

THE COCA-COLA COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

Year Ended December 31,	2018	2017	2016
(In millions except per share data)			
NET OPERATING REVENUES	\$ 31,856	\$ 35,410	\$ 41,863
Cost of goods sold	11,770	13,255	16,465
GROSS PROFIT	20,086	22,155	25,398
Selling, general and administrative expenses	10,307	12,654	15,370
Other operating charges	1,079	1,902	1,371
OPERATING INCOME	8,700	7,599	8,657
Interest income	682	677	642
Interest expense	919	841	733
Equity income (loss) — net	1,008	1,071	835
Other income (loss) — net	(1,121)	(1,764)	(1,265)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	8,350	6,742	8,136
Income taxes from continuing operations	1,623	5,560	1,586
NET INCOME FROM CONTINUING OPERATIONS	6,727	1,182	6,550
Income (loss) from discontinued operations (net of income taxes of \$126, \$47 and \$0, respectively)	(251)	101	—
CONSOLIDATED NET INCOME	6,476	1,283	6,550
Less: Net income attributable to noncontrolling interests	42	35	23
NET INCOME ATTRIBUTABLE TO SHAREOWNERS OF THE COCA-COLA COMPANY	\$ 6,434	\$ 1,248	\$ 6,527
Basic net income per share from continuing operations ¹	\$ 1.58	\$ 0.28	\$ 1.51
Basic net income (loss) per share from discontinued operations ²	(0.07)	0.02	—
BASIC NET INCOME PER SHARE	\$ 1.51	\$ 0.29 ³	\$ 1.51
Diluted net income per share from continuing operations ¹	\$ 1.57	\$ 0.27	\$ 1.49
Diluted net income (loss) per share from discontinued operations ²	(0.07)	0.02	—
DILUTED NET INCOME PER SHARE	\$ 1.50	\$ 0.29	\$ 1.49
AVERAGE SHARES OUTSTANDING — BASIC	4,259	4,272	4,317
Effect of dilutive securities	40	52	50
AVERAGE SHARES OUTSTANDING — DILUTED	4,299	4,324	4,367

¹ Calculated based on net income from continuing operations less net income from continuing operations attributable to noncontrolling interests.

² Calculated based on net income (loss) from discontinued operations less net income from discontinued operations attributable to noncontrolling interests.

³ Per share amounts do not add due to rounding.

Refer to Notes to Consolidated Financial Statements.

THE COCA-COLA COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

December 31,	2018	2017
(In millions except par value)		
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 8,926	\$ 6,006
Short-term investments	2,025	9,352
TOTAL CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS	10,951	15,358
Marketable securities	5,013	5,317
Trade accounts receivable, less allowances of \$489 and \$477, respectively	3,396	3,667
Inventories	2,766	2,655
Prepaid expenses and other assets	1,962	2,000
Assets held for sale	—	219
Assets held for sale — discontinued operations	6,546	7,329
TOTAL CURRENT ASSETS	30,634	36,545
EQUITY METHOD INVESTMENTS	19,407	20,856
OTHER INVESTMENTS	867	1,096
OTHER ASSETS	4,139	4,230
DEFERRED INCOME TAX ASSETS	2,667	330
PROPERTY, PLANT AND EQUIPMENT — net	8,232	8,203
TRADEMARKS WITH INDEFINITE LIVES	6,682	6,729
BOTTLERS' FRANCHISE RIGHTS WITH INDEFINITE LIVES	51	138
GOODWILL	10,263	9,401
OTHER INTANGIBLE ASSETS	274	368
TOTAL ASSETS	\$ 83,216	\$ 87,896
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 8,932	\$ 8,748
Loans and notes payable	13,194	13,205
Current maturities of long-term debt	4,997	3,298
Accrued income taxes	378	410
Liabilities held for sale	—	37
Liabilities held for sale — discontinued operations	1,722	1,496
TOTAL CURRENT LIABILITIES	29,223	27,194
LONG-TERM DEBT	25,364	31,182
OTHER LIABILITIES	7,638	8,021
DEFERRED INCOME TAX LIABILITIES	1,933	2,522
THE COCA-COLA COMPANY SHAREOWNERS' EQUITY		
Common stock, \$0.25 par value; Authorized — 11,200 shares; Issued — 7,040 and 7,040 shares, respectively	1,760	1,760
Capital surplus	16,520	15,864
Reinvested earnings	63,234	60,430
Accumulated other comprehensive income (loss)	(12,814)	(10,305)
Treasury stock, at cost — 2,772 and 2,781 shares, respectively	(51,719)	(50,677)
EQUITY ATTRIBUTABLE TO SHAREOWNERS OF THE COCA-COLA COMPANY	16,981	17,072
EQUITY ATTRIBUTABLE TO NONCONTROLLING INTERESTS	2,077	1,905
TOTAL EQUITY	19,058	18,977
TOTAL LIABILITIES AND EQUITY	\$ 83,216	\$ 87,896

Refer to Notes to Consolidated Financial Statements.

THE COCA-COLA COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended December 31,	2018	2017	2016
(In millions)			
OPERATING ACTIVITIES			
Consolidated net income	\$ 6,476	\$ 1,283	\$ 6,550
(Income) loss from discontinued operations	251	(101)	—
Net income from continuing operations	6,727	1,182	6,550
Depreciation and amortization	1,086	1,260	1,787
Stock-based compensation expense	225	219	258
Deferred income taxes	(450)	(1,256)	(856)
Equity (income) loss — net of dividends	(457)	(628)	(449)
Foreign currency adjustments	(38)	281	158
Significant (gains) losses on sales of assets — net	189	1,459	1,146
Other operating charges	558	1,218	647
Other items	682	(269)	(224)
Net change in operating assets and liabilities	(1,202)	3,464	(225)
Net cash provided by operating activities	7,320	6,930	8,792
INVESTING ACTIVITIES			
Purchases of investments	(7,789)	(17,296)	(16,626)
Proceeds from disposals of investments	14,977	16,694	17,842
Acquisitions of businesses, equity method investments and nonmarketable securities	(1,040)	(3,809)	(838)
Proceeds from disposals of businesses, equity method investments and nonmarketable securities	1,362	3,821	1,035
Purchases of property, plant and equipment	(1,347)	(1,675)	(2,262)
Proceeds from disposals of property, plant and equipment	245	104	150
Other investing activities	(60)	(93)	(305)
Net cash provided by (used in) investing activities	6,348	(2,254)	(1,004)
FINANCING ACTIVITIES			
Issuances of debt	27,339	29,857	27,281
Payments of debt	(30,568)	(28,768)	(25,615)
Issuances of stock	1,476	1,595	1,434
Purchases of stock for treasury	(1,912)	(3,682)	(3,681)
Dividends	(6,644)	(6,320)	(6,043)
Other financing activities	(243)	(91)	79
Net cash provided by (used in) financing activities	(10,552)	(7,409)	(6,545)
CASH FLOWS FROM DISCONTINUED OPERATIONS			
Net cash provided by (used in) operating activities from discontinued operations	307	111	—
Net cash provided by (used in) investing activities from discontinued operations	(421)	(58)	—
Net cash provided by (used in) financing activities from discontinued operations	205	(38)	—
Net cash provided by (used in) discontinued operations	91	15	—
EFFECT OF EXCHANGE RATE CHANGES ON CASH, CASH EQUIVALENTS, RESTRICTED CASH AND RESTRICTED CASH EQUIVALENTS	(262)	241	(5)
CASH, CASH EQUIVALENTS, RESTRICTED CASH AND RESTRICTED CASH EQUIVALENTS			
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents during the year	2,945	(2,477)	1,238
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of year	6,373	8,850	7,612
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of year	9,318	6,373	8,850
Less: Restricted cash and restricted cash equivalents at end of year	392	367	295
Cash and cash equivalents at end of year	\$ 8,926	\$ 6,006	\$ 8,555

Refer to Notes to Consolidated Financial Statements.