

May 20, 2019



Coca-Cola Updates Plans for Coca-Cola Beverages Africa, Including Intent to Retain Majority Stake in Bottler

ATLANTA--(BUSINESS WIRE)-- The Coca-Cola Company announced today that it will maintain its majority stake in Coca-Cola Beverages Africa for the foreseeable future.

With the change, Coca-Cola will begin presenting the financial statements of CCBA within its results from continuing operations in the second quarter of 2019, in accordance with U.S. accounting standards. CCBA has been accounted for as a discontinued operation since Coca-Cola became the controlling shareowner in October 2017.

Coca-Cola previously announced its intention to rebrand CCBA, which is the largest bottler of Coca-Cola beverages in Africa, serving 12 countries. The company has had discussions with a number of potential partners.

“Coca-Cola Beverages Africa is a very important part of the Coca-Cola system, and we see great opportunities to create even more value,” said Coca-Cola President and Chief Operating Officer Brian Smith. “While we remain committed to the rebranding process, we believe it’s in the best interests of all involved for Coca-Cola to continue to hold and operate CCBA.”

In reclassifying CCBA’s results into continuing operations, Coca-Cola expects the following:

- The company will provide reclassified prior year financial information prior to the second quarter earnings release.
- Depreciation and amortization for CCBA will be reinstated, per accounting guidelines. Coca-Cola estimates depreciation and amortization expense for 2018 of approximately \$400 million on a comparable basis.
- With the reclassification, Coca-Cola does not expect an impact to its 2019 organic revenue and comparable EPS growth guidance. The company expects an increase in its 2019 guidance for cash from operations of approximately \$400 million and an increase in capital expenditures of approximately \$400 million.
- CCBA’s results will be reported as part of the Bottling Investments Group segment.

CCBA was formed in 2016 through the combination of the African nonalcoholic ready-to-drink bottling interests of SABMiller plc, The Coca-Cola Company and Gutsche Family Investments. AB InBev later acquired SABMiller and reached an agreement to transition AB InBev’s 54.5% equity stake in CCBA to Coca-Cola. That 2017 transaction made Coca-Cola the controlling shareowner of CCBA.

[About The Coca-Cola Company](#)

The Coca-Cola Company (NYSE: KO) is a total beverage company, offering over 500 brands in more than 200 countries and territories. In addition to the company's Coca-Cola brands, our portfolio includes some of the world's most valuable beverage brands, such as AdeS plant-based beverages, Ayataka green tea, Costa coffee, Dasani waters, Del Valle juices and nectars, Fanta, Georgia coffee, Gold Peak teas and coffees, Honest Tea, innocent smoothies and juices, Minute Maid juices, Powerade sports drinks, Simply juices, smartwater, Sprite, vitaminwater and ZICO coconut water. We're constantly transforming our portfolio, from reducing sugar in our drinks to bringing innovative new products to market. We're also working to reduce our environmental impact by replenishing water and promoting recycling. With our bottling partners, we employ more than 700,000 people, helping bring economic opportunity to local communities worldwide. Learn more at Coca-Cola Journey at www.coca-colacompany.com and follow us on [Twitter](#), [Instagram](#), [Facebook](#) and [LinkedIn](#).

The fairlife® brand is owned by fairlife LLC, our joint venture with Select Milk Producers Inc. Products from fairlife are distributed by our company and certain of our bottling partners.

Forward-Looking Statements

This press release may contain statements, estimates or projections that constitute "forward-looking statements" as defined under U.S. federal securities laws. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will" and similar expressions identify forward-looking statements, which generally are not historical in nature. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from The Coca-Cola Company's historical experience and our present expectations or projections. These risks include, but are not limited to, obesity and other health-related concerns; failure to address evolving consumer product and shopping preferences; increased competition; water scarcity and poor quality; increased demand for food products and decreased agricultural productivity; product safety and quality concerns; public debate and concern about perceived negative health consequences of certain ingredients, such as non-nutritive sweeteners and biotechnology-derived substances, and of other substances present in our beverage products or packaging materials; an inability to be successful in our innovation activities; an inability to protect our information systems against service interruption, misappropriation of data or breaches of security; failure to comply with personal data protection laws; an inability to be successful in our efforts to digitize the Coca-Cola system; changes in the retail landscape or the loss of key retail or foodservice customers; an inability to expand operations in emerging and developing markets; fluctuations in foreign currency exchange rates; interest rate increases; an inability to maintain good relationships with our bottling partners; a deterioration in our bottling partners' financial condition; increases in income tax rates, changes in income tax laws or unfavorable resolution of tax matters; increased or new indirect taxes in the United States and throughout the world; failure to realize the economic benefits from or an inability to successfully manage the possible negative consequences of our productivity and reinvestment program; an inability to attract or retain a highly skilled and diverse workforce; increase in the cost, disruption of supply or shortage of energy or fuel; increase in the cost, disruption of supply or shortage of ingredients, other raw materials, packaging materials, aluminum cans and other containers; changes in laws and regulations relating to beverage containers and packaging; significant additional labeling or warning requirements or limitations on the marketing or sale of our products; unfavorable general economic conditions in the United States; unfavorable economic and political conditions in international markets; litigation or legal proceedings; increased legal and reputational risk associated with conducting business in markets with high-risk legal compliance environments; failure by third-party service providers and business partners to satisfactorily fulfill their commitments

and responsibilities; failure to adequately protect, or disputes relating to, trademarks, formulae and other intellectual property rights; adverse weather conditions; climate change; damage to our brand image, corporate reputation and social license from negative publicity, whether or not warranted, concerning product safety or quality, human and workplace rights, obesity or other issues; changes in, or failure to comply with, the laws and regulations applicable to our products or our business operations; changes in accounting standards; an inability to achieve our overall long-term growth objectives; deterioration of global credit market conditions; default by or failure of one or more of our counterparty financial institutions; an inability to renew collective bargaining agreements on satisfactory terms, or strikes, work stoppages or labor unrest experienced by us or our bottling partners; future impairment charges; future multi-employer pension plan withdrawal liabilities; an inability to successfully integrate and manage our company-owned or -controlled bottling operations or other acquired businesses or brands; an inability to successfully manage our refranchising activities; failure to realize a significant portion of the anticipated benefits of our strategic relationship with Monster; global or regional catastrophic events; and other risks discussed in our company's filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K for the year ended December 31, 2018 and our subsequently filed Quarterly Report on Form 10-Q, which filings are available from the SEC. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. The Coca-Cola Company undertakes no obligation to publicly update or revise any forward-looking statements.

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Source: The Coca-Cola Company