
- In Europe:
 - 38% cans
 - 33% multi-serve PET (1-liter and greater)
 - 13% single-serve PET
 - 16% other

Marketing

PROGRAMS

We rely extensively on advertising and sales promotions in marketing our products. The Coca-Cola Company and the other beverage companies that supply concentrates, syrups and finished products to us make advertising expenditures in all major media to promote sales in the local areas we serve. We also benefit from national advertising programs conducted by The Coca-Cola Company and other beverage companies. Certain of the marketing expenditures by The Coca-Cola Company and other beverage companies are made pursuant to annual arrangements.

A significant portion of our funding from The Coca-Cola Company is netted against the price we pay for concentrate in our territories in the United States and Canada.

Global Marketing Fund. Under its Global Marketing Fund, The Coca-Cola Company pays us \$61.5 million annually through December 31, 2014, as support for marketing activities. The term of the fund will automatically be extended for successive ten-year periods thereafter unless either party gives written notice of termination. The marketing activities to be funded will be agreed upon each year as part of the annual joint planning process and will be incorporated into the annual marketing plans of both companies. The Coca-Cola Company may terminate this fund for the balance of any year in which we fail to timely complete the marketing plans or are unable to execute the elements of these plans, when the ability to prevent such failures are within our reasonable control.

Cold Drink Equipment Programs. We and The Coca-Cola Company (or its affiliates) are parties to Cold Drink Equipment Purchase Partnership programs covering certain of our territories in the United States, Canada, and Europe. The agreements establishing the terms and conditions of these programs have been amended several times — most recently in January 2002, August 2004, February 2005 and December 2005.

Under the January 2002 amendments and restatements, we committed to place 1,200,174 cumulative units of vending equipment in the United States over the period 1999–2008; 242,665 units in Canada over the period 1998–2008; and 396,867 units in Europe over the period 1998–2008.

In the August 2004 amendments, the placement of certain vending equipment in the United States and Canada was deferred from 2004 and 2005 into 2009 and 2010. In exchange for these amendments, we agreed to pay The Coca-Cola Company a total of \$15 million, including \$1.5 million in 2004, \$3 million annually in 2005 through 2008, and \$1.5 million in 2009.

In the February 2005 amendment, our European obligations were amended to measure equipment obligations on an annual Europe-wide basis, rather than on a quarterly country-by-country basis, and with regard to the mix between coolers and venders. In addition, certain coolers count more than one unit in determining whether we meet our obligations.

In the December 2005 amendments and restatements of our agreements for the United States and Canada, we moved to a system of “credits” based upon the type of equipment placed (or enhancements to units), based upon expected revenue contribution. These credits would be applied against

annual units required to be placed, expressed as total credits. The amendments also provided that no violation of the programs will occur upon a shortfall in any year in attaining the required number of credits, so long as the shortfall does not exceed 20% of the required credits, a compensating payment is made to The Coca-Cola Company or its affiliate, and the shortfall is corrected in the following year. The December 2005 amendments were effective as of January 1, 2005.

Under the Cold Drink Equipment Purchase Partnership programs, we are committed to purchase approximately 1.8 million cumulative units of vending equipment through 2010. The agreements specify the number of venders and manual equipment that must be purchased by us in each year during the term of the agreement. Our failure to achieve the required number of credits in any year will not be a violation of the United States or Canadian agreements, provided the conditions described in the December 2005 amendment are met.

If we fail to meet our minimum purchase requirements for any calendar year, we will meet with The Coca-Cola Company to mutually develop a reasonable solution/alternative based on marketplace developments, mutual assessment and agreement relative to the continuing availability of profitable placement opportunities, and continuing participation in the market planning process between the two companies. The program can be terminated if no agreement about the shortfall is reached and the shortfall is not remedied by the end of the first quarter of the succeeding calendar year. The program can also be terminated if the agreement is otherwise breached by us and not resolved within 90 days after notice from The Coca-Cola Company. Upon termination, certain funding amounts previously paid to us would be repaid to The Coca-Cola Company, plus interest at one percent per month from the date of initial funding. However, provided that we have partially performed, such repayment obligation shall be reduced to such amount (if less) as The Coca-Cola Company shall reasonably determine will be adequate to deliver the financial returns that would have been received by The Coca-Cola Company had all equipment placement commitments been fully performed, and had the vending volume, reasonably anticipated by The Coca-Cola Company, been achieved. We would be excused from any failure to perform under the program that is occasioned by any cause beyond our reasonable control.

Equipment purchased by us is to be kept in place at customer locations for at least 12 years from date of purchase, with certain exceptions.

We are required to establish, maintain and publish for our employees a “flavor set standard” applicable to all venders and units of manual equipment we own, requiring a certain percentage of the products dispensed to be products of The Coca-Cola Company. To the extent that competitive products, i.e., products other than those of The Coca-Cola Company, are dispensed in venders or manual equipment purchased in connection with the program, then we are obligated, in some circumstances, to make a “fair share” payment to The Coca-Cola Company. If such a payment were required, then the amount of the fair share payment would be computed annually during the term of the agreement, and would be the percentage of competitive products dispensed during the prior

12 months in equipment associated with the cold drink program, times the total support funding for that period. However, if we have engaged in mutually agreed activities to develop an infrastructure to support increased cold drink placement, then The Coca-Cola Company agrees to reinvest the fair share payment to support those infrastructure activities; if those activities have not taken place, the fair share payment will be deducted from any annual or fourth quarter payment due to us. There have never been any fair share payments under the program.

For 12 years following the purchase of equipment, we are required to report to The Coca-Cola Company whether equipment purchased under the program has generated, on average, a specified minimum weekly volume during the preceding twelve months. If we are in material breach of any of our agreements with respect to the production and sale of products of The Coca-Cola Company during the term of the agreement, or if we attempt to terminate any of those agreements absent breach by The Coca-Cola Company, then The Coca-Cola Company may terminate the program and recover all money paid to us under the agreement. The amount to be repaid shall not exceed an amount adequate (in The Coca-Cola Company's reasonable determination) to deliver the financial returns that would have been received by The Coca-Cola Company had all equipment placement commitments been fully performed, and had reasonably anticipated throughputs been achieved.

We have received approximately \$1.2 billion in payments under the programs since they began in 1994. No additional amounts are due.

No refunds of amounts previously earned have ever been paid under these programs, and we believe the probability of a partial refund of amounts previously earned under the programs is remote. We believe we would in all cases resolve any matters that might arise regarding these programs. We and The Coca-Cola Company have amended prior agreements to reflect, where appropriate, modified goals, and we believe that we can continue to resolve any differences that might arise over our performance requirements under the Jumpstart program, as evidenced by our amendments to the North American programs in 2004 and 2005, discussed above.

Transition Support Funding for Herb Coca-Cola. The Coca-Cola Company has agreed to provide support payments for the marketing of certain of its brands in the territories of Hondo Incorporated and Herbco Enterprises, Inc. acquired by us in July 2001. We received \$14 million in 2005 and will receive \$14 million annually through 2008, and \$11 million in 2009. Payments received and earned under this agreement are not refundable to The Coca-Cola Company.

SEASONALITY

Sales of our products are seasonal, with the second and third calendar quarters accounting for higher sales volumes than the first and fourth quarters. Sales in the European bottling territories are more volatile because of the higher sensitivity of European consumption to weather conditions.

LARGE CUSTOMERS

Approximately 54% of our North American bottle and can volume, and approximately 57% of our European bottle and can volume, is sold through the supermarket channel. The supermarket industry is in the process of consolidating, and a few chains control a significant amount of the volume. The loss of one or more chains as a customer could have a material adverse effect upon our business, but we believe that any such loss in North America would be unlikely, because of our products' proven ability to bring retail traffic into the supermarket and the resulting benefits to the store, and because we are the only source for our bottle and can products within our exclusive territories. Within the European Union, however, our customers can order from any other Coca-Cola bottler within the EU, some of which may have lower prices than our European bottlers. No customer accounted for 10% or more of our revenue in 2005.

Raw Materials

In addition to concentrates, sweeteners, juices, and finished product, we purchase carbon dioxide, PET preforms, glass and plastic bottles, cans, closures, post-mix (fountain syrup) packaging — such as plastic bags in cardboard boxes — and other packaging materials. We generally purchase our raw materials, other than concentrates, syrups, mineral waters and sweeteners, from multiple suppliers. The beverage agreements with The Coca-Cola Company provide that all authorized containers, closures, cases, cartons and other packages, and labels for the products of The Coca-Cola Company must be purchased from manufacturers approved by The Coca-Cola Company.

High fructose corn syrup is the principal sweetener used by us in the United States and Canada for beverage products, other than low-calorie products, of The Coca-Cola Company and other cross-franchise brands. Sugar (sucrose) was also used as a sweetener in Canada during 2005. During 2005, substantially all of our requirements for sweeteners in the United States were supplied through purchases by us from The Coca-Cola Company. In Europe, the principal sweetener is sugar from sugar beets, purchased from multiple suppliers. We do not separately purchase low-calorie sweeteners, because sweeteners for low-calorie beverage products of The Coca-Cola Company are contained in the syrup or concentrate we purchase from The Coca-Cola Company.

We currently purchase most of our requirements for plastic bottles in the United States from manufacturers jointly owned by us and other Coca-Cola bottlers, one of which is a production cooperative in which we participate. We are the majority shareowner of Western Container Corporation, a major producer of plastic bottles. In Canada, a merchant supplier is used. In Europe, we produce most of our plastic bottle requirements using preforms purchased from various merchant suppliers. We believe that ownership interests in certain suppliers, participation in cooperatives, and the self-manufacture of certain packages can serve to reduce or manage costs.

We, together with all other bottlers of Coca-Cola in the United States, are a member of the Coca-Cola Bottlers' Sales & Services Company LLC ("CCBSS"), which is combining the purchasing volumes for goods and supplies of multiple Coca-Cola bottlers to achieve efficiencies in purchasing. CCBSS currently participates in procurement activities with other large Coca-Cola bottlers worldwide. Through its Customer Business Solutions group, CCBSS also consolidates North American sales information for national customers.

We do not use any materials or supplies that are currently in short supply, although the supply and price of specific materials or supplies could be adversely affected by strikes, weather conditions, governmental controls, national emergencies, and price or supply fluctuations of their raw material components.

In recent years, there has been consolidation among suppliers of certain of our raw materials. This reduction in the number of competitive sources of supply can have an adverse effect upon our ability to negotiate the lowest costs and, in light of our relatively small in-plant raw material inventory levels, has the potential for causing interruptions in our supply of raw materials.

North American Beverage Agreements

PRICING

Pursuant to the North American beverage agreements, The Coca-Cola Company establishes the prices charged to us for concentrates for beverages bearing the trademark "Coca-Cola" or "Coke" (the "Coca-Cola Trademark Beverages"), Allied Beverages (as defined below), noncarbonated beverages and post-mix. The Coca-Cola Company has no rights under the United States beverage agreements to establish the resale prices at which we sell our products.

DOMESTIC COLA AND ALLIED BEVERAGE AGREEMENTS IN THE UNITED STATES WITH THE COCA-COLA COMPANY

We purchase concentrates from The Coca-Cola Company and produce, market, and distribute our principal nonalcoholic beverage products within the United States under two basic forms of beverage agreements with The Coca-Cola Company: beverage agreements that cover the Coca-Cola Trademark Beverages (the "Cola Beverage Agreements"), and beverage agreements that cover other carbonated and some noncarbonated beverages of The Coca-Cola Company (the "Allied Beverages" and "Allied Beverage Agreements") (referred to collectively in this report as the "Domestic Cola and Allied Beverage Agreements"), although in some instances we distribute carbonated and noncarbonated beverages without a written agreement. We are parties to one Cola Beverage Agreement and to various Allied Beverage Agreements for each territory. In this section, unless the context indicates otherwise, a reference to us refers to the legal entity in the United States that is a party to the beverage agreements with The Coca-Cola Company.

COLA BEVERAGE AGREEMENTS IN THE UNITED STATES WITH THE COCA-COLA COMPANY

Exclusivity. The Cola Beverage Agreements provide that we will purchase our entire requirements of concentrates and syrups for Coca-Cola Trademark Beverages from The Coca-Cola Company at prices, terms of payment, and other terms and conditions of supply determined from time to time by The Coca-Cola Company at its sole discretion. We may not produce, distribute, or handle cola products other than those of The Coca-Cola Company. We have the exclusive right to distribute Coca-Cola Trademark Beverages for sale in authorized containers within our territories. The Coca-Cola Company may determine, at its sole discretion, what types of containers are authorized for use with products of The Coca-Cola Company.

Transshipping. We may not sell Coca-Cola Trademark Beverages outside our territories.

Our Obligations. We are obligated:

- (a) to maintain such plant and equipment, staff and distribution, and vending facilities as are capable of manufacturing, packaging and distributing Coca-Cola Trademark Beverages in accordance with the Cola Beverage Agreements and in sufficient quantities to satisfy fully the demand for these beverages in our territories;
- (b) to undertake adequate quality control measures prescribed by The Coca-Cola Company;
- (c) to develop and to stimulate the demand for Coca-Cola Trademark Beverages in our territories;
- (d) to use all approved means and spend such funds on advertising and other forms of marketing as may be reasonably required to satisfy that objective; and
- (e) to maintain such sound financial capacity as may be reasonably necessary to assure our performance of our obligations to The Coca-Cola Company.

We are required to meet annually with The Coca-Cola Company to present our marketing, management, and advertising plans for the Coca-Cola Trademark Beverages for the upcoming year, including financial plans showing that we have the consolidated financial capacity to perform our duties and obligations to The Coca-Cola Company. The Coca-Cola Company may not unreasonably withhold approval of such plans. If we carry out our plans in all material respects, we will be deemed to have satisfied our obligations to develop, stimulate, and satisfy fully the demand for the Coca-Cola Trademark Beverages and to maintain the requisite financial capacity. Failure to carry out such plans in all material respects would constitute an event of default that, if not cured within 120 days of written notice of the failure, would give The Coca-Cola Company the right to terminate the Cola Beverage Agreements. If we, at any time, fail to carry out a plan in all material respects in any geographic segment of our territory, and if such failure is not cured within six months after written notice of the failure, The Coca-Cola Company may reduce the territory covered by that Cola Beverage Agreement by eliminating the portion of the territory in which such failure has occurred.

Acquisition of Other Bottlers. If we acquire control, directly or indirectly, of any bottler of Coca-Cola Trademark Beverages in the United States, or any party controlling a bottler of Coca-Cola Trademark Beverages in the United States, we must cause the acquired bottler to amend its agreement for the Coca-Cola Trademark Beverages to conform to the terms of the Cola Beverage Agreements.

Term and Termination. The Cola Beverage Agreements are perpetual, but they are subject to termination by The Coca-Cola Company upon the occurrence of an event of default by us. Events of default with respect to each Cola Beverage Agreement include:

- (a) production or sale of any cola product not authorized by The Coca-Cola Company;
- (b) insolvency, bankruptcy, dissolution, receivership, or the like;
- (c) any disposition by us of any voting securities of any bottling company without the consent of The Coca-Cola Company; and
- (d) any material breach of any of our obligations under that Cola Beverage Agreement that remains unresolved for 120 days after written notice by The Coca-Cola Company.

If any Cola Beverage Agreement is terminated because of an event of default, The Coca-Cola Company has the right to terminate all other Cola Beverage Agreements we hold.

In addition, each Cola Beverage Agreement provides that The Coca-Cola Company has the right to terminate that Cola Beverage Agreement if a person or affiliated group (with specified exceptions) acquires or obtains any contract or other right to acquire, directly or indirectly, beneficial ownership of more than 10% of any class or series of our voting securities. However, The Coca-Cola Company has agreed with us that this provision will not apply with respect to the ownership of any class or series of our voting securities, although it applies to the voting securities of each bottling company subsidiary.

The provisions of the Cola Beverage Agreements that make it an event of default to dispose of any Cola Beverage Agreement or voting securities of any bottling company subsidiary without the consent of The Coca-Cola Company and that prohibit the assignment or transfer of the Cola Beverage Agreements are designed to preclude any person not acceptable to The Coca-Cola Company from obtaining an assignment of a Cola Beverage Agreement or from acquiring any of our voting securities of our bottling subsidiaries. These provisions prevent us from selling or transferring any of our interest in any bottling operations without the consent of The Coca-Cola Company. These provisions may also make it impossible for us to benefit from certain transactions, such as mergers or acquisitions that might be beneficial to us and our shareowners, but which are not acceptable to The Coca-Cola Company.

ALLIED BEVERAGE AGREEMENTS IN THE UNITED STATES WITH THE COCA-COLA COMPANY

The Allied Beverages are beverages of The Coca-Cola Company, its subsidiaries, and joint ventures that are either carbonated beverages, but not Coca-Cola Trademark Beverages, or are certain noncarbonated beverages, such as Hi-C fruit drinks. The Allied Beverage Agreements contain provisions that are similar to those of the Cola Beverage Agreements with respect to transshipping, authorized containers, planning, quality control, transfer restrictions, and related matters but have certain significant differences from the Cola Beverage Agreements.

Exclusivity. Under the Allied Beverage Agreements, we have exclusive rights to distribute the Allied Beverages in authorized containers in specified territories. Like the Cola Beverage Agreements, we have advertising, marketing, and promotional obligations, but without restriction for some brands as to the marketing of products with similar flavors, as long as there is no manufacturing or handling of other products that would imitate, infringe upon or cause confusion with, the products of The Coca-Cola Company. The Coca-Cola Company has the right to discontinue any or all Allied Beverages, and we have a right, but not an obligation, under each of the Allied Beverage Agreements (except under the Allied Beverage Agreements for Hi-C fruit drinks and carbonated Minute Maid beverages) to elect to market any new beverage introduced by The Coca-Cola Company under the trademarks covered by the respective Allied Beverage Agreements.

Term and Termination. Each Allied Beverage Agreement has a term of ten or fifteen years and is renewable by us for an additional ten or fifteen years at the end of each term. The initial term for many of our Allied Beverage Agreements

expired in 1996 and substantially all were renewed. Renewal is at our option. We intend to renew substantially all the Allied Beverage Agreements as they expire. The Allied Beverage Agreements are subject to termination in the event we default. The Coca-Cola Company may terminate an Allied Beverage Agreement in the event of: (i) insolvency, bankruptcy, dissolution, receivership, or the like; (ii) termination of our Cola Beverage Agreement by either party for any reason; or (iii) any material breach of any of our obligations under the Allied Beverage Agreement that remains uncured after required prior written notice by The Coca-Cola Company.

NONCARBONATED BEVERAGE AGREEMENTS IN THE UNITED STATES WITH THE COCA-COLA COMPANY

We purchase and distribute certain noncarbonated beverages such as isotonic teas, and juice drinks in finished form from The Coca-Cola Company, or its designees or joint ventures, and produce, market and distribute Dasani water, pursuant to the terms of marketing and distribution agreements (the "Noncarbonated Beverage Agreements"). The Noncarbonated Beverage Agreements contain provisions that are similar to the Domestic Cola and Allied Beverage Agreements with respect to authorized containers, planning, quality control, transfer restrictions, and related matters but have certain significant differences from the Domestic Cola and Allied Beverage Agreements.

Exclusivity. Unlike the Domestic Cola and Allied Beverage Agreements, which grant us exclusivity in the distribution of the covered beverages in our territory, the Noncarbonated Beverage Agreements grant exclusivity but permit The Coca-Cola Company to test market the noncarbonated beverage products in the territory, subject to our right of first refusal to do so, and to sell the noncarbonated beverages to commissaries for delivery to retail outlets in the territory where noncarbonated beverages are consumed on-premise, such as restaurants. The Coca-Cola Company must pay us certain fees for lost volume, delivery, and taxes in the event of such commissary sales. Also, under the Noncarbonated Beverage Agreements, we may not sell other beverages in the same product category.

Pricing. The Coca-Cola Company, at its sole discretion, establishes the pricing we must pay for the noncarbonated beverages or, in the case of Dasani, the concentrate, but has agreed, under certain circumstances for some products, to give the benefit of more favorable pricing if such pricing is offered to other bottlers of Coca-Cola products.

Term. Each of the Noncarbonated Beverage Agreements has a term of ten or fifteen years and is renewable by us for an additional ten years at the end of each term. Most of the Noncarbonated Beverage Agreements for Powerade expire in 2014. The initial terms for many of the contracts for Nestea will expire in 2008 and 2009. For Minute Maid juices and juice drinks, the contracts will expire in 2007. The initial term for many of the contracts for Dasani will expire at the end of 2014. Renewal is at our option, and we intend to renew substantially all of the Noncarbonated Beverage Agreements as they expire.

MARKETING AND OTHER SUPPORT IN THE UNITED STATES FROM THE COCA-COLA COMPANY

The Coca-Cola Company has no obligation under the Domestic Cola and Allied Beverage Agreements and Noncarbonated Beverage Agreements to participate with us in expenditures for advertising, marketing, and other support. However, it contributed to such expenditures and undertook independent advertising and marketing activities, as well as cooperative advertising and sales promotion programs in 2005. See "Marketing — Programs."

POST-MIX SALES AND MARKETING AGREEMENTS IN THE UNITED STATES WITH THE COCA-COLA COMPANY

We have a distributorship appointment that ends on December 31, 2007 to sell and deliver the post-mix products of The Coca-Cola Company. The appointment is terminable by either party for any reason upon ten days' written notice. Under the terms of the appointment, we are authorized to distribute such products to retailers for dispensing to consumers within the United States. Unlike the Domestic Cola and Allied Beverage Agreements, there is no exclusive territory, and we face competition not only from sellers of other such products but also from other sellers of such products (including The Coca-Cola Company). In 2005, we sold and/or delivered such post-mix products in all of our major territories in the United States. Depending on the territory, we are involved in the sale, distribution, and marketing of post-mix syrups in differing degrees. In some territories, we sell syrup on our own behalf, but the primary responsibility for marketing lies with The Coca-Cola Company. In other territories, we are responsible for marketing post-mix syrup to certain segments of the business.

BEVERAGE AGREEMENTS IN THE UNITED STATES WITH OTHER LICENSORS

The beverage agreements in the United States between us and other licensors of beverage products and syrups contain restrictions generally similar in effect to those in the Domestic Cola and Allied Beverage Agreements as to use of trademarks and trade names, approved bottles, cans and labels, sale of imitations, and causes for termination. Those agreements generally give those licensors the unilateral right to change the prices for their products and syrups at any time in their sole discretion. Some of these beverage agreements have limited terms of appointment and, in most instances, prohibit us from dealing in products with similar flavors in certain territories. Our agreements with subsidiaries of Cadbury Schweppes plc, which represented in 2005 approximately 7% of the beverages sold by us in the United States and the Caribbean, provide that the parties will give each other at least one year's notice prior to terminating the agreement for any brand, and pay certain fees in some circumstances. Also, we have agreed that we would not cease distributing Dr Pepper brand products prior to December 31, 2010, or Canada Dry, Schweppes, or Squirt brand products prior to December 31, 2007. The termination provisions for Dr Pepper renew for five-year periods; those for the other Cadbury brands renew for three-year periods. During 2005, we began to distribute Rockstar beverages under a subdistribution agreement with The Coca-Cola Company that has terms and conditions similar in many respects to the Allied Beverage Agreements. The Rockstar subdistribution agreement has a four-year term, does not cover all our territory in the United States, and permits certain other sellers of Rockstar

beverages in the territory to continue distribution. We purchase Rockstar beverages from Rockstar, Inc. and pay certain fees to The Coca-Cola Company.

CANADIAN BEVERAGE AGREEMENTS WITH THE COCA-COLA COMPANY

Our bottler in Canada produces, markets, and distributes Coca-Cola Trademark Beverages, Allied Beverages, and noncarbonated beverages of The Coca-Cola Company and Coca-Cola Ltd., an affiliate of The Coca-Cola Company ("Coca-Cola Beverage Products"), in its territories pursuant to license agreements and arrangements with Coca-Cola Ltd., and in certain cases, with The Coca-Cola Company ("Canadian Beverage Agreements"). The Canadian Beverage Agreements are similar to the Domestic Cola and Allied Beverage Agreements with respect to authorized containers, planning, quality control, transshipping, transfer restrictions, termination, and related matters but have certain significant differences from the Domestic Cola and Allied Beverage Agreements.

Exclusivity. The Canadian Beverage Agreement for Coca-Cola Trademark Beverages gives us the exclusive right to distribute Coca-Cola Trademark Beverages in our territories in bottles authorized by Coca-Cola Ltd. We are also authorized on a nonexclusive basis to sell, distribute, and produce canned, pre-mix, and post-mix Coca-Cola Trademark Beverages in such territories. At present, there are no other authorized producers or distributors of canned, pre-mix, or post-mix Coca-Cola Trademark Beverages in our territories, and we have been advised by Coca-Cola Ltd. that there are no present intentions to authorize any such producers or distributors in the future. In general, the Canadian Beverage Agreement for Coca-Cola Trademark Beverages prohibits us from producing or distributing beverages other than the Coca-Cola Trademark Beverages unless Coca-Cola Ltd. has given us written notice that it approves the production and distribution of such beverages.

Pricing. An affiliate of The Coca-Cola Company supplies the concentrates for the Coca-Cola Trademark Beverages and may establish and revise at any time the price of concentrates, the payment terms, and the other terms and conditions under which we purchase concentrates for the Coca-Cola Trademark Beverages. We may not require a deposit on any container used by us for the sale of the Coca-Cola Trademark Beverages unless we are required by law or approved by Coca-Cola Ltd. and, if a deposit is required, such deposit may not exceed the greater of the minimum deposit required by law or the deposit approved by Coca-Cola Ltd.

Term. The Canadian Beverage Agreements for Coca-Cola Trademark Beverages expire on July 28, 2007, with provisions to renew for two additional terms of ten years each, provided generally that we have complied with and continue to be capable of complying with their provisions. We believe that our interdependent relationship with The Coca-Cola Company and the substantial cost and disruption to that company that would be caused by nonrenewals ensure that these agreements will be renewed upon expiration. Our authorizations to produce, distribute, and sell pre-mix and post-mix Coca-Cola Trademark Beverages may be terminated by either party on 90 days' written notice.

Marketing and Other Support. Coca-Cola Ltd. has no obligation under the Canadian Beverage Agreements to participate with us in expenditures for advertising, marketing, and other support. However, it contributed to such expenditures and undertook independent advertising and marketing activities, as well as cooperative advertising and sales promotion programs in 2005. See "Marketing — Programs."

Other Coca-Cola Beverage Products. Our license agreements and arrangements with Coca-Cola Ltd., and in certain cases, with The Coca-Cola Company, for the Coca-Cola Beverage Products other than Coca-Cola Trademark Beverages are on terms generally similar to those contained in the license agreement for the Coca-Cola Trademark Beverages.

BEVERAGE AGREEMENTS IN CANADA WITH OTHER LICENSORS

We have several license agreements and arrangements with other licensors, including license agreements with subsidiaries of Cadbury Schweppes plc having terms expiring in July 2007 and December 2036, each being renewable for successive 5-year terms until terminated by either party. These beverage agreements generally give us the exclusive right to produce and distribute authorized beverages in authorized packaging in specified territories. These beverage agreements also generally provide flexible pricing for the licensors, and in many instances, prohibit us from dealing in beverages confusing with, or imitative of, the authorized beverages. These agreements contain restrictions generally similar to those in the Canadian Beverage Agreements regarding the use of trademarks, approved bottles, cans and labels, sales of imitations, and causes for termination. We have exclusive rights throughout Canada for the distribution of Rockstar beverages, which began in 2005.

European Beverage Agreements

EUROPEAN BEVERAGE AGREEMENTS WITH THE COCA-COLA COMPANY

Our bottlers in Belgium, continental France, Great Britain, Monaco, and the Netherlands and our distributor in Luxembourg (the "European Bottlers") operate in their respective territories under bottler and distributor agreements with The Coca-Cola Company and The Coca-Cola Export Corporation (the "European Beverage Agreements"). The European Beverage Agreements have certain significant differences, described below, from the beverage agreements in North America.

We believe that the European Beverage Agreements are substantially similar to other agreements between The Coca-Cola Company and other European bottlers of Coca-Cola Trademark Beverages and Allied Beverages.

Exclusivity. Subject to the European Supplemental Agreement, described below in this report, and certain minor exceptions, our European Bottlers have the exclusive rights granted by The Coca-Cola Company in their territories to sell the beverages covered by their respective European Beverage Agreements in glass bottles, plastic bottles, and/or cans. The covered beverages include Coca-Cola Trademark Beverages, Allied Beverages, noncarbonated beverages, and certain beverages not sold in the United States. The Coca-Cola Company has retained the rights, under certain circumstances, to produce and sell, or authorize third parties to produce and sell, the beverages in any other manner or form within the territories.

The Coca-Cola Company has granted our European Bottlers a nonexclusive authorization to package and sell post-mix and/or pre-mix beverages in their territories.

Transshipping. Our European Bottlers are prohibited from making sales of the beverages outside of their territories, or to anyone intending to resell the beverages outside their territories, without the consent of The Coca-Cola Company, except for sales arising out of a passive order from a customer in another member state of the European Economic Area or for export to another such member state. The European Beverage Agreements also contemplate that there may be instances in which large or special buyers have operations transcending the boundaries of the territories, and in such instances, our European Bottlers agree not to oppose, without valid reason, any additional measures deemed necessary by The Coca-Cola Company to improve sales and distribution to such customers.

Pricing. The European Beverage Agreements provide that the sales of concentrate, beverage base, juices, mineral waters, and other goods to our European Bottlers are at prices which are set from time to time by The Coca-Cola Company in its sole discretion.

Term and Termination. The European Beverage Agreements expire July 26, 2006 for Belgium, continental France and the Netherlands, February 10, 2007 for Great Britain, and January 30, 2008 for Luxembourg, unless terminated earlier as provided therein. If our European Bottlers have complied fully with the agreements during the initial term, are "capable of the continued promotion, development, and exploitation of the full potential of the business," and request an extension of the agreement, an additional ten-year term may be granted at the sole discretion of The Coca-Cola Company. In December 2005, we requested extensions of our agreements for Belgium, continental France, and the Netherlands. We believe that our interdependent relationship with The Coca-Cola Company and the substantial cost and disruption to that company that would be caused by nonrenewals ensure that these agreements will be renewed upon expiration. The Coca-Cola Company is given the right to terminate the European Beverage Agreements before the expiration of the stated term upon the insolvency, bankruptcy, nationalization, or similar condition of our European Bottlers or the occurrence of a default under the European Beverage Agreements which is not remedied within 60 days of written notice of the default by The Coca-Cola Company. The European Beverage Agreements may be terminated by either party in the event foreign exchange is unavailable or local laws prevent performance. They also terminate automatically, after a certain lapse of time, if any of our European Bottlers refuse to pay a beverage base price increase for the beverage "Coca-Cola." The post-mix and pre-mix authorizations are terminable by either party with 90 days' prior written notice.

EUROPEAN SUPPLEMENTAL AGREEMENT WITH THE COCA-COLA COMPANY

In addition to the European Beverage Agreements described above, our European Bottlers (excluding the Luxembourg distributor), The Coca-Cola Company, and The Coca-Cola Export Corporation are parties to a supplemental agreement (the

“European Supplemental Agreement”) with regard to our European Bottlers’ rights pursuant to the European Beverage Agreements. The European Supplemental Agreement permits our European Bottlers to prepare, package, distribute, and sell the beverages covered by any of our European Bottlers’ European Beverage Agreements in any other territory of our European Bottlers, provided that we and The Coca-Cola Company shall have reached agreement upon a business plan for such beverages. The European Supplemental Agreement may be terminated, either in whole or in part by territory, by The Coca-Cola Company at any time with 90 days’ prior written notice.

MARKETING AND OTHER SUPPORT IN EUROPE FROM THE COCA-COLA COMPANY

The Coca-Cola Company has no obligation under the European Beverage Agreements to participate with us in expenditures for advertising, marketing, and other support. However, it contributed to such expenditures and undertook independent advertising and marketing activities, as well as cooperative advertising and sales promotion programs in 2005. See “Marketing — Programs.”

BEVERAGE AGREEMENTS IN EUROPE WITH OTHER LICENSORS

The beverage agreements between us and other licensors of beverage products and syrups generally give those licensors the unilateral right to change the prices for their products and syrups at any time in their sole discretion. Some of these beverage agreements have limited terms of appointment and, in most instances, prohibit us from dealing in products with similar flavors. Those agreements contain restrictions generally similar in effect to those in the European Beverage Agreements as to the use of trademarks and trade names, approved bottles, cans and labels, sale of imitations, planning, and causes for termination. As a condition to Cadbury Schweppes plc’s sale of its 51% interest in the British bottler to us in February 1997, we entered into agreements concerning certain aspects of the Cadbury Schweppes products distributed by the British bottler (the “Cadbury Schweppes Agreements”). These agreements impose obligations upon us with respect to the marketing, sale, and distribution of Cadbury Schweppes products within the British bottler’s territory. These agreements further require the British bottler to achieve certain agreed-upon growth rates for Cadbury Schweppes brands and grant certain rights and remedies to Cadbury Schweppes if these rates are not met. These agreements also place some limitations upon the British bottler’s ability to discontinue Cadbury Schweppes brands, and recognize the exclusivity of certain Cadbury Schweppes brands in their respective flavor categories. The British bottler is given the first right to any new Cadbury Schweppes brands introduced in the territory. These agreements run through 2012 and are automatically renewed for a ten-year term thereafter unless terminated by either party. In 1999, The Coca-Cola Company acquired the Cadbury Schweppes beverage brands in, among other places, the United Kingdom. The Cadbury Schweppes beverage brands were not acquired in any other countries in which our European Bottlers operate. Some Cadbury Schweppes beverage brands were acquired by assignment and others by purchase of the entity owning the brand; both methods are referred to as “assignments” for purposes of this section. Pursuant to the

acquisition, Cadbury Schweppes assigned the Cadbury Schweppes Agreements to an affiliate of The Coca-Cola Company. The assignment did not cause a substantive modification of the terms and conditions of the Cadbury Schweppes Agreements.

Competition

The nonalcoholic beverage category of the commercial beverages industry in which we compete is highly competitive. We face competitors that differ not only between our North American and European territories, but also within individual markets in these territories. Moreover, competition exists not only in this category but also between the nonalcoholic and alcoholic categories.

Marketing, breadth of product offering, new product and package innovations, and pricing are significant factors affecting our competitive position, but the consumer and customer goodwill associated with our products’ trademarks is our most favorable factor. Other competitive factors include distribution and sales methods, merchandising productivity, customer service, trade and community relationships, the management of sales and promotional activities, and access to manufacturing and distribution. Management of cold drink equipment, including vending and cooler merchandising equipment, is also a competitive factor. We face strong competition by companies that produce and sell competing products to a consolidating retail sector where buyers are able to choose freely between our products and those of our competitors.

In 2005, our sales represented approximately 13% of total nonalcoholic beverage sales in our North American territories and approximately 8% of total nonalcoholic beverage sales in our European territories. Sales of our products compared to combined alcoholic and nonalcoholic beverage products in our territories would be significantly less.

Our competitors include the local bottlers of competing products and manufacturers of private label products. For example, we compete with bottlers of products of PepsiCo, Inc., Cadbury Schweppes plc, Nestle S.A., Groupe Danone, Kraft Foods Inc., and private label products including those of certain of our customers. In certain of our territories, we sell products we compete against in other territories; however, in all our territories our primary business is the marketing, sale, manufacture, and distribution of products of The Coca-Cola Company. Our primary competitor in each territory may vary, but within North America, our predominant competitors are The Pepsi Bottling Group, Inc. and Pepsi Americas, Inc.

Employees

At December 31, 2005, we employed approximately 73,000 people — about 11,000 of whom worked in our European territories.

Approximately 18,150 of our employees in North America in 169 different employee units are covered by collective bargaining agreements, and approximately 8,600 of our employees in Europe are covered by local labor agreements. These bargaining agreements expire at various dates over the next seven years — including some in 2006 — but we believe that we will be able to renegotiate subsequent agreements upon satisfactory terms.

Governmental Regulation

PACKAGING

Anti-litter measures have been enacted in the United States in California, Connecticut, Delaware, Hawaii, Iowa, Maine, Massachusetts, Michigan, New York, Oregon, and Vermont. Some of these measures prohibit the sale of certain beverages, whether in refillable or nonrefillable containers, unless a deposit is charged by the retailer for the container. The retailer or redemption center refunds all or some of the deposit to the customer upon the return of the container. The containers are then returned to the bottler, which, in most jurisdictions, must pay the refund and, in certain others, must also pay a handling fee. In California, a levy is imposed on beverage containers to fund a waste recovery system. In the past, similar legislation has been proposed but not adopted elsewhere, although we anticipate that additional jurisdictions may enact such laws. Massachusetts requires the creation of a deposit transaction fund by bottlers and the payment to the state of balances in that fund that exceed three months of deposits received, net of deposits repaid to customers and interest earned. Michigan also has a statute requiring bottlers to pay to the state unclaimed container deposits.

In Canada, soft drink containers are subject to waste management measures in each of the ten provinces. Seven provinces have forced deposit schemes, of which three have half-back deposit systems whereby a deposit is collected from the consumer and one-half of the deposit amount is returned upon redemption. In Manitoba, a levy is imposed only on beverage containers to fund a multi-material (Blue Box) recovery system. Prince Edward Island requires all soft drink beverages to be sold in refillable containers. In Ontario, a new funding formula has been approved by the provincial government under the Waste Diversion Act in which industries will be responsible for 50% of the costs of the waste managed in the curbside recycling system (Blue Box), and municipalities will account for the remaining 50% of the costs. Other regulations in Ontario, which are currently not being enforced by the government, require that sales by a bottler of soft drink beverages in refillable containers must meet a minimum percentage of total sales of soft drink beverages by such bottler in refillable and nonrefillable containers within that bottler's sales areas. It is acknowledged that there is widespread industry noncompliance with such regulations.

The European Commission has issued a packaging and packing waste directive which has been incorporated into the national legislation of the European Union member states. At least 50% of our packages, by weight, distributed in the EU must be recovered and at least 15% must be recycled. The legislation sets targets for the recovery and recycling of household, commercial, and industrial packaging waste and imposes substantial responsibilities upon bottlers and retailers for implementation.

We have taken actions to mitigate the adverse effects resulting from legislation concerning deposits, restrictive packaging, and escheat of unclaimed deposits which impose additional costs on us. We are unable to quantify the impact on current and future operations which may result from such legislation if enacted or enforced in the future, but the impact of any such legislation might be significant if widely enacted and enforced.

SOFT DRINKS IN SCHOOLS

We have witnessed increased public policy challenges regarding the sale of our beverages in schools, particularly elementary, middle, and high schools. The issue of soft drinks in schools in the United States first achieved visibility in 1999 when a California state legislator proposed a restriction on the sale of soft drinks in local school districts. In 2004, Texas passed additional statewide restrictions on the sale of soft drinks and other foods in schools; in 2005, California, Kentucky, and New Jersey passed additional statewide restrictions. Similar regulations have been enacted in a small number of local communities. At December 31, 2005, a total of 23 states had regulations restricting the sale of soft drinks and other foods in schools. Many of these restrictions have existed for many years in connection with subsidized meal programs in schools. The focus has more recently turned to the growing health, nutrition, and obesity concerns of today's youth. The impact of restrictive legislation, if widely enacted, could have a negative effect on our brands, image, and reputation. In August 2005, we adopted the Beverage Industry School Vending Policy recommended by the American Beverage Association. This policy responds to issues regarding the sale of certain of our beverages in schools, and provides for recommended beverage availability in elementary, middle, and high schools. In 2005, our sales to elementary, middle, and high schools represented approximately 1.5% of our total sales volume in the United States.

On certain college campuses, our sales of bottled and canned Coca-Cola products have been boycotted or discontinued because of a controversy involving The Coca-Cola Company alleging crimes against union leaders and workers at a Coca-Cola bottler in Colombia. The Coca-Cola Company has denied any involvement in the claimed incidents, but the allegations have been taken up by outside groups who have called for the boycott or removal of Coca-Cola products sold on college campuses. This has occurred at several large campuses within our territories in the United States and Canada. We have no responsibility for the Colombian bottling operations, which have never been part of our territories. If the Colombian allegations remain unresolved, the boycott or removal of our products from other college campuses could occur.

Effective September 1, 2005, vending machines for food and beverages were banned from all public and private schools in France. There is increasing pressure in the other European countries, notably Belgium and Great Britain, to restrict the availability of carbonated soft drink products, especially in secondary schools, through regulatory intervention.

EXCISE AND VALUE ADDED TAXES

Excise taxes on sales of soft drinks have been in place in various states in the United States for several years. The jurisdictions in which we operate that currently impose such taxes are Arkansas, the city of Chicago, Tennessee, Virginia, Washington, and West Virginia. To our knowledge, no similar legislation has been enacted in any other markets served by us. Proposals have been introduced in certain states and localities that would impose a special tax on beverages sold in nonrefillable containers as a means of encouraging the use of refillable containers. However, we are unable to predict whether such additional legislation will be adopted.

Value added tax on soft drinks ranges from 3% to 17.5% within our bottling territories in Canada and the EU. In addition, excise taxes on sales of soft drinks are in place in Belgium, France, and the Netherlands. The existence and level of this indirect taxation on the sale of soft drinks is now a matter of legal and public debate given the need for further tax harmonization within the European Union.

INCOME TAXES

Our tax filings for various periods are subjected to audit by tax authorities in most jurisdictions where we conduct business. These audits may result in assessments of additional taxes that are subsequently resolved with the authorities or potentially through the courts. Currently, there are assessments involving certain of our subsidiaries, including one of our Canadian subsidiaries that may not be resolved for many years. We believe we have substantial defenses to questions being raised and would pursue all legal remedies before an unfavorable outcome would result. We believe we have adequately provided for any ultimate amounts that would result from these proceedings where it is probable we will pay some amounts and the amounts can be estimated; however, it is too early to predict a final outcome in some of these matters.

CALIFORNIA LEGISLATION

A California law requires that any person who exposes another to a carcinogen or a reproductive toxicant must provide a warning to that effect. Because the law does not define quantitative thresholds below which a warning is not required, virtually all manufacturers of food products are confronted with the possibility of having to provide warnings due to the presence of trace amounts of defined substances. Regulations implementing the law exempt manufacturers from providing the required warning if it can be demonstrated that the defined substances occur naturally in the product or are present in municipal water used to manufacture the product. We have assessed the impact of the law and its implementing regulations on our beverage products and have concluded that none of our products currently require a warning under the law.

ENVIRONMENTAL REGULATIONS

Substantially all of our facilities are subject to laws and regulations dealing with above-ground and underground fuel storage tanks and the discharge of materials into the environment. Compliance with these provisions has not had, and we do not expect such compliance to have, any material effect upon our capital expenditures, net income, financial condition or competitive position. Our beverage manufacturing operations do not use or generate a significant amount of toxic or hazardous substances. We believe that our current practices and procedures for the control and disposition of such wastes comply with applicable law. In the United States, we have been named as a potentially responsible party in connection with certain landfill sites where we may have been a *de minimis* contributor. Under current law, our potential liability for cleanup costs may be joint and several with other users of such sites, regardless of the extent of our use in relation to other users. However, in our opinion, our potential liability is not significant and will not have a materially adverse effect on our Consolidated Financial Statements.

We have adopted a plan for the testing, repair, and removal, if necessary, of underground fuel storage tanks at our bottlers in North America; this plan includes any necessary

remediation of tank sites and the abatement of any pollutants discharged. Our plan extends to the upgrade of wastewater handling facilities, and any necessary remediation of asbestos-containing materials found in our facilities. We spent approximately \$3.3 million in 2005 pursuant to this plan, and we estimate we will spend approximately \$3.3 million in 2006 and \$3.5 million in 2007 pursuant to this plan. In our opinion, any liabilities associated with the items covered by such plan will not have a materially adverse effect on our Consolidated Financial Statements.

TRADE REGULATION

Our business, as the exclusive manufacturer and distributor of bottled and canned beverage products of The Coca-Cola Company and other manufacturers within specified geographic territories, is subject to antitrust laws of general applicability. Under the United States' Soft Drink Interbrand Competition Act, the exercise and enforcement of an exclusive contractual right to manufacture, distribute, and sell a soft drink product in a geographic territory is presumptively lawful if the soft drink product is in substantial and effective interbrand competition with other products of the same class in the market. We believe that such substantial and effective competition exists in each of the exclusive geographic territories in the United States in which we operate.

The treaty establishing the EU precludes restrictions of the free movement of goods among the member states. As a result, unlike our Domestic Cola and Allied Beverage Agreements, the European Beverage Agreements grant us exclusive bottling territories subject to the exception that other EU and/or European Economic Area bottlers of Coca-Cola Trademark Beverages and Allied Beverages can, in response to unsolicited orders, sell such products in our EU territories. See "European Beverage Agreements."

MISCELLANEOUS REGULATIONS

The production, distribution, and sale of many of our products are subject to the United States Federal Food, Drug, and Cosmetic Act; the Occupational Safety and Health Act; the Lanham Act; various federal, state, provincial and local environmental statutes and regulations; and various other federal, state, provincial and local statutes in the United States, Canada and Europe that regulate the production, packaging, sale, safety, advertising, labeling, and ingredients of such products, and our operations in many other respects.

Financial Information on Industry Segments and Geographic Areas

For financial information on industry segments and operations in geographic areas, see Note 16 to our Consolidated Financial Statements.

For More Information About Us

FILINGS WITH THE SEC

As a public company, we regularly file reports and proxy statements with the Securities and Exchange Commission. These reports are required by the Securities Exchange Act of 1934 and include:

- annual reports on Form 10-K (such as this report);
- quarterly reports on Form 10-Q;
- current reports on Form 8-K; and
- proxy statements on Schedule 14A.

Anyone may read and copy any of the materials we file with the SEC at the SEC's Public Reference Room at 450 Fifth Street, Washington DC, 20549; information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet site that contains our reports, proxy and information statements, and our other SEC filings; the address of that site is <http://www.sec.gov>.

Also, we make our SEC filings available on our own internet site as soon as reasonably practicable after we have filed with the SEC. Our internet address is <http://www.cokecce.com>.

The information on our website is not incorporated by reference into this annual report on Form 10-K.

CORPORATE GOVERNANCE

We have a Code of Business Conduct for our employees and members of our Board of Directors. A copy of the code is posted on our website. If we amend or grant any waivers of the code that are applicable to our directors or our executive

officers — which we do not anticipate doing — we have committed that we will post these amendments or waivers on our website under "Corporate Governance."

Our website also contains additional information about our corporate governance policies.

Click on the "Investor Relations" button to go to "Corporate Governance" to find, among other things:

- Board of Director Guidelines on Significant Corporate Governance Issues
- Charter of the Affiliated Transaction Committee
- Charter of the Audit Committee
- Charter of the Compensation Committee
- Charter of the Finance Committee
- Charter of the Governance and Nominating Committee

Any of these items are available in print to any shareowner who requests them. Requests should be sent to Corporate Secretary, Coca-Cola Enterprises Inc., Post Office Box 723040, Atlanta, Georgia 31139-0040.

EXECUTIVE OFFICERS OF THE REGISTRANT

Set forth below is information as of February 17, 2006 regarding our executive officers:

| Name | Age | Principal Occupation During the Past Five Years |
|------------------------|-----|---|
| Lowry F. Kline | 65 | Chairman since April 2002 and Chief Executive Officer effective December 28, 2005. He had been Chief Executive Officer from April 2001 until January 1, 2004. Before that he had been Vice Chairman since April 2000. He has been a director of Coca-Cola Enterprises since April 2000. |
| John J. Culhane | 60 | Executive Vice President and General Counsel of Coca-Cola Enterprises since December 2004. He had been Senior Vice President and General Counsel since February 2004. Before that he served as Special Counsel to Coca-Cola Enterprises from October 2001 until his appointment as interim General Counsel in January 2004. From 1998 until October 2001, he was General Counsel and Corporate Secretary of Coca-Cola Hellenic Bottling Company S.A., one of the world's largest bottlers, having territories in Greece, Ireland, Nigeria, and Eastern Europe. Prior to that he was General Counsel of the Coca-Cola North America division of the Coca-Cola Company. |
| William W. Douglas III | 45 | Senior Vice President and Chief Financial Officer since June 2005. He was Vice President, Controller, and Principal Accounting Officer from July 2004 to June 2005. Before that, since February 2000, he had been Chief Financial Officer of Coca-Cola Hellenic Bottling Company S.A. |
| Shaun B. Higgins | 56 | Executive Vice President and President, European Group since June 2005, before that Executive Vice President and Chief Financial Officer from August 2004 until June 2005; Senior Vice President and Chief Strategy and Planning Officer from February 2004 to August 2004 and prior to that he had been Senior Vice President, Chief Planning Officer from February 2003 until February 2004. He was Vice President and President of our European Group from October 1999 to February 2003. |
| Charles D. Lischer | 37 | Vice President, Controller and Chief Accounting Officer since June 2005. Prior to that, he had been with the accounting firm of Deloitte & Touche in various capacities since July 1999, becoming a partner in August 2004. |
| Terrance M. Marks | 45 | Executive Vice President and President, North American Business Unit since February 2006. Prior to that, since January 2005, he had been Senior Vice President and President, North American Business Unit. He was Vice President and Chief Revenue Officer for North America from October 2003 until January 2005, and Vice President and Chief Financial Officer for our Eastern North America Group from 1999 until October 2003. |
| Vicki R. Palmer | 52 | Executive Vice President, Financial Services and Administration since January 2004. She had been Senior Vice President, Treasurer and Special Assistant to the Chief Executive Officer from December 1999 until January 2004. |

Our officers are elected annually by the Board of Directors for terms of one year or until their successors are elected and qualified, subject to removal by the Board at any time.

ITEM 1A. RISK FACTORS

Set forth below are some of the risks and uncertainties that, if they were to occur, could materially and adversely affect our business, or that could cause our actual results to differ materially from the results contemplated by the forward-looking statements contained in this report and the other public statements we make.

Forward-looking statements include, but are not limited to:

- Projections of revenues, income, earnings per share, capital expenditures, dividends, capital structure or other financial measures;
- Descriptions of anticipated plans or objectives of our management for operations, products or services;
- Forecasts of performance; and
- Assumptions regarding any of the foregoing.

Forward-looking statements involve matters which are not historical facts. Because these statements involve anticipated events or conditions, forward-looking statements often include words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "project," "target," "can," "could," "may," "should," "will," "would" or similar expressions. Do not unduly rely on forward-looking statements. They represent our expectations about the future and are not guarantees. Forward-looking statements are only as of the date they are made and they might not be updated to reflect changes as they occur after the forward-looking statements are made.

For example, forward-looking statements include our expectations regarding:

- earnings per diluted common share;
- volume growth;
- net price per case growth;
- cost of goods per case growth;
- concentrate cost increases from The Coca-Cola Company;
- capital expenditures; and
- developments in accounting standards.

Risks and Uncertainties

MARKETPLACE

Our response to continued and increased customer and competitor consolidations and marketplace competition may result in lower than expected net pricing of our products. In addition, competitive pressures may cause channel and product mix to shift from more profitable channels and packages and adversely affect our overall pricing. Efforts to improve pricing in the future consumption channels of our business may result in lower than expected volume. Net pricing, volume and costs of sales are the primary determinants of net earnings.

Health and wellness trends throughout the marketplace have resulted in a decreased demand for regular soft drinks and an increased desire for more diet and low-calorie products, water, isotonic, energy drinks, coffee-flavored beverages, and tea. Our failure to offset the decline in sales of our regular soft drinks and to provide the types of products that our customers prefer could adversely affect our business, results of operations and financial condition.

COST PARTICIPATION PAYMENTS FROM THE COCA-COLA COMPANY

Material changes in levels of payments historically provided under various programs with The Coca-Cola Company, or our inability to meet the performance requirements for the anticipated levels of such support payments, could adversely affect future earnings. The Coca-Cola Company is under no obligation to participate in future programs or continue past levels of payments into the future. The current agreement, designed to support marketing activities, may be terminated by The Coca-Cola Company for the balance of any year in which we fail to timely complete the marketing plans or are unable to execute the elements of those plans, when such failure is within our reasonable control.

The amount of infrastructure funding from The Coca-Cola Company recognized as an offset to cost of sales in a given year is dependent upon the actual number of units placed in service. Actual results may differ materially from projections should placement levels be significantly different than program requirements. Should we not satisfy the provisions of the infrastructure funding programs and we are unable to agree with The Coca-Cola Company on an alternative solution, The Coca-Cola Company would be able to seek partial refund of amounts previously paid.

RAW MATERIALS

If there are increases in the costs of raw materials, ingredients or packaging materials and we are unable to pass the increased costs onto our customers in the form of higher prices, our earnings and financial condition could be adversely affected. Additionally, if suppliers of raw materials, ingredients or packaging materials are affected by strikes, weather conditions, governmental controls, national emergencies, natural disasters or other events, and we are unable to obtain the materials from an alternate source, our earnings and financial condition could be adversely affected.

INFRASTRUCTURE INVESTMENT

Projected capacity levels of our infrastructure investments may differ from actual levels if our volume growth is not as anticipated. Significant changes from our expected timing of returns on cold drink equipment and employee, fleet and plant infrastructure investments could adversely affect our earnings and financial condition.

FINANCING CONSIDERATIONS

Changes from our expectations for interest and currency exchange rates can have a material impact on our forecasts. We may not be able to completely mitigate the effect of significant interest rate or currency exchange rate changes. Changes in our debt rating could have a material adverse effect on our interest costs and financing sources. Our debt rating can be materially influenced by capital management activities of The Coca-Cola Company and/or changes in the debt rating of The Coca-Cola Company.

LEGAL CONTINGENCIES

Changes from expectations for the resolution of outstanding legal claims and assessments could have a material impact on our forecasts and financial condition. Litigation or other claims based on alleged unhealthful properties of soft drinks could be filed against us and would require our management to devote significant time and resources to dealing with such claims. While we would not believe such claims to be meritorious, any such claims would be accompanied by unfavorable publicity that could adversely affect the sales of certain of our products. Our failure to abide by laws, orders or other legal commitments could subject us to fines, penalties or other damages.

LEGISLATIVE RISK

Our business model is dependent on the availability of our various products and packages in multiple channels and locations to better satisfy the needs of our customers. Laws that restrict our ability to distribute products in schools and other venues, as well as laws that require deposit liabilities for certain types of packages or those that limit our ability to design new packages, could negatively impact our revenue, profit and cash flows.

TAX CONTINGENCIES

An assessment of additional taxes resulting from audits of our tax filings for various periods could have a material impact on our earnings and financial condition.

WEATHER

Unfavorable weather conditions in the geographic regions in which we do business, particularly in Europe, could have a material impact on our sales volume, earnings and financial condition.

NATURAL DISASTERS

Natural disasters in the geographic regions in which we do business could have a material impact on our sales volume, cost of raw materials, earnings and financial condition.

BOTTLER LITIGATION

Litigation recently filed by some United States bottlers against us and The Coca-Cola Company reflects incomplete system alignment around distribution methods and business practices. Disagreements among members of the Coca-Cola system could complicate negotiations and planning with customers and other business partners and adversely affect our ability to fully implement our business plans and achieve expected levels of revenue from the execution of those plans.

LABOR ISSUES

Approximately 37 percent of our employees are covered by collective bargaining agreements or local agreements. These bargaining agreements expire at various dates over the next seven years, including some in 2006. The inability to renegotiate subsequent agreements on satisfactory terms could result in work interruptions or stoppages, which could adversely affect our earnings and financial condition. The term and conditions of existing or renegotiated agreements could also increase the cost to us, or otherwise affect our ability, of fully implementing operational changes to enhance our efficiency.

USE OF ESTIMATES

Our Consolidated Financial Statements and accompanying Notes include estimates and assumptions made by management that affect reported amounts. Actual results could differ materially from those estimates.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

Our principal properties include our production and distribution facilities.

At December 31, 2005, we had:

- 79 beverage production facilities (75 owned, the others leased)
 - 20 of which were solely production facilities; and 59 of which were combination production/distribution
- 349 principal distribution facilities (261 owned, the others leased)

One of our facilities is subject to a lien to secure indebtedness, with an aggregate principal balance of approximately \$3.8 million at December 31, 2005.

Three of our leased facilities are under industrial revenue bonds issued by local development authorities, having an approximate principal balance of \$24 million at December 31, 2005. Under these leases, the property is deeded to us at the end of the term for a nominal amount.

Our principal properties cover approximately 44.3 million square feet in the aggregate. We believe that our facilities are generally sufficient to meet our present operating needs.

At December 31, 2005, we operated approximately 54,000 vehicles of all types. Of this number, approximately 6,800 vehicles were leased; the rest were owned. We owned about 2.4 million coolers, beverage dispensers, and vending machines at the end of 2005.

During 2005, our capital expenditures were approximately \$914 million.

ITEM 3. LEGAL PROCEEDINGS

We have been named as a "potentially responsible party" ("PRP") at several federal and state "Superfund" sites.

- In 1994, we were named a PRP at the Waste Disposal Engineering site in Andover, Minnesota, a former landfill. The claim against us is approximately \$110,000; however, if this site is a "qualified landfill" under Minnesota law, the entire cost of remediation may be paid by the state without any contribution from any PRP.
- In 1999, we acquired all of the stock of CSL of Texas, Inc. ("CSL"), which owns an 18.4 acre tract on Holleman Drive, College Station, Texas, that was contaminated by prior industrial users of the property. Cleanup is to be performed under the Texas Voluntary Cleanup Program overseen by the Texas Commission on Environmental Quality and is estimated to cost \$2 million to \$4 million. We believe we are entitled to reimbursement for our costs from CSL's former shareholders.

- In 2001, we were named as one of several thousand PRPs at the Beede Waste Oil Superfund site in Plaistow, New Hampshire, which had operated from the 1920s until 1994 in the business of waste oil reprocessing and related activities. In 1990, our facility in Waltham, Massachusetts sent waste oil and contaminated soil to the site in the course of removing an underground storage tank and remediating the surrounding property. The EPA and the state of New Hampshire have spent almost \$26 million on the investigation and initial cleanup of the site, and the remaining cost to complete the cleanup has been estimated to be approximately \$60 million. Settling small volume PRPs have contributed over \$17 million towards the site costs. The EPA expects the larger volume PRPs, including us, to take over the cleanup, but a formal arrangement to do so has not occurred, and our share of the costs has not been determined.
- In October 2002, the City of Los Angeles filed a complaint against eight named and ten unnamed defendants seeking cost recovery, contribution, and declaratory relief for alleged contamination at various boat yards in the Port of Los Angeles that occurred over a period of decades. The cleanup cost at the Port may run into the millions of dollars. Our subsidiary, BCI Coca-Cola Bottling Company of Los Angeles, was named as a defendant as the alleged successor to the liabilities of a company called Pacific American Industries, Inc., which was the parent of a company called San Pedro Boat Works that operated a boat works business at the port from 1969 until 1974. We filed an answer to the complaint in March 2003 denying liability. The facts are still being investigated but discovery has been delayed because of the criminal indictment of one of the other defendants, and because of court-ordered mediation.
- We have been named at another 38 federal, and another ten state, "Superfund" sites. However, with respect to those sites, we have concluded, based upon our investigations, either (i) that we were not responsible for depositing hazardous waste and therefore will have no further liability; (ii) that payments to date would be sufficient to satisfy our liability; or (iii) that our ultimate liability, if any, for such site would be less than \$100,000.

In 2000, we and The Coca-Cola Company were found by a Texas jury to be jointly liable in a combined amount of \$15.2 million to five plaintiffs, each a distributor of competing beverage products. These distributors sued alleging that we and The Coca-Cola Company engaged in anticompetitive marketing practices. The trial court's verdict was upheld by the Texas Court of Appeals in July 2003. We and The Coca-Cola Company argued our appeals before the Texas Supreme Court in November 2004. That court has not yet released a decision. Should the trial court's verdict not be overturned, this fact would not have an adverse effect on our Consolidated Financial Statements. The claims of the three remaining plaintiffs in this case remain to be tried. We intend to vigorously defend against these claims and have not provided for any potential awards for these additional claims.

We and our California subsidiary have been sued by several current and former employees over alleged violations of state wage and hour rules. In a matter combined in a consolidated

class action proceeding styled *In re BCI Overtime Cases* pending in San Bernardino Superior Court (the first consolidated suit was filed July 18, 2001), plaintiffs allege that certain hourly employees were required to work off the clock. The Company is vigorously defending the suit and at this time it is not possible to predict the outcome.

On February 7, 2006, a purported class action lawsuit was filed against us and several current and former officers and directors. The lawsuit, styled *Argento Trading Company, et al. vs. Coca-Cola Enterprises Inc., et al.*, in the United States District Court, Northern District of Georgia, Atlanta Division, Civil Action File No. 1:06cv275, alleges that we engaged in "channel stuffing" with customers, and also raises certain insider trading claims. Also on February 7 another suit, styled *International Brotherhood of Teamsters vs. The Coca-Cola Company, et al.*, Case No. CA1927-N, was filed in Delaware Chancery Court alleging certain derivative claims against The Coca-Cola Company and certain officers and directors of The Coca-Cola Company and our company. The derivative suit makes claims virtually identical to those in the *Argento* suit and further alleges that we are "controlled" by The Coca-Cola Company to our detriment and to the detriment of our shareholders. While we are examining the claims raised in the suits, we possess strong defenses to the claims and expect in due course to ask the courts to dismiss the suits. At this time, it is not possible to predict the outcome of these matters.

On February 14, 2006, a lawsuit was filed in Federal District Court in Springfield, Missouri by 48 United States Coca-Cola bottler plaintiffs against The Coca-Cola Company and us. The suit, styled *Ozarks Coca-Cola/Dr. Pepper Bottling Company, et al. vs. The Coca-Cola Company and Coca-Cola Enterprises*, in the United States District Court for the Western District of Missouri, Southern Division, Civil Action File No. 06-3056-CV-S, brings claims for breach of contract and breach of duty and other related claims arising out of our plan to offer warehouse delivery of Powerade to a specific customer within our territory. The suit seeks unspecified compensatory and exemplary damages and seeks preliminary and permanent injunctive relief as well. A second suit, *Coca-Cola Bottling Company United, Inc., et al. vs. The Coca-Cola Company and Coca-Cola Enterprises*, in the Circuit Court of Jefferson County, Alabama, Civil Action Number CV200600916, was filed on February 14, 2006 by six additional bottler plaintiffs. This second suit brings claims that are substantially similar to the *Ozarks* suit, although it does not contain a request for preliminary injunctive relief. While we believe that we possess strong defenses to these suits, at this time it is not possible to predict the outcome.

There are various other lawsuits and claims pending against us, including claims for injury to persons or property. We believe that such claims are covered by insurance with financially responsible carriers or adequate provisions for losses have been recognized by us in our Consolidated Financial Statements. In our opinion, the losses that might result from such litigation arising from these claims will not have a materially adverse effect on our Consolidated Financial Statements.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.