July 27, 2016

The Coca-Cola Company Announces Continued Progress with North American Refranchising Initiative

Bottlers Sign New Letters of Intent for Territories in Two States

National Product Supply Group to Add Two Members, Including Newly Formed Regional Group that will Encompass Much of the Midwest

ATLANTA--(BUSINESS WIRE)-- The Coca-Cola Company today announced several agreements that continue the Company's progress in reshaping its North American bottling system.

Coca-Cola announced new letters of intent involving two bottlers. The National Product Supply Group (NPSG) – which was formed to administer key activities for member bottlers, including production of cold-fill beverages – also announced that it is expanding.

The new letters of intent involve:

- Coca-Cola Bottling Company of Yakima, Wash., expects to add territory in Moses Lake, Wash. This is a portion of the Pacific Northwest territory that was previously announced under a letter of intent with Swire Coca-Cola, USA. Coca-Cola Refreshments (CCR), a subsidiary of The Coca-Cola Company, currently has exclusive distribution rights in this territory.
- Durham Coca-Cola Bottling Company of North Carolina expects to add territory in Sanford, N.C. CCR currently has exclusive distribution rights in this territory.

The NPSG – which has five current members and a sixth, previously announced incoming member – expects to add to its membership. The two additional members are Coca-Cola Beverages Florida and the newly created Midwest Regional Product Supply Group, or Midwest RPSG. The Midwest RPSG will be led by Rosemont, Ill.-based Great Lakes Coca-Cola Distribution and is anticipated to include other Midwestern bottlers.

Definitive Agreements and Closings

The Coca-Cola Company also confirmed progress on these previously announced letters of intent:

- Viking Coca-Cola Bottling Co. of St. Cloud, Minn., has reached a definitive agreement for territories in parts of Minnesota, Wisconsin and Michigan.
- Great Lakes Coca-Cola Distribution has reached a definitive agreement to acquire production facilities in Alsip and Niles, Ill., Eagan, Minn. and Milwaukee. Great Lakes has also closed deals for seven distribution centers in the Midwest.

21st Century Beverage Partnership Model History

These agreements are part of a plan to refranchise all of The Coca-Cola Company's North American territories by the end of 2017.

The Coca-Cola Company began working with its bottling partners a decade ago on plans to develop a model that evolves the system to serve the changing customer and consumer landscape, with a focus on creating stronger system alignment. A critical step was the Company's acquisition of the North American territories of Coca-Cola Enterprises in 2010.

Since the closing of the transaction involving the North American territories with Coca-Cola Enterprises, The Coca-Cola Company has accelerated the implementation of the new model by strategically addressing the bottling system, customer service, product supply and a common information technology platform.

Ultimately, the Coca-Cola system in North America will be comprised of economically aligned bottling partners that have the capability to serve major customers, coupled with the ability to maintain strong, local ties across diverse markets in the United States and Canada.

So far, the Company has reached definitive agreements or signed letters of intent to refranchise territories that account for approximately 65% of total U.S. bottler-delivered distribution volume, which equates to 71% of total Coca-Cola Refreshments volume. The Company has also reached definitive agreements or signed letters of intent for 43 of the 51 cold-fill production facilities in the United States.

The new letters of intent announced today are subject to The Coca-Cola Company and the companies involved reaching definitive agreements. The parties are committed to working together to implement a smooth transition with minimal disruption for customers, consumers and system associates. Financial terms are not being disclosed.

About The Coca-Cola Company

The Coca-Cola Company (NYSE: KO) is the world's largest beverage company, refreshing consumers with more than 500 sparkling and still brands and more than 3,800 beverage choices. Led by Coca-Cola, one of the world's most valuable and recognizable brands, our company's portfolio features 20 billion-dollar brands, 18 of which are available in reduced-, low- or no-calorie options. Our billion-dollar brands include Diet Coke, Coca-Cola Zero, Fanta, Sprite, Dasani, vitaminwater, Powerade, Minute Maid, Simply, Del Valle, Georgia and Gold Peak. Through the world's largest beverage distribution system, we are the No. 1 provider of both sparkling and still beverages. More than 1.9 billion servings of our beverages are enjoyed by consumers in more than 200 countries each day. With an enduring commitment to building sustainable communities, our company is focused on initiatives that reduce our environmental footprint, create a safe, inclusive work environment for our associates, and enhance the economic development of the communities where we operate. Together with our bottling partners, we rank among the world's top 10 private employers with more than 700,000 system associates. For more information, visit Coca-Cola Journey at www.coca-colacompany.com, follow us on Twitter at twitter.com/CocaColaCo, visit our blog, Coca-Cola Unbottled, at www.coca-colablog.com or find us on LinkedIn at www.linkedin.com/company/the-coca-cola-company.

The Coca-Cola Company
Scott Williamson, 404-676-3288

swilliamson@coca-cola.com

Source: The Coca-Cola Company