

# **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", "comparable operating margin", "comparable operating income", "comparable currency neutral operating income", "comparable currency neutral operating income (adjusted for structural items and accounting changes)", "comparable EPS from continuing operations", "comparable currency neutral EPS from continuing operations", "underlying effective tax rate", "free cash flow" and "net share repurchases", 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**

- "Accounting changes" refer to the adoption of Accounting Standards Codification 606, *Revenue from Contracts with Customers* ("ASC 606"), which was adopted by the company effective January 1, 2018.
- "Currency neutral operating results" are determined by dividing or multiplying, as appropriate, our current period actual U.S. dollar operating results, 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 and distribution operations. In 2018, the company refranchised our Canadian and Latin American bottling operations. The impact of these refranchising activities has been included as a structural change in our analysis of net operating revenues on a consolidated basis as well as for our North America, Latin America and Bottling Investments operating segments. In 2018, the company acquired a controlling interest in the Oman bottler. The impact of this acquisition has been included as a structural change in our analysis of net operating revenues on a consolidated basis as well as for the Bottling Investments operating segment. In 2017, the company refranchised bottling territories in North America to certain of its unconsolidated bottling partners. Additionally, in conjunction with the refranchising of CCR's Southwest operating unit ("Southwest Transaction") on April 1, 2017, we obtained an equity interest in AC Bebidas, S. de R.L. de C.V. ("AC Bebidas"), a subsidiary of Arca Continental, S.A.B. de C.V. ("Arca"), which impacted our North America and Bottling Investments operating segments. The impact of these transactions has been included as a structural change in our analysis of net operating revenues on a consolidated basis as well as for the applicable operating segments. In 2017, the company also refranchised its bottling operations in China to the two local franchise bottlers. The impact of these refranchising activities has been included as a structural change in our analysis of net operating revenues on a consolidated basis as well as for our Asia Pacific and Bottling Investments operating segments. These transactions were also included as structural items in our analysis of comparable currency neutral operating income (adjusted for structural items and accounting changes) (non-GAAP) on a consolidated basis. In addition, for non-company-owned and licensed brands 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 2018 versus 2017 volume growth rates on a consolidated basis as well as for the North America and Bottling Investments operating segments.

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**DEFINITIONS (continued)**

- "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 revenues (non-GAAP) growth measure provides investors with useful supplemental information to enhance their understanding of the company's revenue performance and trends by improving their ability to compare our period-to-period 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, the impact of changes in foreign currency exchange rates as well as the impact of accounting changes. 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, the impact of acquisitions, divestitures and structural items as well as the impact of accounting changes. "Core business organic revenues" is a non-GAAP financial measure that represents the combined organic revenue performance from the Europe, Middle East and Africa; Latin America; North America; and Asia Pacific operating segments and Corporate offset by intersegment eliminations. Management believes the core business organic revenues (non-GAAP) measure enhances the understanding of the change in the net operating revenues of the operating 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 three and nine months ended September 28, 2018 and September 29, 2017 consisted of the structural changes discussed above. Additionally, during the three and nine months ended September 28, 2018, organic revenues (non-GAAP) were adjusted, both on a consolidated basis and for our North America operating segment, for the revenues generated by the Topo Chico premium sparkling water brand whose U.S. rights were acquired in the fourth quarter of 2017.
- "Comparable operating margin" and "comparable operating income" are non-GAAP financial measures that exclude or have otherwise been adjusted for items impacting comparability (discussed further below). "Comparable currency neutral operating income" and "comparable currency neutral operating income (adjusted for structural items and accounting changes)" 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. Comparable currency neutral operating income (adjusted for structural items and accounting changes) (non-GAAP) has also been adjusted for structural changes and accounting 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) expansion, comparable operating income (non-GAAP) growth, comparable currency neutral operating income (non-GAAP) growth and comparable currency neutral operating income (adjusted for structural items and accounting changes) (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.
- "Comparable EPS from continuing operations" and "comparable currency neutral EPS from continuing operations" are non-GAAP financial measures that exclude or have otherwise been adjusted for items impacting comparability (discussed further below). Comparable currency neutral EPS from continuing operations (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 from continuing operations (non-GAAP) and comparable currency neutral EPS from continuing operations (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 from continuing operations before income taxes, which excludes or has otherwise been adjusted for items impacting comparability (discussed further below).

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**DEFINITIONS (continued)**

- "Free cash flow" is a non-GAAP financial measure that represents net cash provided by operating activities less purchases of property, plant and equipment. Management uses this non-GAAP financial measure to evaluate the company's performance and make resource allocation decisions.
- "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).

**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, but are not limited to, asset impairments, 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 our proportionate share of similar items incurred by our equity method investees and timing differences related to our economic (nondesignated) hedging activities, 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***

During the nine months ended September 28, 2018, the company recorded charges of \$450 million related to the impairment of Coca-Cola Refreshments ("CCR") assets primarily as a result of management's view of the proceeds that are expected to be received for the remaining bottling territories upon their refranchising. These charges were determined by comparing the fair values of the assets to their carrying values.

During the three and nine months ended September 28, 2018, the company recorded other-than-temporary impairment charges of \$205 million and \$257 million, respectively. The charge of \$205 million was related PT Coca-Cola Bottling Indonesia, an equity method investee. This impairment was primarily driven by revised projections of future operating results reflecting unfavorable macroeconomic conditions and foreign currency exchange rate fluctuations. The charge of \$52 million was related to one of our equity method investees in Latin America. This impairment was primarily driven by revised projections of future operating results.

During the three and nine months ended September 29, 2017, the company recorded charges of \$50 million and \$787 million, respectively. The charges of \$787 million included \$737 million related to the impairment of CCR assets, primarily as a result of refranchising activities in North America and management's view of the proceeds that were expected to be received for the remaining bottling territories upon their refranchising. The \$50 million charge incurred during the three months ended September 29, 2017 was an other-than-temporary impairment related to an international equity method investee, primarily driven by foreign currency exchange rate fluctuations.

***Productivity and Reinvestment***

During the three and nine months ended September 28, 2018, the company recorded charges of \$132 million and \$377 million, respectively, related to our productivity and reinvestment initiatives. These charges included \$25 million and \$64 million during the three and nine months ended September 28, 2018, respectively, due to pension settlements. The company also recorded charges of \$129 million and \$355 million during the three and nine months ended September 29, 2017, respectively, related to our productivity and reinvestment initiatives. These initiatives are focused on four

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***Productivity and Reinvestment (continued)***

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.

***Equity Investees***

During the three and nine months ended September 28, 2018, the company recorded a net gain of \$19 million and a net charge of \$65 million, respectively. During the three and nine months ended September 29, 2017, the company recorded net charges of \$16 million and \$37 million, respectively. 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 three and nine months ended September 28, 2018, the company recorded a net gain of \$370 million related to the sale of our equity ownership in Corporación Lindley S.A.

During the three and nine months ended September 28, 2018, the company recorded net charges of \$275 million and \$379 million, respectively, related to the refranchising of certain bottling territories in North America. These net charges were primarily related to post-closing adjustments as contemplated by the related agreements. The company also recorded net charges of \$762 million and \$1,473 million during the three and nine months ended September 29, 2017, respectively. These net charges were primarily due to the derecognition of the intangible assets transferred or reclassified as held for sale as a result of the refranchising of certain bottling territories in North America. The net charges included a gain of \$1,060 million recognized during the nine months ended September 29, 2017 related to the Southwest Transaction.

During the three and nine months ended September 28, 2018, the company recorded charges of \$38 million and \$117 million, respectively, primarily related to costs incurred to refranchise certain of our North America bottling operations. The company also recorded charges of \$213 million and \$317 million during the three and nine months ended September 29, 2017, respectively. These costs include, among other items, internal and external costs for individuals directly working on the refranchising efforts, severance, special termination benefits, and costs associated with the implementation of information technology systems to facilitate consistent data standards and availability throughout our bottling system. In addition, during the nine months ended September 28, 2018, the company recorded charges of \$47 million due to pension settlements as a result of these refranchising activities.

During the three and nine months ended September 28, 2018, the company recorded charges of \$12 million and \$33 million, respectively. During the three and nine months ended September 29, 2017, the company recorded charges of \$72 million and \$287 million, respectively. These charges were primarily related to payments made to certain of our unconsolidated bottling partners in North America in order to convert their bottling agreements to a comprehensive beverage agreement with additional requirements.

During the nine months ended September 28, 2018, the company recorded charges of \$33 million primarily related to the reversal of the cumulative translation adjustments resulting from the substantial liquidation of the company's former Russian juice operations.

During the three and nine months ended September 28, 2018, the company recorded charges of \$6 million and \$9 million, respectively. The company also recorded charges of \$6 million during the nine months ended September 29, 2017. These charges were for noncapitalizable transaction costs associated with pending and closed transactions.

During the three and nine months ended September 28, 2018, the company recorded net gains of \$11 million and \$47 million, respectively, due to the refranchising of our Latin American bottling operations.

During the three and nine months ended September 28, 2018, the company recorded impairment charges of \$554 million related to assets held by Coca-Cola Beverages Africa Proprietary Limited ("CCBA"). These charges were incurred primarily as a result of management's view of the proceeds that are expected to be received based on revised projections of future operating results and foreign currency exchange rate fluctuations. We recorded these impairment charges in the line item income (loss) from discontinued operations in our condensed consolidated statements of income.

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

During the nine months ended September 29, 2017, the company recorded a charge of \$26 million related to our former German bottling operations.

During the nine months ended September 29, 2017, the company recognized a gain of \$445 million related to the integration of Coca-Cola West Co., Ltd. ("CCW") and Coca-Cola East Japan Co., Ltd. ("CCEJ") to establish Coca-Cola Bottlers Japan Inc., now known as Coca-Cola Bottlers Japan Holdings Inc. ("CCBJHI"). In exchange for our previously existing equity interests in CCW and CCEJ, we received an approximate 17 percent equity interest in CCBJHI.

During the nine months ended September 29, 2017, the company recognized a \$25 million gain as a result of Coca-Cola FEMSA, an equity method investee, issuing additional shares of its stock at a per share amount greater than the carrying value of the company's per share investment.

During the three and nine months ended September 29, 2017, the company recognized gains of \$79 million and \$88 million, respectively, related to the refranchising of our China bottling operations and related cost method investment.

***Other Items***

***Economic (Nondesignated) Hedges***

The company uses derivatives as economic hedges primarily to mitigate the foreign exchange risk for certain currencies, 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 three and nine months ended September 28, 2018, the net impact of the company's adjustment related to our economic hedging activities resulted in decreases of \$13 million and \$45 million, respectively, to our non-GAAP income from continuing operations before income taxes. These adjustments include a net gain of \$41 million related to the mark-to-market adjustments associated with the purchase price of a business combination, the closing of which is currently subject to regulatory approvals. During the three and nine months ended September 29, 2017, the net impact of the company's adjustment related to our economic hedging activities resulted in increases of \$4 million and \$34 million, respectively, to our non-GAAP income from continuing operations before income taxes.

***Other***

During the three and nine months ended September 28, 2018, the company recorded net gains of \$64 million and \$15 million, respectively, related to realized and unrealized gains and losses on equity securities and trading debt securities as well as realized gains and losses on available-for-sale debt securities. Accounting Standards Update ("ASU") 2016-01 was adopted effective January 1, 2018 and requires us to recognize any changes in the fair value of certain equity investments in net income. Prior to the adoption of this accounting standard, we recognized these changes in other comprehensive income ("OCI").

During the three and nine months ended September 28, 2018, the company recorded other charges of \$4 million and \$31 million, respectively. During the three and nine months ended September 29, 2017, the company recorded other charges of \$18 million and \$43 million, respectively. These charges were primarily related to tax litigation expense.

During the three and nine months ended September 28, 2018, the company recorded a net gain of \$27 million related to the early extinguishment of long-term debt. During the nine months ended September 29, 2017, the company recorded a net charge of \$38 million related to the early extinguishment of long-term debt.

During the nine months ended September 29, 2017, the company recorded impairment charges of \$34 million related to Venezuelan intangible assets as a result of weaker sales resulting from continued political instability. These charges were determined by comparing the fair values of the assets, derived using discounted cash flow analyses, to the respective carrying values.

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***Certain Tax Matters***

During the three and nine months ended September 28, 2018, the company recorded \$125 million of income tax benefit and \$9 million of income tax expense, respectively, primarily as a result of adjustments to our provisional remeasurement of deferred taxes recorded as of December 31, 2017 related to the Tax Cuts and Jobs Act ("Tax Reform Act") signed into law on December 22, 2017. During the three and nine months ended September 28, 2018, the company also recorded net tax charges of \$3 million and \$45 million, respectively, for changes to our uncertain tax positions, including interest and penalties, as well as for agreed-upon tax matters. In addition, during the three and nine months ended September 28, 2018, the company recorded \$27 million and \$114 million, respectively, of excess tax benefits associated with the company's share-based compensation arrangements.

During the three and nine months ended September 29, 2017, the company recorded \$40 million and \$122 million, respectively, of excess tax benefits associated with the company's share-based compensation arrangements. The company also recorded a net tax charge of \$12 million during the nine months ended September 29, 2017 for changes to our uncertain tax positions, including interest and penalties, as well as the impact of the reversal of valuation allowances in certain foreign jurisdictions.

**2018 OUTLOOK**

Our 2018 outlook for organic revenues, comparable currency neutral operating income (adjusted for structural items and accounting changes) and comparable EPS from continuing operations 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 and accounting changes, as applicable. The company is not able to reconcile full year 2018 projected organic revenues (non-GAAP) to full year 2018 projected reported net revenues, full year 2018 projected comparable currency neutral operating income (adjusted for structural items and accounting changes) (non-GAAP) to full year 2018 projected reported operating income, or full year 2018 projected comparable EPS from continuing operations (non-GAAP) to full year 2018 projected reported EPS from continuing operations without unreasonable efforts because it is not possible to predict with a reasonable degree of certainty the actual impact of changes in foreign currency exchange rates; the exact timing and amount of acquisitions, divestitures and/or structural changes; the exact timing and amount of comparability items throughout 2018; and the actual impact of accounting changes. The unavailable information could have a significant impact on full year 2018 GAAP financial results.

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## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

(In millions except per share data)

| Three Months Ended September 28, 2018 |                        |                    |                 |              |  |                         |                  |                  |
|---------------------------------------|------------------------|--------------------|-----------------|--------------|--|-------------------------|------------------|------------------|
|                                       | 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>\$ 8,245</b>        | <b>\$ 3,059</b>    | <b>\$ 5,186</b> | <b>62.9%</b> | <b>\$ 2,505</b>                              | <b>\$ 155</b>           | <b>\$ 2,526</b>  | <b>30.6%</b>     |
| Items Impacting Comparability:        |                        |                    |                 |              |  |                         |                  |                  |
| Asset Impairments                     | —                      | —                  | —               |              | —  | —                       | —                |                  |
| Productivity and Reinvestment         | —                      | —                  | —               |              | —  | (107)                   | 107              |                  |
| Equity Investees                      | —                      | —                  | —               |              | —  | —                       | —                |                  |
| Transaction Gains/Losses              | —                      | —                  | —               |              | —  | (44)                    | 44               |                  |
| Other Items                           | 18                     | (2)                | 20              |              | —  | (4)                     | 24               |                  |
| Certain Tax Matters                   | —                      | —                  | —               |              | —  | —                       | —                |                  |
| Comparable (Non-GAAP)                 | <b>\$ 8,263</b>        | <b>\$ 3,057</b>    | <b>\$ 5,206</b> | <b>63.0%</b> | <b>\$ 2,505</b>                              | <b>\$ —</b>             | <b>\$ 2,701</b>  | <b>32.7%</b>     |

| Three Months Ended September 29, 2017 |                        |                    |                 |              |  |                         |                  |                  |
|---------------------------------------|------------------------|--------------------|-----------------|--------------|--|-------------------------|------------------|------------------|
|                                       | 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>\$ 9,078</b>        | <b>\$ 3,394</b>    | <b>\$ 5,684</b> | <b>62.6%</b> | <b>\$ 3,245</b>                              | <b>\$ 194</b>           | <b>\$ 2,245</b>  | <b>24.7%</b>     |
| Items Impacting Comparability:        |                        |                    |                 |              |  |                         |                  |                  |
| Asset Impairments                     | —                      | —                  | —               |              | —  | —                       | —                |                  |
| Productivity and Reinvestment         | —                      | —                  | —               |              | —  | (129)                   | 129              |                  |
| Equity Investees                      | —                      | —                  | —               |              | —  | —                       | —                |                  |
| Transaction Gains/Losses              | —                      | —                  | —               |              | —  | (47)                    | 47               |                  |
| Other Items                           | (15)                   | (22)               | 7               |              | 3  | (18)                    | 22               |                  |
| Certain Tax Matters                   | —                      | —                  | —               |              | —  | —                       | —                |                  |
| Comparable (Non-GAAP)                 | <b>\$ 9,063</b>        | <b>\$ 3,372</b>    | <b>\$ 5,691</b> | <b>62.8%</b> | <b>\$ 3,248</b>                              | <b>\$ —</b>             | <b>\$ 2,443</b>  | <b>27.0%</b>     |

|   | 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>(9)</b>             | <b>(10)</b>        | <b>(9)</b>   | <b>(23)</b>                                  | <b>(20)</b>             | <b>13</b>        |
| % Currency Impact                                 | (3)                    | (1)                | (5)          | (2)  | —                       | (9)              |
| % Change — Currency Neutral (Non-GAAP)            | (6)                    | (8)                | (4)          | (21)   | —                       | 22               |
| <b>% Change — Comparable (Non-GAAP)</b>           | <b>(9)</b>             | <b>(9)</b>         | <b>(9)</b>   | <b>(23)</b>                                  | <b>—</b>                | <b>11</b>        |
| % Comparable Currency Impact (Non-GAAP)           | (3)                    | (2)                | (4)          | (2)  | —                       | (7)              |
| % Change — Comparable Currency Neutral (Non-GAAP) | (6)                    | (8)                | (4)          | (21)   | —                       | 18               |

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)

| Three Months Ended September 28, 2018 |                  |                            |                           |   |  |                    |                                       |  |
|---------------------------------------|------------------|----------------------------|---------------------------|---|--|--------------------|---------------------------------------|--|
|                                       | Interest expense | Equity income (loss) — net | Other income (loss) — net | Income from continuing operations before income taxes | Income taxes from continuing operations <sup>1</sup> | Effective tax rate | Net income from continuing operations | Diluted net income per share from continuing operations <sup>2</sup> |
| <b>Reported (GAAP)</b>                | \$ 206           | \$ 347                     | \$ 9                      | \$ 2,847  | \$ 528   | 18.5%              | \$ 2,319                              | \$ 0.54 <sup>4</sup>   |
| Items Impacting Comparability:        |                  |                            |                           |   |  |                    |                                       |  |
| Asset Impairments                     | —                | —                          | 205                       | 205   | —  |                    | 205                                   | 0.05   |
| Productivity and Reinvestment         | —                | —                          | 25                        | 132   | 31   |                    | 101                                   | 0.02   |
| Equity Investees                      | —                | (19)                       | —                         | (19)  | (7)  |                    | (12)                                  | —  |
| Transaction Gains/Losses              | —                | —                          | (94)                      | (50)  | (107)  |                    | 57                                    | 0.01   |
| Other Items                           | 27               | —                          | (65)                      | (68)  | (17)   |                    | (51)                                  | (0.01)   |
| Certain Tax Matters                   | —                | —                          | —                         | —   | 149  |                    | (149)                                 | (0.03)   |
| Comparable (Non-GAAP)                 | \$ 233           | \$ 328                     | \$ 80                     | \$ 3,047  | \$ 577   | 19.0%              | \$ 2,470                              | \$ 0.58 <sup>4</sup>   |

| Three Months Ended September 29, 2017 |                  |                            |                           |   |  |                    |                                       |  |
|---------------------------------------|------------------|----------------------------|---------------------------|---|--|--------------------|---------------------------------------|--|
|                                       | Interest expense | Equity income (loss) — net | Other income (loss) — net | Income from continuing operations before income taxes | Income taxes from continuing operations <sup>1</sup> | Effective tax rate | Net income from continuing operations | Diluted net income per share from continuing operations <sup>3</sup> |
| <b>Reported (GAAP)</b>                | \$ 208           | \$ 358                     | \$ (896)                  | \$ 1,674  | \$ 230   | 13.7%              | \$ 1,444                              | \$ 0.33 <sup>4</sup>   |
| Items Impacting Comparability:        |                  |                            |                           |   |  |                    |                                       |  |
| Asset Impairments                     | —                | —                          | 50                        | 50  | —  |                    | 50                                    | 0.01   |
| Productivity and Reinvestment         | —                | —                          | —                         | 129   | 44   |                    | 85                                    | 0.02   |
| Equity Investees                      | —                | 16                         | —                         | 16  | 4  |                    | 12                                    | —  |
| Transaction Gains/Losses              | —                | —                          | 921                       | 968   | 361  |                    | 607                                   | 0.14   |
| Other Items                           | —                | —                          | —                         | 22  | 7  |                    | 15                                    | —  |
| Certain Tax Matters                   | —                | —                          | —                         | —   | 40   |                    | (40)                                  | (0.01)   |
| Comparable (Non-GAAP)                 | \$ 208           | \$ 374                     | \$ 75                     | \$ 2,859  | \$ 686   | 24.0%              | \$ 2,173                              | \$ 0.50 <sup>4</sup>   |

|                                   | Interest expense | Equity income (loss) — net | Other income (loss) — net | Income from continuing operations before income taxes | Income taxes from continuing operations |  | Net income from continuing operations | Diluted net income per share from continuing operations |
|-----------------------------------|------------------|----------------------------|---------------------------|---|---|--|---------------------------------------|---|
| <b>% Change — Reported (GAAP)</b> | (1)              | (3)                        | —                         | 70  | 130                                     |  | 61                                    | 62  |
| % Change — Comparable (Non-GAAP)  | 12               | (12)                       | 6                         | 7   | (16)                                    |  | 14                                    | 14  |

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.

<sup>2</sup> 4,295 million average shares outstanding — diluted

<sup>3</sup> 4,320 million average shares outstanding — diluted

<sup>4</sup> Calculated based on net income from continuing operations less net income (loss) from continuing operations attributable to noncontrolling interests of \$(7) million and \$(3) million for the three months ended September 28, 2018 and September 29, 2017, respectively.

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

(In millions except per share data)

| Nine Months Ended September 28, 2018 |                        |                    |                  |              |  |                         |                  |                  |
|--------------------------------------|------------------------|--------------------|------------------|--------------|--|-------------------------|------------------|------------------|
|                                      | 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>\$ 24,798</b>       | <b>\$ 9,049</b>    | <b>\$ 15,749</b> | <b>63.5%</b> | <b>\$ 7,769</b>                              | <b>\$ 916</b>           | <b>\$ 7,064</b>  | <b>28.5%</b>     |
| Items Impacting Comparability:       |                        |                    |                  |              |  |                         |                  |                  |
| Asset Impairments                    | —                      | —                  | —                |              | —  | (450)                   | 450              |                  |
| Productivity and Reinvestment        | —                      | —                  | —                |              | —  | (313)                   | 313              |                  |
| Equity Investees                     | —                      | —                  | —                |              | —  | —                       | —                |                  |
| Transaction Gains/Losses             | —                      | —                  | —                |              | —  | (126)                   | 126              |                  |
| Other Items                          | (8)                    | 6                  | (14)             |              | (2)  | (27)                    | 15               |                  |
| Certain Tax Matters                  | —                      | —                  | —                |              | —  | —                       | —                |                  |
| Comparable (Non-GAAP)                | <b>\$ 24,790</b>       | <b>\$ 9,055</b>    | <b>\$ 15,735</b> | <b>63.5%</b> | <b>\$ 7,767</b>                              | <b>\$ —</b>             | <b>\$ 7,968</b>  | <b>32.1%</b>     |

| Nine Months Ended September 29, 2017 |                        |                    |                  |              |  |                         |                  |                  |
|--------------------------------------|------------------------|--------------------|------------------|--------------|--|-------------------------|------------------|------------------|
|                                      | 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>\$ 27,898</b>       | <b>\$ 10,566</b>   | <b>\$ 17,332</b> | <b>62.1%</b> | <b>\$ 9,777</b>                              | <b>\$ 1,310</b>         | <b>\$ 6,245</b>  | <b>22.4%</b>     |
| Items Impacting Comparability:       |                        |                    |                  |              |  |                         |                  |                  |
| Asset Impairments                    | —                      | —                  | —                |              | —  | (737)                   | 737              |                  |
| Productivity and Reinvestment        | —                      | —                  | —                |              | —  | (355)                   | 355              |                  |
| Equity Investees                     | —                      | —                  | —                |              | —  | —                       | —                |                  |
| Transaction Gains/Losses             | —                      | (3)                | 3                |              | —  | (139)                   | 142              |                  |
| Other Items                          | 6                      | (29)               | 35               |              | (1)  | (79)                    | 115              |                  |
| Certain Tax Matters                  | —                      | —                  | —                |              | —  | —                       | —                |                  |
| Comparable (Non-GAAP)                | <b>\$ 27,904</b>       | <b>\$ 10,534</b>   | <b>\$ 17,370</b> | <b>62.2%</b> | <b>\$ 9,776</b>                              | <b>\$ —</b>             | <b>\$ 7,594</b>  | <b>27.2%</b>     |

|   | 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>(11)</b>            | <b>(14)</b>        | <b>(9)</b>   | <b>(21)</b>                                  | <b>(30)</b>             | <b>13</b>        |
| % Currency Impact                                 | 0                      | 1                  | (1)          | 1  | —                       | (3)              |
| % Change — Currency Neutral (Non-GAAP)            | (11)                   | (15)               | (8)          | (21)   | —                       | 16               |
| <b>% Change — Comparable (Non-GAAP)</b>           | <b>(11)</b>            | <b>(14)</b>        | <b>(9)</b>   | <b>(21)</b>                                  | <b>—</b>                | <b>5</b>         |
| % Comparable Currency Impact (Non-GAAP)           | 0                      | 1                  | (1)          | 1  | —                       | (3)              |
| % Change — Comparable Currency Neutral (Non-GAAP) | (11)                   | (15)               | (9)          | (21)   | —                       | 7                |

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 except per share data)

| Nine Months Ended September 28, 2018 |                  |                            |                           |   |   |                    |                                       |   |
|--------------------------------------|------------------|----------------------------|---------------------------|---|---|--------------------|---------------------------------------|---|
|                                      | Interest expense | Equity income (loss) — net | Other income (loss) — net | Income from continuing operations before income taxes | Income taxes from continuing operations | Effective tax rate | Net income from continuing operations | Diluted net income per share from continuing operations |
| <b>Reported (GAAP)</b>               | \$ 677           | \$ 813                     | \$ (143)                  | \$ 7,563  | \$ 1,628                                | 21.5%              | \$ 5,935                              | \$ 1.38   |
| Items Impacting Comparability:       |                  |                            |                           |   |   |                    |                                       |   |
| Asset Impairments                    | —                | —                          | 257                       | 707   | 116                                     |                    | 591                                   | 0.14  |
| Productivity and Reinvestment        | —                | —                          | 64                        | 377   | 88                                      |                    | 289                                   | 0.07  |
| Equity Investees                     | —                | 65                         | —                         | 65  | (11)                                    |                    | 76                                    | 0.02  |
| Transaction Gains/Losses             | —                | —                          | 75                        | 201   | (74)                                    |                    | 275                                   | 0.06  |
| Other Items                          | 27               | —                          | 7                         | (5)   | 1                                       |                    | (6)                                   | —   |
| Certain Tax Matters                  | —                | —                          | —                         | —   | 60                                      |                    | (60)                                  | (0.01)  |
| Comparable (Non-GAAP)                | \$ 704           | \$ 878                     | \$ 260                    | \$ 8,908  | \$ 1,808                                | 20.3%              | \$ 7,100                              | \$ 1.65   |

| Nine Months Ended September 29, 2017 |                  |                            |                           |   |   |                    |                                       |   |
|--------------------------------------|------------------|----------------------------|---------------------------|---|---|--------------------|---------------------------------------|---|
|                                      | Interest expense | Equity income (loss) — net | Other income (loss) — net | Income from continuing operations before income taxes | Income taxes from continuing operations | Effective tax rate | Net income from continuing operations | Diluted net income per share from continuing operations |
| <b>Reported (GAAP)</b>               | \$ 631           | \$ 883                     | \$(1,187)                 | \$ 5,805  | \$ 1,805                                | 31.1%              | \$ 4,000                              | \$ 0.92   |
| Items Impacting Comparability:       |                  |                            |                           |   |   |                    |                                       |   |
| Asset Impairments                    | —                | —                          | 50                        | 787   | 156                                     |                    | 631                                   | 0.15  |
| Productivity and Reinvestment        | —                | —                          | —                         | 355   | 127                                     |                    | 228                                   | 0.05  |
| Equity Investees                     | —                | 37                         | —                         | 37  | 9                                       |                    | 28                                    | 0.01  |
| Transaction Gains/Losses             | —                | —                          | 1,409                     | 1,551   | (172)                                   |                    | 1,723                                 | 0.40  |
| Other Items                          | (38)             | —                          | (2)                       | 151   | 50                                      |                    | 101                                   | 0.02  |
| Certain Tax Matters                  | —                | —                          | —                         | —   | 110                                     |                    | (110)                                 | (0.03)  |
| Comparable (Non-GAAP)                | \$ 593           | \$ 920                     | \$ 270                    | \$ 8,686  | \$ 2,085                                | 24.0%              | \$ 6,601                              | \$ 1.53   |

|                                   | Interest expense | Equity income (loss) — net | Other income (loss) — net | Income from continuing operations before income taxes | Income taxes from continuing operations |  | Net income from continuing operations | Diluted net income per share from continuing operations |
|-----------------------------------|------------------|----------------------------|---------------------------|---|---|--|---------------------------------------|---|
| <b>% Change — Reported (GAAP)</b> | 7                | (8)                        | 88                        | 30  | (10)                                    |  | 48                                    | 50  |
| % Change — Comparable (Non-GAAP)  | 19               | (5)                        | (4)                       | 3   | (13)                                    |  | 8                                     | 8   |

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.

<sup>2</sup> 4,297 million average shares outstanding — diluted

<sup>3</sup> 4,327 million average shares outstanding — diluted

<sup>4</sup> Calculated based on net income from continuing operations less net income (loss) from continuing operations attributable to noncontrolling interests of \$(5) million and \$0 million for the nine months ended September 28, 2018 and September 29, 2017, respectively.

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

**Operating Income and Diluted Net Income Per Share from Continuing Operations:**

| <b>Three Months Ended September 28, 2018</b>   |                  |   |
|--|------------------|---|
|  | Operating income | Diluted net income per share from continuing operations |
| <b>% Change — Reported (GAAP)</b>  | <b>13</b>        | <b>62</b>   |
| % Currency Impact  | (9)              | (10)  |
| % Change — Currency Neutral (Non-GAAP)   | 22               | 71  |
| % Structural Impact  | (3)              | —   |
| % Change — Currency Neutral (Adjusted for Structural Items) (Non-GAAP)                                   | 25               | —   |
| % Impact of Accounting Changes <sup>1</sup>  | 1                | —   |
| % Change — Currency Neutral (Adjusted for Structural Items and Accounting Changes) (Non-GAAP)            | 24               | —   |
|  |                  |   |
| % Impact of Items Impacting Comparability (Non-GAAP)   | 2                | 47  |
| % Change — Comparable (Non-GAAP)   | 11               | 14  |
| % Comparable Currency Impact (Non-GAAP)  | (7)              | (8)   |
| % Change — Comparable Currency Neutral (Non-GAAP)  | 18               | 22  |
| % Comparable Structural Impact (Non-GAAP)  | (3)              | —   |
| % Change — Comparable Currency Neutral (Adjusted for Structural Items) (Non-GAAP)                        | 21               | —   |
| % Comparable Impact of Accounting Changes (Non-GAAP) <sup>1</sup>  | 1                | —   |
| % Change — Comparable Currency Neutral (Adjusted for Structural Items and Accounting Changes) (Non-GAAP) | 20               | —   |
|  |                  |   |
| <b>Nine Months Ended September 28, 2018</b>  |                  |   |
|  | Operating income | Diluted net income per share from continuing operations |
| <b>% Change — Reported (GAAP)</b>  | <b>13</b>        | <b>50</b>   |
| % Currency Impact  | (3)              | (3)   |
| % Change — Currency Neutral (Non-GAAP)   | 16               | 53  |
| % Structural Impact  | (5)              | —   |
| % Change — Currency Neutral (Adjusted for Structural Items) (Non-GAAP)                                   | 22               | —   |
| % Impact of Accounting Changes <sup>1</sup>  | (1)              | —   |
| % Change — Currency Neutral (Adjusted for Structural Items and Accounting Changes) (Non-GAAP)            | 22               | —   |
|  |                  |   |
| % Impact of Items Impacting Comparability (Non-GAAP)   | 8                | 41  |
| % Change — Comparable (Non-GAAP)   | 5                | 8   |
| % Comparable Currency Impact (Non-GAAP)  | (3)              | (3)   |
| % Change — Comparable Currency Neutral (Non-GAAP)  | 7                | 11  |
| % Comparable Structural Impact (Non-GAAP)  | (4)              | —   |
| % Change — Comparable Currency Neutral (Adjusted for Structural Items) (Non-GAAP)                        | 12               | —   |
| % Comparable Impact of Accounting Changes (Non-GAAP) <sup>1</sup>  | (1)              | —   |
| % Change — Comparable Currency Neutral (Adjusted for Structural Items and Accounting Changes) (Non-GAAP) | 12               | —   |

Note: Certain columns may not add due to rounding.

<sup>1</sup> Impact of adoption of new revenue recognition accounting standard.

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)  
(In millions)

### Net Operating Revenues by Operating Segment:

|                                |                       | Three Months Ended September 28, 2018 |                  |                  |                 |                         |           |              |              |
|--------------------------------|-----------------------|---------------------------------------|------------------|------------------|-----------------|-------------------------|-----------|--------------|--------------|
|                                |                       | Europe,<br>Middle East<br>& Africa    | Latin<br>America | North<br>America | Asia<br>Pacific | Bottling<br>Investments | Corporate | Eliminations | Consolidated |
| <b>Reported (GAAP)</b>         |                       | \$ 1,972                              | \$ 1,003         | \$ 3,127         | \$ 1,423        | \$ 909                  | \$ 14     | \$ (203)     | \$ 8,245     |
| Items Impacting Comparability: |                       |                                       |                  |                  |                 |                         |           |              |              |
|                                | Other Items           | —                                     | —                | —                | —               | —                       | 18        | —            | 18           |
|                                | Comparable (Non-GAAP) | \$ 1,972                              | \$ 1,003         | \$ 3,127         | \$ 1,423        | \$ 909                  | \$ 32     | \$ (203)     | \$ 8,263     |

|                                |                       | Three Months Ended September 29, 2017 |                  |                  |                 |                         |           |              |              |
|--------------------------------|-----------------------|---------------------------------------|------------------|------------------|-----------------|-------------------------|-----------|--------------|--------------|
|                                |                       | Europe,<br>Middle East<br>& Africa    | Latin<br>America | North<br>America | Asia<br>Pacific | Bottling<br>Investments | Corporate | Eliminations | Consolidated |
| <b>Reported (GAAP)</b>         |                       | \$ 1,959                              | \$ 1,035         | \$ 2,781         | \$ 1,432        | \$ 2,392                | \$ 48     | \$ (569)     | \$ 9,078     |
| Items Impacting Comparability: |                       |                                       |                  |                  |                 |                         |           |              |              |
|                                | Other Items           | —                                     | —                | (12)             | —               | —                       | (3)       | —            | (15)         |
|                                | Comparable (Non-GAAP) | \$ 1,959                              | \$ 1,035         | \$ 2,769         | \$ 1,432        | \$ 2,392                | \$ 45     | \$ (569)     | \$ 9,063     |

|   |   | Europe,<br>Middle East<br>& Africa | Latin<br>America | North<br>America | Asia<br>Pacific | Bottling<br>Investments | Corporate   | Eliminations | Consolidated |
|---|---|------------------------------------|------------------|------------------|-----------------|-------------------------|-------------|--------------|--------------|
| <b>% Change — Reported (GAAP)</b>       |   | <b>1</b>                           | <b>(3)</b>       | <b>12</b>        | <b>(1)</b>      | <b>(62)</b>             | <b>(71)</b> | <b>64</b>    | <b>(9)</b>   |
|   | % Currency Impact                                 | (6)                                | (11)             | 0                | (1)             | (2)                     | (46)        | —            | (3)          |
|   | % Change — Currency Neutral (Non-GAAP)            | 7                                  | 8                | 13               | 0               | (60)                    | (25)        | —            | (6)          |
|   | % Acquisitions, Divestitures and Structural Items | 1                                  | (1)              | 0                | 0               | (73)                    | 0           | —            | (13)         |
|   | % Impact of Accounting Changes <sup>1</sup>       | (3)                                | (10)             | 11               | (3)             | 2                       | (17)        | —            | 2            |
|   | % Change — Organic Revenues (Non-GAAP)            | 9                                  | 19               | 2                | 4               | 10                      | (7)         | —            | 6            |
| <b>% Change — Comparable (Non-GAAP)</b> |   | <b>1</b>                           | <b>(3)</b>       | <b>13</b>        | <b>(1)</b>      | <b>(62)</b>             | <b>(27)</b> | <b>—</b>     | <b>(9)</b>   |
|   | % Comparable Currency Impact (Non-GAAP)           | (6)                                | (11)             | 0                | (1)             | (2)                     | 0           | —            | (3)          |
|   | % Change — Comparable Currency Neutral (Non-GAAP) | 7                                  | 8                | 13               | 0               | (60)                    | (27)        | —            | (6)          |

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

<sup>1</sup> Impact of adoption of new revenue recognition accounting standard.

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

**Net Operating Revenues by Operating Segment:**

|                                |  | Nine Months Ended September 28, 2018 |                  |                  |                 |                         |           |              |              |
|--------------------------------|--|--------------------------------------|------------------|------------------|-----------------|-------------------------|-----------|--------------|--------------|
|                                |  | Europe,<br>Middle East<br>& Africa   | Latin<br>America | North<br>America | Asia<br>Pacific | Bottling<br>Investments | Corporate | Eliminations | Consolidated |
| <b>Reported (GAAP)</b>         |  | \$ 5,983                             | \$ 3,032         | \$ 8,924         | \$ 4,158        | \$ 3,195                | \$ 97     | \$ (591)     | \$ 24,798    |
| Items Impacting Comparability: |  |                                      |                  |                  |                 |                         |           |              |              |
| Other Items                    |  | —                                    | —                | —                | —               | —                       | (8)       | —            | (8)          |
| Comparable (Non-GAAP)          |  | \$ 5,983                             | \$ 3,032         | \$ 8,924         | \$ 4,158        | \$ 3,195                | \$ 89     | \$ (591)     | \$ 24,790    |

|                                |  | Nine Months Ended September 29, 2017 |                  |                  |                 |                         |           |              |              |
|--------------------------------|--|--------------------------------------|------------------|------------------|-----------------|-------------------------|-----------|--------------|--------------|
|                                |  | Europe,<br>Middle East<br>& Africa   | Latin<br>America | North<br>America | Asia<br>Pacific | Bottling<br>Investments | Corporate | Eliminations | Consolidated |
| <b>Reported (GAAP)</b>         |  | \$ 5,628                             | \$ 2,911         | \$ 8,101         | \$ 4,147        | \$ 9,226                | \$ 122    | \$ (2,237)   | \$ 27,898    |
| Items Impacting Comparability: |  |                                      |                  |                  |                 |                         |           |              |              |
| Other Items                    |  | —                                    | —                | (4)              | —               | —                       | 10        | —            | 6            |
| Comparable (Non-GAAP)          |  | \$ 5,628                             | \$ 2,911         | \$ 8,097         | \$ 4,147        | \$ 9,226                | \$ 132    | \$ (2,237)   | \$ 27,904    |

|   |  | Europe,<br>Middle East<br>& Africa | Latin<br>America | North<br>America | Asia<br>Pacific | Bottling<br>Investments | Corporate   | Eliminations | Consolidated |
|---|--|------------------------------------|------------------|------------------|-----------------|-------------------------|-------------|--------------|--------------|
| <b>% Change — Reported (GAAP)</b>                 |  | <b>6</b>                           | <b>4</b>         | <b>10</b>        | <b>0</b>        | <b>(65)</b>             | <b>(21)</b> | <b>74</b>    | <b>(11)</b>  |
| % Currency Impact                                 |  | 1                                  | (6)              | 0                | 2               | 0                       | 15          | —            | 0            |
| % Change — Currency Neutral (Non-GAAP)            |  | 6                                  | 10               | 10               | (1)             | (65)                    | (36)        | —            | (11)         |
| % Acquisitions, Divestitures and Structural Items |  | 1                                  | 0                | (1)              | 0               | (79)                    | 0           | —            | (18)         |
| % Impact of Accounting Changes <sup>1</sup>       |  | (3)                                | (3)              | 11               | (5)             | 2                       | (4)         | —            | 2            |
| % Change — Organic Revenues (Non-GAAP)            |  | 8                                  | 13               | 0                | 4               | 11                      | (31)        | —            | 5            |
| <b>% Change — Comparable (Non-GAAP)</b>           |  | <b>6</b>                           | <b>4</b>         | <b>10</b>        | <b>0</b>        | <b>(65)</b>             | <b>(32)</b> | <b>—</b>     | <b>(11)</b>  |
| % Comparable Currency Impact (Non-GAAP)           |  | 1                                  | (6)              | 0                | 2               | 0                       | 1           | —            | 0            |
| % Change — Comparable Currency Neutral (Non-GAAP) |  | 6                                  | 10               | 10               | (1)             | (65)                    | (33)        | —            | (11)         |

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

<sup>1</sup> Impact of adoption of new revenue recognition accounting standard.

# 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>

|  | Three Months Ended<br>September 28, 2018 |
|--|--|
| <b>Reported Net Operating Revenues (GAAP)</b>        | <b>\$ 8,245</b>                          |
| Bottling Investments Net Operating Revenues          | (909)                                    |
| Consolidated Eliminations                            | 203                                      |
| Intersegment Core Net Operating Revenue Eliminations | (5)                                      |
| Core Business Revenues (Non-GAAP)                    | 7,534                                    |
| Items Impacting Comparability:                       |  |
| Other Items  | 18                                       |
| Comparable Core Business Revenues (Non-GAAP)         | \$ 7,552                                 |

|  | Three Months Ended<br>September 29, 2017 |
|--|--|
| <b>Reported Net Operating Revenues (GAAP)</b>        | <b>\$ 9,078</b>                          |
| Bottling Investments Net Operating Revenues          | (2,392)                                  |
| Consolidated Eliminations                            | 569                                      |
| Intersegment Core Net Operating Revenue Eliminations | (7)                                      |
| Core Business Revenues (Non-GAAP)                    | 7,248                                    |
| Items Impacting Comparability:                       |  |
| Other Items  | (15)                                     |
| Comparable Core Business Revenues (Non-GAAP)         | \$ 7,233                                 |

|  |            |
|--|------------|
| <b>% Change — Reported Net Operating Revenues (GAAP)</b>                 | <b>(9)</b> |
| % Change — Core Business Revenues (Non-GAAP)                             | 4          |
| % Core Business Currency Impact (Non-GAAP)                               | (4)        |
| % Change — Currency Neutral Core Business Revenues (Non-GAAP)            | 8          |
| % Acquisitions, Divestitures and Structural Items                        | 0          |
| % Impact of Accounting Changes <sup>2</sup>                              | 1          |
| % Change — Core Business Organic Revenues (Non-GAAP) <sup>3</sup>        | 7          |
| <br>   |            |
| % Change — Comparable Core Business Revenues (Non-GAAP)                  | 4          |
| % Comparable Core Business Currency Impact (Non-GAAP)                    | (4)        |
| % Change — Comparable Currency Neutral Core Business Revenues (Non-GAAP) | 8          |

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 \$5 million and \$7 million during the three months ended September 28, 2018 and September 29, 2017, respectively.

<sup>2</sup> Impact of adoption of new revenue recognition accounting standard.

<sup>3</sup> Core business organic revenue (non-GAAP) growth included 2 points of positive price/mix.

# 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>

|  | Nine Months Ended<br>September 28, 2018 |
|--|---|
| <b>Reported Net Operating Revenues (GAAP)</b>        | <b>\$ 24,798</b>                        |
| Bottling Investments Net Operating Revenues          | (3,195)                                 |
| Consolidated Eliminations                            | 591                                     |
| Intersegment Core Net Operating Revenue Eliminations | (16)                                    |
| Core Business Revenues (Non-GAAP)                    | 22,178                                  |
| Items Impacting Comparability:                       |   |
| Other Items  | (8)                                     |
| Comparable Core Business Revenues (Non-GAAP)         | \$ 22,170                               |

|  | Nine Months Ended<br>September 29, 2017 |
|--|---|
| <b>Reported Net Operating Revenues (GAAP)</b>        | <b>\$ 27,898</b>                        |
| Bottling Investments Net Operating Revenues          | (9,226)                                 |
| Consolidated Eliminations                            | 2,237                                   |
| Intersegment Core Net Operating Revenue Eliminations | (14)                                    |
| Core Business Revenues (Non-GAAP)                    | 20,895                                  |
| Items Impacting Comparability:                       |   |
| Other Items  | 6                                       |
| Comparable Core Business Revenues (Non-GAAP)         | \$ 20,901                               |

|  |             |
|--|-------------|
| <b>% Change — Reported Net Operating Revenues (GAAP)</b>                 | <b>(11)</b> |
| % Change — Core Business Revenues (Non-GAAP)                             | 6           |
| % Core Business Currency Impact (Non-GAAP)                               | 0           |
| % Change — Currency Neutral Core Business Revenues (Non-GAAP)            | 6           |
| % Acquisitions, Divestitures and Structural Items                        | 0           |
| % Impact of Accounting Changes <sup>2</sup>                              | 2           |
| % Change — Core Business Organic Revenues (Non-GAAP) <sup>3</sup>        | 5           |
| <br>   |             |
| % Change — Comparable Core Business Revenues (Non-GAAP)                  | 6           |
| % Comparable Core Business Currency Impact (Non-GAAP)                    | 0           |
| % Change — Comparable Currency Neutral Core Business Revenues (Non-GAAP) | 6           |

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 \$16 million and \$14 million during the nine months ended September 28, 2018 and September 29, 2017, respectively.

<sup>2</sup> Impact of adoption of new revenue recognition accounting standard.

<sup>3</sup> Core business organic revenue (non-GAAP) growth included 1 point 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 Operating Segment:**

|                                | Three Months Ended September 28, 2018 |                  |                  |                 |                         |                 |                 |
|--------------------------------|---------------------------------------|------------------|------------------|-----------------|-------------------------|-----------------|-----------------|
|                                | Europe,<br>Middle East<br>& Africa    | Latin<br>America | North<br>America | Asia<br>Pacific | Bottling<br>Investments | Corporate       | Consolidated    |
| <b>Reported (GAAP)</b>         | <b>\$ 944</b>                         | <b>\$ 642</b>    | <b>\$ 698</b>    | <b>\$ 615</b>   | <b>\$ (64)</b>          | <b>\$ (309)</b> | <b>\$ 2,526</b> |
| Items Impacting Comparability: |                                       |                  |                  |                 |                         |                 |                 |
| Asset Impairments              | —                                     | —                | —                | —               | —                       | —               | —               |
| Productivity and Reinvestment  | (4)                                   | (1)              | 39               | (2)             | 10                      | 65              | 107             |
| Transaction Gains/Losses       | —                                     | —                | —                | —               | 37                      | 7               | 44              |
| Other Items                    | —                                     | —                | (1)              | —               | 5                       | 20              | 24              |
| Comparable (Non-GAAP)          | <b>\$ 940</b>                         | <b>\$ 641</b>    | <b>\$ 736</b>    | <b>\$ 613</b>   | <b>\$ (12)</b>          | <b>\$ (217)</b> | <b>\$ 2,701</b> |

|                                | Three Months Ended September 29, 2017 |                  |                  |                 |                         |                 |                 |
|--------------------------------|---------------------------------------|------------------|------------------|-----------------|-------------------------|-----------------|-----------------|
|                                | Europe,<br>Middle East<br>& Africa    | Latin<br>America | North<br>America | Asia<br>Pacific | Bottling<br>Investments | Corporate       | Consolidated    |
| <b>Reported (GAAP)</b>         | <b>\$ 932</b>                         | <b>\$ 563</b>    | <b>\$ 648</b>    | <b>\$ 573</b>   | <b>\$ (46)</b>          | <b>\$ (425)</b> | <b>\$ 2,245</b> |
| Items Impacting Comparability: |                                       |                  |                  |                 |                         |                 |                 |
| Asset Impairments              | —                                     | —                | —                | —               | —                       | —               | —               |
| Productivity and Reinvestment  | 6                                     | 2                | 47               | 1               | 15                      | 58              | 129             |
| Transaction Gains/Losses       | —                                     | —                | —                | —               | 47                      | —               | 47              |
| Other Items                    | —                                     | —                | 6                | —               | (4)                     | 20              | 22              |
| Comparable (Non-GAAP)          | <b>\$ 938</b>                         | <b>\$ 565</b>    | <b>\$ 701</b>    | <b>\$ 574</b>   | <b>\$ 12</b>            | <b>\$ (347)</b> | <b>\$ 2,443</b> |

|  | Europe,<br>Middle East<br>& Africa | Latin<br>America | North<br>America | Asia<br>Pacific | Bottling<br>Investments | Corporate | Consolidated |
|--|------------------------------------|------------------|------------------|-----------------|-------------------------|-----------|--------------|
| <b>% Change — Reported (GAAP)</b>                    | <b>1</b>                           | <b>14</b>        | <b>8</b>         | <b>7</b>        | <b>(39)</b>             | <b>28</b> | <b>13</b>    |
| % Currency Impact                                    | (10)                               | (14)             | (1)              | 0               | (1)                     | (5)       | (9)          |
| % Change — Currency Neutral (Non-GAAP)               | 12                                 | 28               | 9                | 8               | (38)                    | 32        | 22           |
| % Impact of Items Impacting Comparability (Non-GAAP) | 1                                  | 0                | 3                | 1               | —                       | (10)      | 2            |
| % Change — Comparable (Non-GAAP)                     | 0                                  | 14               | 5                | 7               | —                       | 38        | 11           |
| % Comparable Currency Impact (Non-GAAP)              | (10)                               | (14)             | (1)              | 0               | —                       | 1         | (7)          |
| % Change — Comparable Currency Neutral (Non-GAAP)    | 10                                 | 27               | 6                | 7               | —                       | 37        | 18           |

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 Income (Loss) by Operating Segment:**

|                                | Nine Months Ended September 28, 2018 |                  |                  |                 |                         |                 |                 |
|--------------------------------|--------------------------------------|------------------|------------------|-----------------|-------------------------|-----------------|-----------------|
|                                | Europe,<br>Middle East<br>& Africa   | Latin<br>America | North<br>America | Asia<br>Pacific | Bottling<br>Investments | Corporate       | Consolidated    |
| <b>Reported (GAAP)</b>         | <b>\$ 2,953</b>                      | <b>\$ 1,807</b>  | <b>\$ 1,913</b>  | <b>\$ 1,885</b> | <b>\$ (581)</b>         | <b>\$ (913)</b> | <b>\$ 7,064</b> |
| Items Impacting Comparability: |                                      |                  |                  |                 |                         |                 |                 |
| Asset Impairments              | —                                    | —                | —                | —               | 450                     | —               | 450             |
| Productivity and Reinvestment  | (2)                                  | 2                | 138              | (1)             | 32                      | 144             | 313             |
| Transaction Gains/Losses       | —                                    | —                | —                | —               | 116                     | 10              | 126             |
| Other Items                    | —                                    | —                | (6)              | —               | 10                      | 11              | 15              |
| Comparable (Non-GAAP)          | <b>\$ 2,951</b>                      | <b>\$ 1,809</b>  | <b>\$ 2,045</b>  | <b>\$ 1,884</b> | <b>\$ 27</b>            | <b>\$ (748)</b> | <b>\$ 7,968</b> |

|                                | Nine Months Ended September 29, 2017 |                  |                  |                 |                         |                   |                 |
|--------------------------------|--------------------------------------|------------------|------------------|-----------------|-------------------------|-------------------|-----------------|
|                                | Europe,<br>Middle East<br>& Africa   | Latin<br>America | North<br>America | Asia<br>Pacific | Bottling<br>Investments | Corporate         | Consolidated    |
| <b>Reported (GAAP)</b>         | <b>\$ 2,868</b>                      | <b>\$ 1,627</b>  | <b>\$ 1,977</b>  | <b>\$ 1,823</b> | <b>\$ (786)</b>         | <b>\$ (1,264)</b> | <b>\$ 6,245</b> |
| Items Impacting Comparability: |                                      |                  |                  |                 |                         |                   |                 |
| Asset Impairments              | —                                    | —                | —                | —               | 737                     | —                 | 737             |
| Productivity and Reinvestment  | 2                                    | 3                | 131              | 4               | 39                      | 176               | 355             |
| Transaction Gains/Losses       | —                                    | —                | —                | —               | 135                     | 7                 | 142             |
| Other Items                    | —                                    | —                | (9)              | —               | 23                      | 101               | 115             |
| Comparable (Non-GAAP)          | <b>\$ 2,870</b>                      | <b>\$ 1,630</b>  | <b>\$ 2,099</b>  | <b>\$ 1,827</b> | <b>\$ 148</b>           | <b>\$ (980)</b>   | <b>\$ 7,594</b> |

|  | Europe,<br>Middle East<br>& Africa | Latin<br>America | North<br>America | Asia<br>Pacific | Bottling<br>Investments | Corporate | Consolidated |
|--|------------------------------------|------------------|------------------|-----------------|-------------------------|-----------|--------------|
| <b>% Change — Reported (GAAP)</b>                    | <b>3</b>                           | <b>11</b>        | <b>(3)</b>       | <b>3</b>        | <b>26</b>               | <b>28</b> | <b>13</b>    |
| % Currency Impact                                    | (3)                                | (7)              | (1)              | 1               | (2)                     | 2         | (3)          |
| % Change — Currency Neutral (Non-GAAP)               | 6                                  | 18               | (3)              | 3               | 28                      | 26        | 16           |
| % Impact of Items Impacting Comparability (Non-GAAP) | 0                                  | 0                | (1)              | 0               | 108                     | 4         | 8            |
| % Change — Comparable (Non-GAAP)                     | 3                                  | 11               | (3)              | 3               | (82)                    | 24        | 5            |
| % Comparable Currency Impact (Non-GAAP)              | (3)                                | (7)              | 0                | 1               | (3)                     | 0         | (3)          |
| % Change — Comparable Currency Neutral (Non-GAAP)    | 6                                  | 18               | (2)              | 2               | (79)                    | 23        | 7            |

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) from Continuing Operations Before Income Taxes by Operating Segment:**

|                                | <b>Three Months Ended September 28, 2018</b> |                  |                  |                 |                         |                 |                 |
|--------------------------------|--|------------------|------------------|-----------------|-------------------------|-----------------|-----------------|
|                                | Europe,<br>Middle East<br>& Africa           | Latin<br>America | North<br>America | Asia<br>Pacific | Bottling<br>Investments | Corporate       | Consolidated    |
| <b>Reported (GAAP)</b>         | <b>\$ 953</b>                                | <b>\$ 637</b>    | <b>\$ 700</b>    | <b>\$ 629</b>   | <b>\$ (240)</b>         | <b>\$ 168</b>   | <b>\$ 2,847</b> |
| Items Impacting Comparability: |  |                  |                  |                 |                         |                 |                 |
| Asset Impairments              | —  | —                | —                | —               | 205                     | —               | 205             |
| Productivity and Reinvestment  | (4)  | (1)              | 39               | (2)             | 10                      | 90              | 132             |
| Equity Investees               | —  | —                | —                | —               | (21)                    | 2               | (19)            |
| Transaction Gains/Losses       | —  | —                | 13               | —               | 311                     | (374)           | (50)            |
| Other Items                    | —  | —                | (1)              | —               | 5                       | (72)            | (68)            |
| Comparable (Non-GAAP)          | <b>\$ 949</b>                                | <b>\$ 636</b>    | <b>\$ 751</b>    | <b>\$ 627</b>   | <b>\$ 270</b>           | <b>\$ (186)</b> | <b>\$ 3,047</b> |

|                                | <b>Nine Months Ended September 28, 2018</b> |                  |                  |                 |                         |                 |                 |
|--------------------------------|---|------------------|------------------|-----------------|-------------------------|-----------------|-----------------|
|                                | Europe,<br>Middle East<br>& Africa          | Latin<br>America | North<br>America | Asia<br>Pacific | Bottling<br>Investments | Corporate       | Consolidated    |
| <b>Reported (GAAP)</b>         | <b>\$ 2,997</b>                             | <b>\$ 1,744</b>  | <b>\$ 1,930</b>  | <b>\$ 1,915</b> | <b>\$ (537)</b>         | <b>\$ (486)</b> | <b>\$ 7,563</b> |
| Items Impacting Comparability: |   |                  |                  |                 |                         |                 |                 |
| Asset Impairments              | —   | 52               | —                | —               | 655                     | —               | 707             |
| Productivity and Reinvestment  | (2)   | 2                | 138              | (1)             | 32                      | 208             | 377             |
| Equity Investees               | —   | —                | —                | —               | 78                      | (13)            | 65              |
| Transaction Gains/Losses       | —   | —                | 33               | —               | 574                     | (406)           | 201             |
| Other Items                    | —   | —                | (6)              | —               | 10                      | (9)             | (5)             |
| Comparable (Non-GAAP)          | <b>\$ 2,995</b>                             | <b>\$ 1,798</b>  | <b>\$ 2,095</b>  | <b>\$ 1,914</b> | <b>\$ 812</b>           | <b>\$ (706)</b> | <b>\$ 8,908</b> |

# THE COCA-COLA COMPANY AND SUBSIDIARIES

## Reconciliation of GAAP and Non-GAAP Financial Measures

(UNAUDITED)

(In millions)

### Operating Margin:

|  | Three Months Ended<br>September 28, 2018 | Three Months Ended<br>September 29, 2017 | Basis Point<br>Growth |
|--|--|--|-----------------------|
| <b>Reported Operating Margin (GAAP)</b>  | <b>30.64 %</b>                           | <b>24.73 %</b>                           | <b>591</b>            |
| Items Impacting Comparability (Non-GAAP) | (2.06)%                                  | (2.22)%                                  |                       |
| Comparable Operating Margin (Non-GAAP)   | 32.70 %                                  | 26.95 %                                  | 575                   |

### **Reported Operating Margin (GAAP)**

Items Impacting Comparability (Non-GAAP)  
Comparable Operating Margin (Non-GAAP)

|  | Nine Months Ended<br>September 28, 2018 | Nine Months Ended<br>September 29, 2017 | Basis Point<br>Growth |
|--|---|---|-----------------------|
| <b>Reported Operating Margin (GAAP)</b>  | <b>28.49 %</b>                          | <b>22.38 %</b>                          | <b>611</b>            |
| Items Impacting Comparability (Non-GAAP) | (3.65)%                                 | (4.83)%                                 |                       |
| Comparable Operating Margin (Non-GAAP)   | 32.14 %                                 | 27.21 %                                 | 493                   |

### Purchases and Issuances of Stock:

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

Issuances of Stock  
Purchases of Stock for Treasury  
Net Change in Stock Issuance Receivables<sup>1</sup>  
Net Change in Treasury Stock Payables<sup>2</sup>  
Net Share Repurchases (Non-GAAP)

|   | Nine Months Ended<br>September 28, 2018 | Nine Months Ended<br>September 29, 2017 |
|---|---|---|
| Issuances of Stock                                    | \$ 891                                  | \$ 1,320                                |
| Purchases of Stock for Treasury                       | (1,596)                                 | (3,087)                                 |
| Net Change in Stock Issuance Receivables <sup>1</sup> | (2)                                     | (4)                                     |
| Net Change in Treasury Stock Payables <sup>2</sup>    | —                                       | 67                                      |
| Net Share Repurchases (Non-GAAP)                      | <u>\$ (707)</u>                         | <u>\$ (1,704)</u>                       |

<sup>1</sup> Represents the net change in receivables related to employee stock options exercised but not settled prior to the end of the period.

<sup>2</sup> Represents the net change in payables for treasury shares repurchased but not settled prior to the end of the period.

### Free Cash Flow:

|  | Nine Months Ended<br>September 28, 2018 | Nine Months Ended<br>September 29, 2017 | % Change    |
|--|---|---|-------------|
| <b>Net Cash Provided by Operating Activities (GAAP)</b>  | <b>\$ 5,480</b>                         | <b>\$ 5,862</b>                         | <b>(7)</b>  |
| <b>Purchases of Property, Plant and Equipment (GAAP)</b> | <b>(917)</b>                            | <b>(1,194)</b>                          | <b>(23)</b> |
| Free Cash Flow (Non-GAAP)                                | <u>\$ 4,563</u>                         | <u>\$ 4,668</u>                         | <b>(2)</b>  |

Note: Certain growth rates may not recalculate using the rounded dollar amounts provided.