The Coca-Cola Company

2016 Holiday Reception – Prepared Remarks and Q&A

December 15, 2016

CORPORATE PARTICIPANTS

Muhtar Kent - *Chairman of the Board of Directors and Chief Executive Officer*

James Quincey - *President and Chief Operating Officer*

Kathy Waller - *Executive Vice President and Chief Financial Officer*

Tim Leveridge – *Vice President and Investor Relations Officer*

PRESENTATION

Tim Leveridge
Grab a cocktail or a cold Coca Cola, or a cold Coca Cola product on your way over. If you all could kind of start making your way this way. All right, maybe if y'all want to keep coming, keep coming. Don't be shy. Don't be shy.

All right, we'll first of all, let me say a warm welcome to everyone. I know it is a very cold night. As I've told many people, having lived in Russia for several years, this is a nice March afternoon, so no worries for that.

What I wanted to do was talk quickly about the flow of events for the night. First of all we're going to have some prepared remarks by Muhtar and then Q&A with the leadership team that we have here. Then we're going to have some time for additional mixing and mingling, more cocktails. We have plenty of nice food in the back, and then importantly hopefully you've noticed by now we have several innovation stations and I really would like to encourage you to take some time to stop by each of them. We have members from our R&D and VEB team over to my left that are here happy to walk you through each of the different products and all of the things and great things that we have going on. Then, like I said, we'll have some time for mixing and mingling, and then we'll wrap up around 7:30. So, with that, I'm going to turn the stage over to Muhtar.

Muhtar Kent
Thank you. Thanks very much, Tim, and welcome all of you. What a wonderful time of the year and we've done these gatherings at this time of the year before. It is a good time to get together. I wanted all of you to know how much we, all of us at Coca Cola appreciate your interest, your investment and also your analysis of our company. It means a lot to us. Granted, that's maybe part of your job but we still appreciate it very much.

Our goal tonight is to give you in a way a greater insight to our business. If we can do that in the timeframe, I've got several colleagues here, associates and colleagues of mine in our Senior Leadership team to help me do that. Of course, starting with our President and Chief Operating Officer James Quincey, our Chief Financial Officer Kathy Waller, our Chief Marketing Officer Marcos de Quinto, our Chief Strategy Officer Brent Hastie, our Chief Commercial and Customer Officer Julie Hamilton, and our Chief Public Affairs Officer Clyde Tuggle. We have all of them here.

An exciting and important announcement last Friday, our President and Chief Operating Officer James Quincey will become CEO at the beginning of May 2017. Give him a hand. James? I have every single belief that James is the right person for the job. He has a long, very long and distinguished track record in our company, 20 years. Of those 20 years I have known him personally very well of 10 of those 20 years. He's had key leadership roles in the south of Latin America, based in Argentina. Then also—he started off in Atlanta, then in Mexico, then I was instrumental in moving him to Europe for our Chief of our biggest profit pool, and then recently about 15 months ago, 16 months ago into the role of Chief Operating Officer and my partner, and I've very, very proud, personally, very, very proud. I want all of you to know of having James come in as CEO. Exactly the right person. The right person that we can all count on. All of you can count on, and I will give him my full support as Chairman.

So, the question is why now, maybe? We've led our business through an incredible transformation in recent years, really big transformation. The transformation of the Company, our bottling system and it so much in a way more than just refranchising. We've revitalized our capability. We've revitalized our brands, revitalized our portfolio. We've revitalized our cost base. We're revitalized our marketing and we've revitalized our bottling system. It's not just franchising. When you think about—of it's North America but look at Asia, look at Philippines, look at Japan, look at China, look at Europe, look at Latin America. It's about 50% in the last—starting in 2015, 2016 all through to the end of 2017, 50% of our global bottling system will have changed hands in one way or another, reconfigure of a $135 billion revenue system changing hands. Getting better, getting stronger and getting into a mode of being hungrier and better, to serve our customers, to serve our 25 million retailers. Not to say that in—not to mention that in the last seven, eight years we've added eight more billion-dollar brands. We've had 37 consecutive quarters of share gains and we have added 500-plus million incremental servings per day to this business. Five hundred million incremental servings. Throughout all this period, we've delivered $100 billion of shareholder value representing a total return of over 100%. So a strong foundation.

Very proud of what has been done and the transformation, a transformation where we will have shed in the final analysis maybe about $20 billion, $25 billion of revenue and increased our operating margin by 1200 basis points when the calendar reads December 31, 2017.

So a complete transformation of the company, and so back to the question of why now? Because this is definitely the right time, I believe. I think in the end the single most important thing a leader can do anywhere, in business, in politics, anywhere, in family, is who you leave the keys to and the people that you leave behind, and I am so confident with the leadership of James. He knows our brands. He knows our values, our people, our bottlers, our customers, beverage landscape, and he is the right person to deliver to the next level.

This is hard work and CEO transition is never the work of six months, a year, two years or three years. Within 12 months after I became CEO eight and a half years ago from now back, I started working with our Management Development Committee about the cadre of our capability and socializing that capability with the Management Development Committee. So, it is hard work and a long term work, and so this is the time that I believe that is the right time to hand the responsibilities and the keys to someone that I know will take it to the next level. Not only take it to the next level but create increasing stakeholder value across all our stakeholders starting with our shareholders but also our employees, our customers, our bottling partners, our consumers, the NGO partners, and often you've heard me say the best way to describe the Coca Cola business is power of partnerships; those incredible partnerships we have with our bottlers, with our customers, with civil society NGOs and we strive continuously to create stakeholder value and shareholder value for all of those stakeholders.

So, thank you for being here. I want to just thank you again for your interest, for your support over the last eight and a half years for me, for the Company, for your interest, and now we're going to have a Q&A. Thank you very much. Thank you. Cheers.

Let me invite James, let me invite Kathy to come up and we will try to address and answer your questions at this very exciting time for our enterprise and for the future of our system.

So, shoot away. Ryan?

Q&A

Ryan
Thanks, Muhtar. You touched on just how different the Company is going to be when you turn the keys over versus what it was when you started the succession process. Could you kind of talk about how you approached the succession planning and is there anything different you had to do there in order to make sure that you were going to put James in a position to succeed.

Muhtar Kent
Yes. I mean as I said it's a long process, not one year, two years, one month, six months. Long process, hard work, a lot of dialogue with our Management Development Committee headed by Herbert Allen and our Board, and again, tapping into the Head of Europe, bringing him in as the President and Chief Operating Officer. He's done a great job over the last 15, 16 months running the operations of the companies and also I think has exactly what I said: all the knowledge about the values, the brands, the company, the system, the landscape and also the attitude to take this company to the next level and that's why I decided at the age of 64 that this is a good run. I have been with the Company for 38 years. I've been CEO for eight and a half years. When I hand the baton it will be nine years. For me, my legacy is not all of those things I mentioned but my legacy is how under the leadership, capable leadership of James this company succeeds not in 2017 only but 2017, '18, '19, '20 and years ahead. I am fully confident that that's going to take place and happen and that's why I decided this was the best time and there is no better time.

You know, when you look at the world of agriculture, which we are so involved in, you know, we are the largest curator of lemons in the world. We have more lemon trees under plantation. There's only one best time when you decide when to harvest and that was the best time for me to choose and there's no better time. This is the perfect time.

Unidentified Speaker
(Inaudible).

Muhtar Kent
Perfect time.

James Quincey
The last time he made that comment I was an olive. Squeezed and (inaudible).

Muhtar Kent
It's the timing. The timing is the best time. There's only you choose that time once.

Unidentified Speaker
(Inaudible).

Muhtar Kent
Yes, Judy.

Unidentified Speaker
Muhtar, you talked a lot about the transformations that the company has gone through. I guess from some of the outsiders view there's still some perceptions that Coke is a little bit more risk averse, maybe slower to change. So, maybe James, what do you think that you really can do to

maybe speed up some of the decision making processes or anything that can give confidence that things can actually move more quickly because I think you're actually known to be someone who can make decisions maybe more quickly.

James Quincey
Wow. You know, I think we've been on an accelerating path. I think if you just go back to some of the examples that Muhtar used, we've been trying to make the relatively simple growth model work faster. We focus on consumer centric brands. We achieve pervasive and hopefully advantaged distribution. We create share value ourselves, the bottlers, the customers, the community, and then we attract people to invest.

I think what's been happening is that flywheel has been spinning up and as it's been spinning up of course the macros has got harder so it's been harder to see and the refranchising we understand makes the numbers complicated to see as we make the system stronger and as Muhtar said, half the system is in motion.

In the end, we're making a stronger company and I think that will eventually play through. We've told this year in some of the earnings calls about how the developed markets are doing much better than the emerging markets, so I think the proof points are starting to build and we're going to continue to make those decisions we need to make to make that go faster.

Staying on the consumer stuff, I mean getting more real and more focused on addressing the sparkling sugar problems. You can see in the station over there the One Brand strategy. Marcos is here. We've been pushing out a lot of, you know, if you compare that the previous 129 years of our history, all of what's happened in the last year is very radical compared to what we've done historically, and we've got more to push through and more to do and more aggressive ways of rolling that out in 2017.

Similarly on the stills. We've been branching out from our starting points. Perhaps juice and water were a little too volumetrically the right places to go in the previous mindset. We're much more revenue focused now, looking at the higher value parts. I mean if you look around the room, the message is in the stands in the room, in the sorts of things we're going after. Going after those things that are more on trend, more high value, more margin, better margin comparisons with sparkling.

I think the part of the problem is the law of big numbers. Having an effect on the total aggregate number of Coke takes some doing but the thing is spooling up, and that's what's going to drive the ability to get the distribution, to get the advantage in the execution and to make the flywheel keep going.

Muhtar Kent
Yes. Brian, please.

Unidentified Speaker
I guess for both of you. This could be a question of nine months ago but why James in terms of was there something in his resume over the past five or 10 years that he really did well or is there something you're particularly, some challenge in the past five or 10 years that it was such a challenge that we overcame or was it his perspective on pricing and riving the price points? What, was there something there or was it just the whole body of work over the past say 20 years?

Muhtar Kent
James was one of the group presidents that we elevated after he ran Mexico successfully for a number of years, and amongst that—group presidents are those who basically try to ensure that the right strategies at a slightly higher altitude than our business unit presidents. The Coca Cola Company is comprised of 17 business units around the world. They kind of guide strategically and bring the best out of the business unit presidents so they execute flawlessly. That's the role of a group president and I think James in Europe, for me certainly, lived very much up to that expectation and more. He was very much instrumental in convincing me for the architecture of Coca Cola European partners; that is again yet another huge bottling system that is completely revitalized itself in the biggest profit pool we have in the world, which is Europe. And I've followed his career over the last 10 years since I came back to the company, 10 of the 12 years, very closely and I decided yes, that is—this is the person I would like to entrust all of this great foundation to to take it to the next level. We jumped in a way a layer when we did that and I think we're going to see the benefits of that, and for me, as I said, I repeat, my simple legacy will be how well this company under his leadership does in 2017, '18, '19, '20 and beyond.

I'm convinced that this company will do great with everything that is in the pipeline, both revitalized brands, revitalized portfolios. When you think of the US business, I had a fundamental belief that the United States business, we could not succeed in the world no matter how well the world did, if we didn't succeed in the United States, our flagship market. We had eight, nine years ago our stills portfolio was 7% of the total of NARTD (phon). Today it's 27% of the total and it's the most dynamic. It's the fastest growing. We're consistently the fastest growing stills business in the United States, with all the brands. From Simply, to Honest Tea to Zico to fairlife to everything that you see here. There it is, on that side.

I think the flagship businesses have to perform really well and as James said, this year it's fascinating because the emerging markets are in such a, you know, challenging mode, that our actually developed businesses - Japan, Europe, United States in revenue growth are actually far exceeding some of the emerging markets. I think over time the equilibrium will start playing but I would—I'm much happier that our developed businesses that have much higher revenue per case, much higher revenue per liter are doing much better because the others will come back.

James, do you want to add anything about your experience? Why you got selected.

James Quincey
I think you did a great job on that one. I think definitely E, all of the above. In the end, you'd expect it to be all of the above because you'd never choose a one-trick pony, so I think it really has to be E, all of the above.

Muhtar Kent
Yes, Caroline.

Unidentified Speaker
Thank you. Congratulations to both of you.

Muhtar Kent
Thank you, Caroline.

Unidentified Speaker
My question is on China. There's a major refranchising underway where you're giving—my

understanding is that you will, Coca Cola Company will be out of the bottling business there completely, correct?

Muhtar Kent
Yes.

James Quincey
Correct.

Unidentified Speaker
Could you explain why you were there, why this is the moment for you to exit and how you think the next five to 10 years will look in China which has proven to be an incredibly competitive market, very much a four quadrant. Water is big, tea is big, juices are big, and it feels like Japan where you've been massively successful and that you need innovation all the time but it's been harder for you to do that in China. Why is that? Is that going to be different going forward?

James Quincey
Sure. There's a few questions there.

Muhtar Kent
Maybe I should start with why we got into the bottling business. Simply because the Kuok family wanted out because they were putting all their money into the hotels and I did a deal with Robert Kuok at that time to buy that business back from him, back seven, eight years ago I think it was. So, that was the why, and we wanted to be sure that we can have our hand under the stone leading the bottlers in China that were really getting used to being a bottler in China because everything was so new at that time and it was opening. So that is the why.

Today, our bottlers in China, Swire as well as COFCO, Coca Cola COFCO are so well developed, so well led, so capable in leadership that we don't see ourselves as—and then also to get the bottlers into the stills business we had to be involved in China. That's how we launched. We were able to get Pulpy and all the other still beverages.

I think, you know, now in your quadrants I would urge you also to look at the profit pools in those quadrants. The profit pools are not one-fourth, one-fourth, one-fourth. They're very different in terms of the percentages and so you've got to really—one has to really select what profit pools, which quadrants you play in in China in order to generate value. I'll stop there and have James maybe comment on his thoughts on some of that.

James Quincey
I think a couple of thoughts on China and then connect to Japan. I mean China we've chosen to win in sparkling. It's the thing we know how to do and get right. There are other categories that are reasonably well developed and I would underline Muhtar's point; the profitability of some of those is not close to what sparkling is, but there's still plenty of growth left in China. There's plenty of growth in the big cities where they're premiumizing and they're styling to looked more like the developed worlds and there's a vast amount of growth in the rural and the third tier cities.

Let me go back to your reference point of Japan. Japan, first of all was not developed in 10 years, and secondly wasn't born as a five-category business. It actually started off with sparkling. It started off as one category and then it became two and then 10 years later or 20 years later became three and four and five. Actually you can look at the chart of Japan and each one starts to layer on over time and it takes a good number of years to develop. So, we should not have the expectation that we can create Japan in China in the next few years. It's not going to happen that way, at least not organically. We will have to focus on building that business over time, in the same way we did in Japan.

Now, clearly, the competitive landscape is slightly different and the amount of time available is slightly different, so the plan won't look the same, but we will have to build ourselves from one category into other categories where we have a good brand proposition and some competitive advantage, because it is a very competitive environment, but it continues to grow. Notwithstanding, you know, what happened in the first half and the ups and downs, it's bouncing back. So, we're still very positive on China in the long term, but we will have to build the businesses.

In the end, just to kind of round out by going back to Japan, as we think about our portfolio and you look at us and say it's a sparkling business, it actually—it was 90 plus percent sparkling 10/15 years ago and is now down towards the 70s, and if you started counting revenue and other things, it starts to get to be an even lower number. Think about it like this. Most people look at Japan and see that as the exception in the Coke business. Why can't it be the example? That's what we've got to think about for some of these other places. If we had five category streams, and one of them be sparkling, it would be a very much bigger business.

Muhtar Kent
Maybe the final thing on China is that the whole digitization of China is going make China look like a very different development curve in terms of where it's going, compared to Japan, when it—develop those categories. There will be much quicker shifts between categories, between products, between brands, because of the enormous sort of mountain of digitization that's happening in first- and second- and third-tier cities in China right now.

Yes, here?

Unidentified Speaker
Two quick ones. First, Kathy, for Christmas, I just want a modelling call, because I'm having an impossible time with 2017, so I'm just wondering if you're going to help us any time soon. Then, James, I know it's kind of a cheesy question, but how are you going to define success during your tenure?

Kathy N. Waller
Well, first, Santa will take your wish under consideration and we will be in touch.

James Quincey
It might not arrive on the 25th, though.

Kathy N. Waller
No, I doubt it.

James Quincey
Yes, look, in a way, success is a repeat in X years—let's say 10, for the sake of the argument. I get to stand here and say my greatest legacy is 10 years of success and the successor is going to create another 10 years of success. So, you have to get—with the cheese question, you get a slightly simple answer, but that, in the end, will be the thing, and it will be different. I mean, I joke when I talk to Muhtar, it's like—because I talk about, you know, digitization of the business

is going to be radically different over the next 10 years, because effectively, when Muhtar started the iPhone didn't exist. We all sit here like it's been there forever, but, actually, when Muhtar started as CEO it basically didn't exist. So, there'll be something radically different about our business by the time I leave, and hopefully it'll be a long multi-hundred-billion-dollars of success in shareholder returns and a successful handing over of the baton.

Muhtar Kent
Yes, over here, please, on the right, and then we'll come to—yes, thanks.

Laurent Grandet
Congratulations to (inaudible). Laurent Grandet from Credit Suisse. Muhtar, if anything, I mean, did you—you would like to share about something you have missed for the last eight years, or you think you could have done better, that would give us maybe a sense of maybe where to go? Then, James, (inaudible), how do you think about moving innovation much faster from one country to another, or from one region to—like a test-and-run model?

Muhtar Kent
Yes, I mean, I think, would I have done anything—what I would have done differently? I would say probably what I would have done differently is to embark upon the refranchising quicker after we purchased CCE. I think there was just too much of integration and synergy work that took place. But, I think, at the end of day, my task was to reinvigorate the U.S. business. CCE was kind of a degenerative model over 30 years and it could not—it just was not sustainable from the U.S. market point of view. We were just losing incidence, we were losing the consumer, 115% of the growth was coming from upsizing, and the brands were not being polished, of our Company. So, my whole architecture was how do we get the U.S. business back to growth. At the same time, we changed the perpetual contract that was kind of a—you know, something that was tied to our feet, and then also reinvigorate the business and the brands. I think we have got there. I would have liked to get there just a couple of years before.

This takes a long time because of the architecture that you have to create to serve the customer better. No bottler can now actually come in the way of a—for the top 50 customers in the United States, we can cut an annual business plan and a deal. The customer governance model allows us to do that. We didn't have that before. A bottler that didn't produce, that was very small, somewhere, could stop us. One language IT and one production governance model, so that we can be the 21st Century. Those things just took longer than I wanted. But, if we got those wrong, James would have the same problem in three years' time. It's, in a way, frustrating, but it just took the amount of time.

So, from my perspective, that, and then also I wish I could have brought Marcos a year or two earlier and this One Brand strategy would have happened 18/24 months before, because I'm a huge believer. The way the One Brand strategy developed was we were in Arizona with all the bottlers three years ago and we visited stores, and then we got together in a room and we said, "Look, what is it that we're seeing here? We're losing red. We're losing." So, it wasn't out of a huge strategic, it was just a simple thing, "We're losing red in the supermarket, because everything's becoming silver and black." I said, "Just like Ferrari never wants to lose red, we don't want to lose red. It's our heritage." So, the One Brand strategy was developed. Then, the whole strategy came behind it, which was brought in by Marcos when he became the Chief Marketing Officer, and I'm a huge believer.

The small packages, that I think James should talk about and what's happening in the United States and elsewhere now in the world, because the consumer, for the first time in years, teen incidence for brand Coke is growing in the United States. It hasn't happened before. Why is that happening? Because they're saying, "Give it to me in small packages. I love this brand, I love it, I love the indulgence, but I didn't like 20 ounce, I didn't like 2.5 liters or 2 liters. There's not enough carbonation in it, there's not enough drinks." Again, I think—James will talk to you about the whole revenue side of sparkling, because what people don't get is how robust the revenue side of sparkling is, and of course you're not going to have for a number of years big volume growth when you're downsizing. It's just the math.

James Quincey
What was the second half of the question?

Laurent Grandet
The second half was about innovation, how you plan to move faster from one country to the other or one region to another.

James Quincey
Yes. So, let me perhaps tie the two things together. I mean, the simple fact is that we've moved away from one of the cool simple ideas that drove the cycle growth, which was the small affordable entry pack. The system around the world got obsessed with 500ml, 20 ounce, two liters, and that's great and very profitable for existing consumers, but they're not recruitment packs. So, in the end, the nexus of helping people control the amount of sugar, helping them downsize the size of the package to something that's an entry pack, the small package, like the one right in front of you, is the perfect vehicle and it's a revenue-generating vehicle. So, we're pushing that around, which actually connects back to the second half of your question, which is what do we need to do in terms of driving innovation. We're going to be more pushy from the center on driving the business forward on those few things that we believe are core and strategic to the future success of the Company, bearing in mind why is that important.

Because, the simple way I would say it is, you know, if you go back—Coke went global before globalization. It went global before Internet, the latest mobile phones, computers, telephones, everything. The only way that people got communicated was, at best, with a telex. The way that worked is "You are now in charge of Country X. Go away. Good luck. There's only two rules. You can't change the formula and you can't steal the money. Please come back once a year and tell me how it's going." That was the model for 100 and something years. So, it was very entrepreneurial and very decentralized.

So, for us, to be able to drive innovation, we've been on the journey for the last number of years to not lose that entrepreneurship, but leverage it, when we know what the answer is globally. There will always be lots of local activations and lots of local brands and lots of local innovation that then needs to be scaled, but the key is to be able to identify it and move it faster, and that requires a more pushy center, to say, "These five things, these have to move faster," and smaller packages is one of them.

Muhtar Kent
In a way how Coke Zero moved so fast across our system back six/seven years ago. It was first launched in a white label in the United States, some of you may remember that, and then we said, "No, black label," and that's how it kind of got pushed. Now, Coke with no sugar in Britain, I mean, it's doing just so strong. Why do you wait? Like James said, if you know something is working, just move rapidly.

Right over there.

Unidentified Speaker
James, given all the changes in the Company, and also in the marketplace, should we expect you to refresh the 2020 Vision and as you look at the various components of it which were not going to be the key priorities?

James Quincey
Certainly, by the time we get to 2020, we will have refreshed the vision, but I don't think that would obey the maxim of Julie's fast at decision making. Actually, when you look back at the history of visions of Coke, you know, there was one the '80s, there was one in the '90s, there was one in the noughties, and there was Vision 2020, but I think where we're—kind of the world we're heading into, especially in the slightly weirder macro-environment, is it going to be a little more organic? I don't see us necessarily coming out and saying this, in a very precise kind of circuit diagram way, is how the next 10 years will look. I think it's going to be too volatile, too much uncertainty. We're going to need to be more fluid, more adaptable. Yes, the corridors are going to remain the same. Yes, the growth model of consumer-centric brands, pervasive and advantaged distribution, shared value and getting people to reinvest will remain true, but we need to set ourselves some corridors that we think are going to be true and we're going to adapt, and they're going to change, and trying to prescribe exactly what that's going to look like in the next 10 years is like trying to say what's the next iPhone going to be in 10 years' time. That's a bet that's too hard to make. What we do know is digitization is going to change everything. It's going to change the way we interact with consumers, it's going to change the way we interact with customers, it's going to change the way we operate the business. Exactly how that works, we've got ideas, the next year, the next three years, of bets going forward, but I don't think we want to be prescriptive all the way out to the future. So, it's going to be a little more organic, it's going to be little fluid, because it needs to be more adaptable.

Muhtar Kent
Was there a question in the front here? Did you have a question? No, you're good? Right here in the middle.

Unidentified Speaker
I have two questions for James, perhaps related. Way out in the future, let's say perhaps, you know, when you're at the end of your tenure, if at that point sparkling was, let's say, 50% of the sales mix, would you think that's a success or a failure? The second question, can you talk a little bit about how you see coffee playing out in the Coke portfolio long term? I know there's a lot of excitement around Dunkin'. I'd love to get your thoughts on that.

James Quincey
The answer to the 50/50—of course, the answer is just like, well, what's happened to other critical variable, what's the value of 100%? If the value of 100% is five times what it is today, everyone in this room is going to be happy. If it's the same number, no one's going to be happy. So, the key thing is can we generate revenue growth at the top line sustainably from the total portfolio? Then, in all honesty, assuming some degree of margin management of all the different beverages, we have to be a little more agnostic of from what categories it comes from. I mean, said in the most brutally simple terms, if we can double and triple and quadruple revenue into the future, Coke will always be the heart and soul of the Company, but it doesn't have to be 70% of the revenues, and it probably won't be, and it would probably be okay that Gold Peak coffee is your favorite brand, because that's what's going to allow us to stay on the money with the consumer. If we stay on the money with the consumer, the customers will support us, and that's what'll drive the revenue. That's why we're the—and Muhtar mentioned

it—we're the fastest growing large cap consumer company in grocery retail, adding money for the retailers. Why are they working with us? Because we're generating money for them. Why? Because we're on track with consumers.

So, it's all going to work together and that's what's going to drive the top number, and then the portfolio will be a combination of us making relevant the favorite brands that already exist and us bringing new things that are on trend for the consumers, and what the number ends up being, it will be whatever the consumer buys.

Unidentified Speaker
Dunkin' Donuts.

James Quincey
Oh, Dunkin' Donuts. I don't have a bottle, but it's coming soon. Oh, what's the future of coffee?

Unidentified Speaker
No, no, Dunkin' Donuts, are you excited?

Kathy N. Waller
How do you see it in the portfolio.

James Quincey
Look, I'm very excited about ready-to-drink coffee. We're the global leader in ready-to-drink coffee, just to be clear. Now, we have to admit it's all largely in Japan, but that means the current ready-to-drink coffee business is largely in Japan. We think that there's a lot of space in the U.S. to come in with a few options, not one but a few. To get into this space, we're going to take Dunkin', it's a great brand, it's an interesting coffee, we're going to put Gold Peak coffee out there, as well, and come up with a portfolio of solutions to make coffee more interesting for the retailers and for the consumers, because it's that nexus of the consumers' interest and the value proposition with the customers that's going to get us to move forward. So, we think it's going to be interesting and we're going to give it a try.

Muhtar Kent
We've moved Dunkin' to Korea four or five years ago …

James Quincey
Georgia.

Muhtar Kent
I mean Georgia to Korea four or five years ago and it's done great.

Kathy N. Waller
(Inaudible)

Muhtar Kent
It's now more than a $150 million brand there, Georgia coffee in Korea.

Kathy N. Waller
I think you're getting the last question (inaudible).

Muhtar Kent
Right here in the front.

Unidentified Speaker
So, I'll do a three-for-one now. James, what do you think about the energy category? Kathy, what do you think about corporate tax reform and the ability to move where you produce concentrate? Muhtar, as you become the Chairman—or move to solely the Chairman of the Company, what's your focus on managing enterprise risk?

Muhtar Kent
Are you sure we shouldn't have cut it off earlier? In that order?

James Quincey
I got the simplest question. We've got a clear partnership with Monster. They're doing the energy brands for us. They're in the system. The bottlers make money, we make money, Monster makes money. We make money on the P&L and we make money on the capital. So, everyone's done very well.

Kathy N. Waller
On the taxes, I could have bet that I was going to get that question tonight, so thank you. Good news, we're going to get—everybody believes we now have a good shot at tax reform. The bad news is nobody has a clue what it's going to look like. Obviously, we've done our modeling, et cetera, but, net net, we believe it—obviously, we've been saying we needed tax reform, so it is a positive. It will impact our capital structure, it'll impact the ability to bring back cash, and clearly it'll impact our tax rate. So, net net, it's a positive.

Muhtar Kent
On the Board and enterprise risk, I think the most important thing is, if you look at our Board, it has really gone through an incredible refresh, also, where we have seven new Board members over the last four or five years—four years, actually, less than four years, and that will continue. Certainly, my role, I see my role as ensuring that I can—the Board and I can support James in every way we can to make him and his Leadership team successful. That's the role. That means ensuring that we have the most refreshing Board, the most agile Board, that deals with the governance issues, is the best example for governance, and also to make sure that we work with James for the next cadre of leadership in the Company, which is the most important thing that he talked about, when he wants to hand the reins, whenever he does, decades from now. So, I think that's really the key, working with the CEO, and I will lead that work with him to make sure that we develop the best capability in the Company.

The pipeline is stronger than ever before. If you talk to anyone, you'll get that answer. The undoctored talk inside the Company, that's the answer you'll get, and I think we'll have to continue that, and getting the Company younger, more digitized, the employees more digitized and the Company more digitized. That comes with the employees. It doesn't come any other way. You can't impose digitization on a company if the people aren't willing to accept it and to run with it and to lead it. So, that's how I see it. Not doing that is the biggest risk, and that's how I see my role.

Great. Thank you all. Happy Holidays to all of you and thank you for your interest. Great, thank you.