

# **THE COCA-COLA COMPANY AND SUBSIDIARIES**

## **Reconciliation of GAAP and Non-GAAP Financial Measures**

### **(UNAUDITED)**

The Company reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP" or referred to herein as "reported"). To supplement our consolidated financial statements reported on a GAAP basis, we provide the following non-GAAP financial measures: "Comparable net revenues", "organic revenues", "core business organic revenues", "adjusted comparable net revenues", "comparable gross margin", "adjusted comparable gross margin", "comparable operating margin", "comparable currency neutral operating margin", "adjusted comparable operating margin", "comparable currency neutral income before taxes", "comparable currency neutral income before taxes (structurally adjusted)", "comparable net operating profit after taxes", "comparable EPS", "comparable currency neutral EPS", "underlying effective tax rate", "free cash flow", "free cash flow margin", "return on invested capital", "net share repurchases" and "value returned to shareowners", each of which are defined below. Management believes these non-GAAP financial measures provide investors with additional meaningful financial information that should be considered when assessing our underlying business performance and trends. We believe these non-GAAP financial measures also enhance investors' ability to compare period-to-period financial results. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP. Our non-GAAP financial measures do not represent a comprehensive basis of accounting. Therefore, our non-GAAP financial measures may not be comparable to similarly titled measures reported by other companies. Reconciliations of each of these non-GAAP financial measures to GAAP information are also included. Management uses these non-GAAP financial measures in making financial, operating, compensation and planning decisions and in evaluating the Company's performance. Disclosing these non-GAAP financial measures allows investors and Company management to view our operating results excluding the impact of items that are not reflective of the underlying operating performance.

#### **DEFINITIONS**

- "Currency neutral operating results" are determined by dividing or multiplying, as appropriate, our current period actual U.S. dollar operating results, normalizing for certain structural items in hyperinflationary economies, by the current period actual exchange rates (that include the impact of current period currency hedging activities), to derive our current period local currency operating results. We then multiply or divide, as appropriate, the derived current period local currency operating results by the foreign currency exchange rates (that also include the impact of the comparable prior period currency hedging activities) used to translate the Company's financial statements in the comparable prior year period to determine what the current period U.S. dollar operating results would have been if the foreign currency exchange rates had not changed from the comparable prior year period.
- "Structural changes" generally refer to acquisitions or dispositions of bottling, distribution or canning operations and the consolidation or deconsolidation of bottling and distribution entities for accounting purposes. During 2016, the Company deconsolidated our South African bottling operations and disposed of its related equity method investment in exchange for equity method investments in Coca-Cola Beverages Africa Proprietary Limited ("CCBA") and CCBA's South African subsidiary. As part of the transaction, the Company also acquired and licensed several brands. The impacts of the deconsolidation and new equity method investments have been included as a structural change in our analysis of net operating revenues on a consolidated basis as well as for our Europe, Middle East and Africa and Bottling Investments operating segments and equity income on a consolidated basis as well as for our Bottling Investments operating segment. The brands and licenses that the Company acquired impacted the Company's unit case volume and concentrate sales volume and therefore, in addition to being included as a structural change, they are also considered acquired brands. Also in 2016, the Company deconsolidated our German bottling operations as a result of their being merged to create Coca-Cola European Partners plc ("CCEP"). As a result of the merger transaction, the Company now owns an equity method investment in CCEP. Accordingly, the impact of the deconsolidation and new equity method investment has been included as a structural change in our analysis of net operating revenues on a consolidated basis as well as for our Europe, Middle East and Africa and Bottling Investments operating segments and equity income on a consolidated basis as well as for our Bottling Investments operating segment. During 2016, the Company also changed our funding arrangement with our bottling partners in China, which resulted in a reduction in net operating revenues with an offsetting reduction in direct marketing expense (a component of selling, general and administration expenses). In 2016 and 2015, the Company refranchised bottling territories in North America to certain of its unconsolidated bottling partners. Additionally, in 2015, the Company sold its global energy drink business to Monster Beverage

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### **DEFINITIONS (continued)**

Corporation ("Monster"); acquired Monster's non-energy drink business; acquired an equity interest in Monster; amended its current distribution coordination agreements with Monster to expand into additional territories; and acquired a South African bottler. Accordingly, these activities have been included as structural items in our analysis of the impact of these changes on certain line items in our condensed consolidated statements of income. In addition, for non-Company-owned and licensed beverage products sold in the refranchised territories in North America for which the Company no longer reports unit case volume, we have eliminated the unit case volume from the base year when calculating 2016 versus 2015 volume growth rates on a consolidated basis as well as for the North America and Bottling Investments operating segments.

- "Comparable net revenues" is a non-GAAP financial measure that excludes or has otherwise been adjusted for items impacting comparability (discussed further below). Management believes the comparable net revenue (non-GAAP) growth measure enhances its ability to communicate the underlying operating results and provide investors with useful supplemental information to enhance their understanding of the Company's underlying business performance and trends by improving their ability to compare our period-to-period financial results. "Organic revenues" is a non-GAAP financial measure that excludes or has otherwise been adjusted for the impact of acquisitions, divestitures and structural items, as applicable, as well as the impact of changes in foreign currency exchange rates. Management believes the organic revenue (non-GAAP) growth measure provides users with useful supplemental information regarding the Company's ongoing revenue performance and trends by presenting revenue growth excluding the impact of foreign exchange, as well as the impact of acquisitions, divestitures and structural changes. "Core business organic revenues" (non-GAAP) represent the combined organic revenue performance from the Europe, Middle East and Africa; Latin America; North America; Asia Pacific; and Corporate operating segments offset by intersegment eliminations. Management believes the core business organic revenue (non-GAAP) growth measure enhances the understanding of the full year change in the net operating revenues of the segments of our business that are not significantly impacted by the acquisition and divestiture activity taking place in our Bottling Investments operating segment. The adjustments related to acquisitions, divestitures and structural items for the years ended December 31, 2016 and December 31, 2015 consisted of the structural changes discussed above. Additionally, during the year ended December 31, 2016, organic revenues (non-GAAP) were adjusted, both on a consolidated basis and for our Asia Pacific operating segment, for the sales of the Company's newly acquired plant-based protein beverages in China.
- "Comparable gross margin" is a non-GAAP financial measure that excludes or has otherwise been adjusted for items impacting comparability (discussed further below). Management uses this non-GAAP financial measure to evaluate the Company's performance and make resource allocation decisions. Further, management believes the comparable gross margin (non-GAAP) growth measure enhances its ability to communicate the underlying operating results and provide investors with useful supplemental information to enhance their understanding of the Company's underlying business performance and trends by improving their ability to compare our period-to-period financial results.
- "Comparable operating margin", "comparable currency neutral operating margin", "comparable currency neutral income before taxes" and "comparable currency neutral income before taxes (structurally adjusted)" are non-GAAP financial measures that exclude or have otherwise been adjusted for items impacting comparability (discussed further below) and the impact of changes in foreign currency exchange rates, as applicable. Comparable currency neutral income before taxes (structurally adjusted) (non-GAAP) has also been adjusted for structural changes. Management uses these non-GAAP financial measures to evaluate the Company's performance and make resource allocation decisions. Further, management believes the comparable operating margin (non-GAAP) growth, comparable currency neutral operating margin (non-GAAP) growth, comparable currency neutral income before taxes (non-GAAP) growth and comparable currency neutral income before taxes (structurally adjusted) (non-GAAP) growth measures enhance its ability to communicate the underlying operating results and provide investors with useful supplemental information to enhance their understanding of the Company's underlying business performance and trends by improving their ability to compare our period-to-period financial results.

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- "Comparable EPS" and "comparable currency neutral EPS" are non-GAAP financial measures that exclude or have otherwise been adjusted for items impacting comparability (discussed further below). Comparable currency neutral EPS (non-GAAP) has also been adjusted for the impact of changes in foreign currency exchange rates. Management uses these non-GAAP financial measures to evaluate the Company's performance and make resource allocation decisions. Further, management believes the comparable EPS (non-GAAP) and comparable currency neutral EPS (non-GAAP) growth measures enhance its ability to communicate the underlying operating results and provide investors with useful supplemental information to enhance their understanding of the Company's underlying business performance and trends by improving their ability to compare our period-to-period financial results.
- "Underlying effective tax rate" is a non-GAAP financial measure that represents the estimated annual effective income tax rate on income before taxes that excludes or has otherwise been adjusted for items impacting comparability (discussed further below).
- "Adjusted comparable net revenues", "adjusted comparable gross margin" and "adjusted comparable operating margin" are non-GAAP financial measures that exclude or have otherwise been adjusted for items impacting comparability (discussed further below) and for certain bottler transactions (discussed further below). Management believes these financial measures enhance its ability to communicate the underlying operating results assuming these bottler transactions were completed on December 31, 2015 and provide investors with useful supplemental information to enhance their understanding of the Company's underlying business performance and trends by improving their ability to assess and analyze our financial results going forward.
- "Free cash flow" is a non-GAAP financial measure that is calculated by subtracting purchases of property, plant and equipment from net cash provided by operating activities. "Free cash flow margin" is a non-GAAP financial measure that is calculated by dividing free cash flow (non-GAAP) by net operating revenues. Management uses these non-GAAP financial measures to evaluate the Company's performance and make resource allocation decisions.
- "Comparable net operating profit after taxes" ("comparable NOPAT") is a non-GAAP financial measure that is calculated as comparable income before income taxes excluding net interest, on an after-tax basis. "Return on invested capital" ("ROIC") is a non-GAAP financial measure that is calculated by dividing comparable NOPAT (non-GAAP) by invested capital (non-GAAP). Management uses these non-GAAP financial measures to evaluate the Company's performance and make resource allocation decisions. Further, management believes these non-GAAP financial measures enhance its ability to communicate the underlying operating results and provide investors with useful supplemental information to enhance their understanding of the Company's underlying business performance and trends by improving their ability to compare our period-to-period financial results.
- "Net share repurchases" is a non-GAAP financial measure that reflects the net amount of purchases of stock for treasury after considering proceeds from the issuances of stock, the net change in stock issuance receivables (related to employee stock options exercised but not settled prior to the end of the period) and the net change in treasury stock payables (for treasury shares repurchased but not settled prior to the end of the period). "Value returned to shareowners" is a non-GAAP financial measure that represents the sum of net share repurchases and dividends.

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### **ITEMS IMPACTING COMPARABILITY**

The following information is provided to give qualitative and quantitative information related to items impacting comparability. Items impacting comparability are not defined terms within GAAP. Therefore, our non-GAAP financial information may not be comparable to similarly titled measures reported by other companies. We determine which items to consider as "items impacting comparability" based on how management views our business; makes financial, operating, compensation and planning decisions; and evaluates the Company's ongoing performance. Items such as charges, gains and accounting changes which are viewed by management as impacting only the current period or the comparable period, but not both, or as pertaining to different and unrelated underlying activities or events across comparable periods, are generally considered "items impacting comparability". Items impacting comparability include asset impairments and restructuring charges, charges related to our productivity and reinvestment initiatives, and transaction gains/losses, in each case when exceeding a U.S. dollar threshold. Also included are timing differences related to our economic (nondesignated) hedging activities and our proportionate share of similar items incurred by our equity method investees, regardless of size. In addition, we provide the impact that changes in foreign currency exchange rates had on our financial results ("currency neutral operating results" defined above).

#### ***Asset Impairments and Restructuring***

##### ***Asset Impairments***

During the year ended December 31, 2016, the Company recorded charges of \$153 million related to certain intangible assets. These charges included \$143 million related to the impairment of certain U.S. bottlers' franchise rights recorded in our Bottling Investments operating segment. This charge was related to a number of factors, primarily as a result of lower operating performance compared to previously modeled results as well as a revision in management's view of the proceeds that may be ultimately received upon refranchising the territory. The remaining charge of \$10 million was related to an impairment of goodwill recorded in our Bottling Investments operating segment. This charge was primarily the result of management's revised outlook on market conditions. These charges of \$153 million were recorded in our Bottling Investments operating segment.

##### ***Restructuring***

During the year ended December 31, 2016, the Company recorded charges of \$240 million. The Company also recorded charges of \$292 million during the year ended December 31, 2015. These charges were related to the integration of our German bottling operations, which were deconsolidated in May 2016.

#### ***Productivity and Reinvestment***

During the year ended December 31, 2016, the Company recorded charges of \$352 million related to our productivity and reinvestment initiatives. The Company also recorded charges of \$691 million during the year ended December 31, 2015. These productivity and reinvestment initiatives are focused on four key areas: restructuring the Company's global supply chain; implementing zero-based work, an evolution of zero-based budget principles across the organization; streamlining and simplifying the Company's operating model; and further driving increased discipline and efficiency in direct marketing investments. The savings realized from the program will enable the Company to fund marketing initiatives and innovation required to deliver sustainable net revenue growth. The savings will also support margin expansion and increased returns on invested capital over time.

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***Equity Investees***

During the year ended December 31, 2016, the Company recorded net charges of \$61 million. During the year ended December 31, 2015, the Company recorded net charges of \$87 million. These amounts represent the Company's proportionate share of significant operating and nonoperating items recorded by certain of our equity method investees.

***Transaction Gains/Losses***

During the year ended December 31, 2016, the Company recorded charges of \$297 million related to costs incurred to rebrand certain of our bottling operations. These costs include, among other items, internal and external costs for individuals directly working on the rebranding efforts, severance, and costs associated with the implementation of information technology systems to facilitate consistent data standards and availability throughout our bottling systems. Additionally, during the year ended December 31, 2016, the Company recorded \$118 million of pension settlement charges primarily as a result of our rebranding activities.

During the year ended December 31, 2016, the Company recorded charges of \$41 million. During the year ended December 31, 2015, the Company recorded charges of \$30 million. These charges were for noncapitalizable transaction costs associated with pending and closed transactions, primarily related to the deconsolidation of our German bottling operations and the Monster transaction both discussed below.

During the year ended December 31, 2016, the Company incurred losses of \$2,456 million. The Company also incurred losses of \$1,027 million during the year ended December 31, 2015. These losses were primarily due to the derecognition of intangible assets relating to the rebranding of bottling territories in North America to certain of our unconsolidated bottling partners.

During the year ended December 31, 2016, the Company incurred charges of \$31 million related to payments made to certain of our unconsolidated North America bottling partners in order to convert their bottling agreements to a comprehensive beverage agreement with additional requirements.

During the year ended December 31, 2016, the Company recognized a net tax charge of \$57 million resulting from the accrual of tax on temporary differences related to the investment in foreign subsidiaries that are now expected to reverse in the foreseeable future.

During the year ended December 31, 2016, the Company recorded a net loss of \$21 million primarily due to the deconsolidation of our South African bottling operations in exchange for investments in CCBA and CCBA's South African subsidiary.

During the year ended December 31, 2016, the Company recognized a gain of \$1,288 million, net of transaction costs described above, as a result of the deconsolidation of our German bottling operations. On May 29, 2016, the Company merged its German bottling operations with Coca-Cola Enterprises, Inc. and Coca-Cola Iberian Partners, S.A.U., to create CCEP in exchange for an equity investment in CCEP.

During the year ended December 31, 2016, the Company recorded a net gain of \$18 million as a result of the disposal of our shares in Keurig Green Mountain, Inc.

During the year ended December 31, 2015, the Company recorded a net gain of \$1,403 million as a result of our transaction with Monster, primarily due to the difference in the recorded carrying value of the assets transferred, including an allocated portion of goodwill, compared to the value of the total assets and business acquired. Additionally, under the terms of this transaction, the Company was required to discontinue selling energy products under certain trademarks, including one trademark in the glacéau portfolio. During the year ended December 31, 2015, the Company recognized impairment charges of \$418 million primarily related to the discontinuation of the energy products in the glacéau portfolio as a result of the transaction with Monster.

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***Transaction Gains/Losses (continued)***

In the fourth quarter of 2014, the owners of the majority interest of a Brazilian bottler exercised their option to acquire from us a 10 percent interest in the entity's outstanding shares resulting in our recognizing an estimated loss of \$32 million due to the exercise price being lower than our carrying value. The transaction closed in January 2015, and the Company recorded an additional loss of \$6 million during the year ended December 31, 2015, calculated based on the final option price. Also during the year ended December 31, 2015, the Company recorded a loss of \$19 million on our previously held investment in a South African bottler, which had been accounted for under the equity method of accounting prior to our acquisition of the bottler in February 2015.

***Other Items***

***Economic (Nondesignated) Hedges***

The Company uses derivatives as economic hedges primarily to mitigate the price risk associated with the purchase of materials used in the manufacturing process as well as the purchase of vehicle fuel. Although these derivatives were not designated and/or did not qualify for hedge accounting, they are effective economic hedges. The changes in fair values of these economic hedges are immediately recognized into earnings.

The Company excludes the net impact of mark-to-market adjustments for outstanding hedges and realized gains/losses for settled hedges from our non-GAAP financial information until the period in which the underlying exposure being hedged impacts our condensed consolidated statement of income. We believe this adjustment provides meaningful information related to the impact of our economic hedging activities. During the year ended December 31, 2016, the net impact of the Company's adjustment related to our economic hedging activities resulted in a decrease of \$138 million to our non-GAAP income before income taxes. During the year ended December 31, 2015, the net impact of the Company's adjustment related to our economic hedging activities described above resulted in an increase of \$24 million to our non-GAAP income before income taxes.

***Donations to The Coca-Cola Foundation***

During the year ended December 31, 2016, the Company recorded charges of \$200 million. During the year ended December 31, 2015, the Company recorded charges of \$100 million. These charges were due to contributions the Company made to The Coca-Cola Foundation.

***Devaluation of the Egyptian Pound***

During the year ended December 31, 2016, the Company recorded a charge of \$72 million as a result of remeasuring its net monetary assets denominated in Egyptian pounds. The Egyptian pound devalued as a result of the central bank allowing its currency, which was previously pegged to the U.S. dollar, to float freely.

***Other***

During the year ended December 31, 2016, the Company recorded other charges of \$34 million. During the year ended December 31, 2015, the Company recorded other charges of \$15 million. These charges were primarily related to tax litigation expense as well as charges associated with certain fixed assets and costs associated with restructuring and transitioning the Company's Russian juice operations to an existing joint venture with an unconsolidated bottling partner.

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### ***Other Items (continued)***

#### ***Hyperinflationary Economies***

During the year ended December 31, 2016, the Company recorded a charge of \$76 million due to the write-down related to receivables from our bottling partner in Venezuela as a result of the continued lack of liquidity and our revised assessment of the U.S. dollar value we expect to realize upon the conversion of the Venezuelan bolivar into U.S. dollars by our bottling partner to pay our receivables.

During the year ended December 31, 2015, the Company recorded net charges of \$138 million related to our Venezuelan operations. These charges were primarily a result of the remeasurement of the net monetary assets of our Venezuelan subsidiary using the SIMADI exchange rate, an impairment of a Venezuelan trademark due to higher exchange rates, and a write-down of receivables from our bottling partner in Venezuela. The write-down was recorded primarily as a result of the continued lack of liquidity and our revised assessment of the U.S. dollar value we expect to realize upon the conversion of the Venezuelan bolivar into U.S. dollars by our bottling partner to pay our receivables.

#### ***Early Extinguishment of Long-Term Debt***

During the year ended December 31, 2015, the Company recorded charges of \$320 million due to the early extinguishment of certain long-term debt.

### ***Certain Tax Matters***

During the year ended December 31, 2016, the Company recorded a net tax charge of \$89 million related to amounts required to be recorded for changes to our uncertain tax positions, including interest and penalties. During the year ended December 31, 2015, the Company recorded a net tax benefit of \$5 million related to amounts required to be recorded for changes to our uncertain tax positions, including interest and penalties.

## **ADJUSTMENTS RELATED TO CERTAIN BOTTLER TRANSACTIONS**

The Company has announced its intention to rebrand certain Company-owned bottling operations in North America, Germany, China and South Africa (collectively referred to herein as "certain bottler transactions"). These previously announced bottler transactions are at various stages of completion and, upon closing, are expected to have a significant impact on certain GAAP and non-GAAP financial measures and ratios reported by the Company. Therefore, we have provided certain financial measures and ratios that have been adjusted for the estimated impact of these bottler transactions assuming the transactions were completed on December 31, 2015.

### ***North America Rebranding***

In February 2016, the Company announced that it is accelerating the pace and scale of its North America rebranding efforts. The Company plans to rebrand 100 percent of Company-owned U.S. bottling territories by the end of 2017. As part of this accelerated rebranding effort, the Company plans to sell the remainder of its Company-owned cold-fill production facilities by the end of 2017. These facilities produce sparkling beverages, such as Trademark Coca-Cola brands and Sprite, along with certain still brands such as Dasani. The Company expects to maintain ownership of its hotfill facilities, which produce brands such as Powerade and Minute Maid.

### ***Company-Owned Bottling Operations in China***

In November 2016, the Company entered into definitive agreements for the sale of the Company-owned bottling operations in China to existing partners China Foods Limited, part of COFCO Limited, and Swire Beverage Holdings Limited. Closing is subject to regulatory approvals and is expected in the first half of 2017.

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### ***Coca-Cola European Partners***

In August 2015, the Company entered into an agreement to merge our German bottling operations with Coca-Cola Enterprises, Inc. ("CCE") and Coca-Cola Iberian Partners, S.A.U. to create CCEP. The transaction closed on May 28, 2016. The Company owns 18 percent of CCEP, which we account for as an equity method investment based on our equity ownership percentage, our representation on CCEP's Board of Directors and other governance rights.

### ***Coca-Cola Beverages Africa***

In November 2014, the Company, SABMiller plc, and Gutsche Family Investments entered into an agreement to combine the bottling operations of each of the parties' nonalcoholic ready-to-drink beverage businesses in Southern and East Africa. Upon closing of the transaction on July 2, 2016, the Company obtained an ownership of 12 percent in the bottler, which is called Coca-Cola Beverages Africa Limited, and an ownership of 3 percent in the bottler's South African subsidiary. In October 2016, Anheuser-Busch InBev ("ABI") acquired SABMiller plc, including its controlling interest in CCBA. In December 2016, the Company and ABI reached an agreement regarding the transition of ABI's stake in CCBA. The Company has also agreed in principle to acquire ABI's interest in bottling operations in Zambia, Zimbabwe, Botswana, Swaziland, Lesotho, El Salvador and Honduras. The Company will negotiate the terms of this transaction with ABI according to the contractual parameters. The transactions are subject to the relevant regulatory and minority shareholder approvals and are expected to close by the end of 2017. We plan to hold all of these territories temporarily until they can be refranchised to other partners.

### **2017 OUTLOOK**

Our 2017 outlook for organic revenues, comparable currency neutral income before taxes (structurally adjusted) and comparable EPS are non-GAAP financial measures that exclude or have otherwise been adjusted for items impacting comparability, the impact of changes in foreign currency exchange rates, acquisitions and divestitures, and the impact of structural items, as applicable. We are not able to reconcile our full year 2017 projected organic revenues to our full year 2017 projected reported net revenues, our full year 2017 projected comparable currency neutral income before taxes (structurally adjusted) to our full year 2017 projected reported income before taxes, or our full year 2017 projected comparable EPS to our full year 2017 projected EPS without unreasonable efforts because we are unable to predict with a reasonable degree of certainty the actual impact of changes in foreign currency exchange rates and the exact timing of acquisitions, divestitures and/or structural changes throughout 2017. The unavailable information could have a significant impact on our full year 2017 GAAP financial results.



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(In millions except per share data)

	Year Ended December 31, 2016							
	Net operating revenues	Cost of goods sold	Gross profit	Gross margin	Selling, general and administrative expenses	Other operating charges	Operating income	Operating margin
<b>Reported (GAAP)</b>	<b>\$ 41,863</b>	<b>\$ 16,465</b>	<b>\$ 25,398</b>	<b>60.7%</b>	<b>\$ 15,262</b>	<b>\$ 1,510</b>	<b>\$ 8,626</b>	<b>20.6%</b>
Items Impacting Comparability:								
Asset Impairments/Restructuring	—	—	—		—	(393)	393	
Productivity & Reinvestment	—	—	—		—	(352)	352	
Equity Investees	—	—	—		—	—	—	
Transaction Gains/Losses	—	—	—		—	(456)	456	
Other Items	(9)	148	(157)		21	(309)	131	
Certain Tax Matters	—	—	—		—	—	—	
Comparable (Non-GAAP)	<b>\$ 41,854</b>	<b>\$ 16,613</b>	<b>\$ 25,241</b>	<b>60.3%</b>	<b>\$ 15,283</b>	<b>\$ —</b>	<b>\$ 9,958</b>	<b>23.8%</b>

	Year Ended December 31, 2015							
	Net operating revenues	Cost of goods sold	Gross profit	Gross margin	Selling, general and administrative expenses	Other operating charges	Operating income	Operating margin
Reported (GAAP)	\$ 44,294	\$ 17,482	\$ 26,812	60.5%	\$ 16,427	\$ 1,657	\$ 8,728	19.7%
Items Impacting Comparability:								
Asset Impairments/Restructuring	—	—	—		—	(292)	292	
Productivity & Reinvestment	—	—	—		—	(691)	691	
Equity Investees	—	—	—		—	—	—	
Transaction Gains/Losses	—	—	—		—	(448)	448	
Other Items	(37)	(66)	29		41	(226)	214	
Certain Tax Matters	—	—	—		—	—	—	
Comparable (Non-GAAP)	\$ 44,257	\$ 17,416	\$ 26,841	60.6%	\$ 16,468	\$ —	\$ 10,373	23.4%

	Net operating revenues	Cost of goods sold	Gross profit	Selling, general and administrative expenses	Other operating charges	Operating income
<b>% Change — Reported (GAAP)</b>	<b>(5)</b>	<b>(6)</b>	<b>(5)</b>	<b>(7)</b>	<b>(9)</b>	<b>(1)</b>
% Currency Impact	(3)	(1)	(4)	(2)	—	(8)
% Change — Currency Neutral (Non-GAAP)	(3)	(5)	(1)	(5)	—	7
<b>% Change — Comparable (Non-GAAP)</b>	<b>(5)</b>	<b>(5)</b>	<b>(6)</b>	<b>(7)</b>	<b>—</b>	<b>(4)</b>
% Comparable Currency Impact (Non-GAAP)	(3)	(1)	(4)	(2)	—	(7)
% Change — Comparable Currency Neutral (Non-GAAP)	(3)	(4)	(2)	(5)	—	3

Note: Certain columns may not add due to rounding. Certain growth rates may not recalculate using the rounded dollar amounts provided.

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(In millions except per share data)

	Year Ended December 31, 2016								
	Interest expense	Equity income (loss) — net	Other income (loss) — net	Income before income taxes	Income taxes <sup>1</sup>	Effective tax rate	Net income (loss) attributable to noncontrolling interests	Net income attributable to shareowners of The Coca-Cola Company	Diluted net income per share <sup>2</sup>
Reported (GAAP)	\$ 733	\$ 835	\$ (1,234)	\$ 8,136	\$ 1,586	19.5%	\$ 23	\$ 6,527	\$ 1.49
Items Impacting Comparability:									
Asset Impairments/Restructuring	—	—	—	393	56		—	337	0.08
Productivity & Reinvestment	—	—	—	352	122		—	230	0.05
Equity Investees	—	61	—	61	11		—	50	0.01
Transaction Gains/Losses	—	—	1,167	1,623	724		—	899	0.21
Other Items	—	—	113	244	22		—	222	0.05
Certain Tax Matters	—	—	—	—	(89)		—	89	0.02
Comparable (Non-GAAP)	\$ 733	\$ 896	\$ 46	\$10,809	\$ 2,432	22.5%	\$ 23	\$ 8,354	\$ 1.91

	Year Ended December 31, 2015								
	Interest expense	Equity income (loss) — net	Other income (loss) — net	Income before income taxes	Income taxes	Effective tax rate	Net income (loss) attributable to noncontrolling interests	Net income attributable to shareowners of The Coca-Cola Company	Diluted net income per share <sup>3</sup>
Reported (GAAP)	\$ 856	\$ 489	\$ 631	\$ 9,605	\$ 2,239	23.3%	\$ 15	\$ 7,351	\$ 1.67
Items Impacting Comparability:									
Asset Impairments/Restructuring	—	—	—	292	—		—	292	0.07
Productivity & Reinvestment	—	—	—	691	259		—	432	0.10
Equity Investees	—	87	—	87	5		—	82	0.02
Transaction Gains/Losses	—	—	(351)	97	(108)		—	205	0.05
Other Items	(320)	—	64	598	158		—	440	0.10
Certain Tax Matters	—	—	—	—	5		—	(5)	—
Comparable (Non-GAAP)	\$ 536	\$ 576	\$ 344	\$11,370	\$ 2,558	22.5%	\$ 15	\$ 8,797	\$ 2.00

	Interest expense	Equity income (loss) — net	Other income (loss) — net	Income before income taxes	Income taxes	Net income (loss) attributable to noncontrolling interests	Net income attributable to shareowners of The Coca-Cola Company	Diluted net income per share
<b>% Change — Reported (GAAP)</b>	<b>(14)</b>	<b>71</b>	<b>—</b>	<b>(15)</b>	<b>(29)</b>	<b>45</b>	<b>(11)</b>	<b>(10)</b>
<b>% Change — Comparable (Non-GAAP)</b>	<b>37</b>	<b>55</b>	<b>(87)</b>	<b>(5)</b>	<b>(5)</b>	<b>45</b>	<b>(5)</b>	<b>(4)</b>

Note: Certain columns may not add due to rounding. Certain growth rates may not recalculate using the rounded dollar amounts provided.

<sup>1</sup> The income tax adjustments are the calculated income tax benefits (charges) at the applicable tax rate for each of the items impacting comparability with the exception of certain tax matters previously discussed as well as the tax impact resulting from the accrual of tax on temporary differences related to the investment in foreign subsidiaries that are now expected to reverse in the foreseeable future.

<sup>2</sup> 4,367 million average shares outstanding — diluted

<sup>3</sup> 4,405 million average shares outstanding — diluted

**THE COCA-COLA COMPANY AND SUBSIDIARIES**  
**Reconciliation of GAAP and Non-GAAP Financial Measures**  
(UNAUDITED)

**Income Before Income Taxes and Diluted Net Income Per Share:**

**% Change — Reported (GAAP)**

% Currency Impact

% Change — Currency Neutral (Non-GAAP)

% Structural Impact

% Change — Currency Neutral (Structurally Adjusted) (Non-GAAP)

% Impact of Items Impacting Comparability (Non-GAAP)

% Change — Comparable (Non-GAAP)

% Comparable Currency Impact (Non-GAAP)

% Change — Comparable Currency Neutral (Non-GAAP)

% Comparable Structural Impact (Non-GAAP)

% Change — Comparable Currency Neutral (Structurally Adjusted) (Non-GAAP)

Year Ended December 31, 2016	
Income before income taxes	Diluted net income per share
<b>(15)</b>	<b>(10)</b>
(12)	(13)
(3)	2
(2)	—
(1)	—

(10)	(6)
(5)	(4)
(9)	(9)
4	5
(3)	—
8	—

Note: Certain columns may not add due to rounding.

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

(In millions)

### Net Operating Revenues by Segment:

Year Ended December 31, 2016								
	Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Bottling Investments	Corporate	Eliminations	Consolidated
<b>Reported (GAAP)</b>	<b>\$ 7,278</b>	<b>\$ 3,819</b>	<b>\$ 10,210</b>	<b>\$ 5,294</b>	<b>\$ 19,885</b>	<b>\$ 132</b>	<b>\$ (4,755)</b>	<b>\$ 41,863</b>
Items Impacting Comparability:								
Asset Impairments/Restructuring	—	—	—	—	—	—	—	—
Productivity & Reinvestment	—	—	—	—	—	—	—	—
Equity Investees	—	—	—	—	—	—	—	—
Transaction Gains/Losses	—	—	—	—	—	—	—	—
Other Items	—	—	(18)	—	—	9	—	(9)
<b>Comparable (Non-GAAP)</b>	<b>\$ 7,278</b>	<b>\$ 3,819</b>	<b>\$ 10,192</b>	<b>\$ 5,294</b>	<b>\$ 19,885</b>	<b>\$ 141</b>	<b>\$ (4,755)</b>	<b>\$ 41,854</b>

Year Ended December 31, 2015								
	Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Bottling Investments	Corporate	Eliminations	Consolidated
<b>Reported (GAAP)</b>	<b>\$ 7,587</b>	<b>\$ 4,074</b>	<b>\$ 9,840</b>	<b>\$ 5,252</b>	<b>\$ 23,063</b>	<b>\$ 166</b>	<b>\$ (5,688)</b>	<b>\$ 44,294</b>
Items Impacting Comparability:								
Asset Impairments/Restructuring	—	—	—	—	—	—	—	—
Productivity & Reinvestment	—	—	—	—	—	—	—	—
Equity Investees	—	—	—	—	—	—	—	—
Transaction Gains/Losses	—	—	—	—	—	—	—	—
Other Items	—	—	(24)	—	—	(13)	—	(37)
<b>Comparable (Non-GAAP)</b>	<b>\$ 7,587</b>	<b>\$ 4,074</b>	<b>\$ 9,816</b>	<b>\$ 5,252</b>	<b>\$ 23,063</b>	<b>\$ 153</b>	<b>\$ (5,688)</b>	<b>\$ 44,257</b>

	Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Bottling Investments	Corporate	Eliminations	Consolidated
<b>% Change — Reported (GAAP)</b>	<b>(4)</b>	<b>(6)</b>	<b>4</b>	<b>1</b>	<b>(14)</b>	<b>(21)</b>	<b>16</b>	<b>(5)</b>
% Currency Impact	(3)	(18)	0	1	(1)	(26)	—	(3)
% Change — Currency Neutral (Non-GAAP)	(1)	12	4	(1)	(13)	6	—	(3)
% Acquisitions, Divestitures and Structural Items	(4)	0	0	(2)	(13)	9	—	(6)
% Change — Organic Revenues (Non-GAAP)	3	12	4	1	1	(4)	—	3
<b>% Change — Comparable (Non-GAAP)</b>	<b>(4)</b>	<b>(6)</b>	<b>4</b>	<b>1</b>	<b>(14)</b>	<b>(8)</b>	<b>—</b>	<b>(5)</b>
% Comparable Currency Impact (Non-GAAP)	(3)	(18)	0	1	(1)	(14)	—	(3)
% Change — Comparable Currency Neutral (Non-GAAP)	(1)	12	4	(1)	(13)	6	—	(3)

Note: Certain columns may not add due to rounding. Certain growth rates may not recalculate using the rounded dollar amounts provided.

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

(In millions)

### Core Business Revenues (Non-GAAP): <sup>1</sup>

#### Reported (GAAP) Net Operating Revenues

Bottling Investments Net Operating Revenues  
Consolidated Eliminations  
Intersegment Core Net Operating Revenue Eliminations  
Core Business Revenues (Non-GAAP)

#### Items Impacting Comparability:

Asset Impairments/Restructuring  
Productivity & Reinvestment  
Equity Investees  
Transaction Gains/Losses  
Other Items

Comparable Core Business Revenues (Non-GAAP)

Year Ended December 31, 2016	
\$	41,863
	(19,885)
	4,755
	(15)
	26,718
	—
	—
	—
	—
	(9)
\$	26,709

#### Reported (GAAP) Net Operating Revenues

Bottling Investments Net Operating Revenues  
Consolidated Eliminations  
Intersegment Core Net Operating Revenue Eliminations  
Core Business Revenues (Non-GAAP)

#### Items Impacting Comparability:

Asset Impairments/Restructuring  
Productivity & Reinvestment  
Equity Investees  
Transaction Gains/Losses  
Other Items

Comparable Core Business Revenues (Non-GAAP)

Year Ended December 31, 2015	
\$	44,294
	(23,063)
	5,688
	(19)
	26,900
	—
	—
	—
	—
	(37)
\$	26,863

#### % Change — Reported (GAAP) Net Operating Revenues

% Change — Core Business Revenues (Non-GAAP)  
% Core Business Currency Impact (Non-GAAP)  
% Change — Currency Neutral Core Business Revenues (Non-GAAP)  
% Acquisitions, Divestitures and Structural Items  
% Change — Core Business Organic Revenues (Non-GAAP)<sup>2</sup>

(5)
(1)
(3)
3
(1)
4

% Change — Comparable Core Business Revenues (Non-GAAP)  
% Comparable Core Business Currency Impact (Non-GAAP)  
% Change — Comparable Currency Neutral Core Business Revenues (Non-GAAP)

(1)
(3)
3

Note: Certain columns may not add due to rounding. Certain growth rates may not recalculate using the rounded dollar amounts provided.

<sup>1</sup> Core business revenues (Non-GAAP) included the net operating revenues from the Europe, Middle East & Africa, Latin America, North America, Asia Pacific and Corporate operating segments offset by intersegment revenue eliminations of \$15 million and \$19 million during the years ended December 31, 2016 and December 31, 2015, respectively.

<sup>2</sup> Core business organic revenue (Non-GAAP) growth included 4 points of positive price/mix.

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

(In millions)

### Core Net Operating Revenues: <sup>1</sup>

	Year Ended December 31, 2015
<b>Reported (GAAP) Net Operating Revenues</b>	<b>\$ 44,294</b>
Bottling Investments Net Operating Revenues	(23,063)
Consolidated Eliminations	5,688
Intersegment Core Net Operating Revenue Eliminations	(19)
Core Net Operating Revenues	26,900
Items Impacting Comparability:	
Asset Impairments/Restructuring	--
Productivity & Reinvestment	--
Equity Investees	--
Transaction Gains/Losses	--
Other Items	(37)
Core Net Operating Revenues After Considering Items (Non-GAAP)	\$ 26,863

	Year Ended December 31, 2014
<b>Reported (GAAP) Net Operating Revenues</b>	<b>\$ 45,998</b>
Bottling Investments Net Operating Revenues	(23,651)
Consolidated Eliminations	5,729
Intersegment Core Net Operating Revenue Eliminations	(9)
Core Net Operating Revenues	28,067
Items Impacting Comparability:	
Asset Impairments/Restructuring	--
Productivity & Reinvestment	--
Equity Investees	--
Transaction Gains/Losses	--
Other Items	34
Core Net Operating Revenues After Considering Items (Non-GAAP)	\$ 28,101

<b>% Change - Reported (GAAP) Net Operating Revenues</b>	<b>(4)</b>
% Change - Core Net Operating Revenues	(4)
% Currency Impact	(8)
% Change - Core Currency Neutral Reported	5
% Acquisitions, Divestitures and Structural Items	0
% Change - Core Organic Revenues (Non-GAAP) <sup>2</sup>	5
% Change - Core After Considering Items (Non-GAAP)	(4)
% Currency Impact After Considering Items (Non-GAAP)	(8)
% Change - Core Currency Neutral After Considering Items (Non-GAAP)	4

<sup>1</sup> Core net operating revenues included the net operating revenues from the Eurasia and Africa, Europe, Latin America, North America, Asia Pacific and Corporate operating segments offset by intersegment revenue eliminations of \$19 million and \$9 million during the years ended December 31, 2015 and December 31, 2014, respectively.

<sup>2</sup> Core organic revenue growth included concentrate sales growth of 1% along with 3 points of positive price/mix.

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

(In millions)

### Core Net Operating Revenues: <sup>1</sup>

	Year Ended December 31, 2014
<b>Reported (GAAP) Net Operating Revenues</b>	<b>\$ 45,998</b>
Bottling Investments Net Operating Revenues	(23,651)
Consolidated Eliminations	5,729
Intersegment Core Net Operating Revenue Eliminations	(9)
Core Net Operating Revenues	28,067
Items Impacting Comparability:	
Asset Impairments/Restructuring	—
Productivity & Reinvestment	—
Equity Investees	—
Transaction Gains/Losses	—
Other Items	34
Core Net Operating Revenues After Considering Items (Non-GAAP)	\$ 28,101

	Year Ended December 31, 2013
<b>Reported (GAAP) Net Operating Revenues</b>	<b>\$ 46,854</b>
Bottling Investments Net Operating Revenues	(24,320)
Consolidated Eliminations	5,740
Intersegment Core Net Operating Revenue Eliminations	(9)
Core Net Operating Revenues	28,265
Items Impacting Comparability:	
Asset Impairments/Restructuring	—
Productivity & Reinvestment	—
Equity Investees	—
Transaction Gains/Losses	78
Other Items	3
Core Net Operating Revenues After Considering Items (Non-GAAP)	\$ 28,346

<b>% Change — Reported (GAAP) Net Operating Revenues</b>	<b>(2)</b>
% Change — Core Net Operating Revenues	(1)
% Currency Impact	(4)
% Change — Core Currency Neutral Reported	3
% Acquisitions, Divestitures and Structural Items	0
% Change — Core Organic Revenues (Non-GAAP) <sup>2</sup>	3
% Change — Core After Considering Items (Non-GAAP)	(1)
% Currency Impact After Considering Items (Non-GAAP)	(4)
% Change — Core Currency Neutral After Considering Items (Non-GAAP)	3

<sup>1</sup> Core net operating revenues included the net operating revenues from the Eurasia and Africa, Europe, Latin America, North America, Asia Pacific and Corporate operating segments offset by intersegment revenue eliminations of \$9 million during the years ended December 31, 2014 and December 31, 2013.

<sup>2</sup> Core organic revenue growth included concentrate sales growth of 1% along with 2 points of positive price/mix.

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

(In millions)

### Operating Income (Loss) by Segment:

#### Reported (GAAP)

Items Impacting Comparability:

Asset Impairments/Restructuring

Productivity & Reinvestment

Equity Investees

Transaction Gains/Losses

Other Items

Comparable (Non-GAAP)

Year Ended December 31, 2016						
Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Bottling Investments	Corporate	Consolidated
\$ 3,676	\$ 1,951	\$ 2,582	\$ 2,224	\$ (137)	\$ (1,670)	\$ 8,626
—	—	—	—	393	—	393
32	(2)	134	1	82	105	352
—	—	—	—	—	—	—
—	—	—	—	424	32	456
—	76	(47)	—	(130)	232	131
\$ 3,708	\$ 2,025	\$ 2,669	\$ 2,225	\$ 632	\$ (1,301)	\$ 9,958

#### Reported (GAAP)

Items Impacting Comparability:

Asset Impairments/Restructuring

Productivity & Reinvestment

Equity Investees

Transaction Gains/Losses

Other Items

Comparable (Non-GAAP)

Year Ended December 31, 2015						
Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Bottling Investments	Corporate	Consolidated
\$ 3,875	\$ 2,169	\$ 2,366	\$ 2,189	\$ 124	\$ (1,995)	\$ 8,728
—	—	—	—	292	—	292
(9)	7	141	2	304	246	691
—	—	—	—	—	—	—
—	—	—	—	3	445	448
—	33	12	2	(10)	177	214
\$ 3,866	\$ 2,209	\$ 2,519	\$ 2,193	\$ 713	\$ (1,127)	\$ 10,373

#### % Change — Reported (GAAP)

% Currency Impact

% Change — Currency Neutral (Non-GAAP)

% Change — Comparable (Non-GAAP)

% Comparable Currency Impact (Non-GAAP)

% Change — Comparable Currency Neutral  
(Non-GAAP)

Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Bottling Investments	Corporate	Consolidated
(5)	(10)	9	2	—	16	(1)
(3)	(27)	0	0	—	(2)	(8)
(2)	17	9	2	—	18	7
(4)	(8)	6	2	(11)	(15)	(4)
(3)	(26)	0	0	(1)	(1)	(7)
(1)	18	6	2	(10)	(14)	3

Note: Certain columns may not add due to rounding. Certain growth rates may not recalculate using the rounded dollar amounts provided.



# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

(In millions)

### Income (Loss) Before Income Taxes by Segment:

Year Ended December 31, 2016							
	Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Bottling Investments	Corporate	Consolidated
<b>Reported (GAAP)</b>	<b>\$ 3,749</b>	<b>\$ 1,966</b>	<b>\$ 2,560</b>	<b>\$ 2,238</b>	<b>\$ (1,923)</b>	<b>\$ (454)</b>	<b>\$ 8,136</b>
Items Impacting Comparability:							
Asset Impairments/Restructuring	—	—	—	—	393	—	393
Productivity & Reinvestment	32	(2)	134	1	82	105	352
Equity Investees	—	—	—	—	52	9	61
Transaction Gains/Losses	—	—	32	—	2,879	(1,288)	1,623
Other Items	—	76	(47)	—	(129)	344	244
Comparable (Non-GAAP)	\$ 3,781	\$ 2,040	\$ 2,679	\$ 2,239	\$ 1,354	\$ (1,284)	\$ 10,809

Year Ended December 31, 2015							
	Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Bottling Investments	Corporate	Consolidated
<b>Reported (GAAP)</b>	<b>\$ 3,923</b>	<b>\$ 2,164</b>	<b>\$ 2,356</b>	<b>\$ 2,207</b>	<b>\$ (427)</b>	<b>\$ (618)</b>	<b>\$ 9,605</b>
Items Impacting Comparability:							
Asset Impairments/Restructuring	—	—	—	—	292	—	292
Productivity & Reinvestment	(9)	7	141	2	304	246	691
Equity Investees	4	—	—	—	83	—	87
Transaction Gains/Losses	—	—	—	—	1,010	(913)	97
Other Items	—	33	12	2	(10)	561	598
Comparable (Non-GAAP)	\$ 3,918	\$ 2,204	\$ 2,509	\$ 2,211	\$ 1,252	\$ (724)	\$ 11,370

	Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Bottling Investments	Corporate	Consolidated
<b>% Change — Reported (GAAP)</b>	<b>(4)</b>	<b>(9)</b>	<b>9</b>	<b>1</b>	<b>(350)</b>	<b>27</b>	<b>(15)</b>
% Currency Impact	(3)	(27)	0	0	(3)	(70)	(12)
% Change — Currency Neutral (Non-GAAP)	(2)	18	9	2	(346)	96	(3)

	Europe, Middle East & Africa	Latin America	North America	Asia Pacific	Bottling Investments	Corporate	Consolidated
% Impact of Items Impacting Comparability (Non-GAAP)	(1)	(2)	2	0	(358)	104	(10)
% Change — Comparable (Non-GAAP)	(4)	(7)	7	1	8	(77)	(5)
% Comparable Currency Impact (Non-GAAP)	(3)	(26)	0	0	(2)	(47)	(9)
% Change — Comparable Currency Neutral (Non-GAAP)	(1)	19	7	2	11	(31)	4

Note: Certain columns may not add due to rounding. Certain growth rates may not recalculate using the rounded dollar amounts provided.

# **THE COCA-COLA COMPANY AND SUBSIDIARIES**

## **Reconciliation of GAAP and Non-GAAP Financial Measures**

(UNAUDITED)

(In millions)

### **Operating Expense Leverage:**

Year Ended December 31, 2016		
Operating income	Gross profit	Operating expense leverage <sup>1</sup>
(1)	(5)	4
7	(1)	9

  

(4)	(6)	2
3	(2)	5

### **% Change — Reported (GAAP)**

% Change — Currency Neutral (Non-GAAP)

% Change — Comparable (Non-GAAP)

% Change — Comparable Currency Neutral (Non-GAAP)

Note: Certain rows may not add due to rounding.

<sup>1</sup>Operating expense leverage is calculated by subtracting gross profit growth from operating income growth.

### **Operating Margin:**

### **Reported (GAAP)**

Items Impacting Comparability (Non-GAAP)

Comparable Operating Margin (Non-GAAP)

Comparable Currency Impact (Non-GAAP)

Comparable Currency Neutral Operating Margin (Non-GAAP)

Year Ended December 31, 2016	Year Ended December 31, 2015	Basis Point Growth (Decline)
20.61 %	19.70 %	91
(3.18)%	(3.74)%	
23.79 %	23.44 %	35
(1.04)%	0.00 %	
24.83 %	23.44 %	139

### **Value Returned to Shareowners:**

For the Years Ended December 31,  
(in millions)

### **Reported (GAAP):**

Issuances of Stock

Purchases of Stock for Treasury

Net Change in Stock Issuance Receivables<sup>2</sup>

Net Change in Treasury Stock Payables<sup>3</sup>

Net Treasury Share Repurchases (Non-GAAP)

Dividends (GAAP)

Value Returned to Shareowners (Non-GAAP)

Total	2016	2015	2014	2013	2012
\$7,028	\$1,434	\$1,245	\$1,532	\$1,328	\$1,489
(20,798)	(3,681)	(3,564)	(4,162)	(4,832)	(4,559)
(4)	1	1	(14)	-	8
(13)	(63)	18	38	(5)	(1)
(13,787)	(2,309)	(2,300)	(\$2,606)	(3,509)	(\$3,063)
(26,698)	(6,043)	(5,741)	(5,350)	(4,969)	(4,595)
(\$40,485)	(\$8,352)	(\$8,041)	(\$7,956)	(\$8,478)	(\$7,658)

<sup>2</sup> Represents the net change in receivables related to employee stock options exercised but not settled prior to the end of the year.

<sup>3</sup> Represents the net change in payables for treasury shares repurchased but not settled prior to the end of the year.

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

(In millions)

### Current Year Return on Invested Capital (ROIC):

#### NOPAT:

	Year Ended December 31, 2016
Income before income taxes (GAAP)	\$8,136
Interest income	642
Interest expense	733
Net interest	91
Effective tax rate	19.5%
Net operating profit after taxes (NOPAT) (Non-GAAP)	\$6,623

#### Comparable NOPAT:

Comparable income before income taxes (Non-GAAP)	\$10,809
Interest income	642
Interest expense	733
Net interest	91
Comparable effective tax rate (Non-GAAP)	22.5%
Comparable net operating profit after taxes (NOPAT) (Non-GAAP)	\$8,448

#### Invested Capital:

	2016 Five Quarter Average	As of December 31, 2016	As of September 30, 2016	As of July 1, 2016	As of April 1, 2016	As of December 31, 2015
Total debt (Non-GAAP) (1)	\$46,386	\$45,709	\$47,224	\$48,048	\$46,834	\$44,116
Equity Attributable to Shareowners of The Coca-Cola Company	25,249	23,062	26,076	26,637	24,914	25,554
Less:						
Cash and cash equivalents	9,081	8,555	11,147	9,647	8,748	7,309
Short-term investments	10,188	9,595	11,265	11,755	10,003	8,322
Marketable securities	3,522	4,051	3,157	2,673	3,460	4,269
Invested capital (Non-GAAP)	\$48,844	\$46,570	\$47,731	\$50,610	\$49,537	\$49,770

Comparable return on invested capital (ROIC) (Non-GAAP) (2)	17.3%
--	-------

(1) Total debt is the sum of loans and notes payable, current maturities of long-term debt, and long-term debt

(2) Comparable return on invested capital is calculated by dividing comparable net operating profit after taxes by invested capital

#### Free Cash Flow:

	Year Ended December 31, 2016
Net Cash Provided by Operating Activities	\$8,796
Purchases of Property, Plant and Equipment	(2,262)
Free Cash Flow (Non-GAAP)	\$6,534

#### Free Cash Flow Margin:

	Year Ended December 31, 2016
Net Operating Revenues (GAAP)	\$41,863
Free Cash Flow (Non-GAAP)	\$6,534
Free Cash Flow Margin (Non-GAAP)	15.6%

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

(In millions)

### Prior Year Return on Invested Capital (ROIC):

#### NOPAT:

	Year Ended December 31, 2015
Income before income taxes (GAAP)	\$9,605
Interest income	613
Interest expense	856
Net interest	243
Effective tax rate	23.3%
Net operating profit after taxes (NOPAT) (Non-GAAP)	\$7,553

#### Comparable NOPAT:

Comparable income before income taxes (Non-GAAP)	\$11,370
Interest income	613
Comparable interest expense (Non-GAAP)	536
Net interest	(77)
Comparable effective tax rate (Non-GAAP)	22.5%
Comparable net operating profit after taxes (NOPAT) (Non-GAAP)	\$8,752

#### Invested Capital:

	2015 Five Quarter Average	As of December 31, 2015	As of October 2, 2015	As of July 3, 2015	As of April 3, 2015	As of December 31, 2014
Total debt (Non-GAAP) (1)	\$43,712	\$44,116	\$46,101	\$44,232	\$42,423	\$41,690
Equity Attributable to Shareowners of The Coca-Cola Company	27,836	25,554	26,049	28,418	28,837	30,320
Less:						
Cash and cash equivalents	8,653	7,309	9,983	8,805	8,211	8,958
Short-term investments	8,725	8,322	9,177	8,709	8,366	9,052
Marketable securities	3,691	4,269	3,614	3,433	3,472	3,665
Invested capital (Non-GAAP)	\$50,479	\$49,770	\$49,376	\$51,703	\$51,211	\$50,335

Comparable return on invested capital (ROIC) (Non-GAAP) (2)	17.3%
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(1) Total debt is the sum of loans and notes payable, current maturities of long-term debt, and long-term debt

(2) Comparable return on invested capital is calculated by dividing comparable net operating profit after taxes by invested capital

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)  
(In millions)

### Adjustments for Certain Bottler Transactions:

#### Reported (GAAP)

Impact of Certain Bottler Transactions:

Adjustments for Certain Bottler Transactions

After Considering Certain Bottler Transactions  
(Non-GAAP)

Year Ended December 31, 2016							
Net operating revenues	Cost of goods sold	Gross profit	Gross margin	Selling, general and administrative expenses	Other operating charges	Operating income	Operating margin
\$41,863	\$16,465	\$25,398	60.7%	\$15,262	\$1,510	\$8,626	20.6%
(13,437)	(7,375)	(6,062)		(5,328)	(816)	82	
\$28,426	\$9,090	\$19,336	68.0%	\$9,934	\$694	\$8,708	30.6%

Adjustments for Certain Bottler Transactions  
(Non-GAAP)

Items Impacting Comparability:

Asset Impairments/Restructuring

Productivity & Reinvestment

Transaction Gains/Losses

Other Items

Comparable Adjustments for Certain Bottler  
Transactions (Non-GAAP)

Year Ended December 31, 2016							
Net operating revenues	Cost of goods sold	Gross profit	Gross margin	Selling, general and administrative expenses	Other operating charges	Operating income	Operating margin
\$13,437	\$7,375	\$6,062		\$5,328	\$816	(\$82)	
-	-	-		-	(383)	383	
-	-	-		-	(17)	17	
-	-	-		-	(416)	416	
-	99	(99)		21	-	(120)	
\$13,437	\$7,474	\$5,963		\$5,349	\$-	\$614	

Comparable (Non-GAAP)

Comparable Impact of Certain Bottler Transactions:

Comparable Adjustments for Certain Bottler  
Transactions (Non-GAAP)

Comparable After Considering Certain Bottler  
Transactions (Non-GAAP)

Year Ended December 31, 2016							
Net operating revenues	Cost of goods sold	Gross profit	Gross margin	Selling, general and administrative expenses	Other operating charges	Operating income	Operating margin
\$41,854	\$16,613	\$25,241	60.3%	\$15,283	\$-	\$9,958	23.8%
(13,437)	(7,474)	(5,963)		(5,349)	-	(614)	
\$28,417	\$9,139	\$19,278	67.8%	\$9,934	\$-	\$9,344	32.9%