Coca-Cola EUROPEAN PARTNERS

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FIRST-QUARTER TRADING UPDATE CONFERENCE CALL
PREPARED REMARKS

CORPORATE PARTICIPANTS

Damian Gammell, Chief Executive Officer

Sarah Willett, VP Investor Relations

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Thank you and good afternoon in Europe or good morning in the US.

Thank you all for joining us today.

Before we begin with our opening remarks on our first quarter trading update, I would like to remind you of our cautionary statements. This call will contain forward-looking management comments and other statements reflecting our outlook. These comments should be considered in conjunction with the cautionary language contained in this morning's release, as well as the detailed cautionary statements found in reports filed with the UK, U.S., Dutch, and Spanish authorities. A copy of this information is available on our website at www.ccep.com.

Today's prepared remarks will be made by Damian Gammell, our CEO.

We will then open the call for your questions which are strictly one per person. We have around 45 minutes today. You will then need to re-join the queue for additional questions, time permitting, to give everyone else a chance.

Following the webcast, a full transcript will be made available as soon as possible on our website.

I will now turn the call over to our CEO, Damian.

TRADING UPDATE PREPARED REMARKS

Damian Gammell, Chief Executive Officer

Thank you, Sarah, and many thanks to everyone joining us today to discuss our first-quarter trading update.

And it is just that. The first time we are providing a trading update rather than full financial results, a move we announced in February, in line with our European peers.

The focus therefore of our opening remarks will relate only to our top line performance. This must also be the case for any questions. We will continue of course to publish full results semi-annually, when the floor will be yours to ask more detailed questions beyond revenue.

As the statement is shorter in length, I will keep my comments brief. Key highlights are pulled out in the release both by geography and by category, so no need to repeat them here.

Overall, we have delivered a good start to the year with revenue up 8 ½ percent, or 5 ½ percent when excluding the impact of soft drink taxes.

This was driven by good growth in revenue per unit case as we continue to drive price and mix. This alongside growth in volumes, although they did benefit from soft comparables. I will come back to that shortly. And transactions continued to outpace volume growth.

We continue to focus on our revenue management growth initiatives driving good growth of 2 ½ percent in revenue per unit case excluding the impact of incremental soft drinks taxes. We continue to benefit from our efforts to drive priority small packs, more efficient promotional activity and widening our distribution, alongside generally positive outcomes from our annual pricing negotiations.

Now to volumes. Comparable unit case volume was up by 4 ½ percent when adjusting for the one selling day shift in the quarter, or by 3 percent in reported terms. Volume growth did benefit from lapping soft comparables. You may recall the poor weather last year in markets like Great Britain and Iberia, and the start of the adverse impact of a customer dispute in France. These were partly offset by a later Easter this year and the impact of pack downsizing due to last year's soft drinks tax changes. Volume was also helped this year by some stock building in Great Britain by some of our key customers as they prepared for a potentially disruptive Brexit. Whilst the precise amount is difficult to accurately calculate, we expect this to unwind across the year.

So, all in all, pulling out our comparable volume growth on a two year view, volumes were up 2%.

Now to an update on our portfolio innovation as we diversify to become a total beverage company, aligned with the Coca-Cola Company. We continue to build on last year's momentum behind Fuze Tea. We also launched Honest Tea in Glass & Honest Lemonade, Monster Espresso and new light cola flavours, like Twisted Strawberry, in select markets. The introduction of further exciting innovations remain in the pipeline. We have started to launch Coke Energy, and while it has only been a few weeks, customer reaction has been positive. We will work with The Coca-Cola Company to ensure the consumer proposition lands as we expect, to ensure this product is expansive to the category. We are also starting to launch Aquarius across our markets, a great tasting new functional water based drink that provides consumers with 20 percent of either their daily mineral intake of Zinc or Magnesium. An exciting addition to the portfolio in two flavours, lemon and lime.

So, we have had a good start to the year. However, the first quarter is our smallest. We are focused on building on this momentum as we approach the key summer selling season. On the horizon are some strong comparatives as we were able to benefit from a number of one-offs last year. Namely, great summer weather, CO2 and private label shortages.

We continue to make investments in our business to support top line growth and we are confident in achieving our guidance for the full year, which we have reaffirmed today. We have a business built on great people, great service and great beverages and this good start to the year positions us well.

Our ultimate goal remains to drive sustainable shareholder returns. This is evidenced by our ongoing share buyback programme, and today declaring our first half interim dividend, up almost 20 percent, maintaining our annualised dividend payout ratio of approximately 50 percent.

And finally – let us remind you that we will be presenting at the Deutsche Bank conference on 11th June. The short presentation and fireside chat will be webcast through our website as usual.

So thanks for your time. Nik and I will now be happy to take your questions about our top line numbers only!

So let me now turn the call over to your question

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FIRST-QUARTER TRADING UPDATE CONFERENCE CALL

Q&A TRANSCRIPT

CORPORATE PARTICIPANTS

Damian Paul Gammell *Coca-Cola European Partners plc - CEO & Director*
Nik H. Jhangiani *Coca-Cola European Partners plc - CFO & Senior VP*
Sarah Willett *Coca-Cola European Partners plc - VP of IR*

CONFERENCE CALL PARTICIPANTS

Ali Dibadj *Sanford C. Bernstein & Co., LLC., Research Division - SVP and Senior Analyst*
Bryan Douglass Spillane *BofA Merrill Lynch, Research Division - MD of Equity Research*
Dara Warren Mohsenian *Morgan Stanley, Research Division - MD*
Judy Eunjoo Hong *Goldman Sachs Group Inc., Research Division - MD, Senior Analyst & Co-Head of the GIR Asian Professionals Network*
Kevin Michael Grundy *Jefferies LLC, Research Division - Senior VP & Equity Analyst*
Lauren Rae Lieberman *Barclays Bank PLC, Research Division - MD & Senior Research Analyst*
Nico Von Stackelberg *Liberum Capital Limited, Research Division - Research Analyst*
Richard Samuel Reid *Wells Fargo Securities, LLC, Research Division - Associate Analyst*
Richard Withagen *Kepler Cheuvreux, Research Division - Research Analyst*
Sanjeet Aujla *Crédit Suisse AG, Research Division - European Beverages Analyst*
Sean Roberts King *UBS Investment Bank, Research Division - Equity Research Analyst of Beverages*
Simon Lynsay Hales *Citigroup Inc, Research Division - MD*

QUESTIONS AND ANSWERS

Richard Withagen ***Kepler Cheuvreux, Research Division - Research Analyst***
Yes. I just had a question on Coke Energy. So how does it differ from Monster, Red Bull or the other energy drinks in the market apart from the Coke taste? And will the Coke Energy launch be similar in size and efforts to the Fuze launch last year?

Damian Paul Gammell ***Coca-Cola European Partners plc - CEO & Director***
So thank you, Richard. Clearly, the biggest differentiation is it comes under the Coca-Cola brand. And as we know, clearly, that brand has got fantastic consumer presence across Europe, so we believe that's the first and most significant difference. Secondly, from a product formulation perspective, there is some differences around the caffeine generation through coffee and now taurine. So we're also sure that will appeal to some energy and non-energy drinkers.

Clearly, from our perspective, we see it as being a further play in a very large category. Today, our share in the energy category is between 15% and 20% in most markets. So we still have a lot of headroom for growth in a very dynamic category. So we're quite pleased that we can participate under the Coca-Cola brand with a product that also tastes quite different to the rest of the energy category. So brand name, clearly different; product formulation, different; and significant different taste that we believe will appeal to lapsed or non-energy drinkers who want to participate in that category but prefer a taste that's closer to Coke.

It's a very different category than from the tea category. But in terms of our effort and focus as a business, clearly, it's one of our biggest launches this year. So in many ways, it is similar to what we looked out with Fuze last year. It's in one pack size, so it allows us to be very focused. It's got 2 variants. So, clearly, we're getting behind it as much as we did the Fuze launch. And so far, as I mentioned in my prepared remarks, the customer feedback has been positive and we'll clearly wait to see how consumers respond to it as they try it throughout the second quarter and through the rest of the year.

Lauren Rae Lieberman ***Barclays Bank PLC, Research Division - MD & Senior Research Analyst***
I just wanted to ask another new product question, this time about coffee. You had mentioned kind of continued success in the Honest brand, so the brand family. And I know that you've got the Costa ready-to-drink launch coming up. So if you could talk a little bit about how big the opportunity could be in coffee. In the U.S., for example, it's a very, very fast-growing category, but still super small and really fragmented. So if you could just offer some context around ready-to-drink coffee as an existing category for something that we need to kind of educate consumers as to that being a viable option or something that's available on store shelves. And sort of broader expectations around geography for the relevance of Costa in GB versus the rest of the markets?

Damian Paul Gammell ***Coca-Cola European Partners plc - CEO & Director***
Thanks, Lauren. So from a coffee portfolio perspective, quite similar to the earlier comments on energy, we will be participating across a number of footprints. We've got a really good coffee proposition from Monster. And clearly, we've got our organic proposition under the Honest brand and going forward, we'll also enter the market with a Costa ready-to-drink. So clearly, from our perspective, we think all of those brands can participate in what is similar to the U.S. still quite a small but fast-growing category. When we look at the coffee segment going forward, clearly, coffee per cap is quite high in Europe, generally in the hot coffee space. So we do see opportunities to convert regular coffee drinkers into more of a ready-to-drink or on-the-go format.

So we'll prioritise single-serve convenience locations where we can generate a good premium for ourselves and our customers. And we think with the 3 plays, we'll tap into a variety of different occasions. We haven't discussed publicly the size of the opportunity, but suffice to say, we're excited enough to have 3 different propositions going against that category. And obviously, the Monster Coffee is a play on energy and coffee, which is also exciting, and we can update you as we go in terms of the progress. From a Costa-specific perspective, clearly, GB it's home market, a market where the brand is very strong, so our initial efforts will focus on GB. But from a product and also from a name perspective, we see opportunity outside GB for Costa. That's something we'll continue to engage with The Coca-Cola Company. They will share with us their ambition for that brand over the next 3 to 5 years, and I know that's work in progress at the moment. So a lot's happening in coffee, but again, similar to the U.S., it is small, but we want to make sure that we participate. And as the category expands that we can play a leading role in that expansion.

Dara Warren Mohsenian ***Morgan Stanley, Research Division - MD***
Obviously, very strong top line results in the quarter, but no change in the full year revenue guidance. So is that just more conservatism given its early in the year as you mentioned Q1 is light seasonally? Or is there a more specific worry that's cropping up? And also, as you look at performance so far in Q2 in April, is the top line momentum from Q1 continuing? Maybe give us a bit of an update there.

Damian Paul Gammell ***Coca-Cola European Partners plc - CEO & Director***
Yes. So we're happy with the start of Q2. I think the point you make in Q1 really goes back to my prepared remarks. It is a small quarter for us. So, obviously, we've got the bulk of our revenues still to come. But obviously, we're pleased with Q1 and the start of Q2. We're also mindful that we had a very strong finish to last year, particularly the third quarter was extremely strong. So I think that our year-end results and actually in our Q4 results last year, we spoke a lot about being conscious of cycling what was really strong weather, particularly in Northern Europe in Q3 last year. So we're stepping up to that challenge, and that's reflected in our guidance. But clearly, it's a very good start to the year and prepares us well to deliver on our guidance for the full year, while taking into account that we will be cycling a strong comps in Q3. But that's really why we've taken the decision today to reiterate guidance. Clearly, that's something we'll review as we go through the year, but no worries to your comps. Thank you.

Judy Eunjoo Hong ***Goldman Sachs Group Inc., Research Division - MD, Senior Analyst & Co-Head of the GIR Asian Professionals Network***
So, first, just a quick follow-up and clarification question on Coke Energy. Is the plan to launch in all of your markets in the coming months or are you trying to see how it performs in Spain before making that decision? And then my broader question is really around France. So it's nice to see France getting back to growth, but I'm just wondering if you can give a little bit more details around how much of the improvement is really rebuilding distribution and getting back into Leclerc versus what you're seeing as sell-through given the yields in there still looks a little bit choppy in that market.

Damian Paul Gammell ***Coca-Cola European Partners plc - CEO & Director***
Thanks, Judy. So on Coke Energy, we're going for multi-market launches. So Spain was the first market, but actually, today, in our offices in London, all of our

employees have been enjoying Coke Energy over lunch. I was in the market last week in Oslo and also in Holland. So we will roll it out across Europe. So Spain went first, but clearly, the energy category is a big category in all our markets, and we want to leverage our Coke Energy proposition, so that will -- and it is happening as we speak. On France, yes, we're also very happy to see the results coming out of Q1 in France. I think, obviously, we have benefited from the beginning of the cycling the challenges with Leclerc from last year. But by and large, even when you strip that out, our French business pretty much performed in line with most of our markets in Q1.

So beyond that customer, we saw good growth across all of our customers and channels in France. So very happy to see that and obviously, it's something that we'd like and expect to continue throughout the year. So obviously, a small benefit from Leclerc in the first quarter. But by and large, our businesses have performed well in France in Q1.

Nik H. Jhangiani ***Coca-Cola European Partners plc - CFO & Senior VP***
And small benefit, Judy, just keep in mind. Because the disruption really started up towards the end of the quarter, so the impact will really be seen more in Q2 and Q3 as we work pretty much completely out.

Kevin Michael Grundy ***Jefferies LLC, Research Division - Senior VP & Equity Analyst***
A question on capital deployment for me. Can you provide any update with the CCBA timing? Have you been surprised it's taken this long? Do you feel like the company has increasingly impressive results and the strong alignment with the Coke system, which is evident here, make this deal anymore likely? Is this just coming down to valuation at this point? This seems to be really stretching out for a longer, I think, than folks anticipated. So any update there would be helpful.

Damian Paul Gammell ***Coca-Cola European Partners plc - CEO & Director***
Kevin, from our side, clearly, we can't provide you with any update in that we're not involved. I think that's a question that I think the Coke company would be much better positioned to answer. Obviously, we're happy with our alignment with the Coke company, and I think that's reflected in our momentum coming into this year and a strong set of results over the last number of years. So we remain focused on our relationship. What's happening with other bottlers is really a question that you'll have to post to KO.

Nik H. Jhangiani ***Coca-Cola European Partners plc - CFO & Senior VP***
And from capital deployment perspective, our plans are very much intact. And as you've seen, we continue with our share repurchase program and announced a nice step-up in our dividend again for the half year. So no change from our perspective.

Ali Dibadj ***Sanford C. Bernstein & Co., LLC., Research Division - SVP and Senior Analyst***
A couple of questions. First is just on volumes in your regional breakout. It's struck by the fact that Coca-Cola trademark really drove a lot of the volume growth in each of the regions, whether it be sort of sugar, whether it be even Classic Coke. Can you talk a little bit about the success there and whether that's lapsed consumers? Again, understanding it's one quarter, but whether you're saying that as a continued trend with lapsed consumers, whether that's the increased shelf space perhaps you're getting with Zero, are there other drivers there? The strength of that particular brand continues to be pretty good.

Nik H. Jhangiani ***Coca-Cola European Partners plc - CFO & Senior VP***
Thanks, Ali. Obviously, the comps play a role there as well. So as we talked about in the overall volumes, if you look at it on a comp level, that also helps us in the quarter. But beyond the comps, if you recall, over the last number of years, really, since the creation of CCEP, we have been taking some bold moves around promo pricing, and that's come through on our price per case realisation. But clearly, as we move to what we thought was a smarter promo strategy for ourselves and our customers, that had an impact on volumes because, obviously, we reduced the amount we sold on promotion and that did affect, in particular, trademark Coke. So we are cycling out some of those moves. That's a benefit. Secondly, I think the trademark is in a strong position, I think, as we've improved above-the-line communication, as we've moved Coke Zero to full red, as we've relaunched Coke Light with a new look and feel and new flavors, as we continue to look at pushing priority packs and premium packs like mini cans and glass. I think the combination of all those factors continues to bring a lot of positive feelings around brand Coke, and we're definitely benefiting from that in the quarter. And it's something that we believe, as we guided, going forward, as we want volume to play a stronger role in our mix, clearly, trademark Coke has a big part to play in that.

And we continue to see Coke Zero Sugar performing extremely well, particularly as we launch more new flavours. So it's a blend of all of those that we feel excited about for the that trademark. And I know that the Coke company continued to work on building more relevance around trademark Coke, not just sugar-free but also classic. And we're very happy that we're now focusing a bit more on Diet Coke and Coke Light, which is a huge brand for us, particularly in GB.

And as I said, it's cycling out of some of those promotional seasons we made and also some of the pack moves we've made. And clearly, we benefited from some of the downsizing as well as we move out of that as well due to the tax in GB. So sorry for the long answer, Ali, but it's, as you can appreciate it, it's quite a number of factors that really drive that great brand. And what we're continuing to be encouraged with as we speak to our customers and we look at the brand that drives their profitability and cash flow, trademark Coke still comes out on top. So that gives us a lot of relevance to continue to talk about that brand with our customers.

Ali Dibadj ***Sanford C. Bernstein & Co., LLC., Research Division - SVP and Senior Analyst***
And Damian, one -- and one of the, perhaps, brands that you didn't mention is Coke Energy. So I just want to go back to the business plan for Coke Energy for you along 3 dimensions. One is from an execution perspective, have you prioritized Coke Energy versus Monster? Is it a higher priority? What are the directives from home base, if any, in Atlanta? Two is just from a strategic perspective. Do you see this cannibalization from Monster? Is it taking share from Red Bull? Is it expanding the category? You mentioned lapsed users a moment ago. And then lastly, from a target perspective, is Coke Energy bigger than your Monster business in 2, 3 years, 4 years or is it tough to tell? I know it's very early, but there must be a business plan behind all of those.

Damian Paul Gammell ***Coca-Cola European Partners plc - CEO & Director***
I'll try to answer those questions as concisely as possible. So in our numbers in Q1, there's really no impact to Coke Energy. So when you look at the trademark growth, that excludes Coke Energy because we really just start selling it in the last couple of weeks of Q1. So the performance you referred to earlier is really from the portfolio without Coke Energy. So that's going to come in throughout the rest of the year.

From an execution perspective, clearly, we manage a lot of brands across a number of portfolios. So we don't have to compromise on a brand to launch another brand. So our directive to our sales force and our key accounts is that this business is incremental and the momentum that we have on Monster, which has been a fantastic brand for us for many years, will continue. So we're not being asked to make trade-offs and we wouldn't make trade-offs. We believe both of those brands can participate side-by-side, and that's our strategy. So as you can appreciate from that then, we don't really plan cannibalization. We expect it to be incremental to the category. And again, I go back to my commentary that we still have a relatively low share in a very high-value category. So there's a lot of headroom for us to grow from our competitors. So that's our approach.

The consumer, as you can appreciate, I have no real quality data yet on how consumers feel about the brand or how their behavior is changing. I mean that's going to take a number of quarters to get through, to get some real clarity. So we will, obviously, be happy to update you when we have it. But clearly, it's incremental. Clearly, we have a great Monster business that we're as passionate about as ever, and it's doing really well. And they've got a great pipeline of innovation coming, so we're all excited about that. And the impact on consumers, that story is to be told, and we'll be happy to share that with you when we get some insights.

Richard Samuel Reid ***Wells Fargo Securities, LLC, Research Division -***

Associate Analyst
This Sam Reid dialing in for Bonnie. I wanted to dig a little bit deeper on Coke Zero here. I know you guys touched on it a little bit. But clearly, you're seeing a lot of momentum. That said, how sustainable is the growth here? And do you expect further growth to come from continued innovation or are you also seeing some distribution gains with this brand?

Damian Paul Gammell *Coca-Cola European Partners plc - CEO & Director*
So, certainly, we feel it's extremely sustainable because as we look at the health of the soft drinks and particularly the sparkling category, it continues to be robust in Western Europe, so the category continues to grow. And when you look at what's driving that growth, there's clearly a consumer preference for sugar-free and low-calorie products, and we expect that to continue. So Coke Zero sits front and center against that consumer opportunity. Most of our growth is coming from rate of sale. So I mean we've been working with Coke Zero for many years, so I suppose, in the early years, distribution was a bigger driver. But pretty much across most of our markets, particularly in retail, the brand is in full availability. What we are seeing, though, is that brand is benefiting from the initiatives that I talked about earlier. So smaller packaging, our mini packs, our premium glass also resonate really well with Coke Zero sugar consumers. So what we see as driving the overall category is also having a big impact to that brand. So we -- in short, we expect it to be a key driver of our growth for many years to come and we're also seeing the company bring a lot more innovation around flavors, which is exciting, and that gives us more reasons to recruit into that particular brand. So yes, we -- as I said, we expect that to continue to be a big driver of our growth for, not this year, but many years to come.

Bryan Douglass Spillane *BofA Merrill Lynch, Research Division - MD of Equity Research*
So I guess just I would like to get a little -- given just the backdrop of the first quarter being, I guess, a little better than expected. Could you just sort of step back and give us a sense of how the category is performing in some of these markets? And maybe a little -- just touch a little bit on how you're feeling or a sense of market share in the first quarter? I guess what I'm underneath is just it just seems like even the categories have actually been pretty healthy so far this year, and I'm just trying to get a sense of that's the case. And if that's been a little bit of a surprise to you on the upside?

Damian Paul Gammell ***Coca-Cola European Partners plc - CEO & Director***
Well, as we talked about at our last Capital Markets Day, I mean, we've done a lot of work projecting the category out over 10 years. And we see both, obviously, NARTD but also sparkling growing over that period. The growth rate in the first quarter has been obviously ahead of that. But the good news for us is we're also gaining share, so when you look at the NARTD category, I'll just call Nielsen Brand. And so this doesn't reflect the full market, but I think it gives you the indication that you're looking at -- NARTD is up about 4% and sparkling is up about 6% and the remainder of the markets, up about 2.5 to 3 points, so strong growth. Clearly, the bulk of the growth is coming from sparkling and the bulk of that growth is coming from CCEP because, clearly, we are the driver of that category. So we are gaining share across most of our markets in the first quarter. So we're participating in the growth and then some, which is something that obviously, we're happy with as well. So pretty solid category performance in the first quarter and pretty good share performance from us as well.

Simon Lynsay Hales ***Citigroup Inc, Research Division - MD***
Wondered if you could just talk a little bit about the improved momentum you saw in Q1 in Iberia despite the absence of Easter in the period. And maybe just related to that, are you able to quantify or estimate what the volume drag of the loss of Easter was on your Q1, please?

Damian Paul Gammell ***Coca-Cola European Partners plc - CEO & Director***
So yes, we are obviously pleased that Iberia also enjoyed a strong quarter. And as you rightly called out, we know Easter is a significant holiday period for that market. So internally, clearly, we do our own forecast and estimates, but we don't talk publicly about the impact of that. But obviously, it was a good performance absent Easter in Q1. And obviously, Easter moving into Q2 in Iberia also, as I mentioned earlier, we feel good about how Q2 started, and part of that is obviously the movement of Easter into April this year. So, overall, a strong performance in Iberia in both of our markets, so we're pleased with that. And clearly, a solid start to Q2 with Easter moving in as well. So that's all I can say, we won't quantify the absolute impact of Easter.

Nik H. Jhangiani ***Coca-Cola European Partners plc - CFO & Senior VP***
And just keep in mind, we did have a very poor start of the year in Iberia last year, particularly given weather, despite Easter being in Q1.

Sean Roberts King ***UBS Investment Bank, Research Division - Equity Research Analyst of Beverages***
First, I apologize if I missed this, but can you -- and it's maybe like the prior question. But is there any way you can help frame or help us quantify the impact of the advanced purchases for Brexit? And is this just -- should this be thought more of as,

I guess, a handful of sophisticated retailers building inventory or is this more broad-based?

Nik H. Jhangiani ***Coca-Cola European Partners plc - CFO & Senior VP***
Yes. So again, we have some estimates, but again, not an exact quantification. It is not widespread, it's a few of the larger retailers, particularly in the Home Channel, building some stock. But I wouldn't say it's anything material and that would obviously unwind during the course of the year once there's a little more certainty around Brexit. So I don't think it's going to have a bump up again in Q2 or Q3 because it would just be related to the sellout that happens from the shelf. And again, keep in mind that's only GB as one market only when you see that impact.

Sanjeet Aujla ***Crédit Suisse AG, Research Division - European Beverages Analyst***
Just on the -- coming back to the Coke trademark. Clearly, there's been a lot of line extensions in recent times. Do you see much further runway for further line extensions? And what's the risk that these cannibalize or how do you manage that? If you can comment on that, please.

Damian Paul Gammell ***Coca-Cola European Partners plc - CEO & Director***
Yes. I think it's a good question, Sanjeet, and it's something we continuously look at. I think this year, we're -- obviously with Coke Energy, that's a big, big, big line extension, and we'll learn a lot from that. So that's going to shape some of our thinking going forward. I think on the core, Classic and Zero, we'll continue to rotate flavors to create excitement, and we know our consumers love those new flavors and it drives excitement in the category. And I'd imagine, along with the brand team, that we'll take a pause as we move into planning for 2020 and 2021 and just see what we've learned and see where we go with the brand from there. But clearly, we're very mindful that we've got in our hands the world's most valuable brand. And as you can appreciate, the rigor that goes into making decisions like a Coke Energy proposition or even a new flavor in an existing line is quite detailed. So that will be very choiceful. What I'd imagine we'll continue to innovate around that brand as we know our consumers and our customers respond really well to it. But we'll get a lot of insights from Coke Energy and happy to share them at the right time.

Sanjeet Aujla ***Crédit Suisse AG, Research Division - European Beverages Analyst***
Got it. And you spoke about, I think, pack and product mix, but can you just draw upon channel mix across your markets over the period?

Damian Paul Gammell ***Coca-Cola European Partners plc - CEO & Director***
Yes. Channel mix was quite good as well. I mean we have, traditionally coming out

of last year, continued to look at growing our small packs out of our large packs and transactions continue to outpace volumes, so we're happy, and that reflects our channel mix. Also, as we see a return to volume, we see some of our home market customers performing extremely well in the quarter as well. So -- but the growth that we've shared with you today is brought across both packs and channels, and that's something that obviously we'll look at going forward. But away from home remains a strategic priority for us as do small and premium packs.

Lauren Rae Lieberman *Barclays Bank PLC, Research Division - MD & Senior Research Analyst*
So I was hoping you could talk a little bit about Schweppes since you've called it out in the press release. I can't recall it being mentioned proactively in the recent past. So just how your kind of share performance, maybe, if you're kind of making some inroads against that more premium position -- premium price position in the market? And any update there? Because that was again an interesting call out in the release.

Damian Paul Gammell *Coca-Cola European Partners plc - CEO & Director*
Well, we spent a lot of time looking at our mix of proposition across the group. As you recall, we launched Royal Bliss in Spain and continue to look at that as a category that we want to participate within. Clearly, in GB, we've had a number of challenging years with our Schweppes portfolio and some really strong and really good competition. So we have, throughout last year, looked at our brands and package offering on the Schweppes brand in terms of the look and feel, the graphics and also the product content. And we've launched a number of new initiatives coming out of last year that are starting to get some traction in the marketplace. But it's far too early, Lauren, to talk about how successful they may be.

We are seeing that brand growing more or less in line with the market. So I haven't seen a significant turnaround in our share, but early signs of growth and something that we want to continue to focus on. We think in the back of our distribution across brands, like Coke, Diet Coke flavors, we're looking at innovations like Coke mixers. There's no reason for us not to be able to bring a very strong mix of brand to our customers in GB. And at the end of the day, Schweppes is the iconic mixer. But we've learned a lot of lessons, let me put it that way, in the last couple of years. We don't expect it to be a quick fix, but we are pleased that at least we started to participate in the market growth now, and that's something we can build off going forward.

Nico Von Stackelberg *Liberum Capital Limited, Research Division - Research Analyst*
Yes, just want to ask about Honest Tea and like the last format. I was wondering if that's above or below the average margin. And could you just talk about some of the drivers of profitability of that brand as you roll it out?

Damian Paul Gammell ***Coca-Cola European Partners plc - CEO & Director***
So even though we're not going to talk about margin on the call today, I mean, from a strategic perspective, if you look at all of our glass packaging in the mini consumption, we tend to be able to generate pricing for ourselves and our customers that really support long-term profitability in that brand. So our Honest Glass proposition is following the same strategy. It's a fantastic-looking pack, great products, and it's being positioned in the market at a premium, so we'd expect that to flow through. And as a brand, it's something that we're looking at rolling out across Europe and also looking at other formats under the Honest brand, like Lemonades, et cetera. So great brand, organic, and we'll continue to focus it on being a brand that we can deliver value for our shareholders and for our customers.

Ali Dibadj ***Sanford C. Bernstein & Co., LLC., Research Division - SVP and Senior Analyst***
Wanted to just get a better sense from the Brexit load. And maybe Nik, you didn't work too hard for this trade update, so maybe you could work for this. How does it work from accounting perspective? For Coke, they effectively got costless volume or something close to that with the load. How does that work at the bottler level? Is it passed on to the retailers so you're basically getting costless along as well or kind of less cost volume as well? Or because you're the bottler, you have to take on the cost to produce it and it's not as impactful from a costless perspective?

Nik H. Jhangiani ***Coca-Cola European Partners plc - CFO & Senior VP***
Okay. So I think you're confusing a couple of different things, so let me just clarify that. So if you talk about The Coca-Cola Company, they talked about it from an angle of us making sure, from a supply perspective, we have the right levels of concentrate in case there are issues or disruptions as a result of Brexit from being able to transport that across borders. So that for us is more just a balance sheet item, which will unwind as we go through the year from an inventory and a payables perspective. From our angle, obviously, what we have done to ensure continuity of supply in the event that there were going to be some issues of getting product to customers, we have just made sure in GB with some of the retailers, they did some building of inventory, which again would not have a significant impact to our full quarter results because it's one market and it happened towards the end of the quarter. And we manage that because we don't want to actually have a whole bunch of loading happening in because that just impacts future quarters. So from that angle, that has a minimal impact on our numbers, but we just called it out because there were some of that happening towards the end of the quarter.

Ali Dibadj ***Sanford C. Bernstein & Co., LLC., Research Division - SVP and Senior Analyst***
That's helpful. But the retailer buys it like any other inventory, there's no special dispensation? Okay. Okay.

Nik H. Jhangiani ***Coca-Cola European Partners plc - CFO & Senior VP***
Absolutely. Absolutely. It's billed the exact same way and it's collected -- our cash will be collected on the exact same day even if they haven't sold them.

Operator
That was your final question.

Damian Paul Gammell ***Coca-Cola European Partners plc - CEO & Director***
So again, we'd just like to thank everybody who took the time to join us today. We look forward to our next call where we can update you on our half year results. Thank you, everybody.

Nik H. Jhangiani ***Coca-Cola European Partners plc - CFO & Senior VP***
Thank you.