

COCA COLA ENTERPRISES INC
Form 11-K
June 29, 2006
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Annual Report Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

FORM 11-K

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2005

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]**

Commission file number 1-9300

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

COCA-COLA ENTERPRISES INC.

MATCHED EMPLOYEE SAVINGS AND INVESTMENT PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

COCA-COLA ENTERPRISES INC.

Table of Contents

The Coca-Cola Enterprises Inc. Matched Employee Savings and Investment Plan (the Plan) is a plan which is subject to the provisions of the Employee Retirement Income Security Act of 1974 as amended (ERISA). Accordingly, the following items are filed herewith as part of this annual report:

Audited financial statements:

Report of Banks, Finley, White & Co., Independent Registered Public Accounting Firm

Report of Ernst & Young LLP, Independent Registered Public Accounting Firm

Statements of Net Assets Available for Benefits at December 31, 2005 and 2004

Statement of Change in Net Assets Available for Benefits for the Year Ended December 31, 2005

Notes to Financial Statements

Schedule of Assets at December 31, 2005

Signature

Exhibit 23.1 Consent of Banks, Finley, White & Co., Independent Registered Public Accounting Firm

Exhibit 23.2 Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm

Table of Contents

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Global Retirement Programs Committee, which Committee administers the employee benefit plan, has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

**COCA-COLA ENTERPRISES INC. MATCHED
EMPLOYEE SAVINGS AND INVESTMENT PLAN**
(Name of Plan)

By /s/ Joyce King-Lavinder
Joyce King-Lavinder
Member, Global Retirement Programs Committee

Date: June 27, 2006

Table of Contents

Exhibit Index

Exhibit

Number Description

Exhibit 23.1 - Consent of Banks, Finley, White & Co., Independent Registered Public Accounting Firm

Exhibit 23.2 - Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm

Table of Contents

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

Coca-Cola Enterprises Inc. Matched Employee Savings and Investment Plan

As of December 31, 2005 and 2004 and For the Year Ended December 31, 2005

with Reports of Independent Registered Public Accounting Firms

Table of Contents

Coca-Cola Enterprises Inc. Matched Employee

Savings and Investment Plan

Financial Statements

And Supplemental Schedule

As of December 31, 2005 and 2004 and For the Year Ended December 31, 2005

Contents

<u>Report of Independent Registered Public Accounting Firm (Banks, Finley, White & Co.)</u>	1
<u>Report of Independent Registered Public Accounting Firm (Ernst & Young LLP)</u>	2
Financial Statements	
<u>Statements of Net Assets Available for Benefits</u>	3
<u>Statement of Changes in Net Assets Available for Benefits</u>	4
<u>Notes to Financial Statements</u>	5
<u>Supplemental Schedule</u>	15
<u>Schedule H, Line 4i - Schedule of Assets (Held at End of Year)</u>	16

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Global Retirement Programs Committee

Coca-Cola Enterprises Inc.

Atlanta, Georgia:

We have audited the accompanying statement of net assets available for benefits of Coca-Cola Enterprises Inc. Matched Employee Savings and Investment Plan (the Plan) as of December 31, 2005 and the related statement of changes in net assets available for benefits for the year ended December 31, 2005. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audit. The statement of net assets available for benefits of the Plan as of December 31, 2004 was audited by other auditors whose report dated June 24, 2005, expressed an unqualified opinion on that financial statement.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2005 and the changes in net assets available for benefits for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held at end of year is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplemental information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Banks, Finley, White & Co.

College Park, Georgia

June 23, 2006

Table of Contents

Report of Independent Registered Public Accounting Firm

Finance Committee of the Board of Directors

Coca-Cola Enterprises Inc.

We have audited the accompanying statement of net assets available for benefits of Coca-Cola Enterprises Inc. Matched Employee Savings and Investment Plan as of December 31, 2004. This financial statement is the responsibility of the Plan's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2004 in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Atlanta, Georgia

June 24, 2005

Table of Contents

Coca-Cola Enterprises Inc. Matched Employee

Savings and Investment Plan

Statements of Net Assets Available for Benefits

	December 31	
	2005	2004
Assets		
Investment in Master Trust	\$ 1,192,641,342	
Participant loans	82,007,362	\$ 83,862,442
Investments, at fair value		1,017,064,916
Investments, at contract value		161,939,303
 Net assets available for benefits	 \$ 1,274,648,704	 \$ 1,262,866,661

See accompanying notes to the financial statements.

Table of Contents

Coca-Cola Enterprises Inc. Matched Employee

Savings and Investment Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2005

Additions to net assets attributed to:

Investment income:	
Net appreciation in fair value of investments	\$ 88,007,962
Interest and dividend	11,478,905
Investment income in Master Trust	22,017,808
Contributions:	
Employer	16,021,698
Participant	78,793,457
	94,815,155

Transfers:

From other Company-sponsored plans	94,480
From plan sponsored by The Coca-Cola Company	26,907

121,387

Total additions 216,441,217

Deductions from net assets attributed to:

Net depreciation in fair value of investments in Master Trust	95,896,339
Distributions to Participants	108,019,708
Administrative expenses	743,127

Total deductions 204,659,174

Net increase in net assets available for benefits 11,782,043

Net assets available for benefits:

Beginning of year 1,262,866,661

End of year \$ 1,274,648,704

See accompanying notes to the financial statements.

Table of Contents

Coca-Cola Enterprises Inc. Matched Employee

Savings and Investment Plan

Notes to Audited Financial Statements

December 31, 2005

1. Description of the Plan

The following description of the Coca-Cola Enterprises Inc. Matched Employee Savings and Investment Plan (the Plan) provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions.

General

The Plan was originally adopted effective January 1, 1988 and restated most recently effective January 1, 1997. The Plan is a defined contribution plan covering all non-bargaining employees of Coca-Cola Enterprises Inc. (the Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 as amended (ERISA).

Eligibility

Non-bargaining employees are eligible to participate in the Plan on the later of (1) the first of the month following the completion of two months of service or (2) the month in which such employee becomes a covered employee as defined by the Plan. At that time, the participant may elect to begin compensation deferrals. Participants become eligible to receive employer matching contributions as of the first payroll date following the later of (1) completion of two months of service or (2) the date such employee becomes a covered member.

Contributions

The Plan allows a participant to contribute up to 30% of eligible compensation on a pre-tax basis, and between 1% and 10% of eligible compensation on an after-tax basis, as defined by the Plan agreement and subject to certain Internal Revenue Code (the Code) limitations. A participant may elect to change his or her rate of contributions or suspend contributions at any time. The Company matched participant contributions in an amount equal to 25% of the first 7% of the participant's pre-tax deferral contributed during 2005. All contributions are invested as directed by participants.

Table of Contents

Coca-Cola Enterprises Inc. Matched Employee

Savings and Investment Plan

Notes to Audited Financial Statements (continued)

Vesting

Participants are immediately vested in their contributions and the Company's matching contributions plus actual earnings thereon.

Participant Loans

Participants may borrow from their fund accounts a minimum of \$1,000 and up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms generally range from one to five years for general purpose loans and extend up to 15 years for principal residence loans. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with the interest rates charged by persons in the business of lending money for loans which would be made under similar circumstances. Principal and interest are repaid ratably through payroll deductions and the interest paid is applied directly to the participant's account balance.

Participant Accounts

Each participant's account is credited with the participant's contributions, rollover contributions, if any, and allocations of the Plan's earnings and losses. The allocation of earnings and losses is based on participant account balances as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

In the event a participant's union membership status changes, the participant may elect to transfer his or her account out of this Plan. During the year ended December 31, 2005, other Company-sponsored plans transferred participant accounts totaling \$94,480 to the Plan.

Withdrawals and Payments of Benefits

Distributions of a participant's fully vested account balance shall be made during the period following his or her retirement, death, disability or termination of employment.

Table of Contents

Coca-Cola Enterprises Inc. Matched Employee

Savings and Investment Plan

Notes to Audited Financial Statements (continued)

Withdrawals and Payments of Benefits (continued)

Distributions to participants shall be made in a single lump sum payment if their vested account balance is \$1,000 or less. If the participant's vested account balance exceeds \$1,000, the Plan permits distribution in a single lump sum, installment payments or a combination of lump sum and installment payments at the discretion of the participant. If the participant has any loan balance at the time of distribution, the amount of cash available to the participant or beneficiary shall be reduced by the outstanding principal balance of the loan.

Voluntary withdrawals from the balance of the participant's pre-tax contribution account become available after the participant attains age 59½. Prior to the attainment of age 59½, a withdrawal from these accounts would be available only for a financial hardship.

Plan Termination

The Company expects to continue the Plan indefinitely but has the right under the Plan agreement to terminate the Plan. In the event of Plan termination, all participants become fully vested and shall receive a full distribution of their account balances.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Plan are prepared using the accrual method of accounting.

Reclassifications

Certain amounts have been reclassified in the Plan's prior year financial statements to conform to the current year presentation.

Valuation of Investments

Effective August 1, 2005 the Plan began participation in the Coca-Cola Enterprises Inc. Defined Contribution Plans Master Trust (the "Master Trust") with similar retirement plans sponsored by the Company and certain other subsidiaries of the Company, whereby investments are held collectively for all plans by JPMorgan Chase Bank, N.A. (the "Trustee"). Each participating plan's investment in the Master Trust is equal to the sum of its participant account balances in relation to total Master Trust investments.

Table of Contents

Coca-Cola Enterprises Inc. Matched Employee

Savings and Investment Plan

Notes to Audited Financial Statements (continued)

Valuation of Investments (continued)

Short-term investments are stated at fair value, which approximates cost and is based on quoted redemption values determined by the Trustee. Mutual funds and the common stock of The Coca-Cola Company and Coca-Cola Enterprises Inc. are valued based on quoted market prices on national exchanges on the last business day of the Plan year. Investments in collective trusts are stated at fair value, based on quoted redemption values as determined by the Trustee. Participant loans are valued at their outstanding balances, which approximate fair value.

The INVESCO Stable Value Fund (the INVESCO fund) invests in guaranteed investment contracts (GICs), both traditional and synthetic, and cash equivalents. The synthetic guaranteed investment contracts (SICs) represent a diversified portfolio of corporate and government bonds, 103-12 investment entities, and pooled separate accounts; the underlying values of which are based on quoted redemption value as determined by the Trustee. These assets are held in the name of the Master Trust in conjunction with a corresponding contract (a wrapper) with the issuer of the SIC to provide a rate of return (based on investment experience and reset periodically) on the cost of the investments.

Contracts within the INVESCO fund are fully benefit-responsive and are therefore carried at contract value in accordance with AICPA Statement of Position 94-4, Reporting of Investment Contracts Held by Health and Welfare Benefit Plans and Defined-Contribution Pension Plans. At December 31, 2005 and 2004, contract value approximated fair value. Contract value represents contributions made under the contracts, plus earnings, less withdrawals and administrative expenses. The weighted-average yields were approximately 4.6% and 4.4%, for the years ended December 31, 2005 and 2004, respectively. The crediting interest rates were approximately 4.6% and 4.5%, at December 31, 2005 and 2004, respectively. Participants investing in the INVESCO fund are subject to risk of default by issuers of the investment contracts and the specific investments underlying the SICs. There are no reserves against contract value for credit risk of the contract issuer or otherwise.

Table of Contents

Coca-Cola Enterprises Inc. Matched Employee

Savings and Investment Plan

Notes to Audited Financial Statements (continued)

Valuation of Investments (continued)

The fair values of the underlying assets of the SICs and the values of the related wrapper contract are as follows:

	December 31	
	2005	2004
Fair value of the underlying assets of the SICs:		
Fixed income securities	\$ 224,888	\$ 660,331
Insurance Company Pooled Separate Account		4,646,051
Short Term Investment Fund	1,443,823	287,664
US Treasury Note	3,740,335	3,529,121
103-12 Investment Entities	164,347,116	155,192,151
	169,756,162	164,315,318
Fair value of the related wrapper contracts	1,626,450	(2,376,015)
Contract value	\$ 171,382,612	\$ 161,939,303

Administrative Expenses

Certain administrative expenses are paid by the Plan, as permitted by the Plan document. All other expenses are paid by the Company.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

ESOP

A portion of the MESIP is designated as an employee stock ownership plan (ESOP). An ESOP permits plan participants flexibility in electing to either reinvest Coca-Cola Enterprises Inc. stock dividends or have the dividends distributed as a taxable cash payment.

Recently Issued Accounting Standards

The Plan will adopt the following new accounting pronouncement for the year ending December 31, 2006:

FASB Staff Position (FSP) No. AAG INV-1 and Statement of Position (SOP) 94-1-1 - *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans*. The FSP and SOP revises the definition of fully benefit-responsive investment contracts as of the last day of annual period ending after December 15, 2006 and sets forth new financial statement presentation and disclosure requirements for such contracts for plan years ending after December 15, 2006. In accordance with the new standards, guaranteed investment contracts meeting the definition within the FSP, while currently reported at contract value (see Valuation of Investments above), must be reported at fair value with adjustments to contract value shown on the face of the financial statements. It is anticipated that the financial statements of the Plan as of and for the year ended December 31, 2006 will meet all reporting and disclosure requirements of the FSP and the SOP.

Table of Contents

Coca-Cola Enterprises Inc. Matched Employee

Savings and Investment Plan

Notes to Audited Financial Statements (continued)

3. Investments

As of December 31, 2005, the Plan's investment in the Master Trust was \$1,192,641,342. From August 1 to December 31, 2005, the Plan's investment in the Master Trust (including investments bought, sold, as well as held during the year) depreciated in fair value by \$95,896,339.

The fair value of investments that individually represent 5% or more of the Plan's net assets at December 31, 2005 is as follows:

Investment in Master Trust	\$ 1,192,641,342
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Between January 1, 2005 and July 31, 2005, the Plan's investments (including investments purchased, sold as well as held during the year) appreciated in fair value as determined by quoted market price as follows:

Common stock	\$ 46,095,200
Collective trust funds	20,697,859
Mutual funds	21,214,903
Total	\$ 88,007,962

Investments that represent 5% or more of the fair value of the Plan's net assets as of December 31, 2004 are as follows:

Common Stock of Coca-Cola Enterprises Inc.	\$ 342,653,750
Common Stock of The Coca-Cola Company	82,726,939
50/50 Fund	175,289,732
PRIMCO Stable Value Fund	170,385,860
Putnam Fund for Growth and Income	72,046,503
Participant loans	83,862,442

Table of Contents

Coca-Cola Enterprises Inc. Matched Employee

Savings and Investment Plan

Notes to Audited Financial Statements (continued)

4. Transactions with Parties-in-Interest

Between January 1, 2005 and July 31, 2005, the Plan had the following transactions relating to common stock of Coca-Cola Enterprises Inc.:

	Shares	Fair Value	Realized Gain
Purchases	2,465,332	\$ 53,029,521	
Sales	(3,204,700)	\$ (68,866,930)	\$ 5,613,662
Dividends received		\$ 1,271,046	

Between January 1, 2005 and July 31, 2005, the Plan had the following transactions relating to common stock of The Coca-Cola Company:

	Shares	Fair Value	Realized Gain
Purchases	26,078	\$ 1,092,821	
Sales	(177,288)	\$ (7,559,246)	\$ 3,222,203
Dividends received		\$ 1,064,605	

5. Coca-Cola Enterprises Inc. Defined Contribution Plans Master Trust

The Plan's interest in the net assets of the Master Trust was approximately 94.8% at December 31, 2005.

The condensed statement of net assets for the Master Trust is as follows:

	2005
Investments, at fair value:	
Common/Collective trust funds	\$ 43,618,332
Registered Investment Companies	526,298,689
Company Stock	274,630,754
Corporate Stock	74,406,506
JPMI Self-Directed Accounts	10,429,615
Stable Value Fund	192,149,771
50/50 Fund	136,080,530
Net assets	\$ 1,257,614,197

Table of Contents

Coca-Cola Enterprises Inc. Matched Employee

Savings and Investment Plan

Notes to Audited Financial Statements (continued)

5. Coca-Cola Enterprises Inc. Defined Contribution Plans Master Trust (continued)

The condensed statement of changes in net assets for the Master Trust is as follows:

	August 1 to December 31, 2005
Additions:	
Interest and Dividend Income	\$ 23,097,743
Participant Contributions	33,867,355
Company Contributions	6,700,484
Total additions	63,665,582
Deductions:	
Transfers out for benefit payments	42,412,635
Administrative expenses	312,855
Net loans (issued)	1,351,422
Net depreciation in fair value of investments	97,310,428
Total deductions	141,387,340
Net decrease	77,721,758
Net assets available for benefits:	
Asset transfer from prior trustee 8/1/05	1,335,335,955
End of year	\$ 1,257,614,197

Table of Contents

Coca-Cola Enterprises Inc. Matched Employee

Savings and Investment Plan

Notes to Audited Financial Statements (continued)

5. Coca-Cola Enterprises Inc. Defined Contribution Plans Master Trust (continued)

Investments, including investments bought, sold, as well as held during the year by the Master Trust, appreciated (depreciated) in fair value as follows:

	Net Appreciation (Depreciation)
	in Fair Value August 1 to December 31, 2005
Common/Collective trust funds	\$ 1,099,018
Registered Investment Companies	(963,902)
Company Stock	(67,146,913)
Corporate Stock	(7,675,335)
Stable Value Fund	3,520,519
50/50 Fund	(26,143,815)
	\$ (97,310,428)

Between August 1, 2005 and December 31, 2005, the Master Trust had the following transactions relating to common stock of

Coca-Cola Enterprises Inc.:

	Shares	Fair Value	Realized Gain
Purchases	932,572	\$ 18,585,516	
Sales	(2,541,283)	\$ (50,344,890)	\$ 3,710,083
Dividends received		\$ 1,246,562	
Balance at December 31, 2005	14,311,364	\$ 274,630,754	

Table of Contents

Coca-Cola Enterprises Inc. Matched Employee

Savings and Investment Plan

Notes to Audited Financial Statements (continued)

5. Coca-Cola Enterprises Inc. Defined Contribution Plans Master Trust (continued)

Between August 1, 2005 and December 31, 2005, the Master Trust had the following transactions relating to common stock of The Coca-Cola Company:

	Shares	Fair Value	Realized Gain
Purchases	26,308	\$ 1,109,999	
Sales	(260,086)	\$ (11,178,863)	\$ 4,095,461
Dividends received		\$ 1,110,000	
Balance at December 31, 2005	1,845,858	\$ 74,406,506	

6. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated January 3, 2003, stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Internal Revenue Service, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax exempt.

7. Risks and Uncertainties

The Master Trust invests in various investment securities as directed by participants. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

Table of Contents

Supplemental Schedule

15

Table of Contents

Coca-Cola Enterprises Inc. Matched Employee

Savings and Investment Plan

EIN: 58-0503352 Plan Number: 006

Schedule H, Line 4i

Schedule of Assets (Held at End of Year)

December 31, 2005

*** LOANS TO PARTICIPANTS** \$ 82,007,362

* Parties in Interest