COCA-COLA ENTERPRISES, INC.
Form 4
January 04, 2011

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
DARDEN CALVIN

(Last) (First) (Middle)

2500 WINDY RIDGE PARKWAY, 14TH FLOOR

(Street)

ATLANTA, GA 30339

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
COCA-COLA ENTERPRISES, INC. [CCE]

3. Date of Earliest Transaction (Month/Day/Year)
12/31/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities	8. Pri Deriv

Security (Instr. 3)	or Exercise Price of Derivative Security		any (Month/Day/Year)	Code (Instr. 8)		Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		(Month/Day/Year)		(Instr. 3 and 4)		Secur (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Stock	(1)	12/31/2010		A		1,239		(1)	(1)	Common Stock	1,239	$
Quarterly DSU Award	(2)	01/01/2011		A		1,198		(2)	(2)	Common Stock	1,198	$

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DARDEN CALVIN 2500 WINDY RIDGE PARKWAY 14TH FLOOR ATLANTA, GA 30339	X			

Signatures

Suzanne N. Forlidas, attorney-in-fact	01/04/2011
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Phantom stock units acquired pursuant to a deferred compensation agreement between reporting person and Company and/or increases to the Director's phantom stock credits under the Deferred Compensation Plan for nonemployee Directors due to deemed reinvestments of hypothetical dividens thereunder. Payment of the number of shares credited to the account occurs upon the Director's departure from the Board.

(2) Phantom stock units credited to the reporting person's Quarterly DSU Award account under the Deferred Compensation Plan for Nonemployee Directors. Payment of the number of shares credited to the account occurs upon the Director's departure from the Board.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. cCorkle, Chairman
Eugene I. Davis
Carol B. Hallett

3
OUR MANAGEMENT IS FOCUSED ON CONTINUING TO BUILD A STRONGER COMPANY THAT DELIVERS INTRINSIC VALUE FOR OUR STOCKHOLDERS
October 2009
announced
plans to commence CMI
passenger charter service
for SonAir

September 2011
placed two 747-8F
aircraft with Panalpina
January 2012
arranged Ex-Im
guaranteed
financing for
remaining six
747-8F aircraft
September 2012
placed two 747-8F
aircraft with DHL
July 2010
commenced CMI
Dreamlifter service for Boeing
May
2011

U.S.
Military
passenger
service commenced
December 2011
delivery completed for
first three 747-8F
aircraft placed with
British Airways
March 2012
began 767 CMI
service for DHL
July
2007

Atlas
creates express
network with DHL
September 2006
announced major order for
Boeing s new 747-8
Freighter
February 2011
secured financing for
first three 747-8F
aircraft
January 2012
received military
approval for 767-300
airlift service
February 2013
announced 747-

400F ACMI for new
customer Chapman
Freeborn;
implemented stock
repurchase program
March 2013
acquired first 777F
for Titan Dry
Leasing platform
June 2012
began
747-400F ACMI for
new customer
Etihad Cargo

4

WE HAD MANY MAJOR ACHIEVEMENTS IN 2012

In Fiscal 2012, we:

Grew our revenues 18% to $1.65 billion.

Achieved pretax income of $205 million, reflecting the second-best operating results in our history.

Our reported operating income and margin increased to $226 million and 14% in 2012 from $151 million and 11% in 2011.

Our free cash flow* increased to $209 million in 2012 from $78 million in 2011.

Secured
Ex-Im
Bank
financing
at
extremely
attractive
terms
for
up
to
six
of
our
747-8F aircraft.

Secured attractive placement with customers for the four 747-8F aircraft deliveries that occurred in 2012.

Developed and implemented a comprehensive, long-term strategic plan to provide new earnings streams and create competitive advantages.

Obtained Civil Aviation Review Board approval from the U.S. military to perform AMC B767 passenger service.

Executed
a
start-up
plan
for
B767-200
express
cargo
operations
for
DHL.

Delivered numerous customer service quality metrics at or close to maximum levels.

Received IATA Operational Safety Audit re-certification for cargo and passenger operations without any negative findings.

*Information related to this non-GAAP financial measure, including reconciliation to the corresponding GAAP financial meas
February 13, 2013.

5

HEADWINDS IN 2012

These numerous accomplishments were achieved despite the following headwinds:

Continued sluggish global economic conditions.

Muted peak

season.

Commercial charter volumes and rates materially impacted by:
-
Increased air cargo capacity.
-
Softer demand.
-
Significantly reduced military flying levels.

6

WE PAY FOR PERFORMANCE

We believe that ISS s policy of basing its say on pay recommendation on an analysis of CEO pay compared to 1 and 3 year TSR fails to acknowledge the contributions of all of our executive officers to the long-term prospects of the company.

The chart appearing below on the left is based on our 2012 Summary Compensation Table and shows the percentage of our total compensation (as reflected in such table) that consisted of fixed compensation and variable or performance-based compensation (long-term performance units are

assumed to be earned at the target level for purposes of our Summary Compensation Table). The chart appearing below on the right is based on the same information, except the percentages valuing long-term performance units granted in 2012 are assumed to be earned at the maximum level. For purposes of these charts, we have taken the percentages applicable to our five NEOs.
A significant portion of our compensation is performance based.

7
ANNUAL INCENTIVE PLAN TARGET SETTING
Financial targets reward superior performance; financial targets used to determine annual cash bonus were adjusted upward each year.

8
AAWW 2012 STOCK PERFORMANCE
Percent Change
Dow Jones Transportation Average Index: ALK, CHRW, CNW, CSX, DAL, EXPD, FDX, GMT, JBHT, JBLU, KEX, KSU, L

9
A substantial majority (over 67%) of our shareholders voting on our 2012 Say-on-Pay proposal voted in favor of that proposal notwithstanding a recommendation against it by ISS. We believe that our shareholders support our compensation practices because:

They recognize our

compensation
best
practices
and
excellent
pay
for
performance results.

We manage our business for the long-term and for future growth.

As previously indicated, AAWW s financial performance for the year was solid
and
filled
with
numerous
financial
and
operational
achievements,
despite
a
challenging macro-economic and freight environment. This strong performance was reflected in a 15% increase in our share price performance.

We grew our revenues in 2012 by 18% to $1.65 billion.

We achieved pretax income of $205 million, reflecting the second-best operating results in our history.

Our reported operating income and margin increased to $226 million and 14% in 2012 from $151 million and 11% in 2011.

Our free cash flow
*
increased to $209 million in 2012 from $78 million in 2011.

STRONG SHAREHOLDER SUPPORT FOR OUR COMPENSATION PRACTICES

*Information related to this non-GAAP financial measure, including reconciliation to the corresponding GAAP financial meas
SEC on February 13, 2013.

10

WE ARE RESPONSIVE TO OUR SHAREHOLDERS

Prior to our 2012 annual meeting, we reached out to holders of approximately 85% of outstanding shares to discuss their views on our executive compensation program. We held conversations and/or exchanged emails with stockholders holding approximately 82% of our outstanding shares. The AAWW Compensation Committee
considered

the
feedback
from
stockholders
and
made
the
following
changes to our compensation program beginning in 2013:

Reduced the weighting of the individual management business objective metric in the annual cash incentive plan from 40% to 30%.

Revised the financial performance metric in the annual cash incentive plan from one based on pretax income to one based on earnings per common share.

Changed the earnings before taxes performance metric used for long-term incentive awards to one based on earnings before interest, taxes, depreciation and amortization (EBITDA).

11
AAWW MAINTAINS A TOP OF CLASS MANAGEMENT TEAM IN A COMPETITIVE MARKETPLACE
Our
executives
skills
are
valuable

to us and they are highly transferrable and desirable to our competitors, as well as to companies in other industries. We have designed our compensation policy so that we maintain our current executive team and remain an attractive employer as we invest in our future growth, continue to execute our strategic transformation and endure challenging economic environments.

KEY COMPONENTS OF OUR COMPENSATION POLICY INCLUDE:

Benchmarking our executives compensation at competitive levels

We target base salary, performance-based annual incentive cash compensation and performance-based and time-based equity compensation between the 50 th and 75 th percentiles of our compensation peers for our CEO and at the 75 th percentile for our other senior executives. This is nationwide data even though AAWW executives are based in one of the highest cost locations in the country.

While ISS criticizes the Company for using peers with significantly higher revenue than AAWW, ISS report on our executive compensation fails to consider

that
the
information
on
our
peers
is
scaled
to
provide
an
apples-
to-apples
comparison of compensation in the markets in which we compete for executive talent.
Reward
strong
individual
performance
by
aligning
incentive-based
compensation
to
individuals
annual
performance
objectives

We incentivize management s long-term investment in the company by rewarding what they can control, and decline to reward risky behavior targeted at artificially inflating stockholder return at the expense of our future growth.

Our Annual incentive program performance targets include personal metrics that are specifically tailored to each individual s job responsibilities to incentivize the achievement of job specific goals.

12

Robust performance of our high quality, experience executive team.

Productivity and commitment of our lean management team.

High proportion of incentive compensation that is only paid if earned by superior performance.

Express Board policy to provide strong incentives to retain current management team.

-

Significant competition for high-performing talent.
WHERE DID ISS GET IT WRONG?
BENCHMARKING
We target to 50
th
to 75
th
percentile because of:
Management team has successfully executed numerous strategic initiatives notwithstanding challenging market conditions.
Over 60% of compensation is performance-based (assuming a maximum payout of long-term equity awards.
-
AAWW executives are based in one of the highest cost locations in the country.

13

WHERE DID ISS GET IT WRONG?

EXPRESSES CONCERN WITH SUCCESSIVE ABOVE-TARGET PAYOUTS

ISS: Concerned that goals under the long-term incentive plan are   not particularly rigorous.

Long term incentive payouts are determined based on operating performance (measured by average growth in earnings before taxes

(EBT) and return on invested capital (ROIC)) compared against a peer group of approximately 20 similar asset heavy companies. The only way to earn above-target payouts is to outperform the peer group. We believe that objectively comparing performance to a set of 20 peer companies, by its nature, is certainly a rigorous process. AAWW achieved top quartile ROIC and 56-75 th percentile EBT growth from 2010-2012 as compared to the peer group.
What did ISS get wrong?

While some of these peers have larger revenue bases than AAWW, this group of peers is used only for performance comparisons and is not used to benchmark AAWW compensation levels.

14
ISS: The service quality metric under the company s annual incentive plan is
relatively more subjective.

60% of the annual incentive payout is based on objective metrics
(50% financial performance and 10% service quality (20% in the
case
of

our
operating
personnel)).This
was
increased
to
70%
in
2013
based on shareholder feedback. The financial metric was changed from adjusted pre-tax income to adjusted earnings per share in 2013 to continue to ensure alignment of management and shareholder interests.

The service quality metrics are measured against AAWW s ability to meet or exceed aggressive service level agreements (SLAs)
specified
in
contracts
with
our
key
customers.
AAWW
either
meets
or
exceeds these standards or it doesn t.

As permitted under the SEC rules, AAWW does not provide the reliability targets in its proxy statement as it has determined that such disclosure would result in competitive harm.

WHERE DID ISS GET IT WRONG?

EXPRESSES CONCERN WITH SUCCESSIVE ABOVE-TARGET PAYOUTS

What did ISS get wrong?

15

What did ISS get wrong?

Individual business objectives (IBOs) consist of many detailed, job specific goals that are specifically tailored to incentivize executives to drive achievement of the business plan and financial goals approved by the Board. *IBOs are described in detail on page 31 of the Proxy*

Statement.

We establish challenging targets which represent a high level of operating performance. 2012 financial targets represent a meaningful increase over the targets for 2011.

WHERE DID ISS GET IT WRONG?

EXPRESSES CONCERN WITH SUCCESSIVE ABOVE-TARGET PAYOUTS

16
AAWW MAINTAINS COMPENSATION BEST PRACTICES
We offer no excise tax gross ups or
modified gross ups.
We believe these gross ups are antithetical
to fair compensation practices.
Payments in event of change of control
do not exceed 3x for all executives.

We believe change of control payments at this level protect our executives, yet are not prohibitive to a potential strategic partner.

No share recycling.

Policy of not reusing shares forfeited for tax withholding or cancelled awards.

Minimum stock ownership requirements are in place for officers and directors, and we provide robust disclosure on such compliance.

We believe our directors and officers act in our stockholders best interests when they themselves are stockholders. There is 100% compliance with the stock ownership requirements, and actual ownership levels far exceed the minimum requirements in most instances.

Substantial levels of variable compensation.

As indicated on page 6, a majority of our compensation is at risk whether earned on a target basis or at the maximum level.

1Q13 HIGHLIGHTS
Reflected
business mix, productivity gains,
efficiency initiatives
Adjusted
EPS
-
$0.22*

Street
consensus
-
$0.14
Full-year
outlook
affirmed
Adjusted EPS ~ $4.80*
Operating revenue **up 5%**
Operating income **up 10%**
ACMI Direct Contribution **up 65%**
Free cash flow of **$42 million***
*Information related to these non-GAAP financial measures, including reconciliations to the corresponding GAAP financial measures, is contained on page 21 of our Form 10-Q for the quarterly period ended March 31, 2013, filed with the SEC on May 2, 2013 and in Exhibit 99 of our Form 8-K, furnished to the SEC on May 2, 2013.
17