

THE COCA-COLA COMPANY AND SUBSIDIARIES
Reconciliation of GAAP and Non-GAAP Financial Measures
(UNAUDITED)
(In millions except debt leverage)

Gross Debt and Net Debt:

	As of December 31, 2013
Cash and cash equivalents	\$10,414
Short-term investments	6,707
Marketable securities	3,147
Total cash, cash equivalents, short-term investments and marketable securities (Non-GAAP)	\$20,268
Loans and notes payable	\$16,901
Current maturities of long-term debt	1,024
Long-term debt	19,154
Gross debt (Non-GAAP)	\$37,079
Net debt (Non-GAAP) ¹	\$16,811

¹ Net debt is calculated by subtracting total cash, cash equivalents, short-term investments and marketable securities from gross debt.

EBITDA:

Reported EBITDA:

	Year Ended December 31, 2013
Income before income taxes	\$11,477
<u>Less income items:</u>	
Interest income	534
Other income (loss) — net	576
<u>Add expense items:</u>	
Interest expense	463
Depreciation and amortization	1,977
Earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$12,807

Comparable EBITDA:

Comparable income before income taxes (Non-GAAP)	\$12,229
<u>Less income items:</u>	
Interest income	534
Comparable other income (loss) — net (Non-GAAP)	75
<u>Add expense items:</u>	
Comparable interest expense (Non-GAAP)	410
Depreciation and amortization	1,977
Comparable earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$14,007

Gross and Net Debt Leverage:

	As of and Year Ended December 31, 2013
Gross debt (Non-GAAP)	\$37,079
Comparable earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$14,007
Gross debt leverage (Non-GAAP)	2.6
Net debt (Non-GAAP)	\$16,811
Comparable earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$14,007
Net debt leverage (Non-GAAP)	1.2

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	Nine Months Ended September 29, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	Sum of Nine Months Ended September 29, 2017 and Years Ended December 31, 2016, 2015, and 2014
Net cash provided by operating activities ("operating cash flow")	\$5,918	\$8,796	\$10,528	\$10,615	\$35,857
Purchases of property, plant and equipment ("capital expenditures")	(\$1,194)	(\$2,262)	(\$2,553)	(\$2,406)	(\$8,415)
Proceeds from disposals of businesses, equity method investments and nonmarketable securities ("divestitures")	\$2,790	\$1,035	\$565	\$148	\$4,538
Dividends	(\$3,165)	(\$6,043)	(\$5,741)	(\$5,350)	(\$20,299)
Acquisitions of businesses, equity method investments and nonmarketable securities ("M&A")	(\$538)	(\$838)	(\$2,491)	(\$389)	(\$4,256)
Issuances of stock	\$1,320	\$1,434	\$1,245	\$1,532	\$5,531
Purchases of stock for treasury	(3,087)	(3,681)	(3,564)	(4,162)	(14,494)
Net share repurchases (non-GAAP)	(\$1,767)	(\$2,247)	(\$2,319)	(\$2,630)	(\$8,963)

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Gross Debt and Net Debt:

	2017 Trailing Twelve Months	As of September 29, 2017
Cash and cash equivalents	\$12,528	\$12,528
Short-term investments	9,691	9,691
Marketable securities	5,138	5,138
Total cash, cash equivalents, short-term investments and marketable securities (Non-GAAP)	\$27,357	\$27,357
Loans and notes payable	\$13,398	\$13,398
Current maturities of long-term debt	3,231	3,231
Long-term debt	32,471	32,471
Gross debt (Non-GAAP)	\$49,100	\$49,100
Net debt (Non-GAAP) ¹	\$21,743	\$21,743

¹ Net debt is calculated by subtracting total cash, cash equivalents, short-term investments and marketable securities from gross debt.

EBITDA:

Reported EBITDA:	2017 Trailing Twelve Months	Nine Months Ended September 29, 2017	Three Months Ended December 31, 2016
Income before income taxes	\$6,320	\$5,805	\$515
<u>Less income items:</u>			
Interest income	665	495	170
Other income (loss) — net	(2,041)	(1,122)	(919)
<u>Add expense items:</u>			
Interest expense	879	631	248
Depreciation and amortization	1,390	926	464 ²
Earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$9,965	\$7,989	\$1,976

Comparable EBITDA:

Comparable income before income taxes (Non-GAAP)	\$10,737	\$8,686	\$2,051
<u>Less income items:</u>			
Interest income	665	495	170
Comparable other income (loss) — net (Non-GAAP)	121	154	(33)
<u>Add expense items:</u>			
Comparable interest expense (Non-GAAP)	841	593	248
Depreciation and amortization	1,390	926	464 ²
Comparable earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$12,182	\$9,556	\$2,626

² Calculated by subtracting depreciation and amortization of \$1,323 during the nine months ended September 30, 2016 from depreciation and amortization of \$1,787 during the year ended December 31, 2016.

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Marketable securities	5,138
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Loans and notes payable	\$13,398
Current maturities of long-term debt	3,231
Long-term debt	32,471
Gross debt (Non-GAAP)	\$49,100
Net debt (Non-GAAP) ¹	\$21,743

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EBITDA:

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Reported EBITDA:	
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Other income (loss) — net	(2,041)
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Interest expense	879
Depreciation and amortization	1,390
Earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$9,965
Comparable EBITDA:	
Comparable income before income taxes (Non-GAAP)	\$10,737
<u>Less income items:</u>	
Interest income	665
Comparable other income (loss) — net (Non-GAAP)	121
<u>Add expense items:</u>	
Comparable interest expense (Non-GAAP)	841
Depreciation and amortization	1,390
Comparable earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$12,182

Gross and Net Debt Leverage:

	2017 Trailing Twelve Months
Gross debt (Non-GAAP)	\$49,100
Comparable earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$12,182
Gross debt leverage (Non-GAAP)	4.0
Net debt (Non-GAAP)	\$21,743
Comparable earnings before interest, taxes, depreciation and amortization (EBITDA) (Non-GAAP)	\$12,182
Net debt leverage (Non-GAAP)	1.8

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Free Cash Flow:

Net Cash Provided by Operating Activities
Purchases of Property, Plant and Equipment
Free Cash Flow (Non-GAAP)

Year Ended December 31, 2016	
	\$8,796
	(2,262)
	\$6,534

Free Cash Flow Margin:

Net Operating Revenues
Free Cash Flow (Non-GAAP)
Free Cash Flow Margin (Non-GAAP)

Year Ended December 31, 2016	
	\$41,863
	6,534
	15.61%

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North America Segment Information:

	Nine Months Ended September 29, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
Reported Net Operating Revenues (GAAP)	\$8,015	\$10,210	\$9,840
Items Impacting Comparability:			
Asset Impairments/Restructuring	-	-	-
Productivity & Reinvestment	-	-	-
Equity Investees	-	-	-
Transaction Gains/Losses	-	-	-
Other Items	(4)	(18)	(24)
Comparable Net Operating Revenues (Non-GAAP)	\$8,011	\$10,192	\$9,816

	Nine Months Ended September 30, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Reported Net Operating Revenues (GAAP)	\$7,737	\$9,840	\$9,271
Items Impacting Comparability:			
Asset Impairments/Restructuring	-	-	-
Productivity & Reinvestment	-	-	-
Equity Investees	-	-	-
Transaction Gains/Losses	-	-	-
Other Items	(11)	(24)	37
Comparable Net Operating Revenues (Non-GAAP)	\$7,726	\$9,816	\$9,308

	Nine Months Ended September 29, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Average of Nine Months Ended September 29, 2017 and Years Ended December 31, 2016 and 2015
% Change — Reported Net Operating Revenues (GAAP)	4	4	6	5
% Currency Impact	0	0	(1)	0
% Change — Currency Neutral Net Operating Revenues (Non-GAAP)	4	4	7	5
% Acquisitions, Divestitures and Structural Items	1	0	1	1
% Change — Organic Revenues (Non-GAAP)	2	4	6	4

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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North America Segment Information:

	Nine Months Ended September 29, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
Reported Income Before Income Taxes (GAAP)	\$1,711	\$2,560	\$2,356
Items Impacting Comparability:			
Asset Impairments/Restructuring	-	-	-
Productivity & Reinvestment	131	134	141
Equity Investees	-	-	-
Transaction Gains/Losses	287	32	-
Other Items	(9)	(47)	12
Comparable Income Before Income Taxes (Non-GAAP)	\$2,120	\$2,679	\$2,509

	Nine Months Ended September 30, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Reported Income Before Income Taxes (GAAP)	\$1,978	\$2,356	\$2,228
Items Impacting Comparability:			
Asset Impairments/Restructuring	-	-	-
Productivity & Reinvestment	80	141	157
Equity Investees	-	-	-
Transaction Gains/Losses	17	-	-
Other Items	(31)	12	(25)
Comparable Income Before Income Taxes (Non-GAAP)	\$2,044	\$2,509	\$2,360

	Nine Months Ended September 29, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Average of Nine Months Ended September 29, 2017 and Years Ended December 31, 2016 and 2015
% Change — Reported Income Before Income Taxes (GAAP)	(14)	9	6	0
% Currency Impact	(1)	0	0	0
% Change — Currency Neutral Income Before Income Taxes (Non-GAAP)	(12)	9	6	1
% Change — Comparable Income Before Income Taxes (Non-GAAP)	4	7	6	6
% Comparable Currency Impact (Non-GAAP)	(1)	0	0	0
% Change — Comparable Currency Neutral Income Before Income Taxes (Non-GAAP)	5	7	6	6

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

Long-Term Targets

The Coca-Cola Company's long-term targets for organic revenue growth, comparable currency neutral operating income growth, comparable currency neutral operating margin, comparable currency neutral EPS growth, and adjusted free cash flow conversion ratio are based on 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 long-term targets for organic revenue growth (non-GAAP), comparable currency neutral operating income growth (non-GAAP), comparable currency neutral operating margin (non-GAAP), comparable currency neutral EPS growth (non-GAAP), and adjusted free cash flow conversion ratio (non-GAAP) to our long-term projections for reported net revenue growth, reported operating income growth, reported operating margin, reported EPS growth, and reported cash flow conversion ratio, respectively, without unreasonable efforts because we are unable to predict with a reasonable degree of certainty the actual impact of items impacting comparability, changes in foreign currency exchange rates and the exact timing of acquisitions, divestitures and/or structural changes that may occur in future periods. The unavailable information could have a significant impact on our GAAP financial results for future periods.

The company defines adjusted free cash flow conversion ratio (non-GAAP) as free cash flow adjusted for certain cash payments for pension plan contributions (non-GAAP) divided by net income attributable to shareowners of The Coca-Cola Company adjusted for non-cash items impacting comparability (non-GAAP). The company defines free cash flow (non-GAAP) as net cash provided by operating activities less purchases of property, plant and equipment.