



## Preliminary Unaudited Results Q4 & FY 2018

14 Feb 2019

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Coca-Cola European Partners plc

14 February 2019

### COCA-COLA EUROPEAN PARTNERS REPORTS PRELIMINARY UNAUDITED RESULTS FOR THE FULL-YEAR AND FOURTH-QUARTER ENDED 31 DECEMBER 2018

#### SOLID FULL-YEAR 2018 REVENUE AND OPERATING PROFIT GROWTH, STRONG FREE CASH FLOW GENERATION

LONDON, 14th February 2019 - Coca-Cola European Partners plc (CCEP) (ticker symbol: CCEP) today announces preliminary results for the fourth-quarter and full-year ended 31 December 2018 and provides full-year 2019 guidance.

#### HIGHLIGHTS

##### Full-year 2018

- Revenue totalled €11.5 billion, up 4.0%, or up 4.5% on an fx-neutral basis. Comparable volume decreased 1.0% while revenue per unit case increased 5.5%, reflecting a continued focus on driving sustainable and profitable revenue growth.
- Reported operating profit was €1.3 billion, up 3.0%. Comparable operating profit was €1.6 billion, up 7.0%, or up 7.5% on a comparable and fx-neutral basis reflecting a run rate of 100% on merger synergy commitments.
- Reported diluted earnings per share were €1.86, or €2.30 on a comparable and fx-neutral basis, up 8.5%.
- Free cash flow was €1.1 billion. ROIC improved by 90 basis points to 9.9%.\*
- Executed €500 million share buyback. Annual dividend of €1.06 per share, an increase of 26.0%, exiting the year with an annualised dividend payout ratio of approximately 50%.

##### Fourth-quarter 2018

- Revenue totalled €2.8 billion, up 5.0% on a reported and fx-neutral basis. Comparable volume decreased 2.5% while revenue per unit case increased 6.0%.
- Reported operating profit was €194 million, down 2.0%. Comparable operating profit was €362 million, up 6.0%, or up 6.5% on a comparable and fx-neutral basis.
- Diluted earnings per share were €0.28 on a reported basis or €0.54 on a comparable basis.

##### 2019

- Provides full-year guidance for 2019 including fx-neutral revenue growth in the low single-digit range (excluding the impact of incremental soft drinks taxes); comparable and fx-neutral operating profit growth of between 6-7%, and comparable and fx-neutral diluted earnings per share growth of between 10-11%.
- Share buyback of up to €1 billion in 2019.
- Announces move to Q1 and Q3 trading updates alongside the continuation of annual and semi-annual reporting.

- Announces intention to seek admission to trading on the Main Market of the London Stock Exchange as a standard listing, and to delist from Euronext London effective 28 March 2019 (retaining all other listings).

Damian Gammell, Chief Executive Officer, said:

"After our first two years as Coca-Cola European Partners, we continue to build a company based on three pillars: great beverages, great service and great people. In particular, our great people have delivered on our merger commitments while continuing to build for the future.

"Our 2018 results demonstrate this momentum, reflecting our ongoing focus on driving profitable revenue growth through strong price and mix realisation and solid in market execution. I am especially proud of how our teams embraced the positive challenges brought by great summer weather across northern Europe, partially offset by softer trading in Spain and France.

"Looking forward, we have an exciting but realistic long-term view of our growth opportunities. We continue to expand our total beverage portfolio while investing in core capabilities that will drive sustainable success, underpinned by our sustainability action plan 'This is Forward'. Launched just over a year ago, we are on track to deliver on our 2025 commitments. We are already leading the way on carbon and water and making good progress on packaging, but we know we need to do more. On this, we want to lead the conversation with our stakeholders, alongside The Coca-Cola Company.

"It is a fantastic time to be leading CCEP. I have every confidence in our annual growth objectives over the mid-term, which now, having exited 2018 with a 50% dividend payout ratio alongside announcing up to a further €1 billion in share buybacks, collectively demonstrate our ultimate goal of delivering sustainable value for our shareholders."

\*Refer to 'Note Regarding the Presentation of Alternative Performance Measures' for further details about these measures.

Fourth-Quarter ended 31 December 2018							
Key Financial Measures	€ million			% change			
	As Reported	Comparable	Fx-Impact	As Reported	Comparable	Fx-Impact	Comparable Fx-Neutral
Revenue	2,794	2,794	(7)	5.0%	5.0%	-	% 5.0%
Cost of sales	1,734	1,727	(4)	3.5%	6.5%	(0.5)	)% 7.0%
Operating expenses	866	705	(2)	10.0%	0.5%	-	% 0.5%
Operating profit	194	362	(1)	(2.0)%	6.0%	(0.5)	)% 6.5%
Profit after taxes	134	260	-	(319.5)%	8.0%	(0.5)	)% 8.5%
Diluted earnings per share (€)	0.28	0.54	-	(313.5)%	9.5%	-	% 9.5%

Year-Ended 31 December 2018							
Key Financial Measures	€ million			% change			
	As Reported	Comparable	Fx-Impact	As Reported	Comparable	Fx-Impact	Comparable Fx-Neutral
Revenue	11,518	11,518	(60)	4.0%	4.0%	(0.5)%	4.5%
Cost of sales	7,060	7,029	(37)	4.5%	4.5%	(0.5)%	5.0%

Operating expenses	3,158	2,907	(16)	4.0%	2.5%	(0.5)%	3.0%
Operating profit	1,300	1,582	(7)	3.0%	7.0%%	(0.5)%	7.5%
Profit after taxes	909	1,120	(4)	32.0%	8.0%	(0.5)%	8.5%
Diluted earnings per share (€)	1.86	2.30	-	32.0%	8.5%	-%	8.5%

## Operational Review

Full-year 2018 reported operating profit totalled €1.3 billion, up 3.0% versus prior year. Comparable operating profit was €1.6 billion, up 7.0% on a comparable basis, or up 7.5% on a comparable and fx-neutral basis. Full-year 2018 diluted earnings per share were €1.86 on a reported basis, or €2.30 on a comparable basis.

Fourth-quarter 2018 reported operating profit totalled €194 million, down 2.0% versus prior year. Comparable operating profit was €362 million, up 6.0% on a comparable basis, or up 6.5% on a comparable and fx-neutral basis. Fourth-quarter 2018 diluted earnings per share were €0.28 on a reported basis, or €0.54 on a comparable basis.

Key operating profit factors during the full-year 2018 included solid revenue growth on a comparable and fx-neutral basis driven by strong revenue per unit case growth. This was partially offset by a 1.0% decline in volume as favourable weather in Great Britain, Germany and Northern Europe over the summer months was not enough to compensate for softer trading in Spain and France, the previously announced strategic portfolio and pricing initiatives, as well as the impact of new soft drinks taxes. Comparable operating margins improved as we broadly maintained our gross margin and continued to realise post-merger synergy benefits.

## Revenue

Full-year 2018 revenue totalled €11.5 billion, up 4.0% versus prior year, or up 4.5% on a fx-neutral basis. Full-year 2018 revenue per unit case grew 5.5% on a comparable and fx-neutral basis benefiting approximately 2.5% from the impact of incremental soft drinks taxes. Volume decreased 1.0% on a comparable basis.

Fourth-quarter 2018 revenue totalled €2.8 billion, up 5.0% versus prior year on a reported and fx-neutral basis. Revenue per unit case was up 6.0% on a comparable and fx-neutral basis benefiting from favourable underlying price, channel and package mix, as well as approximately 3.5% from the impact of incremental soft drinks taxes. Fourth-quarter volume decreased 2.5% on a comparable basis, reflecting recent customer disruption in France and the impact of our strategic pricing and promotion initiatives in Germany.

On a territory basis for the fourth-quarter, Iberia revenues were down 1.5%, with solid volume growth in Portugal offset by softer trading in Spain. Revenue in Germany was up 3.0%, driven by solid revenue per unit case growth reflecting positive price, channel and pack mix effects. Revenue in Great Britain grew 18.5%, supported by underlying gains in revenue per unit case reflecting improved promotional effectiveness as well as the impact of the new soft drinks tax. Volume grew modestly in Great Britain supported by strong seasonal execution. Revenue in France was down 0.5% owing to changes in our price/pack architecture as well as the impact of recent customer disruption. Revenue in the Northern European territories (Belgium, Luxembourg, the Netherlands, Norway, Sweden, and Iceland) was up 6.0% with strong revenue per unit case gains supported by solid growth in small packs. Revenue growth was mainly led by the Netherlands and Sweden.

On a brand basis volume for the fourth-quarter, sparkling brands decreased 2.0%. Coca-Cola trademark brands declined by 3.5%, with a decline in Coca-Cola Classic partially offset by approximately 9.0% growth in Coca-Cola Zero Sugar. Sparkling flavours and energy grew 2.5% supported by solid performances from Fanta, Schweppes and energy brands. Still brands declined by 5.5% driven by a decline of 6.5% in juices, isotonic and other, as well as a 4.5% decline in water. This mainly reflects portfolio decisions in the ready-to-drink tea and water categories. Fuze Tea, Chaudfontaine and Smartwater all saw solid volume growth in the fourth quarter.

## Cost of Sales

Full-year 2018 reported cost of sales were €7.1 billion, up 4.5%. Comparable cost of sales were €7.0 billion, up 4.5%, or up 5.0% on a comparable and fx-neutral basis. Full-year cost of sales per unit case increased 5.5% on a comparable and fx-neutral basis. This reflects brand mix, higher concentrate costs through the incidence pricing model given strong revenue per unit case growth, as well as approximately 4.0% from the impact of incremental soft drinks taxes.

Fourth-quarter 2018 reported cost of sales were €1.7 billion, up 3.5% versus prior year. Cost of sales were €1.7 billion, up 6.5% on comparable basis and up 7.0% on comparable and fx-neutral basis. Fourth-quarter cost of sales per unit case increased 8.0% on a comparable and fx-neutral basis, including approximately 5.5% from the impact of incremental soft drinks taxes.

## Operating Expenses

Full-year 2018 reported operating expenses were €3.2 billion, up 4.0%. Comparable operating expenses were €2.9 billion, up 2.5% on a comparable basis, or up 3.0% on a comparable and fx-neutral basis. This reflects our continued investments for the future partially offset by synergy benefits and a continued focus on managing expenses.

Fourth-quarter 2018 reported operating expenses were €866 million, up 10.0%. Comparable operating expenses were €705 million, up 0.5% on both a comparable basis and comparable and fx-neutral basis.

## **Restructuring Charges**

During the full-year 2018 we recognised restructuring charges totalling €274 million. These charges principally relate to restructuring activities under our Integration and Synergy programme, supply chain site consolidation in Great Britain and Iberia and other initiatives in Iberia and Germany.

## **2019 Outlook\***

For 2019, CCEP expects:

- Revenue growth in the low single-digit range excluding the impact of incremental soft drinks taxes of approximately 1.0%<sup>[1]</sup>
- Cost of sales per unit case growth of approximately 2.5% excluding the impact of incremental soft drinks taxes of approximately 1.5%<sup>[1]</sup>
- Operating profit growth between 6-7%<sup>[1]</sup>
- Comparable tax rate of approximately 25%
- Diluted earnings per share growth of between 10-11%<sup>[1], [2]</sup>
- Share buyback of up to €1 billion
- Free cash flow in the range of €1 billion to €1.1 billion
- Capital expenditures of approximately €525 million to €575 million
- Return on invested capital (ROIC) to improve by approximately 40 basis points

\* Refer to 'Note Regarding the Presentation of Alternative Performance Measures' for further details about these measures.

<sup>[1]</sup> On a comparable and fx-neutral basis.

<sup>[2]</sup> Diluted earnings per share growth assumes share buybacks of €1 billion in 2019.

## **Dividends**

During the year ended 31 December 2018, CCEP made dividend payments totalling €513 million (2017: €489 million), comprising four quarterly dividends totalling €1.06 per share and representing an increase of 26% compared to the previous year. The fourth-quarter dividend implied an approximate annualised 50% dividend payout ratio.

Going forward from 2019 onwards, there will be two interim dividend payments instead of four quarterly dividend payments. The first-half interim dividend will be announced with the first-quarter trading update in April, with payment in June. The second-half interim dividend will be announced with the third-quarter trading update in October, with payment in December.

## **Share Buyback**

In September 2018, the Company announced a €1.5 billion<sup>[1]</sup> share buyback programme to reduce the share capital of the Company. The buyback programme began in September 2018 and €500 million of shares were repurchased by the end of 2018. The Company will continue with the buyback programme, repurchasing shares of up to €1 billion in 2019 and this will begin as soon as possible. The value of the programme may be adjusted depending on economic, operating, or other factors, including acquisition opportunities.

The buyback programme will be carried out for the shares listed on the New York Stock Exchange and Euronext Amsterdam and will be effected within certain pre-set parameters and in accordance with the general authority to repurchase shares granted by shareholders at the Company's Annual General Meeting on 31 May 2018. CCEP intends to effect the buyback programme in accordance with the EU Market Abuse Regulation 596/2014. The maximum number of ordinary shares authorised for repurchase at the company's 2018 Annual General Meeting is 48,507,819. All shares repurchased as part of the buyback programme will be cancelled.

<sup>[1]</sup> Existing shareholder authority to buyback shares expires at the end of the 2019 Annual General Meeting or, if earlier, the close of business on 28 June 2019. The company expects to seek further approval from shareholders to buyback shares at subsequent Annual General Meetings.

## **Conference Call**

CCEP will host a conference call with investors and analysts today at 12:30 GMT, 13:30 CET and 7:30 a.m. EST. The call can be accessed through the Company's website at [www.ccep.com](http://www.ccep.com). A replay and transcript of the conference call will be available at [www.ccep.com](http://www.ccep.com) as soon as possible.

## **Intention to Seek Admission to Trading on London Stock Exchange and to Delist from Euronext London**

CCEP has given notice of its intention to transfer its existing admission to trading on the market of Euronext London to the Main Market of the London Stock Exchange (the "Transfer"). CCEP's decision to delist from Euronext London and apply for admission to trading on the Main Market of the London Stock Exchange is in an effort to improve market access for investors and enhance liquidity. This does not change the Company's category of listing, which will remain a standard listing under Chapter 14 of the UKLA's (the "United Kingdom Listing Authority") Listing Rules.

It is expected that CCEP's ordinary shares (the "Shares") will be admitted to trading on the Main Market of the London Stock Exchange on 28 March 2019 and that delisting of the Shares from Euronext London will occur from 29 March 2019. There will therefore be one day of overlap during which the Shares will be admitted to trading on both London Stock Exchange and Euronext London to ensure continuous admission to the Official List of the UKLA.

Please note that this does not impact the listing of the Shares on the New York Stock Exchange (NYSE), Euronext Amsterdam or the Spanish stock exchanges. Following admission, investors will be able to trade the Shares on all markets under the symbol CCEP, with the Shares being quoted and traded in Euro on the London Stock Exchange, Euronext Amsterdam and the continuous market of the Spanish stock exchanges (Madrid, Barcelona, Bilbao and Valencia), and in USD on the NYSE.

A summary document in connection with the Transfer will be published by the Company in due course and will be available at [www.ccep.com](http://www.ccep.com).

## **Financial Details and Reporting Changes**

From the start of the 2019 financial year, CCEP will release a quarterly trading statement for Q1 and Q3 instead of publishing full financial results. The quarterly trading statements will provide sales performance in the quarter alongside commentary including any update to the full-year outlook. CCEP will continue to host conference calls to present and discuss the trading statements.

CCEP will continue to publish financial results for the half-year and full year.

Our next announcement will be our first-quarter 2019 trading update which will be released at 07:00 BST, 08:00 CEST, and 2:00 a.m. EDT on 30 April 2019. A conference call will be hosted with investors and analysts.

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## **About CCEP**

Coca-Cola European Partners plc is a leading consumer goods company in Western Europe, selling, making and distributing an extensive range of nonalcoholic ready-to-drink beverages and is the world's largest independent Coca-Cola bottler based on revenue. Coca-Cola European Partners serves a consumer population of over 300 million across Western Europe, including Andorra, Belgium, continental France, Germany, Great Britain, Iceland, Luxembourg, Monaco, the Netherlands, Norway, Portugal, Spain and Sweden. The Company is listed on Euronext Amsterdam, the New York Stock Exchange, Euronext London and on the Spanish stock exchanges, trading under the symbol CCEP. For more information about CCEP, please visit our website at [www.ccep.com](http://www.ccep.com) and follow CCEP on Twitter at @CocaColaEP.

## **Forward-Looking Statements**

*This document contains statements, estimates or projections that constitute "forward-looking statements" concerning the financial condition, performance, results, strategy and objectives of Coca-Cola European Partners plc and its subsidiaries (together "CCEP" or the "Group"). Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "plan," "seek," "may," "could," "would," "should," "might," "will," "forecast," "outlook," "guidance," "possible," "potential," "predict," "objective" and similar expressions identify forward-looking statements, which generally are not historical in nature.*

*Forward-looking statements are subject to certain risks that could cause actual results to differ materially from CCEP's historical experience and present expectations or projections. As a result, undue reliance should not be placed on forward-looking statements, which speak only as of the date on which they are made. These risks include but are not limited to those set forth in the "Risk Factors" section of the 2017 Annual Report on Form 20-F, including the statements under the following headings: Risks Relating to Consumer Preferences and the Health Impact of Soft Drinks (such as sugar alternatives); Risks Relating to Legal and Regulatory Intervention (such as the development of regulations regarding packaging and taxes); Risks Relating to Business Integration and Synergy Savings; Risks Relating to Cyber and Social Engineering Attacks; Risks Relating to the Market (such as customer consolidation and route to market); Risks Relating to Economic and Political Conditions (such as continuing developments in relation to the UK's exit from the EU, political instability in Catalonia, 'Gilets Jaunes' protest movement and demonstrations in France); Risks Relating to the Relationship with TCCC and Other Franchisors; Risks Relating to Product Quality; and Other Risks (such as competitiveness and transformation).*

*Due to these risks, CCEP's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, expectations and guidance set out in CCEP's forward-looking statements. Additional risks that may impact CCEP's future financial condition and performance are identified in filings with the SEC which are available on the SEC's website at [www.sec.gov](http://www.sec.gov). CCEP does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required under applicable rules, laws and regulations. CCEP assumes no responsibility for the accuracy and completeness of any forward-looking statements. Any or all of the forward-looking statements contained in this filing and in any other of CCEP's respective public statements may prove to be incorrect.*

#### **Note Regarding the Presentation of Alternative Performance Measures**

We use certain alternative performance measures (non-GAAP performance measures) to make financial, operating and planning decisions and to evaluate and report performance. We believe these measures provide useful information to investors and as such, where clearly identified, we have included certain alternative performance measures in this document to allow investors to better analyse our business performance and allow for greater comparability. To do so, we have excluded items affecting the comparability of period-over-period financial performance as described below. **The alternative performance measures included herein should be read in conjunction with and do not replace the directly reconcilable GAAP measure.**

For purposes of this document, the following terms are defined:

**"As reported"** are results extracted directly from our consolidated financial statements.

**"Comparable"** is defined as results excluding items impacting comparability, such as restructuring charges, merger and integration related costs, out of period mark-to-market impact of hedges, litigation provisions and net tax items relating to rate and law changes. Comparable volume is also adjusted for selling days.

**"Fx-neutral"** is defined as comparable results excluding the impact of foreign exchange rate changes. Foreign exchange impact is calculated by recasting current year results at prior year exchange rates.

**"Free cash flow"** is defined as net cash flows from operations, less capital expenditures and net interest paid, plus proceeds from sales of property, plant and equipment. Free cash flow is used as a measure of the Group's cash generation from operating activities, taking into account investments in property, plant and equipment and non-discretionary interest payments.

**"ROIC"** is defined as comparable operating profit after tax divided by the average of opening and closing invested capital for the year. Invested capital is calculated as the addition of borrowings and equity less cash and cash equivalents. ROIC is used as a measure of capital efficiency and reflects how well the Group generates comparable operating profit relative to the capital invested in the business.

**"Dividend pay out ratio"** is defined as dividends as a proportion of comparable profit after tax.

**"Net Debt to Adjusted EBITDA"** Net Debt is defined as the net of cash and cash equivalents less currency adjusted borrowings. Adjusted EBITDA is calculated as Earnings Before Interest Tax Depreciation and Amortisation ("EBITDA"), before adding back items impacting the comparability of year-over-year financial performance. Adjusted EBITDA does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments. Further, Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs, and although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised are likely to be replaced in the future and Adjusted EBITDA does not reflect cash requirements for such replacements. The ratio of net debt to Adjusted EBITDA is used by investors, analysts and credit rating agencies to analyse our operating performance in the context of targeted financial leverage.

Additionally, within this document, we provide certain forward-looking non-GAAP financial information, which management uses for planning and measuring performance. We are not able to reconcile forward looking non-GAAP measures to reported measures without unreasonable efforts because it is not possible to predict with a reasonable degree of certainty the actual impact or exact timing of items that may impact comparability

throughout 2019.

Unless otherwise stated, percent amounts are rounded to the nearest 0.5%.

### Supplementary Financial Information - Income Statement

The following provides a summary reconciliation of CCEP's reported and comparable results for the periods presented:

Fourth-quarter 2018	As Reported	Items Impacting Comparability			Comparable
<i>Unaudited, in millions of € except per share data which is calculated prior to rounding</i>	CCEP	Mark-to-market effects <sup>[1]</sup>	Restructuring charges <sup>[2]</sup>	Net tax items <sup>[3]</sup>	CCEP
Revenue	2,794	-	-	-	2,794
Cost of sales	1,734	(4)	(3)	-	1,727
<b>Gross profit</b>	<b>1,060</b>	<b>4</b>	<b>3</b>	-	<b>1,067</b>
Operating expenses	866	(8)	(153)	-	705
<b>Operating profit</b>	<b>194</b>	<b>12</b>	<b>156</b>	-	<b>362</b>
Total finance costs, net	25	-	-	-	25
Non-operating items	2	-	-	-	2
<b>Profit before taxes</b>	<b>167</b>	<b>12</b>	<b>156</b>	-	<b>335</b>
Taxes	33	2	38	2	75
<b>Profit after taxes</b>	<b>134</b>	<b>10</b>	<b>118</b>	<b>(2)</b>	<b>260</b>
<b>Diluted earnings per share (€)</b>	<b>0.28</b>	<b>0.02</b>	<b>0.24</b>	-	<b>0.54</b>
<b>Diluted weighted average common shares outstanding</b>					<b>483</b>

Fourth-quarter 2017	As Reported	Items Impacting Comparability			Comparable	
<i>Unaudited, in millions of € except per share data which is calculated prior to rounding</i>	CCEP	Merger effects <sup>[4]</sup>	Mark-to-market effects <sup>[1]</sup>	Restructuring charges <sup>[2]</sup>	Net tax items <sup>[3]</sup>	CCEP
Revenue	2,662	-	-	-	-	2,662
Cost of sales	1,677	(8)	3	(54)	-	1,618
<b>Gross profit</b>	<b>985</b>	<b>8</b>	<b>(3)</b>	<b>54</b>	-	<b>1,044</b>
Operating expenses	787	1	2	(87)	-	703

<b>Operating profit</b>	<b>198</b>	<b>7</b>	<b>(5)</b>	<b>141</b>	<b>-</b>	<b>341</b>
Total finance costs, net	21	-	-	-	-	21
Non-operating items	(1)	-	-	-	-	(1)
<b>Profit before taxes</b>	<b>178</b>	<b>7</b>	<b>(5)</b>	<b>141</b>	<b>-</b>	<b>321</b>
Taxes	239	2	(2)	36	(194)	81
<b>Profit after taxes</b>	<b>(61)</b>	<b>5</b>	<b>(3)</b>	<b>105</b>	<b>194</b>	<b>240</b>
<b>Diluted earnings per share (€)</b>	<b>(0.13)</b>	<b>0.01</b>	<b>(0.01)</b>	<b>0.21</b>	<b>0.40</b>	<b>0.49</b>
<b>Diluted weighted average common shares outstanding</b>						<b>489</b>

[1] Amounts represent the net out-of-period mark-to-market impact of non-designated commodity hedges.

[2] Amounts represent restructuring charges related to business transformation activities.

[3] Amounts include the deferred tax impact related to income tax rate and law changes. The amount in 2018 includes the net book tax impact of US tax reform and the related simplification of our debt and capital structure. The amount in 2017 principally represents the net book tax impact of US tax reform.

[4] Adjustments to reflect final acquisition accounting related adjustments and associated impacts.

Full-year 2018	As Reported	Items Impacting Comparability			Comparable
<i>Unaudited, in millions of € except per share data which is calculated prior to rounding</i>	CCEP	Mark-to-market effects <sup>[1]</sup>	Restructuring charges <sup>[2]</sup>	Net tax items <sup>[6]</sup>	CCEP
Revenue	11,518	-	-	-	11,518
Cost of sales	7,060	(7)	(24)	-	7,029
<b>Gross profit</b>	<b>4,458</b>	<b>7</b>	<b>24</b>	<b>-</b>	<b>4,489</b>
Operating expenses	3,158	(1)	(250)	-	2,907
<b>Operating profit</b>	<b>1,300</b>	<b>8</b>	<b>274</b>	<b>-</b>	<b>1,582</b>
Total finance costs, net	93	-	-	-	93
Non-operating items	2	-	-	-	2
<b>Profit before taxes</b>	<b>1,205</b>	<b>8</b>	<b>274</b>	<b>-</b>	<b>1,487</b>

Taxes	296	1	68	2	367
<b>Profit after taxes</b>	<b>909</b>	<b>7</b>	<b>206</b>	<b>(2)</b>	<b>1,120</b>
<b>Diluted earnings per share (€)</b>	<b>1.86</b>	<b>0.02</b>	<b>0.42</b>	<b>-</b>	<b>2.30</b>
<b>Diluted weighted average common shares outstanding</b>					<b>488</b>

Full-year 2017	As Reported	Items Impacting Comparability						Comparable
<i>Unaudited, in millions of € except per share data which is calculated prior to rounding</i>	CCEP	Merger effects <sup>[4]</sup>	Mark-to-market effects <sup>[1]</sup>	Restructuring charges <sup>[2]</sup>	Merger and integration related costs <sup>[3]</sup>	Litigation provision <sup>[5]</sup>	Net tax items <sup>[6]</sup>	CCEP
Revenue	11,062	(7)	-	-	-	-	-	11,055
Cost of sales	6,772	27	6	(66)	-	-	-	6,739
<b>Gross profit</b>	<b>4,290</b>	<b>(34)</b>	<b>(6)</b>	<b>66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,316</b>
Operating expenses	3,030	(14)	-	(169)	(4)	(5)	-	2,838
<b>Operating profit</b>	<b>1,260</b>	<b>(20)</b>	<b>(6)</b>	<b>235</b>	<b>4</b>	<b>5</b>	<b>-</b>	<b>1,478</b>
Total finance costs, net	100	-	-	-	-	(1)	-	99
Non-operating items	1	-	-	-	-	-	-	1
<b>Profit before taxes</b>	<b>1,159</b>	<b>(20)</b>	<b>(6)</b>	<b>235</b>	<b>4</b>	<b>6</b>	<b>-</b>	<b>1,378</b>
Taxes	471	(4)	(2)	70	1	1	(194)	343
<b>Profit after taxes</b>	<b>688</b>	<b>(16)</b>	<b>(4)</b>	<b>165</b>	<b>3</b>	<b>5</b>	<b>194</b>	<b>1,035</b>
<b>Diluted earnings per share (€)</b>	<b>1.41</b>	<b>(0.03)</b>	<b>(0.01)</b>	<b>0.34</b>	<b>0.01</b>	<b>0.01</b>	<b>0.40</b>	<b>2.12</b>
<b>Diluted weighted average common shares outstanding</b>								<b>489</b>

[1] Amounts represent the net out-of-period mark-to-market impact of non-designated commodity hedges.

[2] Amounts represent restructuring charges related to business transformation activities.

[3] Amounts represent costs associated with the Merger to form CCEP.

[4] Adjustments to reflect final acquisition accounting related adjustments and associated impacts.

[5] Amount represents a provision recorded for ongoing litigation.

[6] Amounts include the deferred tax impact related to income tax rate and law changes. The amount in 2018 includes the net book tax impact of US tax reform and the related simplification of our debt and capital structure. The amount in 2017 principally represents the net book tax impact of US tax reform.

#### Supplemental Financial Information - Revenue

Revenue	Fourth-quarter ended			Year ended		
	31 December 2018	31 December 2017	% Change	31 December 2018	31 December 2017	% Change
<i>In millions of €, except per case data which is calculated prior to rounding</i>						
<b>As reported</b>	<b>2,794</b>	<b>2,662</b>	<b>5.0%</b>	<b>11,518</b>	<b>11,062</b>	<b>4.0%</b>
Adjust: Total items impacting comparability	-	-	-%	-	(7)	-%
<b>Comparable<sup>[1]</sup></b>	<b>2,794</b>	<b>2,662</b>	<b>5.0%</b>	<b>11,518</b>	<b>11,055</b>	<b>4.0%</b>
Adjust: Impact of fx changes	7	n/a	-%	60	n/a	(0.5)%
<b>Comparable &amp; fx-neutral</b>	<b>2,801</b>	<b>2,662</b>	<b>5.0%</b>	<b>11,578</b>	<b>11,055</b>	<b>4.5%</b>
<b>Revenue per unit case<sup>[2]</sup></b>	<b>4.65</b>	<b>4.38</b>	<b>6.0%</b>	<b>4.64</b>	<b>4.41</b>	<b>5.5%</b>

[1] The change in revenue includes the impact of 2018 incremental sugar and excise taxes in Belgium, France, Great Britain and Norway of 3.5% and 2.5% for the fourth-quarter and full-year ended 31 December 2018, respectively.

[2] The change in revenue per unit case includes the impact of 2018 incremental sugar and excise taxes in Belgium, France, Great Britain and Norway of 3.5% and 2.5% for the fourth-quarter and full-year ended 31 December 2018, respectively.

Revenue by Geography	Fourth-quarter ended			Year ended		
	31 December 2018	31 December 2017	Revenue % Change	31 December 2018	31 December 2017	Revenue % Change
<i>Comparable</i>	<i>% of Total</i>	<i>% of Total</i>		<i>% of Total</i>	<i>% of Total</i>	
Spain/Portugal/Andorra <sup>[1]</sup>	21.5%	23.0%	(1.5)%	23.0%	24.5%	(1.0)%
Germany	20.5%	21.0%	3.0%	20.5%	20.0%	5.5%
Great Britain	21.5%	19.0%	18.5%	20.0%	18.5%	12.5%
France/Monaco	15.0%	16.0%	(0.5)%	15.5%	16.5%	(1.5)%
Belgium/Luxembourg	8.5%	8.5%	5.0%	8.5%	8.0%	7.0%

Netherlands	5.0%	4.5%	11.5%	5.0%	5.0%	10.5%
Norway	4.0%	4.0%	4.0%	3.5%	3.5%	6.0%
Sweden	3.0%	3.0%	5.0%	3.0%	3.0%	3.5%
Iceland	1.0%	1.0	(4.5)%	1.0%	1.0%	(4.0)%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>5.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4.0%</b>

[1] Spain/Portugal/Andorra is also referred to as Iberia.

<b>Comparable Volume - Selling Day Shift</b>	<b>Fourth-quarter ended</b>			<b>Year ended</b>		
	<b>31 December 2018</b>	<b>31 December 2017</b>	<b>% Change</b>	<b>31 December 2018</b>	<b>31 December 2017</b>	<b>% Change</b>
<i>In millions of unit cases, prior period volume recast using current year selling days<sup>[1]</sup></i>						
Volume	603	608	(1.0)%	2,493	2,510	(0.5)%
Impact of selling day shift	n/a	10	n/a	n/a	10	n/a
<b>Comparable volume - Selling Day Shift adjusted</b>	<b>603</b>	<b>618</b>	<b>(2.5)%</b>	<b>2,493</b>	<b>2,520</b>	<b>(1.0)%</b>

[1] A unit case equals approximately 5.678 litres or 24 8-ounce servings, a typical volume measure used in our industry.

<b>Comparable Volume by Brand Category</b>	<b>Fourth-quarter ended</b>			<b>Year ended</b>		
	<b>31 December 2018</b>	<b>31 December 2017</b>	<b>Volume % Change</b>	<b>31 December 2018</b>	<b>31 December 2017</b>	<b>Volume % Change</b>
<i>Adjusted for selling day shift</i>						
	<b>% of Total</b>	<b>% of Total</b>		<b>% of Total</b>	<b>% of Total</b>	
<b>Sparkling</b>	87.5%	87.0%	(2.0)%	85.5%	85.0%	(0.5)%
Coca-Cola Trademark	65.0%	65.5%	(3.5)%	63.0%	63.5%	(1.5)%
Sparkling Flavours and Energy	22.5%	21.5%	2.5%	22.5%	21.5%	3.5%
<b>Stills</b>	12.5%	13.0%	(5.5)%	14.5%	15.0%	(5.0)%
Juice, Isotonics and Other	6.5%	7.0%	(6.5)%	7.5%	8.0%	(6.5)%
Water	6.0%	6.0%	(4.5)%	7.0%	7.0%	(3.0)%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>(2.5)%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>(1.0)%</b>

#### Supplemental Financial Information - Cost of Sales and Operating Expenses

<b>Cost of Sales</b>	<b>Fourth-quarter ended</b>			<b>Year ended</b>		
	<b>31 December 2018</b>	<b>31 December 2017</b>	<b>% Change</b>	<b>31 December 2018</b>	<b>31 December 2017</b>	<b>% Change</b>
<i>In millions of €, except per case data which is calculated prior to rounding</i>						
<b>As reported</b>	<b>1,734</b>	<b>1,677</b>	<b>3.5%</b>	<b>7,060</b>	<b>6,772</b>	<b>4.5%</b>
Adjust: Total items impacting comparability	(7)	(59)	3.0%	(31)	(33)	-%
<b>Comparable<sup>[1]</sup></b>	<b>1,727</b>	<b>1,618</b>	<b>6.5%</b>	<b>7,029</b>	<b>6,739</b>	<b>4.5%</b>
Adjust: Impact of fx changes	4	n/a	(0.5)%	37	n/a	(0.5)%
<b>Comparable &amp; fx-neutral</b>	<b>1,731</b>	<b>1,618</b>	<b>7.0%</b>	<b>7,066</b>	<b>6,739</b>	<b>5.0%</b>
<b>Cost of sales per unit case<sup>[2]</sup></b>	<b>2.87</b>	<b>2.66</b>	<b>8.0%</b>	<b>2.83</b>	<b>2.69</b>	<b>5.5%</b>

[1] The change in cost of sales includes the impact of 2018 incremental sugar and excise taxes in Belgium, France, Great Britain and Norway of 5.5% and 4.0% for the fourth-quarter and full-year ended 31 December 2018, respectively.

[2] The change in cost of sales per unit case includes the impact of 2018 incremental sugar and excise taxes in Belgium, France, Great Britain and Norway of 5.5% and 4.0% for the fourth-quarter and full-year ended 31 December 2018, respectively.

<b>Operating Expenses</b>	<b>Fourth-quarter ended</b>			<b>Year ended</b>		
	<b>31 December 2018</b>	<b>31 December 2017</b>	<b>% Change</b>	<b>31 December 2018</b>	<b>31 December 2017</b>	<b>% Change</b>
<i>In millions of €</i>						
<b>As reported</b>	<b>866</b>	<b>787</b>	<b>10.0%</b>	<b>3,158</b>	<b>3,030</b>	<b>4.0%</b>
Adjust: Total items impacting comparability	(161)	(84)	(9.5)%	(251)	(192)	(1.5)%
<b>Comparable</b>	<b>705</b>	<b>703</b>	<b>0.5%</b>	<b>2,907</b>	<b>2,838</b>	<b>2.5%</b>
Adjust: Impact of fx changes	2	n/a	-%	16	n/a	(0.5)%
<b>Comparable &amp; fx-neutral</b>	<b>707</b>	<b>703</b>	<b>0.5%</b>	<b>2,923</b>	<b>2,838</b>	<b>3.0%</b>

#### Supplemental Financial Information - Free Cash Flow

<b>Free Cash Flow</b>	<b>Year ended</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
<i>In millions of €</i>		
<b>Net cash flows from operating activities</b>	<b>1,806</b>	<b>1,623</b>

Less: Purchases of property, plant and equipment	(525)	(484)
Less: Purchases of capitalised software	(75)	(36)
Less: Interest paid, net	(81)	(94)
Add: Proceeds from sales of property, plant and equipment	4	32
<b>Free Cash Flow</b>	<b>1,129</b>	<b>1,041</b>

#### Supplemental Financial Information - Borrowings

Net Debt <i>In millions of €</i>	As at		Credit Ratings		
	31 December 2018	31 December 2017	As at 13 February 2019	Moody's	Standard & Poor's
Total borrowings	5,618	5,748	Long-term rating	A3	BBB+
Add: fx impact of non-EUR borrowings	24	66	Outlook	Stable	Stable
<b>Adjusted total borrowings</b>	<b>5,642</b>	<b>5,814</b>	Note: Our credit ratings can be materially influenced by a number of factors including, but not limited to, acquisitions, investment decisions and working capital management activities of TCCC and/or changes in the credit rating of TCCC. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.		
Less: cash and cash equivalents	(309)	(360)			
<b>Net debt</b>	<b>5,333</b>	<b>5,454</b>			

#### Supplemental Financial Information - Net debt to Adjusted EBITDA

Adjusted EBITDA <i>In millions of €</i>	Year ended	
	31 December 2018	31 December 2017
<b>Reported profit after tax</b>	<b>909</b>	<b>688</b>
Taxes	296	471
Finance costs, net	93	100
Non-operating items	2	1
<b>Reported operating profit</b>	<b>1,300</b>	<b>1,260</b>
Depreciation and amortisation	512	490
<b>Reported EBITDA</b>	<b>1,812</b>	<b>1,750</b>

**Items impacting comparability**

Mark-to-market effects <sup>[1]</sup>	8	(6)
Restructuring charges <sup>[2]</sup>	259	218
Merger effects <sup>[3]</sup>	-	(20)
Merger and Integration Related Costs <sup>[4]</sup>	-	4
Litigation provision <sup>[5]</sup>	-	5
<b>Adjusted EBITDA</b>	<b>2,079</b>	<b>1,951</b>
<b>Net Debt to EBITDA</b>	<b>2.94</b>	<b>3.12</b>
<b>Net Debt to Adjusted EBITDA</b>	<b>2.57</b>	<b>2.80</b>

[1] Amounts represent the net out-of-period mark-to-market impact of non-designated commodity hedges.

[2] Amounts represent restructuring charges related to business transformation activities, excluding accelerated depreciation included in the depreciation and amortisation line.

[3] Adjustments to reflect final acquisition accounting related adjustments in connection with Merger to form CCEP.

[4] Amounts represent costs associated with the Merger to form CCEP.

[5] Amount represents a provision recorded for ongoing litigation.

**Supplemental Financial Information - Return on invested capital**

<b>ROIC</b>	<b>Year ended</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
<i>In millions of €</i>		
<b>Comparable operating profit [1]</b>	<b>1,582</b>	<b>1,478</b>
Taxes [2]	(391)	(368)
<b>Comparable operating profit after tax</b>	<b>1,191</b>	<b>1,110</b>
Opening borrowings less cash and cash equivalents	5,388	6,051
Opening equity	6,685	6,461
<b>Opening Invested Capital</b>	<b>12,073</b>	<b>12,512</b>
Closing borrowings less cash and cash equivalents	5,309	5,388

Closing equity	6,564	6,685
<b>Closing Invested Capital</b>	<b>11,873</b>	<b>12,073</b>
<b>Average Invested Capital</b>	<b>11,973</b>	<b>12,293</b>
<b>ROIC</b>	<b>9.9%</b>	<b>9.0%</b>

[1] Reconciliation from reported operating profit to comparable operating profit is included in Supplementary Financial Information - Income Statement section.

[2] Tax rate used is the comparable effective tax rate for the year (2018: 24.7%; 2017: 24.9%).

#### Supplemental Financial Information - Financial Position

Statement of Financial Position	As at	
	31 December 2018	31 December 2017
<i>In millions of €</i>		
Non-current assets	15,225	14,880
Current assets	2,991	3,314
<b>Total assets</b>	<b>18,216</b>	<b>18,194</b>
Non-current liabilities	7,860	8,222
Current liabilities	3,792	3,287
<b>Total liabilities</b>	<b>11,652</b>	<b>11,509</b>
Total equity	6,564	6,685
<b>Total equity and liabilities</b>	<b>18,216</b>	<b>18,194</b>

31 December 2018 vs 31 December 2017

Total non-current assets increased €345 million, or 2.5%, from €14.9 billion at 31 December 2017 to €15.2 billion at 31 December 2018. This change was driven by a reclassification from current assets of €318 million relating to VAT receivables in Iberia. Property, plant and equipment had a net increase of €51 million primarily due to higher capital investments year on year, net of depreciation charges and disposals.

Total current assets decreased €323 million, or 9.5%, from €3.3 billion at 31 December 2017 to €3.0 billion at 31 December 2018, mainly driven by a reclassification to non-current assets of €318 million relating to VAT receivables in Iberia and by working capital movements.

Total non-current liabilities decreased by €362 million, or 4.5%, from €8.2 billion at 31 December 2017 to €7.9 billion at 31 December 2018. This change was mainly driven by the decrease in borrowings due to early repayments of €424 million, reclassification of maturing borrowings to current from non-current of €349 million, partially offset by the issuance of a €400 million Eurobond in November 2018.

Total current liabilities increased by €505 million, or 15.5%, from €3.3 billion at 31 December 2017 to €3.8 billion at 31 December 2018. This change was primarily driven by the €349 million borrowing reclassification explained above, an increase of €295 million in trade and other payables driven by working capital initiatives and increased tax liabilities arising from the incremental effect of sugar and excise tax changes enacted during 2018. This was partially offset by a decrease in commercial paper outstanding of €130 million.

## Coca-Cola European Partners plc

### Consolidated Income Statement (Unaudited)

	Year ended	
	31 December 2018	31 December 2017
	€ million	€ million
Revenue	11,518	11,062
Cost of sales	(7,060)	(6,772)
<b>Gross profit</b>	<b>4,458</b>	<b>4,290</b>
Selling and distribution expenses	(2,178)	(2,124)
Administrative expenses	(980)	(906)
<b>Operating profit</b>	<b>1,300</b>	<b>1,260</b>
Finance income	47	48
Finance costs	(140)	(148)
Total finance costs, net	(93)	(100)
Non-operating items	(2)	(1)
<b>Profit before taxes</b>	<b>1,205</b>	<b>1,159</b>
Taxes	(296)	(471)
<b>Profit after taxes</b>	<b>909</b>	<b>688</b>
<b>Basic earnings per share (€)</b>	<b>1.88</b>	<b>1.42</b>
<b>Diluted earnings per share (€)</b>	<b>1.86</b>	<b>1.41</b>

The financial information presented in the unaudited consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows within this document does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. This financial information has been extracted from CCEP's consolidated financial statements which will be delivered to the Registrar of Companies in due course.

## Coca-Cola European Partners plc

### Consolidated Statement of Financial Position (Unaudited)

	31 December 2018	31 December 2017
	€ million	€ million
<b>ASSETS</b>		
<b>Non-current:</b>		
Intangible assets	8,384	8,384
Goodwill	2,518	2,520
Property, plant and equipment	3,888	3,837
Non-current derivative assets	2	2
Deferred tax assets	37	56
Other non-current assets	396	81
<b>Total non-current assets</b>	<b>15,225</b>	<b>14,880</b>
<b>Current:</b>		
Current derivative assets	13	20
Current tax assets	21	25
Inventories	693	650
Amounts receivable from related parties	107	75
Trade accounts receivable	1,655	1,732
Other current assets	193	452
Cash and cash equivalents	309	360
<b>Total current assets</b>	<b>2,991</b>	<b>3,314</b>
<b>Total assets</b>	<b>18,216</b>	<b>18,194</b>
<b>LIABILITIES</b>		

<b>Non-current:</b>		
Borrowings, less current portion	5,127	5,474
Employee benefit liabilities	142	162
Non-current provisions	119	48
Non-current derivative liabilities	51	93
Deferred tax liabilities	2,157	2,237
Other non-current liabilities	264	208
<b>Total non-current liabilities</b>	<b>7,860</b>	<b>8,222</b>
<b>Current:</b>		
Current portion of borrowings	491	274
Current portion of employee benefit liabilities	19	21
Current provisions	133	194
Current derivative liabilities	20	1
Current tax liabilities	110	86
Amounts payable to related parties	191	178
Trade and other payables	2,828	2,533
<b>Total current liabilities</b>	<b>3,792</b>	<b>3,287</b>
<b>Total liabilities</b>	<b>11,652</b>	<b>11,509</b>
<b>EQUITY</b>		
Share capital	5	5
Share premium	152	127
Merger reserves	287	287
Other reserves	(552)	(503)
Retained earnings	6,672	6,769
<b>Total equity</b>	<b>6,564</b>	<b>6,685</b>
<b>Total equity and liabilities</b>	<b>18,216</b>	<b>18,194</b>

Coca-Cola European Partners plc

Consolidated Statement of Cash Flows (Unaudited)

	<b>Year ended</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>€ million</b>	<b>€ million</b>
<b>Cash flows from operating activities:</b>		
Profit before taxes	1,205	1,159
Adjustments to reconcile profit before tax to net cash flows from operating activities:		
Depreciation	461	443
Amortisation of intangible assets	51	47
Share-based payment expense	17	14
Finance costs, net	93	100
Income taxes paid	(263)	(247)
Changes in assets and liabilities:		
Decrease/(increase) in trade accounts receivable	72	108
Decrease/(increase) in inventories	(45)	16
Increase/(decrease) in trade and other payables	297	142
Increase/(decrease) in provisions	9	(67)
Change in other operating assets and liabilities	(91)	(92)
<b>Net cash flows from operating activities</b>	<b>1,806</b>	<b>1,623</b>
<b>Cash flows from investing activities:</b>		
Purchases of property, plant and equipment	(525)	(484)
Purchases of capitalised software	(75)	(36)
Proceeds from sales of property, plant and equipment	4	32
<b>Net cash flows used in investing activities</b>	<b>(596)</b>	<b>(488)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from borrowings, net of issuance costs	398	350
Changes in short-term borrowings	(131)	250
Repayments on third party borrowings	(444)	(1,180)
Interest paid, net	(81)	(94)

Dividends paid	(513)	(489)
Purchase of own shares under share buyback programme	(502)	-
Exercise of employee share options	25	13
Other financing activities, net	(11)	(2)
<b>Net cash flows used in financing activities</b>	<b>(1,259)</b>	<b>(1,152)</b>
<b>Net change in cash and cash equivalents</b>	<b>(49)</b>	<b>(17)</b>
Net effect of currency exchange rate changes on cash and cash equivalents	(2)	(9)
<b>Cash and cash equivalents at beginning of period</b>	<b>360</b>	<b>386</b>
<b>Cash and cash equivalents at end of period</b>	<b>309</b>	<b>360</b>

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