${ }^{\text {ReCEENT }}$
High:
Low:


 | 2017-19 PROJECTIONS |  |  |  |
| :---: | :---: | :---: | :---: |
|  | Price | Gain | Ann'l Tota |
| Return |  |  |  |
| High | 55 | $(+30 \%)$ | $9 \%$ |
| Low | 45 | $(+5 \%)$ | $5 \%$ | Insider Decisions

|  | F | M | A | $\mathbf{M}$ | $\mathbf{J}$ | J | $\mathbf{A}$ | $\mathbf{S}$ | $\mathbf{0}$ |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| to Buy | 4 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Options | 0 | 1 | 1 | 4 | 1 | 0 | 1 | 2 | 2 |
| to Sell | 0 | 1 | 0 | 4 | 1 | 0 | 1 | 2 | 2 |
| Institutional Decisions |  |  |  |  |  |  |  |  |  | Institutional Decisions |  | 1Q2014 | 2 2Q2014 | 3 Q2014 |
| :--- | ---: | ---: | ---: |
| to Buy | 639 | 610 | 652 |
| to Sell | 760 | 784 | 734 |
| Hld's( 000 ) 259802626508712690406 |  |  |  |
| 1098 | 1999 |  |  |
| 1000 | 2001 |  |  | | 1998 | 1999 | 2000 | 2001 |
| :---: | :---: | :---: | :---: |


| $\mathbf{1 9 9 8}$ | $\mathbf{1 9 9 9}$ | $\mathbf{2 0 0 0}$ | $\mathbf{2 0 0 1}$ | $\mathbf{2 0 0 2}$ | $\mathbf{2 0 0 3}$ |
| ---: | ---: | ---: | ---: | ---: | ---: |
| 3.82 | 4.01 | 4.12 | 3.53 | 3.96 | 4.31 |
| .85 | .81 | .89 | .96 | .99 | 1.16 |
| .71 | .65 | .74 | .80 | .83 | .98 |
| .30 | .32 | .34 | .36 | .40 | .44 |
| .18 | .22 | .15 | .15 | .17 | .17 |
| 1.70 | 1.92 | 1.87 | 2.29 | 2.39 | 2.89 |
| 4931.0 | 4943.2 | 4969.5 | 4972.5 | 4942.0 | 4883.1 |
| 51.3 | 47.5 | 37.5 | 30.5 | 30.2 | 22.6 |
| 2.67 | 2.71 | 2.44 | 1.56 | 1.65 | 1.29 |
| $.8 \%$ | $1.0 \%$ | $1.2 \%$ | $1.5 \%$ | $1.6 \%$ | $2.0 \%$ |
| CAPITAL STRUCTURE as of 9/26/14 |  |  |  |  |  |
| Total Debt $\$ 41.810$ bill. Due in 5 Yrs. $\$ 27.9$ bill. |  |  |  |  |  |
| LT Debt $\$ 20.111$ bill. Total Int. $\$ 440.0$ mill. |  |  |  |  |  |
| (T) |  |  |  |  |  |

LT Debt $\$ 20.111$ bill. Total Int. $\$ 440.0$ mill.
(Total interest coverage: greater than 25 x )
(38\% of Cap'l)
Pension Assets-
Pfd Stock None
Common Stock 4,375,000,000 shs.
MARKET CAP: $\$ 187$ billion (Large Cap)

| CURRENT POSITION | 2012 | 2013 | $9 / 26 / 14$ |
| :--- | ---: | ---: | ---: |
| (\$MILL.) | 13459 | 17121 | 20269 |


| (\$MILL.) |  |  |  |
| :---: | :---: | :---: | :---: |
| Cash Assets | 13459 4759 | 17121 | 20269 |
| Inventory (Avg Cst) | t) 3264 | 3277 | 3277 |
| Other | 8846 | 6033 | 6825 |
| Current Assets | 30328 | 31304 | 35452 |
| Accts Payable | 1969 | 1933 | 2000 |
| Debt Due | 17874 | 17925 | 21699 |
| Other | 7978 | 7953 | 9061 |
| Current Liab. | 27821 | 27811 | 32760 |
| ANNUAL RATES | Past | Past Est' | t'd '11-13 |
| of change (per sh) | 10 Yrs. | 5 Yrs. | '17.'19 |
| Sales | 10.5\% | 11.5\% | 4.0\% |
| "Cash Flow" | 9.0\% | 9.5\% | 5.0\% |
| Earnings | 8.5\% | 8.5\% | 6.0\% |
| Dividends | 10.0\% | 8.5\% | 8.0\% |
| Book Value | 11.0\% | 11.5\% | 3.5\% |


| Calendar | QUARTERLY SALES (\$ mill.) Mar.Per Jun.Per Sep.Per Dec.Per |  |  |  | Full Year |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 2011 | 10545 | 12729 | 12243 | 11037 | 46554 |
| 2012 | 11137 | 13085 | 12340 | 11455 | 48017 |
| 2013 | 11035 | 12749 | 12030 | 11040 | 46854 |
| 2014 | 10576 | 12574 | 11976 | 10874 | 46000 |
| 2015 | 10750 | 12750 | 12250 | 11250 | 47000 |
| Calendar | EARNINGS PER SHARE A <br> Mar.Per Jun.Per Sep.Per Dec.Per |  |  |  | Full Year |
| 2011 | . 42 | . 59 | . 52 | . 39 | 1.92 |
| 2012 | . 45 | . 61 | . 50 | . 41 | 1.97 |
| 2013 | . 46 | . 63 | . 53 | . 46 | 2.08 |
| 2014 | . 44 | . 64 | . 53 | . 42 | 2.03 |
| 2015 | . 44 | . 63 | . 54 | . 44 | 2.05 |


| Cal- | QUARTERLY DIVIDENDS PAID ${ }^{\text {B }}$ |
| :---: | :---: |
| endar | Mar. 31 Jun. 30 Sep. 30 Dec |


| 2011 | - | .235 | .235 | .47 | .94 |
| :--- | :--- | :--- | :--- | :--- | ---: |
| 2012 | - | .255 | .255 | .51 | 1.02 |
| 2013 | - | .28 | .28 | .56 | 1.12 |
| 2014 | - | .305 | .305 | .61 | 1.22 |

BUSINESS: The Coca-Cola Company is the world's largest beverage company. Markets over 500 nonalcoholic beverage brands through a network of company-owned and independent bottlers/distributors, wholesalers, and retailers. Leading company/licensed brands include Coca-Cola, Diet Coke, Sprite, Fanta, Fresca, Dasani, glaceau vitaminwater, Powerade, and Minute Maid.
The Coca-Cola Company was probably glad to turn the page on 2014. The softdrink giant isn't scheduled to report results until February 10th, but the guidance provided last month points toward another quarter of lackluster results to finish the year. Foreign-exchange headwinds persisted in the December quarter, likely causing share net to decline $5 \%-10 \%$ from the prior-year period. Absent these effects, management indicated that comparable currency-neutral earnings would likely be flat year over year or show slight improvement.

## The company is taking additional ac-

tion to reignite growth. Key elements of the program announced last fall include intensifying its existing cost-cutting program, refranchising most of its North American bottling operations by 2017, and revising its incentive plans to put a greater emphasis on revenue growth.
But evidence of this is likely to be muted in 2015. Coke itself views the year as a "transition" period, with the prospect of little change in comparable, currencyneutral earnings and continuing foreigncurrency headwinds. Too, the lackluster

Int'l markets accounted for $58 \%$ of 2013 net sales; Advertising expenses, $7.0 \%$ of 2013 revenues. Has approximately 131,000 employees. Directors and Officers own 1.4\% of stock; Berkshire Hathaway, 9.1\%; BlackRock, 5.5\% (3/14 Proxy). Chairman and CEO: Muhtar Kent. Inc.: DE. Address: One Coca-Cola Plaza, Atlanta, GA 30313. Tel.: 404-676-2121. Internet: www.coca-cola.com.
global economic environment and ongoing concerns about the health effects of soft drinks make us hesitant to look for much progress in jump starting unit volumes, which edged ahead only $1 \%$ in the September quarter.
The company is using some of its financial might to tap into more dynamic markets. Coke purchased a stake in Keurig Green Mountain (maker of the popular, single-serving hot-drink machines) last year and should wrap up its pending investment in Monster Beverage (a leader in the energy drink market) within the next couple of months.

## These shares are an untimely selec-

 tion for the year ahead. On the positive side, the more forceful corporate actions initiated in the past year should put Coke in a better position to meet its long-term objective of high-single-digit earnings growth in the coming years. Still, appreciation potential to 2017-2019 is below average, meaning investors looking to build a position in this high quality equity (Safety 1: Highest) may well be best served remaining on the sidelines, for now.Robert M. Greene
J anuary 23, 2015

