COCA COLA CO
Form 10-Q
April 24, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q
ý QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 28, 2014
OR
¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission File No. 001-02217
(Exact name of Registrant as specified in its Charter)

Delaware (State or other jurisdiction of incorporation or organization)	58-0628465 (IRS Employer Identification No.)
One Coca-Cola Plaza Atlanta, Georgia (Address of principal executive offices)	30313 (Zip Code)

Registrant's telephone number, including area code: (404) 676-2121
Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ý No o
Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes ý No o
Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ý	Accelerated filer o
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark if the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes o No ý
Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Class of Common Stock	Outstanding at April 21, 2014
$0.25 Par Value	4,395,182,857 Shares

THE COCA-COLA COMPANY AND SUBSIDIARIES
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FORWARD-LOOKING STATEMENTS

This report contains information that may constitute "forward-looking statements." Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will" and similar expressions identify forward-looking statements, which generally are not historical in nature. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to volume growth, share of sales and earnings per share growth, and statements expressing general views about future operating results — are forward-looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. Our Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our Company's historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, those described in Part II, "Item 1A. Risk Factors" and elsewhere in this report and in our Annual Report on Form 10-K for the year ended December 31, 2013, and those described from time to time in our future reports filed with the Securities and Exchange Commission.

Part I. Financial Information
Item 1. Financial Statements (Unaudited)
THE COCA-COLA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
(In millions except per share data)

	Three Months Ended	
	March 28, 2014	March 29, 2013
NET OPERATING REVENUES	$10,576	$11,035
Cost of goods sold	4,083	4,324
GROSS PROFIT	6,493	6,711
Selling, general and administrative expenses	3,989	4,182
Other operating charges	128	121
OPERATING INCOME	2,376	2,408
Interest income	123	116
Interest expense	124	102
Equity income (loss) — net	71	87
Other income (loss) — net	(241)	(165)
INCOME BEFORE INCOME TAXES	2,205	2,344
Income taxes	579	575
CONSOLIDATED NET INCOME	1,626	1,769
Less: Net income attributable to noncontrolling interests	7	18
NET INCOME ATTRIBUTABLE TO SHAREOWNERS OF THE COCA-COLA COMPANY	$1,619	$1,751
BASIC NET INCOME PER SHARE[1]	$0.37	$0.39
DILUTED NET INCOME PER SHARE[1]	$0.36	$0.39
DIVIDENDS PER SHARE	$0.305	$0.280
AVERAGE SHARES OUTSTANDING	4,401	4,455
Effect of dilutive securities	63	75
AVERAGE SHARES OUTSTANDING ASSUMING DILUTION	4,464	4,530

[1] Calculated based on net income attributable to shareowners of The Coca-Cola Company.
Refer to Notes to Condensed Consolidated Financial Statements.

THE COCA-COLA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)
(In millions)

	Three Months Ended	
	March 28, 2014	March 29, 2013
CONSOLIDATED NET INCOME	$1,626	$1,769
Other comprehensive income:		
Net foreign currency translation adjustment	(389)	70
Net gain (loss) on derivatives	(99)	87
Net unrealized gain (loss) on available-for-sale securities	315	8
Net change in pension and other benefit liabilities	7	32
TOTAL COMPREHENSIVE INCOME	1,460	1,966
Less: Comprehensive income (loss) attributable to noncontrolling interests	3	41
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREOWNERS OF THE COCA-COLA COMPANY	$1,457	$1,925

Refer to Notes to Condensed Consolidated Financial Statements.

THE COCA-COLA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(In millions except par value)

	March 28, 2014	December 31, 2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$9,131	$ 10,414
Short-term investments	6,918	6,707
TOTAL CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS	16,049	17,121
Marketable securities	3,384	3,147
Trade accounts receivable, less allowances of $63 and $61, respectively	5,233	4,873
Inventories	3,357	3,277
Prepaid expenses and other assets	3,029	2,886
TOTAL CURRENT ASSETS	31,052	31,304
EQUITY METHOD INVESTMENTS	10,283	10,393
OTHER INVESTMENTS	2,844	1,119
OTHER ASSETS	4,655	4,661
PROPERTY, PLANT AND EQUIPMENT, less accumulated depreciation of $10,395 and $10,065, respectively	14,860	14,967
TRADEMARKS WITH INDEFINITE LIVES	6,745	6,744
BOTTLERS' FRANCHISE RIGHTS WITH INDEFINITE LIVES	7,403	7,415
GOODWILL	12,343	12,312
OTHER INTANGIBLE ASSETS	1,104	1,140
TOTAL ASSETS	$91,289	$ 90,055
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$9,959	$ 9,577
Loans and notes payable	18,250	16,901
Current maturities of long-term debt	1,551	1,024
Accrued income taxes	296	309
TOTAL CURRENT LIABILITIES	30,056	27,811
LONG-TERM DEBT	18,640	19,154
OTHER LIABILITIES	3,414	3,498
DEFERRED INCOME TAXES	6,257	6,152
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	12,332	12,276
Reinvested earnings	61,937	61,660
Accumulated other comprehensive income (loss)	(3,594)	(3,432)
Treasury stock, at cost — 2,648 and 2,638 shares, respectively	(39,781)	(39,091)
EQUITY ATTRIBUTABLE TO SHAREOWNERS OF THE COCA-COLA COMPANY	32,654	33,173
EQUITY ATTRIBUTABLE TO NONCONTROLLING INTERESTS	268	267
TOTAL EQUITY	32,922	33,440
TOTAL LIABILITIES AND EQUITY	$91,289	$ 90,055

Refer to Notes to Condensed Consolidated Financial Statements.

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THE COCA-COLA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In millions)

	Three Months Ended	
	March 28, 2014	March 29, 2013
OPERATING ACTIVITIES		
Consolidated net income	$1,626	$1,769
Depreciation and amortization	473	473
Stock-based compensation expense	39	47
Deferred income taxes	13	157
Equity (income) loss — net of dividends	(65)	(77)
Foreign currency adjustments	280	184
Significant (gains) losses on sales of assets — net	—	(1)
Other operating charges	84	74
Other items	46	36
Net change in operating assets and liabilities	(1,430)	(2,184)
Net cash provided by operating activities	1,066	478
INVESTING ACTIVITIES		
Purchases of investments	(4,369)	(3,506)
Proceeds from disposals of investments	2,595	2,225
Acquisitions of businesses, equity method investments and nonmarketable securities	(85)	(28)
Proceeds from disposals of businesses, equity method investments and nonmarketable securities	—	690
Purchases of property, plant and equipment	(449)	(498)
Proceeds from disposals of property, plant and equipment	68	35
Other investing activities	27	(136)
Net cash provided by (used in) investing activities	(2,213)	(1,218)
FINANCING ACTIVITIES		
Issuances of debt	10,926	12,585
Payments of debt	(9,567)	(10,065)
Issuances of stock	191	417
Purchases of stock for treasury	(875)	(1,523)
Dividends	—	—
Other financing activities	(470)	21
Net cash provided by (used in) financing activities	205	1,435
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(341)	25
CASH AND CASH EQUIVALENTS		
Net increase (decrease) during the period	(1,283)	720
Balance at beginning of period	10,414	8,442
Balance at end of period	$9,131	$9,162

Refer to Notes to Condensed Consolidated Financial Statements.

THE COCA-COLA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
Basis of Presentation
The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. They do not include all information and notes required by generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there has been no material change in the information disclosed in the Notes to Consolidated Financial Statements included in the Annual Report on Form 10-K of The Coca-Cola Company for the year ended December 31, 2013.
When used in these notes, the terms "The Coca-Cola Company," "Company," "we," "us" or "our" mean The Coca-Cola Company and all entities included in our condensed consolidated financial statements. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 28, 2014, are not necessarily indicative of the results that may be expected for the year ending December 31, 2014. Sales of our nonalcoholic ready-to-drink beverages are somewhat seasonal, with the second and third calendar quarters accounting for the highest sales volumes. The volume of sales in the beverage business may be affected by weather conditions.
Each of our interim reporting periods, other than the fourth interim reporting period, ends on the Friday closest to the last day of the corresponding quarterly calendar period. The first quarter of 2014 and 2013 ended on March 28, 2014, and March 29, 2013, respectively. Our fourth interim reporting period and our fiscal year end on December 31 regardless of the day of the week on which December 31 falls.
Effective January 1, 2014, the Company changed the name of the Pacific operating segment to Asia Pacific. Accordingly, the name has been updated for both the current and prior year disclosures in the notes to condensed consolidated financial statements.
Advertising Costs
The Company's accounting policy related to advertising costs for annual reporting purposes, as disclosed in Note 1 of our 2013 Annual Report on Form 10-K, is to expense production costs of print, radio, television and other advertisements as of the first date the advertisements take place. All other marketing expenditures are expensed in the annual period in which the expenditure is incurred.
For interim reporting purposes, we allocate our estimated full year marketing expenditures that benefit multiple interim periods to each of our interim reporting periods. We use the proportion of each interim period's actual unit case volume to the estimated full year unit case volume as the basis for the allocation. This methodology results in our marketing expenditures being recognized at a standard rate per unit case. At the end of each interim reporting period, we review our estimated full year unit case volume and our estimated full year marketing expenditures in order to evaluate if a change in estimate is necessary. The impact of any changes in these full year estimates is recognized in the interim period in which the change in estimate occurs. Our full year marketing expenditures are not impacted by this interim accounting policy.
Hyperinflationary Economies

A hyperinflationary economy is one that has cumulative inflation of 100 percent or more over a three-year period. Effective January 1, 2010, Venezuela was determined to be a hyperinflationary economy. In accordance with hyperinflationary accounting under accounting principles generally accepted in the United States, our local subsidiary was required to use the U.S. dollar as its functional currency.
In February 2013, the Venezuelan government devalued its currency to an official rate of exchange ("official rate") of 6.3 bolivars per U.S. dollar provided by the Commission for the Administration of Foreign Exchange ("CADIVI"). At that time, the Company remeasured the net monetary assets of our Venezuelan subsidiary at the official rate. As a result of the devaluation we recognized a loss of $140 million in the line item other income (loss) — net in our condensed consolidated statement of income during the three months ended March 29, 2013.

Beginning in October 2013, the government authorized certain companies that operate in designated industry sectors to exchange a limited volume of bolivars for U.S. dollars at a bid rate established via weekly auctions under a system referred to as "SICAD 1." During the first quarter of 2014, the government expanded the types of transactions that may be subject to the

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weekly SICAD 1 auction process while retaining the official rate of 6.3 bolivars per U.S. dollar; replaced CADIVI with a new foreign currency administration, the National Center for Foreign Commerce ("CENCOEX"); and introduced another currency exchange mechanism ("SICAD 2"). The SICAD 2 rate is intended to more closely resemble a market-driven exchange rate than the official rate and SICAD 1. As a result of these changes, an entity may be able to convert bolivars to U.S. dollars at one of three legal exchange rates, which as of March 28, 2014, were 6.3 (official rate), 10.8 (SICAD 1) and 50.9 (SICAD 2). We analyzed the multiple rates currently available and the Company's estimates of the applicable rate at which future transactions could be settled, including the payment of dividends. Based on this analysis, we determined that the SICAD 1 rate is the most appropriate rate to use for remeasurement given our circumstances. Therefore, as of March 28, 2014, we remeasured the net monetary assets of our Venezuelan subsidiary using an exchange rate of 10.8 bolivars per U.S. dollar, which was the SICAD 1 rate on that date. We recorded a charge of $226 million related to the change in exchange rates in the line item other income (loss) — net in our condensed consolidated statement of income. The Company will continue to use the SICAD 1 rate to remeasure the net monetary assets of our Venezuelan subsidiary unless facts and circumstances change.

If the bolivar devalues further, or if we are able to access currency at different rates that are reasonable to the Company, it would result in our Company recognizing additional foreign currency exchange gains or losses in our condensed consolidated financial statements. As of March 28, 2014, our Venezuelan subsidiary held net monetary assets of $266 million, including $182 million of cash, cash equivalents, short-term investments and marketable securities. Despite the additional currency conversion mechanisms, the Company's ability to pay dividends from Venezuela is still restricted due to the low volume of U.S. dollars available for conversion.

In addition to the foreign currency exchange exposure related to our Venezuelan subsidiary's net monetary assets, we also sell concentrate to our bottling partner in Venezuela from outside the country. These sales are denominated in U.S. dollars and the carrying value of the receivables related to these sales was $222 million as of March 28, 2014. If a government-approved exchange rate mechanism is not available for our bottling partner in Venezuela to convert bolivars and pay for these receivables and for future concentrate sales, the receivables balance will continue to increase. We will continue to monitor the collectability and convertibility of these receivables. We also have certain U.S. dollar denominated intangible assets associated with products sold in Venezuela, which had a carrying value of $107 million as of March 28, 2014. If the bolivar further devalues, it could result in the impairment of these intangible assets.

NOTE 2: ACQUISITIONS AND DIVESTITURES

Acquisitions

During the three months ended March 28, 2014, and March 29, 2013, our Company's acquisitions of businesses, equity method investments and nonmarketable securities totaled $85 million and $28 million, respectively, none of which were individually significant.

Green Mountain Coffee Roasters, Inc.

On February 5, 2014, the Company and Green Mountain Coffee Roasters, Inc. ("GMCR"), now known as Keurig Green Mountain, Inc., entered into a 10-year global strategic agreement to collaborate on the development and introduction of the Company's global brand portfolio for use in GMCR's forthcoming Keurig Cold™ at-home beverage system. Under the agreement, the companies will cooperate to bring the Keurig Cold™ beverage system to consumers around the world and GMCR will be the Company's exclusive partner for the production and sale of our branded single-serve, pod-based cold beverages. Together we will also explore other future opportunities to collaborate on the Keurig® platform. In an effort to align long-term interests, we also entered into an agreement to purchase a 10 percent equity position in GMCR. On February 27, 2014, the Company purchased 16,684,139 newly issued shares in GMCR for approximately $1,265 million, including transaction costs of $14 million. The newly issued shares were priced at $74.98, which represented the trailing 50-trading-day volume weighted-average price on the agreement date of February 5, 2014. We account for this investment as an available-for-sale security and it was included in the line item other investments on our condensed consolidated balance sheet. The purchase of this investment was included in the line item purchases of investments in our condensed consolidated statement of cash flows.

Coca-Cola Erfrischungsgetränke AG

In conjunction with the Company's acquisition of 18 German bottling and distribution operations in 2007, the former owners received put options to sell their respective shares in Coca-Cola Erfrischungsgetränke AG ("CCEAG") back to the Company in January 2014. The Company paid $503 million to purchase these shares, which was included in the line item other financing activities in the condensed consolidated statement of cash flows, and now owns 100 percent of CCEAG.

Divestitures

During the three months ended March 28, 2014, there were no proceeds from disposals of businesses, equity method investments and nonmarketable securities. During the three months ended March 29, 2013, proceeds from disposals of businesses, equity method investments and nonmarketable securities totaled $690 million, which primarily included the sale of a majority ownership interest in our previously consolidated bottling operations in the Philippines ("Philippine bottling operations") to Coca-Cola FEMSA, S.A.B. de C.V. ("Coca-Cola FEMSA"), an equity method investee. The Company now accounts for our ownership interest in the Philippine bottling operations under the equity method of accounting. Following this transaction, we remeasured our investment in the Philippine bottling operations to fair value taking into consideration the sale price of the majority ownership interest. Coca-Cola FEMSA has an option to purchase our remaining ownership interest in the Philippine bottling operations at any time during the seven years following closing based on the initial purchase price plus a defined return. Coca-Cola FEMSA also has an option exercisable during the sixth year after closing to sell its ownership interest back to the Company at a price not to exceed the initial purchase price.

NOTE 3: INVESTMENTS

Investments in debt and marketable equity securities, other than investments accounted for under the equity method, are classified as trading, available-for-sale or held-to-maturity. Our marketable equity investments are classified as either trading or available-for-sale with their cost basis determined by the specific identification method. Realized and unrealized gains and losses on trading securities and realized gains and losses on available-for-sale securities are included in net income. Unrealized gains and losses, net of deferred taxes, on available-for-sale securities are included in our condensed consolidated balance sheets as a component of accumulated other comprehensive income ("AOCI"), except for the change in fair value attributable to the currency risk being hedged. Refer to Note 5 for additional information related to the Company's fair value hedges of available-for-sale securities.

Our investments in debt securities are carried at either amortized cost or fair value. Investments in debt securities that the Company has the positive intent and ability to hold to maturity are carried at amortized cost and classified as held-to-maturity. Investments in debt securities that are not classified as held-to-maturity are carried at fair value and classified as either trading or available-for-sale.

Trading Securities

As of March 28, 2014, and December 31, 2013, our trading securities had a fair value of $377 million and $372 million, respectively, and consisted primarily of equity securities. The Company had net unrealized gains on trading securities of $22 million and $12 million as of March 28, 2014, and December 31, 2013, respectively. The Company's trading securities were included in the following line items in our condensed consolidated balance sheets (in millions):

	March 28, 2014	December 31, 2013
Marketable securities	$290	$ 286
Other assets	87	86
Total trading securities	$377	$ 372

Available-for-Sale and Held-to-Maturity Securities

As of March 28, 2014, and December 31, 2013, the Company did not have any held-to-maturity securities. As of March 28, 2014, available-for-sale securities consisted of the following (in millions):

		Gross Unrealized		
	Cost	Gains	Losses	Fair Value
Available-for-sale securities:[1]				
Equity securities	$2,406	$845	$(23)	$3,228
Debt securities	3,397	30	(16)	3,411
Total available-for-sale securities	$5,803	$875	$(39)	$6,639

[1] Refer to Note 14 for additional information related to the estimated fair value.

As of December 31, 2013, available-for-sale securities consisted of the following (in millions):

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale securities:[1]				
Equity securities	$1,097	$373	$(17)	$1,453
Debt securities	3,388	24	(23)	3,389
Total available-for-sale securities	$4,485	$397	$(40)	$4,842

[1] Refer to Note 14 for additional information related to the estimated fair value.

As of March 28, 2014, and December 31, 2013, the Company had investments classified as available-for-sale securities in which our cost basis exceeded the fair value of our investment. Management assessed each of these investments on an individual basis to determine if the decline in fair value was other than temporary. Management's assessment as to the nature of a decline in fair value is based on, among other things, the length of time and the extent to which the market value has been less than our cost basis; the financial condition and near-term prospects of the issuer; and our intent and ability to retain the investment for a period of time sufficient to allow for any anticipated recovery in market value. As a result of these assessments, management determined that the decline in fair value of these investments was not other than temporary and did not record any impairment charges.

The sale and/or maturity of available-for-sale securities resulted in the following realized activity (in millions):

	Three Months Ended March 28, 2014	Three Months Ended March 29, 2013
Gross gains	$3	$5
Gross losses	(4)	(5)
Proceeds	1,365	1,137

The Company uses one of its insurance captives to reinsure group annuity insurance contracts that cover the pension obligations of certain of our European and Canadian pension plans. In accordance with local insurance regulations, our insurance captive is required to meet and maintain minimum solvency capital requirements. The Company elected to invest its solvency capital in a portfolio of available-for-sale securities, which are classified in the line item other assets in our condensed consolidated balance sheets because the assets are not available to satisfy our current obligations. As of March 28, 2014, and December 31, 2013, the Company's available-for-sale securities included solvency capital funds of $748 million and $667 million, respectively.

The Company's available-for-sale securities were included in the following line items in our condensed consolidated balance sheets (in millions):

	March 28, 2014	December 31, 2013
Cash and cash equivalents	$—	$ 245
Marketable securities	3,094	2,861
Other investments	2,681	958
Other assets	864	778
Total available-for-sale securities	$6,639	$ 4,842

The contractual maturities of these available-for-sale securities as of March 28, 2014, were as follows (in millions):

	Cost	Fair Value
Within 1 year	$1,279	$1,279
After 1 year through 5 years	1,647	1,657
After 5 years through 10 years	143	150
After 10 years	328	325
Equity securities	2,406	3,228
Total available-for-sale securities	$5,803	$6,639

The Company expects that actual maturities may differ from the contractual maturities above because borrowers have the right to call or prepay certain obligations.

Cost Method Investments

Cost method investments are initially recorded at cost, and we record dividend income when applicable dividends are declared. Cost method investments are reported as other investments in our condensed consolidated balance sheets, and dividend income from cost method investments is reported in other income (loss) — net in our condensed consolidated statements of income. We review all of our cost method investments quarterly to determine if impairment indicators are present; however, we are not required to determine the fair value of these investments unless impairment indicators exist. When impairment indicators exist, we generally use discounted cash flow analyses to determine the fair value. We estimate that the fair values of our cost method investments approximated or exceeded their carrying values as of March 28, 2014, and December 31, 2013. Our cost method investments had a carrying value of $163 million and $162 million as of March 28, 2014, and December 31, 2013, respectively.

NOTE 4: INVENTORIES

Inventories consist primarily of raw materials and packaging (which include ingredients and supplies) and finished goods (which include concentrates and syrups in our concentrate operations and finished beverages in our finished product operations). Inventories are valued at the lower of cost or market. We determine cost on the basis of the average cost or first-in, first-out methods. Inventories consisted of the following (in millions):

	March 28, 2014	December 31, 2013
Raw materials and packaging	$1,718	$ 1,692
Finished goods	1,279	1,240
Other	360	345
Total inventories	$3,357	$ 3,277

NOTE 5: HEDGING TRANSACTIONS AND DERIVATIVE FINANCIAL INSTRUMENTS

The Company is directly and indirectly affected by changes in certain market conditions. These changes in market conditions may adversely impact the Company's financial performance and are referred to as "market risks." When deemed appropriate, our Company uses derivatives as a risk management tool to mitigate the potential impact of certain market risks. The primary market risks managed by the Company through the use of derivative instruments are foreign currency exchange rate risk, commodity price risk and interest rate risk.

The Company uses various types of derivative instruments including, but not limited to, forward contracts, commodity futures contracts, option contracts, collars and swaps. Forward contracts and commodity futures contracts are agreements to buy or sell a quantity of a currency or commodity at a predetermined future date, and at a predetermined rate or price. An option contract is an agreement that conveys the purchaser the right, but not the obligation, to buy or sell a quantity of a currency or commodity at a predetermined rate or price during a period or at a time in the future. A collar is a strategy that uses a combination of options to limit the range of possible positive or negative returns on an underlying asset or liability to a specific range, or to protect expected future cash flows. To do this, an investor simultaneously buys a put option and sells (writes) a call option, or alternatively buys a call option and sells (writes) a put option. A swap agreement is a contract between two parties to exchange cash flows based on specified underlying notional amounts, assets and/or indices. We do not enter into derivative financial instruments for trading purposes.

All derivatives are carried at fair value in our condensed consolidated balance sheets in the following line items, as applicable: prepaid expenses and other assets; other assets; accounts payable and accrued expenses; and other liabilities. The carrying values of the derivatives reflect the impact of legally enforceable master netting agreements and cash collateral held or placed with the same counterparties, as applicable. These master netting agreements allow the Company to net settle positive and negative positions (assets and liabilities) arising from different transactions with the same counterparty.

The accounting for gains and losses that result from changes in the fair values of derivative instruments depends on whether the derivatives have been designated and qualify as hedging instruments and the type of hedging relationships. Derivatives can be designated as fair value hedges, cash flow hedges or hedges of net investments in foreign operations. The changes in the fair values of derivatives that have been designated and qualify for fair value hedge accounting are recorded in the same line item in our condensed consolidated statements of income as the changes in the fair values of the hedged items attributable to the risk being hedged. The changes in the fair values of derivatives that have been designated and qualify as cash flow hedges or hedges of net investments in foreign operations are recorded in AOCI and are reclassified into the line item in our condensed consolidated statement of income in which the hedged items are recorded in the same period the hedged items affect earnings. Due to the high degree of effectiveness between the hedging instruments and the underlying exposures being hedged, fluctuations in the value of the derivative instruments are generally offset by changes in the fair values or cash flows of the underlying exposures being hedged. The changes in fair values of derivatives that were not designated and/or did not qualify as hedging instruments are immediately recognized into earnings.

For derivatives that will be accounted for as hedging instruments, the Company formally designates and documents, at inception, the financial instrument as a hedge of a specific underlying exposure, the risk management objective and the strategy for undertaking the hedge transaction. In addition, the Company formally assesses, both at inception and at least quarterly thereafter, whether the financial instruments used in hedging transactions are effective at offsetting changes in either the fair values or cash flows of the related underlying exposures. Any ineffective portion of a financial instrument's change in fair value is immediately recognized into earnings.

The Company determines the fair values of its derivatives based on quoted market prices or pricing models using current market rates. Refer to Note 14. The notional amounts of the derivative financial instruments do not necessarily represent amounts exchanged by the parties and, therefore, are not a direct measure of our exposure to the financial risks described above. The amounts exchanged are calculated by reference to the notional amounts and by other terms of the derivatives, such as interest rates, foreign currency exchange rates or other financial indices. The Company does not view the fair values of its derivatives in isolation, but rather in relation to the fair values or cash flows of the underlying hedged transactions or other exposures. Virtually all of our derivatives are straightforward over-the-counter instruments with liquid markets.

The following table presents the fair values of the Company's derivative instruments that were designated and qualified as part of a hedging relationship (in millions):

Derivatives Designated as Hedging Instruments	Balance Sheet Location[1]	Fair Value[1,2] March 28, 2014	December 31, 2013
Assets			
Foreign currency contracts	Prepaid expenses and other assets	$128	$211
Foreign currency contracts	Other assets	127	109
Commodity contracts	Prepaid expenses and other assets	1	1
Interest rate contracts	Prepaid expenses and other assets	3	—
Interest rate contracts	Other assets	234	283
Total assets		$493	$604
Liabilities			
Foreign currency contracts	Accounts payable and accrued expenses	$141	$84
Foreign currency contracts	Other liabilities	60	40
Commodity contracts	Accounts payable and accrued expenses	—	1
Total liabilities		$201	$125

[1] All of the Company's derivative instruments are carried at fair value in our condensed consolidated balance sheets after considering the impact of legally enforceable master netting agreements and cash collateral held or placed with the same counterparties, as applicable. Current disclosure requirements mandate that derivatives must also be disclosed without reflecting the impact of master netting agreements and cash collateral. Refer to Note 14 for the net presentation of the Company's derivative instruments.

[2] Refer to Note 14 for additional information related to the estimated fair value.

The following table presents the fair values of the Company's derivative instruments that were not designated as hedging instruments (in millions):

Derivatives Not Designated as Hedging Instruments	Balance Sheet Location[1]	Fair Value[1,2] March 28, 2014	December 31, 2013
Assets			
Foreign currency contracts	Prepaid expenses and other assets	$9	$21
Foreign currency contracts	Other assets	170	171
Commodity contracts	Prepaid expenses and other assets	36	33
Commodity contracts	Other assets	—	1
Other derivative instruments	Prepaid expenses and other assets	2	9
Total assets		$217	$235
Liabilities			
Foreign currency contracts	Accounts payable and accrued expenses	$22	$24
Foreign currency contracts	Other liabilities	6	—
Commodity contracts	Accounts payable and accrued expenses	16	23
Interest rate contracts	Other liabilities	3	3
Other derivative instruments	Accounts payable and accrued expenses	2	—
Total liabilities		$49	$50

[1] All of the Company's derivative instruments are carried at fair value in our condensed consolidated balance sheets after considering the impact of legally enforceable master netting agreements and cash collateral held or placed with the same counterparties, as applicable. Current disclosure requirements mandate that derivatives must also be disclosed without reflecting the impact of master netting agreements and cash collateral. Refer to Note 14 for the net presentation of the Company's derivative instruments.

[2] Refer to Note 14 for additional information related to the estimated fair value.

Credit Risk Associated with Derivatives

We have established strict counterparty credit guidelines and enter into transactions only with financial institutions of investment grade or better. We monitor counterparty exposures regularly and review any downgrade in credit rating immediately. If a downgrade in the credit rating of a counterparty were to occur, we have provisions requiring collateral in the form of U.S. government securities for substantially all of our transactions. To mitigate presettlement risk, minimum credit standards become more stringent as the duration of the derivative financial instrument increases. In addition, the Company's master netting agreements reduce credit risk by permitting the Company to net settle for transactions with the same counterparty. To minimize the concentration of credit risk, we enter into derivative transactions with a portfolio of financial institutions. Based on these factors, we consider the risk of counterparty default to be minimal.

Cash Flow Hedging Strategy

The Company uses cash flow hedges to minimize the variability in cash flows of assets or liabilities or forecasted transactions caused by fluctuations in foreign currency exchange rates, commodity prices or interest rates. The changes in the fair values of derivatives designated as cash flow hedges are recorded in AOCI and are reclassified into the line item in our condensed consolidated statement of income in which the hedged items are recorded in the same period the hedged items affect earnings. The changes in fair values of hedges that are determined to be ineffective are immediately reclassified from AOCI into earnings. The Company did not discontinue any cash flow hedging relationships during the three months ended March 28, 2014, or March 29, 2013. The maximum length of time for which the Company hedges its exposure to future cash flows is typically three years.

The Company maintains a foreign currency cash flow hedging program to reduce the risk that our eventual U.S. dollar net cash inflows from sales outside the United States and U.S. dollar net cash outflows from procurement activities will be adversely affected by fluctuations in foreign currency exchange rates. We enter into forward contracts and purchase foreign currency options (principally euros and Japanese yen) and collars to hedge certain portions of forecasted cash flows denominated in foreign currencies. When the U.S. dollar strengthens against the foreign

currencies, the decline in the present value of future foreign currency cash flows is partially offset by gains in the fair value of the derivative instruments. Conversely, when the U.S. dollar weakens, the increase in the present value of future foreign currency cash flows is partially offset by losses in the fair value of the derivative instruments. The total notional values of derivatives that were designated and qualified for the Company's foreign currency cash flow hedging program were $9,382 million and $8,450 million as of March 28, 2014, and December 31, 2013, respectively.

The Company has entered into commodity futures contracts and other derivative instruments on various commodities to mitigate the price risk associated with forecasted purchases of materials used in our manufacturing process. These derivative instruments have been designated and qualify as part of the Company's commodity cash flow hedging program. The objective of this hedging program is to reduce the variability of cash flows associated with future purchases of certain commodities. The total notional values of derivatives that were designated and qualified for the Company's commodity cash flow hedging program were $17 million and $26 million as of March 28, 2014, and December 31, 2013, respectively.

Our Company monitors our mix of short-term debt and long-term debt regularly. From time to time, we manage our risk to interest rate fluctuations through the use of derivative financial instruments. The Company has entered into interest rate swap agreements and has designated these instruments as part of the Company's interest rate cash flow hedging program. The objective of this hedging program is to mitigate the risk of adverse changes in benchmark interest rates on the Company's future interest payments. The total notional value of these interest rate swap agreements that were designated and qualified for the Company's interest rate cash flow hedging program was $1,828 million as of March 28, 2014, and December 31, 2013.

The following table presents the pretax impact that changes in the fair values of derivatives designated as cash flow hedges had on AOCI and earnings during the three months ended March 28, 2014 (in millions):

	Gain (Loss) Recognized in Other Comprehensive Income ("OCI")	Location of Gain (Loss) Recognized in Income[1]	Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Gain (Loss) Recognized in Income (Ineffective Portion and Amount Excluded from Effectiveness Testing)
Foreign currency contracts	$(61)	Net operating revenues	$25	$—[2]
Foreign currency contracts	(12)	Cost of goods sold	13	—[2]
Interest rate contracts	(51)	Interest expense	—	—
Commodity contracts	1	Cost of goods sold	1	—
Total	$(123)		$39	$—

[1] The Company records gains and losses reclassified from AOCI into income for the effective portion and the ineffective portion, if any, to the same line items in our condensed consolidated statements of income.

[2] Includes a de minimis amount of ineffectiveness in the hedging relationship.

The following table presents the pretax impact that changes in the fair values of derivatives designated as cash flow hedges had on AOCI and earnings during the three months ended March 29, 2013 (in millions):

	Gain (Loss) Recognized in OCI	Location of Gain (Loss) Recognized in Income[1]	Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Gain (Loss) Recognized in Income (Ineffective Portion and Amount Excluded from Effectiveness Testing)
Foreign currency contracts	$131	Net operating revenues	$19	$—[2]
Foreign currency contracts	21	Cost of goods sold	2	—
Interest rate contracts	13	Interest expense	(3)	—[2]
Commodity contracts	2	Cost of goods sold	—	—
Total	$167		$18	$—

[1] The Company records gains and losses reclassified from AOCI into income for the effective portion and the ineffective portion, if any, to the same line items in our condensed consolidated statements of income.

[2] Includes a de minimis amount of ineffectiveness in the hedging relationship.

As of March 28, 2014, the Company estimates that it will reclassify into earnings during the next 12 months approximately $67 million of gains from the pretax amount recorded in AOCI as the anticipated cash flows occur.

Fair Value Hedging Strategy

The Company uses interest rate swap agreements designated as fair value hedges to minimize exposure to changes in the fair value of fixed-rate debt that results from fluctuations in benchmark interest rates. The changes in fair values of derivatives designated as fair value hedges and the offsetting changes in fair values of the hedged items are recognized in earnings. The ineffective portions of these hedges are immediately recognized in earnings. As of March 28, 2014, such adjustments had cumulatively increased the carrying value of our long-term debt by $55 million. When a derivative is no longer designated as a fair value hedge for any reason, including termination and maturity, the remaining unamortized difference between the carrying value of the hedged item at that time and the par value of the hedged item is amortized to earnings over the remaining life of the hedged item, or immediately if the hedged item has matured. The total notional value of derivatives that related to our fair value hedges of this type was $5,600 million as of March 28, 2014, and December 31, 2013.

The Company also uses fair value hedges to minimize exposure to changes in the fair value of certain available-for-sale securities from fluctuations in foreign currency exchange rates. The changes in fair values of derivatives designated as fair

value hedges and the offsetting changes in fair values of the hedged items are recognized in earnings. As a result, any difference is reflected in earnings as ineffectiveness. The total notional values of derivatives that related to our fair value hedges of this type were $968 million and $996 million as of March 28, 2014, and December 31, 2013, respectively.

The following table summarizes the pretax impact that changes in the fair values of derivatives designated as fair value hedges had on earnings (in millions):

Fair Value Hedging Instruments	Location of Gain (Loss) Recognized in Income	Gain (Loss) Recognized in Income Three Months Ended March 28, 2014	March 29, 2013
Interest rate swaps	Interest expense	$5	$(35)
Fixed-rate debt	Interest expense	(3)	45
Net impact to interest expense		$2	$10
Foreign currency contracts	Other income (loss) — net	$18	$10
Available-for-sale securities	Other income (loss) — net	(22)	(16)
Net impact to other income (loss) — net		$(4)	$(6)
Net impact of fair value hedging instruments		$(2)	$4

Hedges of Net Investments in Foreign Operations Strategy

The Company uses forward contracts to protect the value of our investments in a number of foreign subsidiaries. For derivative instruments that are designated and qualify as hedges of net investments in foreign operations, the changes in fair values of the derivative instruments are recognized in net foreign currency translation gain (loss), a component of AOCI, to offset the changes in the values of the net investments being hedged. Any ineffective portions of net investment hedges are reclassified from AOCI into earnings during the period of change. The total notional values of derivatives that were designated and qualified for the Company's net investments hedging program were $1,746 million and $2,024 million as of March 28, 2014, and December 31, 2013, respectively.

The following table presents the pretax impact that changes in the fair values of derivatives designated as net investment hedges had on AOCI (in millions):

	Gain (Loss) Recognized in OCI Three Months Ended March 28, 2014	March 29, 2013
Foreign currency contracts	$(68)	$(57)

The Company did not reclassify any deferred gains or losses related to net investment hedges from AOCI to earnings during the three months ended March 28, 2014, and March 29, 2013. In addition, the Company did not have any ineffectiveness related to net investment hedges during the three months ended March 28, 2014, and March 29, 2013.

Economic (Nondesignated) Hedging Strategy

In addition to derivative instruments that are designated and qualify for hedge accounting, the Company also uses certain derivatives as economic hedges of foreign currency, interest rate and commodity exposure. 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 economic hedges are immediately recognized into earnings.

The Company uses foreign currency economic hedges to offset the earnings impact that fluctuations in foreign currency exchange rates have on certain monetary assets and liabilities denominated in nonfunctional currencies. The changes in fair values of economic hedges used to offset those monetary assets and liabilities are immediately recognized into earnings in the line item other income (loss) — net in our condensed consolidated statements of income. In addition, we use foreign currency economic hedges to minimize the variability in cash flows associated with fluctuations in foreign currency exchange rates. The changes in fair values of economic hedges used to offset the variability in U.S. dollar net cash flows are recognized into earnings in the line items net operating revenues or cost of

goods sold in our condensed consolidated statements of income, as applicable. The total notional values of derivatives related to our foreign currency economic hedges were $4,003 million and $3,871 million as of March 28, 2014, and December 31, 2013, respectively.

The Company also uses certain derivatives as economic hedges to mitigate the price risk associated with the purchase of materials used in the manufacturing process and for vehicle fuel. The changes in fair values of these economic hedges are

immediately recognized into earnings in the line items cost of goods sold or selling, general and administrative expenses in our condensed consolidated statements of income, as applicable. The total notional values of derivatives related to our economic hedges of this type were $1,301 million and $1,441 million as of March 28, 2014, and December 31, 2013, respectively.

The following table presents the pretax impact that changes in the fair values of derivatives not designated as hedging instruments had on earnings (in millions):

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income	Three Months Ended March 28, 2014	Three Months Ended March 29, 2013
Foreign currency contracts	Net operating revenues	$(12)	$(2)
Foreign currency contracts	Cost of goods sold	—	(2)
Foreign currency contracts	Other income (loss) — net	2	67
Commodity contracts	Net operating revenues	(2)	—
Commodity contracts	Cost of goods sold	22	(69)
Commodity contracts	Selling, general and administrative expenses	(3)	—
Other derivative instruments	Selling, general and administrative expenses	(3)	20
Total		$4	$14

NOTE 6: DEBT AND BORROWING ARRANGEMENTS

During the first quarter of 2014, the Company retired $1,000 million of long-term debt upon maturity and issued $1,000 million total principal amount of notes due September 1, 2015, at a variable interest rate equal to the three-month London Interbank Offered Rate plus 0.01 percent.

NOTE 7: COMMITMENTS AND CONTINGENCIES

Guarantees

As of March 28, 2014, we were contingently liable for guarantees of indebtedness owed by third parties of $649 million, of which $284 million related to variable interest entities. These guarantees are primarily related to third-party customers, bottlers, vendors and container manufacturing operations and have arisen through the normal course of business. These guarantees have various terms, and none of these guarantees were individually significant. The amount represents the maximum potential future payments that we could be required to make under the guarantees; however, we do not consider it probable that we will be required to satisfy these guarantees.

We believe our exposure to concentrations of credit risk is limited due to the diverse geographic areas covered by our operations.

Legal Contingencies

The Company is involved in various legal proceedings. We establish reserves for specific legal proceedings when we determine that the likelihood of an unfavorable outcome is probable and the amount of loss can be reasonably estimated. Management has also identified certain other legal matters where we believe an unfavorable outcome is reasonably possible and/or for which no estimate of possible losses can be made. Management believes that the total liabilities to the Company that may arise as a result of currently pending legal proceedings will not have a material adverse effect on the Company taken as a whole.

During the period from 1970 to 1981, our Company owned Aqua-Chem, Inc., now known as Cleaver-Brooks, Inc. ("Aqua-Chem"). During that time, the Company purchased over $400 million of insurance coverage, which also insures Aqua-Chem for some of its prior and future costs for certain product liability and other claims. A division of Aqua-Chem manufactured certain boilers that contained gaskets that Aqua-Chem purchased from outside suppliers. Several years after our Company sold this entity, Aqua-Chem received its first lawsuit relating to asbestos, a component of some of the gaskets. Aqua-Chem was first named as a defendant in asbestos lawsuits in or around 1985 and currently has approximately 40,000 active claims pending against it. In September 2002, Aqua-Chem notified our Company that it believed we were obligated for certain costs and expenses associated with its asbestos litigations. Aqua-Chem demanded that our Company reimburse it for approximately $10 million for out-of-pocket litigation-related expenses. Aqua-Chem also demanded that the Company acknowledge a continuing obligation to Aqua-Chem for any future liabilities and expenses that are excluded from coverage under the applicable insurance or

for which there is no insurance. Our Company disputes Aqua-Chem's claims, and we believe we have no obligation to Aqua-Chem for any of its past, present or future liabilities, costs or expenses. Furthermore, we believe we have substantial legal and factual defenses to Aqua-Chem's claims. The parties entered into litigation in Georgia to resolve this dispute, which was stayed by agreement of the parties pending the outcome of litigation filed in Wisconsin by certain insurers

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of Aqua-Chem. In that case, five plaintiff insurance companies filed a declaratory judgment action against Aqua-Chem, the Company and 16 defendant insurance companies seeking a determination of the parties' rights and liabilities under policies issued by the insurers and reimbursement for amounts paid by plaintiffs in excess of their obligations. During the course of the Wisconsin insurance coverage litigation, Aqua-Chem and the Company reached settlements with several of the insurers, including plaintiffs, who have or will pay funds into an escrow account for payment of costs arising from the asbestos claims against Aqua-Chem. On July 24, 2007, the Wisconsin trial court entered a final declaratory judgment regarding the rights and obligations of the parties under the insurance policies issued by the remaining defendant insurers, which judgment was not appealed. The judgment directs, among other things, that each insurer whose policy is triggered is jointly and severally liable for 100 percent of Aqua-Chem's losses up to policy limits. The court's judgment concluded the Wisconsin insurance coverage litigation. The Georgia litigation remains subject to the stay agreement. The Company and Aqua-Chem continued to negotiate with various insurers that were defendants in the Wisconsin insurance coverage litigation over those insurers' obligations to defend and indemnify Aqua-Chem for the asbestos-related claims. The Company anticipated that a final settlement with three of those insurers (the "Chartis insurers") would be finalized in May 2011, but such insurers repudiated their settlement commitments and, as a result, Aqua-Chem and the Company filed suit against them in Wisconsin state court to enforce the coverage-in-place settlement or, in the alternative, to obtain a declaratory judgment validating Aqua-Chem and the Company's interpretation of the court's judgment in the Wisconsin insurance coverage litigation. In February 2012, the parties filed and argued a number of cross-motions for summary judgment related to the issues of the enforceability of the settlement agreement and the exhaustion of policies underlying those of the Chartis insurers. The court granted defendants' motions for summary judgment that the 2011 Settlement Agreement and 2010 Term Sheet were not binding contracts, but denied their similar motions related to the plaintiffs' claims for promissory and/or equitable estoppel. On or about May 15, 2012, the parties entered into a mutually agreeable settlement/stipulation resolving two major issues: exhaustion of underlying coverage and control of defense. On or about January 10, 2013, the parties reached a settlement of the estoppel claims and all of the remaining coverage issues, with the exception of one disputed issue relating to the scope of the Chartis insurers' defense obligations in two policy years. The trial court granted summary judgment in favor of the Company and Aqua-Chem on that one open issue and entered a final appealable judgment to that effect following the parties' settlement. On January 23, 2013, the Chartis insurers filed a notice of appeal of the trial court's summary judgment ruling. On October 29, 2013, the Wisconsin Court of Appeals affirmed the grant of summary judgment in favor of the Company and Aqua-Chem. On November 27, 2013, the Chartis insurers filed a petition for review in the Supreme Court of Wisconsin, and on December 11, 2013, the Company filed its opposition to that petition. Whatever the outcome of the Chartis insurers' appeal to the Wisconsin Supreme Court, the Chartis insurers will remain subject to the court's judgment in the Wisconsin insurance coverage litigation.

The Company is unable to estimate at this time the amount or range of reasonably possible loss it may ultimately incur as a result of asbestos-related claims against Aqua-Chem. The Company believes that assuming (1) the defense and indemnity costs for the asbestos-related claims against Aqua-Chem in the future are in the same range as during the past five years, and (2) the various insurers that cover the asbestos-related claims against Aqua-Chem remain solvent, regardless of the outcome of the coverage-in-place settlement litigation but taking into account the issues resolved to date, insurance coverage for substantially all defense and indemnity costs would be available for the next 10 to 15 years.

Tax Audits

The Company is involved in various tax matters, with respect to some of which the outcome is uncertain. We establish reserves to remove some or all of the tax benefit of any of our tax positions at the time we determine that it becomes uncertain based upon one of the following conditions: (1) the tax position is not "more likely than not" to be sustained, (2) the tax position is "more likely than not" to be sustained, but for a lesser amount, or (3) the tax position is "more likely than not" to be sustained, but not in the financial period in which the tax position was originally taken. For purposes of evaluating whether or not a tax position is uncertain, (1) we presume the tax position will be examined by the relevant taxing authority that has full knowledge of all relevant information; (2) the technical merits of a tax position are derived from authorities such as legislation and statutes, legislative intent, regulations, rulings and case

law and their applicability to the facts and circumstances of the tax position; and (3) each tax position is evaluated without consideration of the possibility of offset or aggregation with other tax positions taken. A number of years may elapse before a particular uncertain tax position is audited and finally resolved or when a tax assessment is raised. The number of years subject to tax assessments varies depending on the tax jurisdiction. The tax benefit that has been previously reserved because of a failure to meet the "more likely than not" recognition threshold would be recognized in our income tax expense in the first interim period when the uncertainty disappears under any one of the following conditions: (1) the tax position is "more likely than not" to be sustained, (2) the tax position, amount, and/or timing is ultimately settled through negotiation or litigation, or (3) the statute of limitations for the tax position has expired. Refer to Note 13.

Risk Management Programs

The Company has numerous global insurance programs in place to help protect the Company from the risk of loss. In general, we are self-insured for large portions of many different types of claims; however, we do use commercial insurance above our self-insured retentions to reduce the Company's risk of catastrophic loss. Our reserves for the Company's self-insured losses are estimated using actuarial methods and assumptions of the insurance industry, adjusted for our specific expectations based on our claim history. Our self-insurance reserves totaled $536 million and $537 million as of March 28, 2014, and December 31, 2013, respectively.

NOTE 8: COMPREHENSIVE INCOME

The following table summarizes the allocation of total comprehensive income between shareowners of The Coca-Cola Company and noncontrolling interests (in millions):

	Three Months Ended March 28, 2014		
	Shareowners of The Coca-Cola Company	Noncontrolling Interests	Total
Consolidated net income	$1,619	$7	$1,626
Other comprehensive income:			
Net foreign currency translation adjustment	(385)	(4)	(389)
Net gain (loss) on derivatives[1]	(99)	—	(99)
Net unrealized gain (loss) on available-for-sale securities[2]	315	—	315
Net change in pension and other benefit liabilities	7	—	7
Total comprehensive income	$1,457	$3	$1,460

[1] Refer to Note 5 for information related to the net gain or loss on derivative instruments classified as cash flow hedges.

[2] Refer to Note 3 for information related to the net unrealized gain or loss on available-for-sale securities.

The following tables present OCI attributable to shareowners of The Coca-Cola Company, including our proportionate share of equity method investees' OCI (in millions):

Three Months Ended March 28, 2014	Before-Tax Amount	Income Tax	After-Tax Amount
Foreign currency translation adjustments:			
Translation adjustment arising during the period	$(484)	$99	$(385)
Reclassification adjustments recognized in net income	—	—	—
Net foreign currency translation adjustments	(484)	99	(385)
Derivatives:			
Unrealized gains (losses) arising during the period	(123)	48	(75)
Reclassification adjustments recognized in net income	(39)	15	(24)
Net gain (loss) on derivatives[1]	(162)	63	(99)
Available-for-sale securities:			
Unrealized gains (losses) arising during the period	480	(166)	314
Reclassification adjustments recognized in net income	1	—	1
Net change in unrealized gain (loss) on available-for-sale securities[2]	481	(166)	315
Pension and other benefit liabilities:			
Net pension and other benefits arising during the period	(3)	1	(2)
Reclassification adjustments recognized in net income	14	(5)	9
Net change in pension and other benefit liabilities[3]	11	(4)	7
Other comprehensive income (loss) attributable to The Coca-Cola Company	$(154)	$(8)	$(162)

[1] Refer to Note 5 for additional information related to the net gain or loss on derivative instruments designated and qualifying as cash flow hedging instruments.

[2]

Includes reclassification adjustments related to divestitures of certain available-for-sale securities. Refer to Note 3 for additional information related to these divestitures.

[3] Refer to Note 12 for additional information related to the Company's pension and other postretirement benefit liabilities.

Three Months Ended March 29, 2013	Before-Tax Amount	Income Tax	After-Tax Amount
Foreign currency translation adjustments:			
Translation adjustment arising during the period	$325	$(60)	$265
Reclassification adjustments recognized in net income	(218)	—	(218)
Net foreign currency translation adjustments	107	(60)	47
Derivatives:			
Unrealized gains (losses) arising during the period	162	(64)	98
Reclassification adjustments recognized in net income	(18)	7	(11)
Net gain (loss) on derivatives[1]	144	(57)	87
Available-for-sale securities:			
Unrealized gains (losses) arising during the period	5	3	8
Reclassification adjustments recognized in net income	—	—	—
Net change in unrealized gain (loss) on available-for-sale securities[2]	5	3	8
Pension and other benefit liabilities:			
Net pension and other benefits arising during the period	7	(5)	2
Reclassification adjustments recognized in net income	48	(18)	30
Net change in pension and other benefit liabilities[3]	55	(23)	32
Other comprehensive income (loss) attributable to The Coca-Cola Company	$311	$(137)	$174

1 Refer to Note 5 for additional information related to the net gain or loss on derivative instruments designated and qualifying as cash flow hedging instruments.

2 Includes reclassification adjustments related to divestitures of certain available-for-sale securities. Refer to Note 3 for additional information related to these divestitures.

3 Refer to Note 12 for additional information related to the Company's pension and other postretirement benefit liabilities.

The following table presents the amounts and line items in our condensed consolidated statements of income where adjustments reclassified from AOCI into income were recorded during the three months ended March 28, 2014 (in millions):

Description of AOCI Component	Location of Gain (Loss) Recognized in Income	Amount Reclassified from AOCI into Income Three Months Ended March 28, 2014
Derivatives:		
Foreign currency contracts	Net operating revenues	$(25)
Foreign currency and commodity contracts	Cost of goods sold	(14)
Interest rate contracts	Interest expense	—
	Income before income taxes	$(39)
	Income taxes	15
	Consolidated net income	$(24)
Available-for-sale securities:		
Sale of securities	Other income (loss) — net	$1
	Income before income taxes	$1
	Income taxes	—
	Consolidated net income	$1
Pension and other benefit liabilities:		
Amortization of net actuarial loss	*	$19

Amortization of prior service cost (credit)	*	(5	)
	Income before income taxes	$14	
	Income taxes	(5	)
	Consolidated net income	$9	

* This component of AOCI is included in the Company's computation of net periodic benefit cost and is not reclassified out of AOCI into a single line item in our condensed consolidated statements of income in its entirety. Refer to Note 12 for additional information.

NOTE 9: CHANGES IN EQUITY

The following table provides a reconciliation of the beginning and ending carrying amounts of total equity, equity attributable to shareowners of The Coca-Cola Company and equity attributable to noncontrolling interests (in millions):

	Total	Shareowners of The Coca-Cola Company					Non-controlling Interests
		Reinvested Earnings	Accumulated Other Comprehensive Income (Loss)	Common Stock	Capital Surplus	Treasury Stock	
December 31, 2013	$33,440	$61,660	$ (3,432)	$ 1,760	$12,276	$(39,091)	$ 267
Comprehensive income (loss)	1,460	1,619	(162)	—	—	—	3
Dividends paid/payable to shareowners of The Coca-Cola Company	(1,342)	(1,342)	—	—	—	—	—
Dividends paid to noncontrolling interests	(2)	—	—	—	—	—	(2)
Purchases of treasury stock	(804)	—	—	—	—	(804)	—
Impact of employee stock option and restricted stock plans	170	—	—	—	56	114	—
March 28, 2014	$32,922	$61,937	$ (3,594)	$ 1,760	$12,332	$(39,781)	$ 268

NOTE 10: SIGNIFICANT OPERATING AND NONOPERATING ITEMS

Other Operating Charges

During the three months ended March 28, 2014, the Company incurred other operating charges of $128 million. These charges consisted of $86 million due to the Company's productivity and reinvestment program and $42 million due to the Company's other restructuring and integration initiatives, including the integration of our German bottling and distribution operations. Refer to Note 11 for additional information on the Company's productivity, integration and restructuring initiatives. Refer to Note 15 for the impact these charges had on our operating segments.

During the three months ended March 29, 2013, the Company incurred other operating charges of $121 million. These charges primarily consisted of $102 million due to the Company's productivity and reinvestment program and $21 million due to the Company's other restructuring and integration initiatives, including the integration of our German bottling and distribution operations. Refer to Note 11 for additional information on the Company's productivity, integration and restructuring initiatives. Refer to Note 15 for the impact these charges had on our operating segments.

Other Nonoperating Items

Equity Income (Loss) — Net

During the three months ended March 28, 2014, and March 29, 2013, the Company recorded net charges of $27 million and $39 million, respectively, in the line item equity income (loss) — net. These charges represent the Company's proportionate share of unusual or infrequent items recorded by certain of our equity method investees, including charges incurred by an equity method investee due to the devaluation of the Venezuelan bolivar. Refer to Note 15 for the impact these items had on our operating segments.

Other Income (Loss) — Net

During the three months ended March 28, 2014, the Company recorded a charge of $226 million in the line item other income (loss) — net due to the expansion of the Venezuelan government's currency conversion markets. Refer to Note 1 for more information related to this charge and Note 15 for the impact this charge had on our operating segments.

During the three months ended March 29, 2013, the Company recorded a charge of $140 million in the line item other income (loss) — net due to the Venezuelan government announcing a currency devaluation. As a result of this devaluation, the Company remeasured the net assets related to its operations in Venezuela. Refer to Note 1 for more information related to this charge and Note 15 for the impact this charge had on our operating segments.

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NOTE 11: PRODUCTIVITY, INTEGRATION AND RESTRUCTURING INITIATIVES

Productivity and Reinvestment

In February 2012, the Company announced a four-year productivity and reinvestment program designed to further enable our efforts to strengthen our brands and reinvest our resources to drive long-term profitable growth. This program is focused on the following initiatives: global supply chain optimization; global marketing and innovation effectiveness; operating expense leverage and operational excellence; data and information technology systems standardization; and further integration of Coca-Cola Enterprises Inc.'s former North America business.

In February 2014, the Company announced that we are expanding our productivity and reinvestment program to drive an incremental $1 billion in productivity by 2016 that will primarily be redirected into increased media investments. Our incremental productivity goal consists of two relatively equal components. First, expanded savings through global supply chain optimization, data and information technology system standardization, and resource and cost reallocation. These savings will be reinvested in global brand-building initiatives, with an emphasis on increased media spending. Second, we will be increasing the effectiveness of our marketing investments by transforming our marketing and commercial model to redeploy resources into more consumer-facing marketing investments to accelerate growth.

As of March 28, 2014, the Company has incurred total pretax expenses of $850 million related to our productivity and reinvestment program since the plan commenced. These expenses were recorded in the line item other operating charges in our condensed consolidated statements of income. Refer to Note 15 for the impact these charges had on our operating segments. Outside services reported in the table below primarily relate to expenses in connection with legal, outplacement and consulting activities. Other direct costs reported in the table below include, among other items, internal and external costs associated with the development, communication, administration and implementation of these initiatives; accelerated depreciation on certain fixed assets; losses on disposal of certain assets; contract termination fees; and relocation costs.

The following table summarizes the balance of accrued expenses related to these productivity and reinvestment initiatives and the changes in the accrued amounts as of and for the three months ended March 28, 2014 (in millions):

	Accrued Balance December 31, 2013	Costs Incurred Three Months Ended March 28, 2014	Payments	Noncash and Exchange	Accrued Balance March 28, 2014
Severance pay and benefits	$88	$6	$(27)	$1	$68
Outside services	6	9	(9)	—	6
Other direct costs	18	71	(56)	(17)	16
Total	$112	$86	$(92)	$(16)	$90

Integration of Our German Bottling and Distribution Operations

In 2008, the Company began an integration initiative related to the 18 German bottling and distribution operations acquired in 2007. The Company incurred expenses of $42 million related to this initiative during the three months ended March 28, 2014, and has incurred total pretax expenses of $669 million related to this initiative since it commenced. These charges were recorded in the line item other operating charges in our condensed consolidated statements of income and impacted the Bottling Investments operating segment. The expenses recorded in connection with these integration activities have been primarily due to involuntary terminations. The Company had $124 million and $127 million accrued related to these integration costs as of March 28, 2014, and December 31, 2013, respectively.

The Company announced further plans in April 2014 which will result in future charges of approximately $50 million. We are currently reviewing additional restructuring opportunities within the German bottling and distribution operations, including integration costs related to information technology and other initiatives. If implemented, these initiatives will result in additional charges in future periods. However, as of March 28, 2014, the Company has not

finalized any additional plans.

NOTE 12: PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

Net periodic benefit cost for our pension and other postretirement benefit plans consisted of the following (in millions):

	Pension Benefits		Other Benefits	
	Three Months Ended			
	March 28, 2014	March 29, 2013	March 28, 2014	March 29, 2013
Service cost	$67	$69	$6	$9
Interest cost	101	94	11	11
Expected return on plan assets	(178)	(164)	(3)	(2)
Amortization of prior service cost (credit)	(1)	(1)	(4)	(3)
Amortization of net actuarial loss	18	50	1	3
Total cost (credit) recognized in statements of income	$7	$48	$11	$18

During the three months ended March 28, 2014, the Company contributed $157 million to our pension plans, and we anticipate making additional contributions of approximately $18 million to our pension plans during the remainder of 2014. The Company contributed $558 million to our pension plans during the three months ended March 29, 2013.

NOTE 13: INCOME TAXES

Our effective tax rate reflects the benefits of having significant operations outside the United States, which are generally taxed at rates lower than the U.S. statutory rate of 35 percent. As a result of employment actions and capital investments made by the Company, certain tax jurisdictions provide income tax incentive grants, including Brazil, Costa Rica, Singapore and Swaziland. The terms of these grants expire from 2015 to 2023. We expect each of these grants to be renewed indefinitely. In addition, our effective tax rate reflects the benefits of having significant earnings generated in investments accounted for under the equity method of accounting, which are generally taxed at rates lower than the U.S. statutory rate.

At the end of each interim period, we make our best estimate of the effective tax rate expected to be applicable for the full fiscal year. This estimate reflects, among other items, our best estimate of operating results and foreign currency exchange rates. Based on current tax laws, the Company's estimated effective tax rate for 2014 is 23.0 percent. However, in arriving at this estimate we do not include the estimated impact of unusual and/or infrequent items, which may cause significant variations in the customary relationship between income tax expense and income before income taxes.

The Company recorded income tax expense of $579 million (26.2 percent effective tax rate) and $575 million (24.6 percent effective tax rate) during the three months ended March 28, 2014, and March 29, 2013, respectively. The following table illustrates the tax expense (benefit) associated with unusual and/or infrequent items for the interim periods presented (in millions):

	Three Months Ended	
	March 28, 2014	March 29, 2013
Productivity and reinvestment program	$(32) [1]	$(40) [1]
Other productivity, integration and restructuring initiatives	— [2]	— [2]
Certain tax matters	5 [3]	1 [3]
Other — net	5 [4]	4 [5]

[1] Related to charges of $86 million and $102 million during the three months ended March 28, 2014, and March 29, 2013, respectively. These charges were due to the Company's productivity and reinvestment program. Refer to Note 10 and Note 11.

[2] Related to net charges of $42 million and $21 million during the three months ended March 28, 2014, and March 29, 2013, respectively. These charges were due to the Company's other restructuring and integration initiatives that are outside the scope of the Company's productivity and reinvestment program. Refer to Note 10 and Note 11.

[3] Related to amounts required to be recorded for changes to our uncertain tax positions, including interest and penalties. The components of the net change in uncertain tax positions were individually insignificant.

[4] Related to charges of $253 million that primarily consisted of $247 million due to the devaluation of the Venezuelan bolivar and $6 million due to our proportionate share of unusual or infrequent items recorded by certain of our equity method investees. Refer to Note 1 and Note 10.

[5] Related to charges of $176 million that primarily consisted of $149 million due to the devaluation of the Venezuelan bolivar and $30 million due to our proportionate share of unusual or infrequent items recorded by certain of our equity method investees. Refer to Note 1 and Note 10.

NOTE 14: FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Observable inputs other than quoted prices included in Level 1. We value assets and liabilities included in this level using dealer and broker quotations, certain pricing models, bid prices, quoted prices for similar assets and liabilities in active markets, or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Recurring Fair Value Measurements

In accordance with accounting principles generally accepted in the United States, certain assets and liabilities are required to be recorded at fair value on a recurring basis. For our Company, the only assets and liabilities that are adjusted to fair value on a recurring basis are investments in equity and debt securities classified as trading or available-for-sale and derivative financial instruments. Additionally, the Company adjusts the fair value of long-term debt as a result of the Company's fair value hedging strategy.

Investments in Trading and Available-for-Sale Securities

The fair values of our investments in trading and available-for-sale securities using quoted market prices from daily exchange traded markets are based on the closing price as of the balance sheet date and are classified as Level 1. The fair values of our investments in trading and available-for-sale securities classified as Level 2 are priced using quoted market prices for similar instruments or nonbinding market prices that are corroborated by observable market data. Inputs into these valuation techniques include actual trade data, benchmark yields, broker/dealer quotes, and other similar data. These inputs are obtained from quoted market prices, independent pricing vendors or other sources.

Derivative Financial Instruments

The fair values of our futures contracts are primarily determined using quoted contract prices on futures exchange markets. The fair values of these instruments are based on the closing contract price as of the balance sheet date and are classified as Level 1.

The fair values of our derivative instruments other than exchange-traded contracts are determined using standard valuation models. The significant inputs used in these models are readily available in public markets or can be derived from observable market transactions and therefore have been classified as Level 2. Inputs used in these standard valuation models for derivative instruments other than futures include the applicable exchange rates, forward rates, interest rates and discount rates. The standard valuation model for options also uses implied volatility as an additional input. The discount rates are based on the historical U.S. Deposit or U.S. Treasury rates, and the implied volatility specific to options is based on quoted rates from financial institutions.

Included in the fair value of derivative instruments is an adjustment for nonperformance risk. The adjustment is based on the current one-year credit default swap ("CDS") rate applied to each contract, by counterparty. We use our counterparty's CDS rate when we are in an asset position and our own CDS rate when we are in a liability position. The adjustment for nonperformance risk did not have a significant impact on the estimated fair value of our derivative instruments.

The following table summarizes those assets and liabilities measured at fair value on a recurring basis as of March 28, 2014 (in millions):

	Level 1	Level 2	Level 3	Netting Adjustment[1]	Fair Value Measurements
Assets					
Trading securities[2]	$206	$167	$4	$—	$ 377
Available-for-sale securities[2]	3,228	3,298	113 [3]	—	6,639
Derivatives[4]	26	684	—	(190)	520 [5]
Total assets	$3,460	$4,149	$117	$(190)	$ 7,536
Liabilities					
Derivatives[4]	$1	$249	$—	$(190)	$ 60 [5]
Total liabilities	$1	$249	$—	$(190)	$ 60

[1] Amounts represent the impact of legally enforceable master netting agreements that allow the Company to settle positive and negative positions and also cash collateral held or placed with the same counterparties. There are no amounts subject to legally enforceable master netting agreements that management has chosen not to offset or that do not meet the offsetting requirements.

[2] Refer to Note 3 for additional information related to the composition of our trading securities and available-for-sale securities.

[3] Primarily related to long-term debt securities that mature in 2018.

[4] Refer to Note 5 for additional information related to the composition of our derivative portfolio.

[5] The Company's derivative financial instruments are recorded at fair value in our condensed consolidated balance sheet as follows: $520 million in the line item other assets; $4 million in the line item accounts payable and accrued expenses; and $56 million in the line item other liabilities. Refer to Note 5 for additional information related to the composition of our derivative portfolio.

The following table summarizes those assets and liabilities measured at fair value on a recurring basis as of December 31, 2013 (in millions):

	Level 1	Level 2	Level 3	Netting Adjustment[1]	Fair Value Measurements
Assets					
Trading securities[2]	$206	$163	$3	$—	$ 372
Available-for-sale securities[2]	1,453	3,281	108 [3]	—	4,842
Derivatives[4]	17	822	—	(150)	689 [5]
Total assets	$1,676	$4,266	$111	$(150)	$ 5,903
Liabilities					
Derivatives[4]	$10	$165	$—	$(151)	$ 24 [5]
Total liabilities	$10	$165	$—	$(151)	$ 24

[1] Amounts represent the impact of legally enforceable master netting agreements that allow the Company to settle positive and negative positions and also cash collateral held or placed with the same counterparties. There are no amounts subject to legally enforceable master netting agreements that management has chosen not to offset or that do not meet the offsetting requirements.

[2] Refer to Note 3 for additional information related to the composition of our trading securities and available-for-sale securities.

[3] Primarily related to long-term debt securities that mature in 2018.

[4] Refer to Note 5 for additional information related to the composition of our derivative portfolio.

[5] The Company's derivative financial instruments are recorded at fair value in our condensed consolidated balance sheet as follows: $129 million in the line item prepaid expenses and other assets; $560 million in the line item other assets; $12 million in the line item accounts payable and accrued expenses; and $12 million in the line item other liabilities. Refer to Note 5 for additional information related to the composition of our derivative portfolio.

Gross realized and unrealized gains and losses on Level 3 assets and liabilities were not significant for the three months ended March 28, 2014, and March 29, 2013.
The Company recognizes transfers between levels within the hierarchy as of the beginning of the reporting period. Gross transfers between levels within the hierarchy were not significant for the three months ended March 28, 2014, and March 29, 2013.

Nonrecurring Fair Value Measurements

In addition to assets and liabilities that are recorded at fair value on a recurring basis, the Company records assets and liabilities at fair value on a nonrecurring basis as required by accounting principles generally accepted in the United States. Generally, assets are recorded at fair value on a nonrecurring basis as a result of impairment charges.

The Company did not record any significant impairment charges related to assets measured at fair value on a nonrecurring basis during the three months ended March 28, 2014, and March 29, 2013.

Other Fair Value Disclosures

The carrying amounts of cash and cash equivalents; short-term investments; receivables; accounts payable and accrued expenses; and loans and notes payable approximate their fair values because of the relatively short-term maturities of these instruments.

The fair value of our long-term debt is estimated using Level 2 inputs based on quoted prices for those or similar instruments. As of March 28, 2014, the carrying amount and fair value of our long-term debt, including the current portion, were $20,191 million and $20,547 million, respectively. As of December 31, 2013, the carrying amount and fair value of our long-term debt, including the current portion, were $20,178 million and $20,352 million, respectively.

NOTE 15: OPERATING SEGMENTS

Effective January 1, 2014, the Company changed the name of the Pacific segment to Asia Pacific. This change did not impact the results of the segments, but the name of the segment has been updated in all information presented herein.

Information about our Company's operations as of and for the three months ended March 28, 2014, and March 29, 2013, by operating segment, is as follows (in millions):

	Eurasia & Africa	Europe	Latin America	North America	Asia Pacific	Bottling Investments	Corporate	Eliminations	Consolidated
2014									
Net operating revenues:									
Third party	$658	$1,134	$1,094	$4,790	$1,210	$ 1,657	$33	$ —	$ 10,576
Intersegment	—	159	17	3	105	16	—	(300)	—
Total net revenues	658	1,293	1,111	4,793	1,315	1,673	33	(300)	10,576
Operating income (loss)	303	719	668	428	557	(26)	(273)	—	2,376
Income (loss) before income taxes	308	731	667	425	560	22	(508)	—	2,205
Identifiable operating assets	1,333	3,868	2,809	34,255	1,996	7,156	26,745	—	78,162
Noncurrent investments	1,145	109	602	50	145	9,183	1,893	—	13,127
2013									
Net operating revenues:									
Third party	$669	$1,020	$1,157	$4,883	$1,244	$ 2,018	$44	$ —	$ 11,035
Intersegment	—	157	71	4	146	20	—	(398)	—
Total net revenues	669	1,177	1,228	4,887	1,390	2,038	44	(398)	11,035
Operating income (loss)	282	683	763	341	602	39	(302)	—	2,408
Income (loss) before income taxes	289	694	764	342	604	109	(458)	—	2,344
Identifiable operating assets	1,366	3,160	2,734	34,591	2,193	8,224	25,105	—	77,373
Noncurrent investments	1,172	278	567	38	128	8,828	66	—	11,077
As of December 31, 2013									
Identifiable operating assets	$1,273	$3,713	$2,918	$33,964	$1,922	$ 7,011	$27,742	$ —	$ 78,543
Noncurrent investments	1,157	106	545	49	143	9,424	88	—	11,512

During the three months ended March 28, 2014, the results of our operating segments were impacted by the following items:

- Operating income (loss) and income (loss) before income taxes were reduced by $75 million for North America, $7 million for Asia Pacific, $42 million for Bottling Investments and $4 million for Corporate due to the Company's

productivity and reinvestment program as well as other restructuring initiatives. Refer to Note 10 and Note 11 for additional information on each of the Company's productivity, restructuring and integration initiatives.

- Income (loss) before income taxes was reduced by $21 million for Bottling Investments and $226 million for Corporate due to the devaluation of the Venezuelan bolivar, including our proportionate share of the charge incurred by an equity method investee that has operations in Venezuela. Refer to Note 1 and Note 10.
- Income (loss) before income taxes was reduced by $6 million for Bottling Investments due to the Company's proportionate share of unusual or infrequent items recorded by certain of our equity method investees. Refer to Note 10.

During the three months ended March 29, 2013, the results of our operating segments were impacted by the following items:

- Operating income (loss) and income (loss) before income taxes were reduced by $2 million for Eurasia and Africa, $82 million for North America, $8 million for Asia Pacific, $21 million for Bottling Investments and $10 million for Corporate due to the Company's productivity and reinvestment program as well as other restructuring initiatives. Refer to Note 10 and Note 11.
- Income (loss) before income taxes was reduced by $9 million for Bottling Investments and $140 million for Corporate due to the devaluation of the Venezuelan bolivar, including our proportionate share of the charge incurred by an equity method investee that has operations in Venezuela. Refer to Note 1 and Note 10.
- Income (loss) before income taxes was reduced by $30 million for Bottling Investments due to the Company's proportionate share of unusual or infrequent items recorded by certain of our equity method investees. Refer to Note 10.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

When used in this report, the terms "The Coca-Cola Company," "Company," "we," "us" or "our" mean The Coca-Cola Company and all entities included in our condensed consolidated financial statements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Recoverability of Current and Noncurrent Assets

Our Company faces many uncertainties and risks related to various economic, political and regulatory environments in the countries in which we operate, particularly in developing and emerging markets. Refer to the heading "Item 1A. Risk Factors" in Part I and "Our Business — Challenges and Risks" in Part II of our Annual Report on Form 10-K for the year ended December 31, 2013. As a result, management must make numerous assumptions that involve a significant amount of judgment when performing recoverability and impairment tests of noncurrent assets in various regions around the world.

We perform recoverability and impairment tests of noncurrent assets in accordance with accounting principles generally accepted in the United States. For certain assets, recoverability and/or impairment tests are required only when conditions exist that indicate the carrying value may not be recoverable. For other assets, impairment tests are required at least annually, or more frequently if events or circumstances indicate that an asset may be impaired.

Our equity method investees also perform such recoverability and/or impairment tests. If an impairment charge is recorded by one of our equity method investees, the Company records its proportionate share of the charge as a reduction of equity income (loss) — net in our condensed consolidated statement of income. However, the actual amount we record with respect to our proportionate share of such charges may be impacted by items such as basis differences, deferred taxes and deferred gains.

Investments in Equity and Debt Securities

Investments classified as trading securities are not assessed for impairment since they are carried at fair value with the change in fair value included in net income. We review our investments in equity and debt securities that are accounted for using the equity method or cost method or that are classified as available-for-sale or held-to-maturity each reporting period to determine whether a significant event or change in circumstances has occurred that may have an adverse effect on the fair value of each investment. When such events or changes occur, we evaluate the fair value compared to our cost basis in the investment. We also perform this evaluation every reporting period for each investment for which our cost basis has exceeded the fair value in the prior period. The fair values of most of our Company's investments in publicly traded companies are often readily available based on quoted market prices. For investments in non-publicly traded companies, management's assessment of fair value is based on valuation methodologies including discounted cash flows, estimates of sales proceeds, and appraisals, as appropriate. We consider the assumptions that we believe hypothetical marketplace participants would use in evaluating estimated future cash flows when employing the discounted cash flow or estimates of sales proceeds valuation methodologies. The ability to accurately predict future cash flows, especially in developing and emerging markets, may impact the determination of fair value.

In the event the fair value of an investment declines below our cost basis, management is required to determine if the decline in fair value is other than temporary. If management determines the decline is other than temporary, an

impairment charge is recorded. Management's assessment as to the nature of a decline in fair value is based on, among other things, the length of time and the extent to which the market value has been less than our cost basis; the financial condition and near-term prospects of the issuer; and our intent and ability to retain the investment for a period of time sufficient to allow for any anticipated recovery in market value.

The following table presents the difference between calculated fair values, based on quoted closing prices of publicly traded shares, and our Company's cost basis in publicly traded bottlers accounted for as equity method investments (in millions):

March 28, 2014	Fair Value	Carrying Value	Difference
Coca-Cola FEMSA, S.A.B. de C.V.	$6,025	$2,223	$3,802
Coca-Cola Amatil Limited	2,220	793	1,427
Coca-Cola HBC AG	2,133	1,472	661
Coca-Cola İçecek A.Ş.	1,154	203	951
Coca-Cola East Japan Bottling Company, Ltd.	987	504	483
Embotelladora Andina S.A.	453	342	111
Coca-Cola Bottling Co. Consolidated	212	85	127
Total	$13,184	$5,622	$7,562

As of March 28, 2014, gross unrealized gains and losses on available-for-sale securities were $875 million and $39 million, respectively. Management assessed each investment with unrealized losses to determine if the decline in fair value was other than temporary. Based on these assessments, the Company did not record any significant impairment charges related to available-for-sale securities during the three months ended March 28, 2014, and March 29, 2013. We will continue to monitor these investments in future periods. Refer to Note 3 of Notes to Condensed Consolidated Financial Statements.

Goodwill, Trademarks and Other Intangible Assets

Intangible assets are classified into one of three categories: (1) intangible assets with definite lives subject to amortization; (2) intangible assets with indefinite lives not subject to amortization; and (3) goodwill. For intangible assets with definite lives, tests for impairment must be performed if conditions exist that indicate the carrying value may not be recoverable. For intangible assets with indefinite lives and goodwill, tests for impairment must be performed at least annually, or more frequently if events or circumstances indicate that an asset might be impaired. Management's assessments of the recoverability and impairment tests of intangible assets involve critical accounting estimates. These estimates require significant management judgment, include inherent uncertainties and are often interdependent; therefore, they do not change in isolation. Factors that management must estimate include, among others, the economic life of the asset, sales volume, pricing, cost of raw materials, delivery costs, inflation, cost of capital, marketing spending, foreign currency exchange rates, tax rates, capital spending and proceeds from the sale of assets. These factors are even more difficult to predict when global financial markets are highly volatile. The estimates we use when assessing the recoverability of definite-lived intangible assets are consistent with those we use in our internal planning. When performing impairment tests of indefinite-lived intangible assets, we estimate the fair values of the assets using management's best assumptions, which we believe would be consistent with what a hypothetical marketplace participant would use. Estimates and assumptions used in these tests are evaluated and updated as appropriate. The variability of these factors depends on a number of conditions, including uncertainty about future events, and thus our accounting estimates may change from period to period. If other assumptions and estimates had been used when these tests were performed, impairment charges could have resulted. As mentioned above, these factors do not change in isolation and, therefore, we do not believe it is practicable or meaningful to present the impact of changing a single factor. Furthermore, if management uses different assumptions or if different conditions occur in future periods, future impairment charges could result. Refer to the heading "Operations Review" below for additional information related to our present business environment. Certain factors discussed above are impacted by our current business environment and are discussed throughout this report, as appropriate.

Intangible assets acquired in recent transactions are naturally more susceptible to impairment, primarily due to the fact that they are recorded at fair value based on recent operating plans and macroeconomic conditions present at the time of acquisition. Consequently, if operating results and/or macroeconomic conditions deteriorate shortly after an acquisition, this could result in the impairment of the acquired assets. A deterioration of macroeconomic conditions may not only negatively impact the estimated operating cash flows used in our cash flow models, but it may also negatively impact other assumptions used in our analyses, including, but not limited to, the estimated cost of capital

and/or discount rates. Additionally, as discussed above, in accordance with accounting principles generally accepted in the United States, we are required to ensure that assumptions used to determine fair value in our analyses are consistent with the assumptions a hypothetical marketplace participant would use. As a result, the cost of capital and/or discount rates used in our analyses may increase or decrease based on market conditions and trends, regardless of whether our Company's actual cost of capital has changed. Therefore, if the cost of capital and/or discount rates change, our Company may recognize an impairment of an intangible asset or assets in spite of realizing actual cash flows that are approximately equal to, or greater than, our previously forecasted amounts. The Company did not record any significant impairment charges related to intangible assets during the three months ended March 28, 2014, and March 29, 2013.

We perform impairment tests of goodwill at our reporting unit level, which is one level below our operating segments. Our operating segments are primarily based on geographic responsibility, which is consistent with the way management runs our business. Our operating segments are subdivided into smaller geographic regions or territories that we sometimes refer to as "business units." These business units are also our reporting units. The Bottling Investments operating segment includes all Company-owned or consolidated bottling operations, regardless of geographic location, except for bottling operations managed by Coca-Cola Refreshments ("CCR"), which are included in our North America operating segment. Generally, each Company-owned or consolidated bottling operation within our Bottling Investments operating segment is its own reporting unit. Goodwill is assigned to the reporting unit or units that benefit from the synergies arising from each business combination.

The goodwill impairment test consists of a two-step process, if necessary. The first step is to compare the fair value of a reporting unit to its carrying value, including goodwill. We typically use discounted cash flow models to determine the fair value of a reporting unit. The assumptions used in these models are consistent with those we believe hypothetical marketplace participants would use. If the fair value of the reporting unit is less than its carrying value, the second step of the impairment test must be performed in order to determine the amount of impairment loss, if any. The second step compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds its implied fair value, an impairment charge is recognized in an amount equal to that excess. The loss recognized cannot exceed the carrying amount of goodwill.

As of March 28, 2014, we did not have any reporting unit with a material amount of goodwill for which it is reasonably likely that it will fail step one of a goodwill impairment test in the near term. However, if macroeconomic conditions worsen, it is possible that we may experience significant impairments of some of our intangible assets, which would require us to recognize impairment charges. On June 7, 2007, our Company acquired Energy Brands Inc., also known as glacéau, for approximately $4.1 billion. The Company allocated $3.3 billion of the purchase price to various trademarks acquired in this business combination. While the combined fair value of the various trademarks acquired in this transaction significantly exceeds their combined carrying values as of March 28, 2014, the fair value of one trademark within the portfolio only slightly exceeds its carrying value. If the future operating results of this trademark do not achieve the current near-term financial projections or if macroeconomic conditions change causing the cost of capital and/or discount rate to increase without an offsetting increase in the operating results, it is likely that we would be required to recognize an impairment charge related to this trademark. Management will continue to monitor the fair value of our intangible assets in future periods.

OPERATIONS REVIEW

Sales of our nonalcoholic ready-to-drink beverages are somewhat seasonal, with the second and third calendar quarters accounting for the highest sales volumes. The volume of sales in the beverage business may be affected by weather conditions.

Our organizational structure as of March 28, 2014, consisted of the following operating segments, the first six of which are sometimes referred to as "operating groups" or "groups": Eurasia and Africa; Europe; Latin America; North America; Asia Pacific; Bottling Investments; and Corporate. Effective January 1, 2014, the Company changed the name of our Pacific operating segment to Asia Pacific. Accordingly, all references to the operating segment, including the prior period segment information, has been adjusted to reflect this change. For further information regarding our operating segments, refer to Note 15 of Notes to Condensed Consolidated Financial Statements.

Structural Changes, Acquired Brands and New License Agreements

In order to continually improve upon the Company's operating performance, from time to time we engage in buying and selling ownership interests in bottling partners and other manufacturing operations. In addition, we also acquire brands or enter into license agreements for certain brands to supplement our beverage offerings. These items impact our operating results and certain key metrics used by management in assessing the Company's performance.

Unit case volume growth is a key metric used by management to evaluate the Company's performance because it measures demand for our products at the consumer level. The Company's unit case volume represents the number of unit cases (or unit case equivalents) of Company beverage products directly or indirectly sold by the Company and its bottling partners to customers and, therefore, reflects unit case volume for both consolidated and unconsolidated bottlers. Refer to the heading "Beverage Volume" below.

Concentrate sales volume represents the amount of concentrates and syrups (in all cases expressed in equivalent unit cases) sold by, or used in finished products sold by, the Company to its bottling partners or other customers. Refer to the heading "Beverage Volume" below.

Our Bottling Investments operating segment and our other finished product operations, including our finished product operations in our North America operating segment, typically generate net operating revenues by selling sparkling beverages and a variety of still beverages, such as juices and juice drinks, energy and sports drinks, ready-to-drink teas and coffees, and

certain water products, to retailers or to distributors, wholesalers and bottling partners who distribute them to retailers. In addition, in the United States, we manufacture fountain syrups and sell them to fountain retailers such as restaurants and convenience stores who use the fountain syrups to produce beverages for immediate consumption, or to authorized fountain wholesalers or bottling partners who resell the fountain syrups to fountain retailers. For these consolidated finished product operations, we recognize the associated concentrate sales volume at the time the unit case or unit case equivalent is sold to the customer. Our concentrate operations typically generate net operating revenues by selling concentrates and syrups to authorized bottling and canning operations. For these concentrate operations, we recognize concentrate revenue and concentrate sales volume when we sell concentrate to the authorized unconsolidated bottling and canning operations, and we typically report unit case volume when finished products manufactured from the concentrates and syrups are sold to the customer. When we analyze our net operating revenues we generally consider the following four factors: (1) volume growth (unit case volume or concentrate sales volume, as appropriate), (2) structural changes, (3) changes in price, product and geographic mix and (4) foreign currency fluctuations. Refer to the heading "Net Operating Revenues" below.

"Structural changes" generally refers to acquisitions or dispositions of bottling, distribution or canning operations and consolidation or deconsolidation of bottling and distribution entities for accounting purposes. Typically, structural changes do not impact the Company's unit case volume on a consolidated basis or at the geographic operating segment level. We recognize unit case volume for all sales of Company beverage products regardless of our ownership interest in the bottling partner, if any. However, the unit case volume reported by our Bottling Investments operating segment is generally impacted by structural changes because it only includes the unit case volume of our consolidated bottling operations.

In 2013, the Company sold a majority interest in our previously consolidated bottling operations in the Philippines ("Philippine bottling operations"), deconsolidated our bottling operations in Brazil ("Brazilian bottling operations") as a result of their combination with an independent bottling partner and acquired bottling operations in Myanmar. Accordingly, the impact to net operating revenues related to these items has been included as a structural change in our analysis of changes to net operating revenues. Refer to the heading "Net Operating Revenues" below.

The Company sells concentrates and syrups to both consolidated and unconsolidated bottling partners. The ownership structure of our bottling partners impacts the timing of recognizing concentrate revenue and concentrate sales volume. When we sell concentrates or syrups to our consolidated bottling partners, we are not able to recognize the concentrate revenue or concentrate sales volume until the bottling partner has sold finished products manufactured from the concentrates or syrups to a third party or independent customer. When we sell concentrates or syrups to our unconsolidated bottling partners, we recognize the concentrate revenue and concentrate sales volume when the concentrates or syrups are sold to the bottling partner. The subsequent sale of the finished products manufactured from the concentrates or syrups to a customer does not impact the timing of recognizing the concentrate revenue or concentrate sales volume. When we account for an unconsolidated bottling partner as an equity method investment, we eliminate the intercompany profit related to these transactions until the equity method investee has sold finished products manufactured from the concentrates or syrups to a third party or independent customer.

"Acquired brands" refers to brands acquired during the past 12 months. Typically, the Company has not reported unit case volume or recognized concentrate sales volume related to acquired brands in periods prior to the closing of a transaction. Therefore, the unit case volume and concentrate sales volume from the sale of these brands is incremental to prior year volume. We do not generally consider acquired brands to be structural changes.

"License agreements" refers to brands not owned by the Company but for which we hold certain rights, generally including, but not limited to, distribution rights, and from which we derive an economic benefit when these brands are ultimately sold. Typically, the Company has not reported unit case volume or recognized concentrate sales volume related to these brands in periods prior to the beginning of the term of a license agreement. Therefore, the unit case volume and concentrate sales volume from the sale of these brands is incremental to prior year volume. We do not generally consider new license agreements to be structural changes.

Beverage Volume

We measure the volume of Company beverage products sold in two ways: (1) unit cases of finished products and (2) concentrate sales. As used in this report, "unit case" means a unit of measurement equal to 192 U.S. fluid ounces of finished beverage (24 eight-ounce servings); and "unit case volume" means the number of unit cases (or unit case equivalents) of Company beverage products directly or indirectly sold by the Company and its bottling partners to customers. Unit case volume primarily consists of beverage products bearing Company trademarks. Also included in unit case volume are certain products licensed to, or distributed by, our Company, and brands owned by Coca-Cola system bottlers for which our Company provides marketing support and from the sale of which we derive economic benefit. In addition, unit case volume includes sales by joint ventures in which the Company has an equity interest. We believe unit case volume is one of the measures of the underlying strength of the Coca-Cola system because it measures trends at the consumer level. The unit case volume numbers used in this report are derived based on estimates received by the Company from its bottling partners and distributors. Concentrate sales volume represents the amount of concentrates, syrups, beverage bases and powders (in all cases expressed in equivalent unit cases) sold by, or used in finished beverages sold by, the Company to its bottling partners or other customers. Unit case volume and concentrate sales volume growth rates are not necessarily equal during any given period. Factors such as seasonality, bottlers' inventory practices, the number of selling days in a reporting period, supply point changes, timing of price increases, new product introductions and changes in product mix can impact unit case volume and concentrate sales volume and can create differences between unit case volume and concentrate sales volume growth rates. In addition to the items mentioned above, the impact of unit case volume from certain joint ventures in which the Company has an equity interest, but to which the Company does not sell concentrates or syrups, may give rise to differences between unit case volume and concentrate sales volume growth rates.

Information about our volume growth worldwide and by operating segment for the three months ended March 28, 2014, is as follows:

	Percent Change 2014 versus 2013			
	Unit Cases[1,2,3]		Concentrate Sales[4]	
Worldwide	2	%	2	%[5]
Eurasia & Africa	2	%	1	%
Europe	(4	)	(2	)
Latin America	1		(4	)
North America	—		(1	)
Asia Pacific	7		9	[5]
Bottling Investments	(10	)	N/A	

[1] Bottling Investments operating segment data reflects unit case volume growth for consolidated bottlers only.

[2] Geographic segment data reflects unit case volume growth for all bottlers in the applicable geographic areas, both consolidated and unconsolidated.

[3] Unit case volume percent change is based on average daily sales. Unit case volume growth based on average daily sales is computed by comparing the average daily sales in each of the corresponding periods. Average daily sales are the unit cases sold during the period divided by the number of days in the period.

[4] Concentrate sales volume represents the actual amount of concentrates, syrups, beverage bases and powders sold by, or used in finished beverages sold by, the Company to its bottling partners or other customers and is not based on average daily sales. Each of our interim reporting periods, other than the fourth interim reporting period, ends on the Friday closest to the last day of the corresponding quarterly calendar period. As a result, the first quarter of 2014 had one less day when compared to the first quarter of 2013, and the fourth quarter of 2014 will have one additional day when compared to the fourth quarter of 2013.

[5] After considering the impact of structural changes, worldwide concentrate sales volume was even and Asia Pacific concentrate sales volume grew 8 percent.

Unit Case Volume

Although a significant portion of our Company's revenues is not based directly on unit case volume, we believe unit case volume is a measure of the underlying strength of the Coca-Cola system because it measures trends at the consumer level.

Three Months Ended March 28, 2014, versus Three Months Ended March 29, 2013

In Eurasia and Africa, unit case volume increased 2 percent, which consisted of 1 percent growth in sparkling beverages and 7 percent growth in still beverages. Growth in still beverages was led by our performance in juice and juice drinks, teas and packaged water. Russia reported unit case volume growth of 6 percent, including growth of 9 percent in brand Coca-Cola. Eurasia and Africa also benefited from unit case volume growth of 5 percent in the group's Middle East and North Africa

business unit and growth of 3 percent in the Central, East and West Africa business unit. This growth in these business units was partially offset by a decline in unit cases of 4 percent in the Southern Africa business unit, resulting from increased competition and poor weather including flooding in parts of South Africa.

Unit case volume in Europe declined 4 percent. The group's unit case volume in sparkling beverages declined 5 percent, partially offset by unit case volume growth in still beverages of 1 percent. The underlying macroeconomic environment in Europe continued to be volatile during the period reflecting ongoing weakness in consumer confidence and spending in several key markets. In addition, the results were impacted by the shift in timing of Easter holiday sales which negatively impacted the first quarter of 2014. The group's Central and Southern Europe business unit reported a volume decline of 6 percent and the Iberia business unit reported a decline of 4 percent. The Northwest Europe and Nordics business unit had a decline of 4 percent, which reflected the impact of a competitive pricing environment. The group continues to manage through difficult macroeconomic conditions with ongoing brand-building programs and an occasion, brand, price, package and channel segmentation strategy.

In Latin America, unit case volume growth was 1 percent, which consisted of growth in still beverages of 9 percent partially offset by a decline in sparkling beverages of 1 percent. The group's still beverage growth reflected increases in the packaged water and juice and juice drinks categories. The group reported volume growth of 5 percent in the Latin Center business unit, which was primarily a result of 6 percent growth in brand Coca-Cola. Brazil reported volume growth of 4 percent reflecting positive results from our marketing campaigns centered around the Carnival holiday and the upcoming FIFA World Cup™ as well as favorable weather. These increases were offset by a low single-digit decline in unit case volume in Mexico. This decline was primarily due to the impact of a new excise tax that went into effect on January 1, 2014.

Unit case volume in North America was even. Sparkling beverage volume declined 1 percent during the period and still beverages grew 3 percent. Volume was impacted by the shift in timing of Easter holiday sales which negatively impacted the first quarter of 2014. North America's volume in sparkling beverages included growth of 3 percent and 1 percent in Trademark Fanta and Trademark Sprite, respectively, and brand Coca-Cola was even during the period. Growth in still beverages included strong performance in packaged water, sports drinks and teas. The growth in packaged water of 10 percent was primarily due to growth in Dasani. The increase in sports drinks reflected 9 percent growth in Trademark Powerade.

In Asia Pacific, unit case volume increased 7 percent. Sparkling beverages grew 3 percent, including 2 percent growth in brand Coca-Cola, 4 percent growth in Trademark Sprite and 2 percent growth in Trademark Fanta. Still beverages grew 13 percent during the period led by growth in packaged water of 24 percent. In addition, sports drinks, teas and juice and juice drinks grew 18 percent, 8 percent and 3 percent, respectively. India reported 6 percent unit case volume growth, including 5 percent growth in Trademark Sprite and growth in packaged water. Japan's unit case volume grew 3 percent, which reflected a 3 percent increase in sparkling beverages and a 4 percent increase in still beverages. China's unit case volume increased 12 percent during the period, reflecting 6 percent growth in sparkling beverages and 21 percent growth in still beverages. The growth in China's still beverages was driven by packaged water, reflecting the Company's focus on driving more profitable growth in the category through immediate consumption. The Asia Pacific group's volume results included a decline of 6 percent in Thailand as a result of current political unrest.

Unit case volume for Bottling Investments decreased 10 percent. This decrease primarily reflects the sale of a majority ownership interest in our previously consolidated bottling operations in the Philippines to Coca-Cola FEMSA, S.A.B. de C.V. ("Coca-Cola FEMSA") in January 2013 as well as the deconsolidation of our bottling operations in Brazil during July 2013. The unfavorable impact of these transactions on the group's unit case volume results was partially offset by growth in other key markets where we own or otherwise consolidate bottling operations. The Company's consolidated bottling operations accounted for 36 percent, 68 percent and 100 percent of the unit case volume in China, India and Germany, respectively, where unit case volume growth during the period was 12 percent, 6 percent and flat, respectively.

Concentrate Sales Volume

During the three months ended March 28, 2014, worldwide unit case volume grew 2 percent and concentrate sales volume grew 2 percent compared to the three months ended March 29, 2013. After considering the impact of

structural changes, concentrate sales volume was even during the three months ended March 28, 2014. The difference between the consolidated unit case volume and concentrate sales volume growth rates during the three months ended March 28, 2014, was primarily due to having one less selling day during the first quarter of 2014 when compared to the first quarter of 2013.
In addition, this difference reflects the timing of concentrate shipments in various markets, including Mexico, Russia, Spain and Uzbekistan, and the impact of unit case volume from certain joint ventures in which the Company has an equity interest but to which the Company does not sell concentrates, syrups, beverage bases or powders. Concentrate sales volume growth is calculated based on the actual amount of concentrate sold during the reporting period, which is impacted by the number of selling days. Conversely, unit case volume growth is calculated based on average daily sales, which is not impacted by the number of selling days in a reporting period.

Net Operating Revenues

Three Months Ended March 28, 2014, versus Three Months Ended March 29, 2013

The Company's net operating revenues decreased $459 million, or 4 percent. The following table illustrates, on a percentage basis, the estimated impact of key factors resulting in the increase (decrease) in net operating revenues by operating segment:

	Percent Change 2014 versus 2013				
	Volume[1]	Structural Changes	Price, Product & Geographic Mix	Currency Fluctuations	Total
Consolidated	—%	(2)%	2%	(4)%	(4)%
Eurasia & Africa	1%	—%	9%	(12)%	(2)%
Europe	(2)	—	10	2	10
Latin America	(4)	—	11	(17)	(10)
North America	(1)	—	—	(1)	(2)
Asia Pacific	8	—	(6)	(7)	(5)
Bottling Investments	4	(17)	(4)	(1)	(18)
Corporate	*	*	*	*	*

* Calculation is not meaningful.

[1] Represents the percent change in net operating revenues attributable to the increase (decrease) in concentrate sales volume for our geographic operating segments (expressed in equivalent unit cases) after considering the impact of structural changes. For our Bottling Investments operating segment, this represents the percent change in net operating revenues attributable to the increase (decrease) in unit case volume after considering the impact of structural changes. Our Bottling Investments operating segment data reflects unit case volume growth for consolidated bottlers only. Refer to the heading "Beverage Volume" above.

Refer to the heading "Beverage Volume" above for additional information related to changes in our unit case and concentrate sales volumes.

Refer to the heading "Structural Changes, Acquired Brands and New License Agreements" above for additional information related to the structural changes that impacted our Bottling Investments operating segment.

Price, product and geographic mix favorably impacted our consolidated net operating revenues by 2 percent. Price, product and geographic mix for our operating segments was impacted by a variety of factors and events including, but not limited to, the following:

- Eurasia and Africa was favorably impacted by price mix in the majority of our markets coupled with favorable geographic mix.
- Europe was favorably impacted as a result of consolidating the juice and smoothie business of Fresh Trading Ltd. ("innocent") in May 2013 as well as favorable pricing in a majority of our business units and positive geographic mix.
- Latin America was favorably impacted by price mix in all four of the segment's business units and the inflationary environments in several markets.
- Asia Pacific was unfavorably impacted by geographic mix as well as shifts in product and package mix within individual markets.

Fluctuations in foreign currency exchange rates decreased our consolidated net operating revenues by 4 percent. This unfavorable impact was primarily due to a stronger U.S. dollar compared to certain foreign currencies, including the South African rand, Mexican peso, Brazilian real, Australian dollar and Japanese yen, which had an unfavorable impact on our Eurasia and Africa, Latin America, Asia Pacific and Bottling Investments operating segments. The unfavorable impact of a stronger U.S. dollar compared to the currencies listed above was partially offset by the impact of a weaker U.S. dollar compared to certain other foreign currencies, including the euro and U.K. pound sterling, which had a favorable impact on our Europe and Bottling Investments operating segments. Refer to the heading "Liquidity, Capital Resources and Financial Position — Foreign Exchange" below.

Net operating revenue growth rates are impacted by sales volume; structural changes; price, product and geographic mix; and foreign currency fluctuations. The size and timing of future structural changes are not consistent from period to period. As a result, anticipating the impact of such events on future net operating revenues, and other financial statement line items, usually is not possible. However, we expect the structural changes discussed above to have an unfavorable 1 percent impact on our 2014 net operating revenues, with the full impact occurring in the first six months.

Gross Profit

As a result of our finished goods operations, which are primarily included in our North America and Bottling Investments operating segments, the following inputs represent a substantial portion of the company's total cost of goods sold: (1) sweeteners, (2) metals, (3) juices and (4) polyethylene terephthalate ("PET"). The Company enters into hedging activities related to certain commodities in order to mitigate a portion of the price risk associated with forecasted purchases. Many of the derivative financial instruments used by the Company to mitigate the risk associated with these commodity exposures, including any related foreign currency exposure, do not qualify for hedge accounting. As a result, the changes in fair value of these derivative instruments have been, and will continue to be, included as a component of net income in each reporting period. During the three months ended March 28, 2014, and March 29, 2013, the Company recorded gains of $22 million and losses of $71 million, respectively, in the line item cost of goods sold in our condensed consolidated statements of income. Refer to Note 5 of Notes to Condensed Consolidated Financial Statements.

Our gross profit margin increased to 61.4 percent during the three months ended March 28, 2014, compared to 60.8 percent during the three months ended March 29, 2013. This increase is partially due to the deconsolidation of our Philippine bottling operations in January 2013 and the deconsolidation of our Brazilian bottling operations in July 2013. Refer to the heading "Structural Changes, Acquired Brands and New License Agreements" above for additional information regarding the impact of the deconsolidation of our Philippine and Brazilian bottling operations.

Selling, General and Administrative Expenses

The following table sets forth the significant components of selling, general and administrative expenses (in millions):

	Three Months Ended	
	March 28, 2014	March 29, 2013
Stock-based compensation expense	$39	$47
Advertising expenses	707	780
Bottling and distribution expenses[1]	2,073	2,162
Other operating expenses	1,170	1,193
Total selling, general and administrative expenses	$3,989	$4,182

[1] Includes operating expenses as well as general and administrative expenses related to our Bottling Investments operating segment and our finished product operations in our North America operating segment.

During the three months ended March 28, 2014, selling, general and administrative expenses decreased $193 million versus the prior year comparable period. The decrease in advertising expenses during the three months ended March 28, 2014, was primarily due to a foreign currency exchange impact of 4 percent and the timing of certain marketing expenses primarily in the prior year. The decrease in bottling and distribution expenses during the three months ended March 28, 2014, reflects the impact of the Company's sale of a majority interest in our previously consolidated Philippine bottling operations in January 2013, the deconsolidation of our Brazilian bottling operations in July 2013 and the impact of having one less day in the first quarter of 2014 when compared to the first quarter of 2013. During the three months ended March 28, 2014, fluctuations in foreign currency exchange rates decreased total selling, general and administrative expenses by 2 percent.

During the three months ended March 28, 2014, the Company contributed $157 million to our pension plans, and we anticipate making additional contributions of approximately $18 million to our pension plans during the remainder of 2014. Our full year pension expense is currently expected to decrease by approximately $160 million compared to 2013. The anticipated decrease is primarily due to the favorable impact of an increase in the weighted-average discount rate used to calculate the Company's benefit obligation, pension contributions and favorable returns on plan assets in 2013. Refer to the heading "Liquidity, Capital Resources and Financial Position" below and Note 12 of Notes to Condensed Consolidated Financial Statements for information related to our pension contributions.

As of March 28, 2014, we had $686 million of total unrecognized compensation cost related to nonvested stock-based compensation arrangements granted under our plans, which we expect to recognize over a weighted-average period of 2.5 years. This expected cost does not include the impact of any future stock-based compensation awards.

Other Operating Charges

Other operating charges incurred by operating segment were as follows (in millions):

	Three Months Ended	
	March 28, 2014	March 29, 2013
Eurasia & Africa	$—	$2
Europe	—	—
Latin America	—	—
North America	75	79
Asia Pacific	7	8
Bottling Investments	42	21
Corporate	4	11
Total other operating charges	$128	$121

During the three months ended March 28, 2014, the Company incurred other operating charges of $128 million, which consisted of charges of $86 million due to the Company's productivity and reinvestment program and $42 million due to the Company's other restructuring and integration initiatives, including the integration of our German bottling and distribution operations. Refer to Note 11 of Notes to Condensed Consolidated Financial Statements and see below for additional information on our productivity, integration and restructuring initiatives. Refer to Note 15 of Notes to Condensed Consolidated Financial Statements for additional information related to the impact these charges had on our operating segments.

During the three months ended March 29, 2013, the Company incurred other operating charges of $121 million. These charges primarily consisted of $102 million due to the Company's productivity and reinvestment program and $21 million due to the Company's other restructuring and integration initiatives, including the integration of our German bottling and distribution operations. Refer to Note 11 of Notes to Condensed Consolidated Financial Statements and below for additional information on our productivity and reinvestment program as well as the Company's integration initiative in Germany. Refer to Note 15 of Notes to Condensed Consolidated Financial Statements for additional information related to the impact these charges had on our operating segments.

Productivity and Reinvestment Program

In February 2012, the Company announced a four-year productivity and reinvestment program. This program will further enable our efforts to strengthen our brands and reinvest our resources to drive long-term profitable growth. The first component of this program is a global productivity initiative that will target annualized savings of $350 million to $400 million. This initiative is focused on four primary areas: global supply chain optimization; global marketing and innovation effectiveness; operating expense leverage and operational excellence; and data and information technology systems standardization. The second component of our productivity and reinvestment program involves beginning a new integration initiative in North America related to our acquisition of Coca-Cola Enterprises Inc.'s ("CCE") former North America business. The Company has identified incremental synergies, primarily in the area of our North American product supply operations, which will enable us to better service our customers and consumers. We believe these efforts will create annualized savings of $200 million to $250 million.

As a combined productivity and reinvestment program, the Company anticipates generating annualized savings of $550 million to $650 million. The savings generated by this program will be reinvested in brand-building initiatives.

In February 2014, the Company announced the expansion of our productivity and reinvestment program to drive an incremental $1 billion in productivity by 2016 that will primarily be redirected into increased media investments. Our incremental productivity goal consists of two relatively equal components. First, expanded savings through global supply chain optimization data and information technology system standardization, and resource and cost reallocation. These savings will be reinvested in global brand-building initiatives, with an emphasis on increased media spending. Second, we will be increasing the effectiveness of our marketing investments by transforming our marketing and commercial model to redeploy resources into more consumer-facing marketing investments to accelerate growth.

During the three months ended March 28, 2014, the Company incurred expenses of $86 million related to our productivity and reinvestment program. We have incurred total pretax expenses of $850 million since the initiative

commenced in 2012. Refer to Note 11 of Notes to Condensed Consolidated Financial Statements for additional information.

Integration of Our German Bottling and Distribution Operations

The Company's integration initiatives include costs related to the integration of 18 German bottling and distribution operations acquired in 2007. The expenses recorded in connection with these integration activities have been primarily due to involuntary terminations. The Company began these integration initiatives in 2008 and has incurred total pretax expenses of $669 million related to this initiative since it commenced. The Company announced further plans in April 2014 which will result in future charges of approximately $50 million. We are currently reviewing additional restructuring opportunities within the German bottling and distribution operations, including integration costs related to information technology and other initiatives. If implemented, these initiatives will result in additional charges in future periods. However, as of March 28, 2014, the Company has not finalized any additional plans. Refer to Note 11 of Notes to Condensed Consolidated Financial Statements.

Operating Income and Operating Margin

Information about our operating income by operating segment on a percentage basis is as follows:

	Three Months Ended			
	March 28, 2014		March 29, 2013	
Eurasia & Africa	12.7	%	11.7	%
Europe	30.3		28.4	
Latin America	28.2		31.7	
North America	18.0		14.2	
Asia Pacific	23.4		25.0	
Bottling Investments	(1.1	)	1.6	
Corporate	(11.5	)	(12.6	)
Total	100.0	%	100.0	%

Information about our operating margin on a consolidated basis and by operating segment is as follows:

	Three Months Ended			
	March 28, 2014		March 29, 2013	
Consolidated	22.5	%	21.8	%
Eurasia & Africa	46.0	%	42.2	%
Europe	63.4		67.0	
Latin America	61.1		65.9	
North America	8.9		7.0	
Asia Pacific	46.0		48.4	
Bottling Investments	(1.6	)	1.9	
Corporate	*		*	

*Calculation is not meaningful.

Three Months Ended March 28, 2014, versus Three Months Ended March 29, 2013

During the three months ended March 28, 2014, foreign currency exchange rates unfavorably impacted consolidated operating income by 11 percent due to a stronger U.S. dollar compared to certain foreign currencies, including the South African rand, Mexican peso, Brazilian real, Australian dollar and Japanese yen, which had an unfavorable impact on our Eurasia and Africa, Latin America, Asia Pacific and Bottling Investments operating segments. The unfavorable impact of a stronger U.S. dollar compared to the currencies listed above was partially offset by the impact of a weaker U.S. dollar compared to certain other foreign currencies, including the euro and U.K. pound sterling, which had a favorable impact on our Europe and Bottling Investments operating segments. Refer to the heading "Liquidity, Capital Resources and Financial Position — Foreign Exchange" below.

Operating income for the three months ended March 28, 2014, was unfavorably impacted by one fewer selling day when compared to the first quarter of 2013. This impact was disproportionately more unfavorable for our finished goods businesses, particularly in our North America and Bottling Investments operating segments.

The Company's Eurasia and Africa segment reported operating income of $303 million and $282 million for the three months ended March 28, 2014, and March 29, 2013, respectively. The segment's 2014 operating income was unfavorably impacted by

fluctuations in foreign currency exchange of 16 percent. The unfavorable impact of the foreign currency was offset by favorable pricing across many of our markets.

Operating income for Europe for the three months ended March 28, 2014, and March 29, 2013, was $719 million and $683 million, respectively. In 2014, Europe was favorably impacted by foreign currency fluctuations of 1 percent.

Latin America reported operating income of $668 million and $763 million for the three months ended March 28, 2014, and March 29, 2013, respectively. Operating income in 2014 was unfavorably impacted by foreign currency exchange fluctuations of 21 percent, offset by favorable price mix in all of the segment's business units.

Operating income for North America for the three months ended March 28, 2014, and March 29, 2013, was $428 million and $341 million, respectively. Foreign currency fluctuations had a 1 percent unfavorable impact on North America's operating income in 2014. The operating segment was unfavorably impacted by one less selling day in 2014 as well as the shift in timing of Easter holiday sales which negatively impacted the first quarter of 2014. These unfavorable impacts were favorably offset by gains and losses on the Company's economic hedges in 2014 and a decrease in charges related to the Company's productivity and reinvestment programs of $7 million during the three months ended March 28, 2014, as compared to the three months ended March 29, 2013.

Asia Pacific's operating income for the three months ended March 28, 2014, and March 29, 2013, was $557 million and $602 million, respectively. Operating income for the segment was unfavorably impacted by foreign currency fluctuations of 9 percent as well as unfavorable shifts in geographic and product and channel mix in 2014.

Operating loss for our Bottling Investments segment for the three months ended March 28, 2014, was $26 million compared to operating income of $39 million for the three months ended March 29, 2013. Fluctuations in foreign currency impacted the segment's 2014 operating income by 1 percent, and the primary reason for the decrease in operating income was the deconsolidation of the Company's Philippine and Brazilian bottling operations in January and July of 2013, respectively.

The Corporate segment's operating loss for the three months ended March 28, 2014, and March 29, 2013, was $273 million and $302 million, respectively. Operating loss for the Corporate segment was favorably impacted by reduced pension and other postretirement benefit expenses, partially offset by unfavorable foreign currency exchange fluctuations of 4 percent.

Based on spot rates as of the beginning of April 2014 and our hedging coverage in place, the Company expects currencies, including the Venezuelan bolivar, to have a 7 percent unfavorable impact on both the second quarter and full year consolidated operating income. Additionally, in January 2014, in an effort to control inflation, pricing and product shortages, the Venezuelan government imposed a cap on profit margins earned by businesses in Venezuela. We are currently evaluating the impact the new law may have on our 2014 operating income.

Interest Income

During the three months ended March 28, 2014, interest income was $123 million, compared to $116 million during the three months ended March 29, 2013, an increase of $7 million. This increase primarily reflects higher cash balances and higher average interest rates in certain of our international locations, partially offset by the unfavorable impact of fluctuations in foreign currency exchange rates due to a stronger U.S. dollar against most major currencies.

Interest Expense

During the three months ended March 28, 2014, interest expense was $124 million, compared to $102 million during the three months ended March 29, 2013, an increase of $22 million. This increase primarily reflects the impact of additional long-term debt the Company issued during late 2013 and 2014 and interest rate swaps on our fixed-rate debt. Refer to Note 5 of Notes to Condensed Consolidated Financial Statements for information on the Company's hedging program. See below for additional information related to the Company's long-term debt.

Equity Income (Loss) — Net

Three Months Ended March 28, 2014, versus Three Months Ended March 29, 2013

Equity income (loss) — net represents the Company's proportionate share of net income or loss from each of our equity method investments. During the three months ended March 28, 2014, equity income was $71 million, compared to equity income of $87 million during the three months ended March 29, 2013, a decrease of $16 million. This decrease reflects, among other items, the unfavorable impact of the challenging economic conditions around the world where many of our equity method investees operate, the consolidation of innocent which had previously been accounted for

as an equity method investee and fluctuations in foreign currency exchange rates due to a stronger U.S. dollar against most major currencies. The unfavorable impact of these items was partially offset by the deconsolidation of the Company's Philippine and Brazilian bottling operations in January 2013 and July 2013, respectively, which resulted in the Company beginning to account for its investments in these

operations under the equity method of accounting. Refer to Note 2 of Notes to Condensed Consolidated Financial Statements for additional information on the Philippine and Brazilian bottling transactions.

The Company recorded net charges of $27 million and $39 million in the line item equity income (loss) — net during the three months ended March 28, 2014, and March 29, 2013, respectively. These amounts represent the Company's proportionate share of unusual or infrequent items recorded by certain of our equity method investees, including charges incurred by an equity method investee due to the devaluation of the Venezuelan bolivar. Refer to the heading "Liquidity, Capital Resources and Financial Position — Foreign Exchange" below for additional information on Venezuela's currency devaluation.

Other Income (Loss) — Net

Three Months Ended March 28, 2014, versus Three Months Ended March 29, 2013

Other income (loss) — net includes, among other things, the impact of foreign currency exchange gains and losses; dividend income; rental income; gains and losses related to the disposal of property, plant and equipment; realized and unrealized gains and losses on trading securities; realized gains and losses on available-for-sale securities; gains and losses related to the acquisition, disposal or merger of bottling companies and other investments; other-than-temporary impairments of available-for-sale securities; and the accretion of expense related to certain acquisitions. The foreign currency exchange gains and losses are primarily the result of the remeasurement of monetary assets and liabilities from certain currencies into functional currencies. The effects of the remeasurement of these assets and liabilities are partially offset by the impact of our economic hedging program for certain exposures on our consolidated balance sheets. Refer to Note 5 of Notes to Condensed Consolidated Financial Statements.

During the three months ended March 28, 2014, other income (loss) — net was a loss of $241 million. This loss was primarily due to net foreign exchange losses of $226 million as a result of the expansion of the Venezuelan government's currency conversion markets during the period. With the option to use the new conversion mechanism, the Company was required to reevaluate the exchange rate previously used for remeasurement and select the rate that best represents our economic circumstances and that the Company would have access to and intend to use for settling transactions. After completing this analysis, the Company remeasured the net assets related to its operations in Venezuela. None of the other items included in other income (loss) — net during the three months ended March 28, 2014, were individually significant. Refer to the heading "Liquidity, Capital Resources and Financial Position — Foreign Exchange" below and Note 10 of Notes to Condensed Consolidated Financial Statements for additional information on the remeasurement of the Venezuelan currency.

During the three months ended March 29, 2013, other income (loss) — net was a loss of $165 million. The loss was primarily due to net foreign currency exchange losses of $178 million, partially offset by net gains of $16 million related to trading securities and the sale of available-for-sale securities as well as dividend income of $4 million. The net foreign currency exchange losses were primarily due to a charge of $140 million due to the devaluation of the Venezuelan bolivar. Refer to the heading "Liquidity, Capital Resources and Financial Position — Foreign Exchange" below and Note 10 of Notes to Condensed Consolidated Financial Statements for additional information on Venezuela's currency devaluation.

Income Taxes

Our effective tax rate reflects the benefits of having significant operations outside the United States, which are generally taxed at rates lower than the U.S. statutory rate of 35 percent. As a result of employment actions and capital investments made by the Company, certain tax jurisdictions provide income tax incentive grants, including Brazil, Costa Rica, Singapore and Swaziland. The terms of these grants expire from 2015 to 2023. We expect each of these grants to be renewed indefinitely. In addition, our effective tax rate reflects the benefits of having significant earnings generated in investments accounted for under the equity method of accounting, which are generally taxed at rates lower than the U.S. statutory rate.

At the end of each interim period, we make our best estimate of the effective tax rate expected to be applicable for the full fiscal year. This estimate reflects, among other items, our best estimate of operating results and foreign currency exchange rates. Based on current tax laws, the Company's estimated effective tax rate for 2014 is 23.0 percent. However, in arriving at this estimate we do not include the estimated impact of unusual and/or infrequent items, which may cause significant variations in the customary relationship between income tax expense and income before income

taxes.

The Company recorded income tax expense of $579 million (26.2 percent effective tax rate) and $575 million (24.6 percent effective tax rate) during the three months ended March 28, 2014, and March 29, 2013, respectively. The following table illustrates the tax expense (benefit) associated with unusual and/or infrequent items for the interim periods presented (in millions):

	Three Months Ended	
	March 28, 2014	March 29, 2013
Productivity and reinvestment program	$(32) [1]	$(40) [1]
Other productivity, integration and restructuring initiatives	— [2]	— [2]
Certain tax matters	5 [3]	1 [3]
Other — net	5 [4]	4 [5]

[1] Related to charges of $86 million and $102 million during the three months ended March 28, 2014, and March 29, 2013, respectively. These charges were due to the Company's productivity and reinvestment program. Refer to Note 10 and Note 11 of Notes to Condensed Consolidated Financial Statements.

[2] Related to net charges of $42 million and $21 million during the three months ended March 28, 2014, and March 29, 2013, respectively. These charges were due to the Company's other restructuring and integration initiatives that are outside the scope of the Company's productivity and reinvestment program. Refer to Note 10 and Note 11 of Notes to Condensed Consolidated Financial Statements.

[3] Related to amounts required to be recorded for changes to our uncertain tax positions, including interest and penalties. The components of the net change in uncertain tax positions were individually insignificant.

[4] Related to charges of $253 million that primarily consisted of $247 million due to the devaluation of the Venezuelan bolivar and $6 million due to our proportionate share of unusual or infrequent items recorded by certain of our equity method investees. Refer to Note 1 and Note 10 of Notes to Condensed Consolidated Financial Statements.

[5] Related to charges of $176 million that primarily consisted of $149 million due to the devaluation of the Venezuelan bolivar and $30 million due to our proportionate share of unusual or infrequent items recorded by certain of our equity method investees. Refer to Note 1 and Note 10 of Notes to Condensed Consolidated Financial Statements.

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION

We believe our ability to generate cash from operating activities is one of our fundamental financial strengths. Refer to the heading "Cash Flows from Operating Activities" below. The near-term outlook for our business remains strong, and we expect to generate substantial cash flows from operations throughout the remainder of 2014. As a result of our expected cash flows from operations, we have significant flexibility to meet our financial commitments. The Company does not typically raise capital through the issuance of stock. Instead, we use debt financing to lower our overall cost of capital and increase our return on shareowners' equity. Refer to the heading "Cash Flows from Financing Activities" below. We have a history of borrowing funds domestically and continue to have the ability to borrow funds domestically at reasonable interest rates. Our debt financing includes the use of an extensive commercial paper program as part of our overall cash management strategy. The Company reviews its optimal mix of short-term and long-term debt regularly and may replace certain amounts of commercial paper, short-term debt and current maturities of long-term debt with new issuances of long-term debt in the future. In addition to the Company's cash balances, commercial paper program, and our ability to issue long-term debt, we also had $6,321 million in lines of credit available for general corporate purposes as of March 28, 2014. These backup lines of credit expire at various times between 2014 and 2019.

We have significant operations outside the United States. Unit case volume outside the United States represented 81 percent of the Company's worldwide unit case volume for the three months ended March 28, 2014. We earn a substantial amount of our consolidated operating income and income before income taxes in foreign subsidiaries that either sell concentrate to our local bottling partners or, in certain instances, sell finished products directly to our customers to fulfill the demand for Company beverage products outside the United States. A significant portion of these foreign earnings is considered to be indefinitely reinvested in foreign jurisdictions where the Company has made, and will continue to make, substantial investments to support the ongoing development and growth of our

international operations. Accordingly, no U.S. federal and state income taxes have been provided on the portion of our foreign earnings that is considered to be indefinitely reinvested in foreign jurisdictions. The Company's cash, cash equivalents, short-term investments and marketable securities held by our foreign subsidiaries totaled $14.1 billion as of March 28, 2014. With the exception of an insignificant amount, for which U.S. federal and state income taxes have already been provided, we do not intend, nor do we foresee a need, to repatriate these funds. Additionally, the absence of a government-approved market mechanism to convert local currency to U.S. dollars in Argentina and Venezuela restricts the Company's ability to pay dividends from these locations. The Company's subsidiaries in Argentina and Venezuela held $277 million and $182 million, respectively, of cash, cash equivalents, short-term investments and marketable securities as of March 28, 2014. See further discussion of the Venezuela markets in the "Foreign Exchange" section below.

Net operating revenues in the United States were $4.4 billion for the three months ended March 28, 2014, or 41 percent of the Company's consolidated net operating revenues. We expect existing domestic cash, cash equivalents, short-term investments, marketable securities, cash flows from operations and the issuance of domestic debt to continue to be sufficient to fund our domestic operating activities and cash commitments for investing and financing activities. In addition, we expect existing foreign cash, cash equivalents, short-term investments, marketable securities and cash flows from operations to continue to be sufficient to fund our foreign operating activities and cash commitments for investing activities.

In the future, should we require more capital to fund significant discretionary activities in the United States than is generated by our domestic operations and is available through the issuance of domestic debt, we could elect to repatriate future periods' earnings from foreign jurisdictions. This alternative could result in a higher effective tax rate in the future. While the likelihood is remote, the Company could also elect to repatriate earnings from foreign jurisdictions that have previously been considered to be indefinitely reinvested. Upon distribution of those earnings in the form of dividends or otherwise, the Company would be subject to additional U.S. income taxes (net of an adjustment for foreign tax credits) and withholding taxes payable to various foreign jurisdictions, where applicable. This alternative could also result in a higher effective tax rate in the period in which such a determination is made to repatriate prior periods' foreign earnings. Refer to Note 14 of Notes to Consolidated Financial Statements in the Company's 2013 Annual Report on Form 10-K for further information related to our income taxes and undistributed earnings of the Company's foreign subsidiaries.

Based on all of the aforementioned factors, the Company believes its current liquidity position is strong, and we will continue to meet all of our financial commitments for the foreseeable future.

Cash Flows from Operating Activities

Net cash provided by operating activities for the three months ended March 28, 2014, and March 29, 2013, was $1,066 million and $478 million, respectively, an increase of $588 million. This increase primarily reflects the incremental pension contributions that were made in the first quarter of 2013 and a reduction in the use of working capital during the three months ended March 28, 2014, partially offset by the unfavorable impact of foreign currency exchange in 2014.

Cash Flows from Investing Activities

Net cash used in investing activities for the three months ended March 28, 2014, and March 29, 2013, was $2,213 million and $1,218 million, respectively, an increase of $995 million.

Purchases of Investments and Proceeds from Disposals of Investments

During the three months ended March 28, 2014, purchases of investments were $4,369 million and proceeds from disposals of investments were $2,595 million, resulting in a net cash outflow of $1,774 million. During the three months ended March 29, 2013, purchases of investments were $3,506 million and proceeds from disposals of investments were $2,225 million, resulting in a net cash outflow of $1,281 million. The purchases during the three months ended March 28, 2014, include our investment in Green Mountain Coffee Roasters, Inc. ("GMCR"), now known as Keurig Green Mountain, Inc., partially offset by the net purchases and proceeds of our short-term investments that were made as part of the Company's overall cash management strategy. Refer to Note 2 of Notes to Condensed Consolidated Financial Statements for additional information on our investment in GMCR.

Acquisitions of Businesses, Equity Method Investments and Nonmarketable Securities

During the three months ended March 28, 2014, and March 29, 2013, the Company's acquisitions of businesses, equity method investments and nonmarketable securities totaled $85 million and $28 million, respectively, none of which were individually significant.

Proceeds from Disposals of Businesses, Equity Method Investments and Nonmarketable Securities

There were no proceeds from disposals of businesses, equity method investments and nonmarketable securities during the three months ended March 28, 2014. During the three months ended March 29, 2013, proceeds from disposals of businesses, equity method investments and nonmarketable securities were $690 million, which primarily included the sale of a majority ownership interest in our Philippine bottling operations to Coca-Cola FEMSA. Refer to Note 2 of Notes to Condensed Consolidated Financial Statements for additional information.

Purchases of Property, Plant and Equipment — Net

Purchases of property, plant and equipment (net of disposals) for the three months ended March 28, 2014, were $381 million. The Company currently expects our 2014 full year capital expenditures to be between $2.5 billion and $3.0 billion, primarily in our Bottling Investments operating segment and our finished product operations in our North America operating segment.

During the three months ended March 29, 2013, cash outflows for investing activities included purchases of property, plant and equipment (net of disposals) of $463 million.

Cash Flows from Financing Activities

Our financing activities include net borrowings, share issuances and share repurchases. Net cash provided by financing activities during the three months ended March 28, 2014, and March 29, 2013, totaled $205 million and $1,435 million, respectively.

Debt Financing

Issuances and payments of debt included both short-term and long-term financing activities. On March 28, 2014, we had $6,321 million in lines of credit available for general corporate purposes. These backup lines of credit expire at various times between 2014 and 2019.

During the three months ended March 28, 2014, the Company had issuances of debt of $10,926 million, which included $476 million of net issuances of commercial paper and short-term debt with maturities of 90 days or less and $9,429 million of issuances of commercial paper and short-term debt with maturities greater than 90 days. The Company's total issuances of debt also included long-term debt issuances of $1,021 million, net of related discounts and issuance costs. Refer below for additional details on our long-term debt issuances.

The Company made payments of debt of $9,567 million during the three months ended March 28, 2014, which included $8,556 million of payments related to commercial paper and short-term debt with maturities greater than 90 days and payments of long-term debt of $1,011 million, which included the early extinguishment of certain long-term debt as described further below.

During the first quarter of 2014, the Company retired $1,000 million of long-term debt upon maturity and issued $1,000 million total principal amount of notes due September 1, 2015, at a variable interest rate equal to the three-month London Interbank Offered Rate ("LIBOR") plus 0.01 percent.

As of March 28, 2014, the carrying value of the Company's long-term debt included $502 million of fair value adjustments related to the debt assumed in connection with our acquisition of CCE's former North America business. These fair value adjustments will be amortized over a weighted-average period of approximately 19 years, which is equal to the weighted-average maturity of the assumed debt to which these fair value adjustments relate. The amortization of these fair value adjustments will be a reduction of interest expense in future periods, which will typically result in our interest expense being less than the actual interest paid to service the debt.

During the three months ended March 29, 2013, the Company had issuances of debt of $12,585 million, which included $1,161 million of net issuances of commercial paper and short-term debt with maturities of 90 days or less and $8,935 million of issuances of commercial paper and short-term debt with maturities greater than 90 days. The Company's total issuances of debt also included long-term debt issuances of $2,489 million, net of related discounts and issuance costs. Refer below for additional details on our long-term debt issuances.

The Company made payments of debt of $10,065 million during the three months ended March 29, 2013, which included $10,054 million of payments related to commercial paper and short-term debt with maturities greater than 90 days and payments of long-term debt of $11 million.

During the first quarter of 2013, the Company issued $2,500 million of long-term debt. The general terms of the notes issued are as follows:

- $500 million total principal amount of notes due March 5, 2015, at a variable interest rate equal to the three-month LIBOR minus 0.02 percent;
- $1,250 million total principal amount of notes due April 1, 2018, at a fixed interest rate of 1.15 percent; and
- $750 million total principal amount of notes due April 1, 2023, at a fixed interest rate of 2.5 percent.

In addition, during the first quarter of 2013, the Company issued redemption notices for certain amounts of our existing long-term debt. This transaction was completed in April 2013 and included the following notes:

- $225 million total principal amount of notes due August 15, 2013, at a fixed interest rate of 5.0 percent;
- $675 million total principal amount of notes due March 3, 2014, at a fixed interest rate of 7.375 percent; and
- $354 million total principal amount of notes due March 1, 2015, at a fixed interest rate of 4.25 percent.

Issuances of Stock

During the three months ended March 28, 2014, the Company received cash proceeds from issuances of stock of $191 million, a decrease of $226 million when compared to cash proceeds of $417 million from stock issuances during the three months ended March 29, 2013. This decrease is primarily due to a reduction in the exercise of stock options by

Company employees.

Share Repurchases

During the three months ended March 28, 2014, the Company repurchased 20.9 million shares of common stock under the share repurchase plan authorized by our Board of Directors. These shares were repurchased at an average cost of $38.44 per share, for a total cost of $804 million. However, due to the timing of settlements, the total cash outflow for treasury stock purchases was $875 million during the three months ended March 28, 2014. The total cash outflow for treasury stock during the first three months of 2014 includes treasury stock that was purchased and settled during the three months ended March 28, 2014, as well as stock purchased in December 2013 that settled in early 2014; however, it does not include treasury stock that was purchased but did not settle during the three months ended March 28, 2014. In addition, the cash flow impact of the Company's treasury stock activity also includes shares surrendered to the Company to satisfy minimum tax withholding obligations in connection with so-called stock swap exercises of employee stock options and/or the vesting of restricted stock issued to employees. The impact of the Company's issuances of stock and share repurchases during the three months ended March 28, 2014, resulted in a net cash outflow of $684 million. During 2014, the Company expects to purchase between $2.5 billion and $3.0 billion of treasury shares, net of proceeds from the issuance of stock due to the exercise of employee stock options.

During the three months ended March 29, 2013, the Company repurchased 39.3 million shares of common stock under the share repurchase plan authorized by our Board of Directors. These shares were repurchased at an average cost of $38.47 per share, for a total cost of $1,513 million. However, due to the timing of settlements, the total cash outflow for treasury stock purchases during the three months ended March 29, 2013, was $1,523 million. The total cash outflow for treasury stock during the first three months of 2013 includes treasury stock that was purchased and settled during the three months ended March 29, 2013, as well as stock purchased in December 2012 that settled in early 2013; however, it does not include treasury stock that was purchased but did not settle during the three months ended March 29, 2013. In addition, the cash flow impact of the Company's treasury stock activity also includes shares surrendered to the Company to satisfy minimum tax withholding obligations in connection with so-called stock swap exercises of employee stock options and/or the vesting of restricted stock issued to employees. The impact of the Company's issuances of stock and share repurchases during the three months ended March 29, 2013, resulted in a net cash outflow of $1,106 million.

Dividends

The Company did not have any cash payments for dividends during the three months ended March 28, 2014, and March 29, 2013. On April 1, 2014, the Company paid $1,342 million of dividends that were declared during the fourth quarter of 2013. On April 1, 2013, the Company paid $1,247 million of dividends that were declared during the fourth quarter of 2012.

Our Board of Directors approved the Company's regular quarterly dividend of $0.305 per share at its April 2014 meeting. This dividend is payable on July 1, 2014, to shareowners of record as of June 16, 2014.

Foreign Exchange

Our international operations are subject to certain opportunities and risks, including foreign currency fluctuations and governmental actions. We closely monitor our operations in each country and seek to adopt appropriate strategies that are responsive to changing economic and political environments, and to fluctuations in foreign currencies.

Our Company conducts business in more than 200 countries. Due to our global operations, weaknesses in the currencies of some of these countries are often offset by strengths in others. Our foreign currency management program is designed to mitigate, over time, a portion of the potentially unfavorable impact of exchange rate changes on net income and earnings per share. Taking into account the effects of our hedging activities, the impact of changes in foreign currency exchange rates decreased our consolidated operating income for the three months ended March 28, 2014, by 11 percent when compared to the three months ended March 29, 2013. As a result of the U.S. dollar continuing to strengthen against other currencies, including many of those that we do not traditionally hedge, the Company expects foreign currency exchange rates to have an unfavorable impact on our consolidated results through the end of the year. Based on spot rates as of the beginning of April 2014 and our hedging coverage in place, the Company expects currencies, including the Venezuelan bolivar, to have a 7 percent unfavorable impact on both the second quarter and full year consolidated operating income.

In February 2013, the Venezuelan government devalued its currency to an official rate of exchange ("official rate") of 6.3 bolivars per U.S. dollar provided by the Commission for the Administration of Foreign Exchange ("CADIVI"). At that time, the Company remeasured the net monetary assets of our Venezuelan subsidiary at the official rate. As a result of the devaluation we recognized a loss of $140 million in the line item other income (loss) — net in our condensed consolidated statement of income during the three months ended March 29, 2013.

Beginning in October 2013, the government authorized certain companies that operate in designated industry sectors to exchange a limited volume of bolivars for U.S. dollars at a bid rate established via weekly auctions under a system referred to as "SICAD 1." During the first quarter of 2014, the government expanded the types of transactions that may be subject to the

weekly SICAD 1 auction process while retaining the official rate of 6.3 bolivars per U.S. dollar; replaced CADIVI with a new foreign currency administration, the National Center for Foreign Commerce ("CENCOEX"); and introduced another currency exchange mechanism ("SICAD 2"). The SICAD 2 rate is intended to more closely resemble a market-driven exchange rate than the official rate and SICAD 1. As a result of these changes, an entity may be able to convert bolivars to U.S. dollars at one of three legal exchange rates, which as of March 28, 2014, were 6.3 (official rate), 10.8 (SICAD 1) and 50.9 (SICAD 2). We analyzed the multiple rates currently available and the Company's estimates of the applicable rate at which future transactions could be settled, including the payment of dividends. Based on this analysis, we determined that the SICAD 1 rate is the most appropriate rate to use for remeasurement given our circumstances. Therefore, as of March 28, 2014, we remeasured the net monetary assets of our Venezuelan subsidiary using an exchange rate of 10.8 bolivars per U.S. dollar, which was the SICAD 1 rate on that date. We recorded a charge of $226 million related to the change in exchange rates in the line item other income (loss) — net in our condensed consolidated statement of income. The Company will continue to use the SICAD 1 rate to remeasure the net monetary assets of our Venezuelan subsidiary unless facts and circumstances change.

If the bolivar devalues further, or if we are able to access currency at different rates that are reasonable to the Company, it would result in our Company recognizing additional foreign currency exchange gains or losses in our condensed consolidated financial statements. As of March 28, 2014, our Venezuelan subsidiary held net monetary assets of $266 million, including $182 million of cash, cash equivalents, short-term investments and marketable securities. Despite the additional currency conversion mechanisms, the Company's ability to pay dividends from Venezuela is still restricted due to the low volume of U.S. dollars available for conversion.

In addition to the foreign currency exchange exposure related to our Venezuelan subsidiary's net monetary assets, we also sell concentrate to our bottling partner in Venezuela from outside the country. These sales are denominated in U.S. dollars and the carrying value of the receivables related to these sales was $222 million as of March 28, 2014. If a government-approved exchange rate mechanism is not available for our bottling partner in Venezuela to convert bolivars and pay for these receivables and for future concentrate sales, the receivables balance will continue to increase. We will continue to monitor the collectability and convertibility of these receivables. We also have certain U.S. dollar denominated intangible assets associated with products sold in Venezuela, which had a carrying value of $107 million as of March 28, 2014. If the bolivar further devalues, it could result in the impairment of these intangible assets.

The Company will continue to manage its foreign currency exchange exposures to mitigate, over time, a portion of the impact of exchange rate changes on net income and earnings per share.

Overview of Financial Position

The following table illustrates the change in the individual line items of the Company's condensed consolidated balance sheet as of March 28, 2014, compared to our consolidated balance sheet as of December 31, 2013 (in millions):

	March 28, 2014	December 31, 2013	Increase (Decrease)	Percent Change
Cash and cash equivalents	$9,131	$10,414	$(1,283)	(12)%
Short-term investments	6,918	6,707	211	3
Marketable securities	3,384	3,147	237	8
Trade accounts receivable — net	5,233	4,873	360	7
Inventories	3,357	3,277	80	2
Prepaid expenses and other assets	3,029	2,886	143	5
Equity method investments	10,283	10,393	(110)	(1)
Other investments	2,844	1,119	1,725	154
Other assets	4,655	4,661	(6)	—
Property, plant and equipment — net	14,860	14,967	(107)	(1)
Trademarks with indefinite lives	6,745	6,744	1	—
Bottlers' franchise rights with indefinite lives	7,403	7,415	(12)	—
Goodwill	12,343	12,312	31	—
Other intangible assets	1,104	1,140	(36)	(3)
Total assets	$91,289	$90,055	$1,234	1%
Accounts payable and accrued expenses	$9,959	$9,577	$382	4%
Loans and notes payable	18,250	16,901	1,349	8
Current maturities of long-term debt	1,551	1,024	527	51
Accrued income taxes	296	309	(13)	(4)
Long-term debt	18,640	19,154	(514)	(3)
Other liabilities	3,414	3,498	(84)	(2)
Deferred income taxes	6,257	6,152	105	2
Total liabilities	$58,367	$56,615	$1,752	3%
Net assets	$32,922	$33,440	$(518)[1]	(2)%

[1] Includes a decrease in net assets of $389 million resulting from foreign currency translation adjustments in various balance sheet line items.

The increases (decreases) in the table above include the impact of the following transactions and events:

- Other investments increased $1,725 million, or 154 percent, primarily due to the Company's investment in GMCR, which is accounted for as an available-for-sale security. Refer to Note 2 of Notes to Condensed Consolidated Financial Statements for additional information on this investment.
- Current maturities of long-term debt increased $527 million, or 51 percent, primarily due to the reclassification of long-term debt that is scheduled to mature within a year out of the line item long-term debt.
- Long-term debt decreased $514 million, or 3 percent, primarily due to the maturity or reclassification of certain portions of the Company's long-term debt during the three months ended March 28, 2014. Long-term debt that is scheduled to mature within a year is reclassified out of the line item long-term debt into the line item current maturities of long-term debt. This decrease was partially offset by the Company's issuance of long-term debt during the first quarter of 2014. Refer to the heading "Cash Flows from Financing Activities" above and Note 6 of Notes to Condensed Consolidated Financial Statements for additional information.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have no material changes to the disclosures on this matter made in our Annual Report on Form 10-K for the year ended December 31, 2013.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company, under the supervision and with the participation of its management, including the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's "disclosure controls and procedures" (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of March 28, 2014.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the quarter ended March 28, 2014, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

Information regarding reportable legal proceedings is contained in Part I, "Item 3. Legal Proceedings" in our Annual Report on Form 10-K for the year ended December 31, 2013.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2013, which could materially affect our business, financial condition or future results. The risks described in this report and in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table presents information with respect to purchases of common stock of the Company made during the three months ended March 28, 2014, by The Coca-Cola Company or any "affiliated purchaser" of The Coca-Cola Company as defined in Rule 10b-18(a)(3) under the Exchange Act:

Period	Total Number of Shares Purchased[1]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of the Publicly Announced Plan[2]	Maximum Number of Shares That May Yet Be Purchased Under the Publicly Announced Plan
January 1, 2014 through January 24, 2014	1,400,000	$40.05	1,400,000	420,378,806
January 25, 2014 through February 21, 2014	4,108,843	$37.88	1,600,000	418,778,806
February 22, 2014 through March 28, 2014	17,927,885	$38.33	17,917,142	400,861,664
Total	23,436,728	$38.36	20,917,142	

[1] The total number of shares purchased includes: (i) shares purchased pursuant to the 2012 Plan described in footnote 2 below; and (ii) shares surrendered to the Company to pay the exercise price and/or to satisfy tax withholding obligations in connection with so-called stock swap exercises of employee stock options and/or the vesting of restricted stock issued to employees, totaling zero shares, 2,508,843 shares and 10,743 shares for the fiscal months of January, February and March 2014, respectively.

[2] On October 18, 2012, we publicly announced that our Board of Directors had authorized a plan (the "2012 Plan") for the Company to purchase up to 500 million shares of our Company's common stock. This column discloses the number of shares purchased pursuant to the 2012 Plan during the indicated time periods (including shares purchased pursuant to the terms of preset trading plans meeting the requirements of Rule 10b5-1 under the Exchange Act).

Item 6. Exhibits

In reviewing the agreements included as exhibits to this report, please remember they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about the Company or the other parties to the agreements. The agreements contain representations, warranties, covenants and conditions by or of each of the parties to the applicable agreement. These representations, warranties, covenants and conditions have been made solely for the benefit of the other parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- may have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations, warranties, covenants and conditions may not describe the actual state of affairs as of the date they were made or at any other time. Additional information about the Company may be found elsewhere in this report and the Company's other public filings, which are available without charge through the Securities and Exchange Commission's website at http://www.sec.gov.

Exhibit No.

(With regard to applicable cross-references in the list of exhibits below, the Company's Current, Quarterly and Annual Reports are filed with the Securities and Exchange Commission (the "SEC") under File No. 001-02217.)

3.1	Certificate of Incorporation of the Company, including Amendment of Certificate of Incorporation, dated July 27, 2012 — incorporated herein by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 28, 2012.
3.2	By-Laws of the Company, as amended and restated through April 25, 2013 — incorporated herein by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed April 26, 2013.
4.1	As permitted by the rules of the SEC, the Company has not filed certain instruments defining the rights of holders of long-term debt of the Company or consolidated subsidiaries under which the total amount of securities authorized does not exceed 10 percent of the total assets of the Company and its consolidated subsidiaries. The Company agrees to furnish to the SEC, upon request, a copy of any omitted instrument.
4.2	Amended and Restated Indenture, dated as of April 26, 1988, between the Company and Deutsche Bank Trust Company Americas, as successor to Bankers Trust Company, as trustee — incorporated herein by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-3 (Registration No. 33-50743) filed on October 25, 1993.
4.3	First Supplemental Indenture, dated as of February 24, 1992, to Amended and Restated Indenture, dated as of April 26, 1988, between the Company and Deutsche Bank Trust Company Americas, as successor to Bankers Trust Company, as trustee — incorporated herein by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-3 (Registration No. 33-50743) filed on October 25, 1993.
4.4	Second Supplemental Indenture, dated as of November 1, 2007, to Amended and Restated Indenture, dated as of April 26, 1988, as amended, between the Company and Deutsche Bank Trust Company Americas, as successor to Bankers Trust Company, as trustee — incorporated herein by reference to Exhibit 4.3 of the Company's Current Report on Form 8-K filed on March 5, 2009.
4.5	Form of Note for 5.350% Notes due November 15, 2017 — incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed October 31, 2007.
4.6	Form of Note for 4.875% Notes due March 15, 2019 — incorporated herein by reference to Exhibit 4.5 to the Company's Current Report on Form 8-K filed on March 5, 2009.
4.7	Form of Note for 1.500% Notes due November 15, 2015 — incorporated herein by reference to Exhibit 4.6 to the Company's Current Report on Form 8-K filed November 18, 2010.
4.8	

	Form of Note for 3.150% Notes due November 15, 2020 — incorporated herein by reference to Exhibit 4.7 to the Company's Current Report on Form 8-K filed November 18, 2010.
4.9	Form of Exchange and Registration Rights Agreement among the Company, the representatives of the initial purchasers of the Notes and the other parties named therein — incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed August 8, 2011.
4.10	Form of Note for 1.80% Notes due September 1, 2016 — incorporated herein by reference to Exhibit 4.13 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011.

4.11	Form of Note for 3.30% Notes due September 1, 2021 — incorporated herein by reference to Exhibit 4.14 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011.
4.12	Form of Note for 0.750% Notes due March 13, 2015 — incorporated herein by reference to Exhibit 4.5 to the Company's Current Report on Form 8-K filed on March 14, 2012.
4.13	Form of Note for 1.650% Notes due March 14, 2018 — incorporated herein by reference to Exhibit 4.6 to the Company's Current Report on Form 8-K filed on March 14, 2012.
4.14	Form of Note for Floating Rate Notes due 2015 — incorporated herein by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed March 5, 2013.
4.15	Form of Note for 1.150% Notes due 2018 — incorporated herein by reference to Exhibit 4.5 to the Company's Current Report on Form 8-K filed March 5, 2013.
4.16	Form of Note for 2.500% Notes due 2023 — incorporated herein by reference to Exhibit 4.6 to the Company's Current Report on Form 8-K filed March 5, 2013.
4.17	Form of Note for Floating Rate Notes due 2015 — incorporated herein by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed on March 7, 2014.
10.1	Separation Agreement and Full and Complete Release Agreement on Competition, Trade Secrets and Confidentiality between the Company and Steven A. Cahillane, dated effective January 21, 2014 — incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on January 24, 2014.
10.2	The Coca-Cola Company 1989 Restricted Stock Award Plan, as Amended and Restated through February 19, 2014 — incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 19, 2014.
10.3	Form of Restricted Stock Agreement (Performance Share Unit Agreement) in connection with the 1989 Restricted Stock Award Plan, as adopted February 19, 2014 — incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on February 19, 2014.
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12.1	Computation of Ratios of Earnings to Fixed Charges.
31.1	Rule 13a-14(a)/15d-14(a) Certification, executed by Muhtar Kent, Chairman of the Board of Directors, Chief Executive Officer and President of The Coca-Cola Company.
31.2	Rule 13a-14(a)/15d-14(a) Certification, executed by Kathy N. Waller, Executive Vice President and Chief Financial Officer of The Coca-Cola Company.
32.1	Certifications required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. Section 1350), executed by Muhtar Kent, Chairman of the Board of Directors, Chief Executive Officer and President of The Coca-Cola Company, and by Kathy N. Waller, Executive Vice President and Chief Financial Officer of The Coca-Cola Company.
101	The following financial information from The Coca-Cola Company's Quarterly Report on Form 10-Q for the quarter ended March 28, 2014, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Statements of Income for the three months ended March 28, 2014, and March 29, 2013, (ii) Condensed Consolidated Statements of Comprehensive Income for the three months ended March 28, 2014, and March 29, 2013, (iii) Condensed Consolidated Balance Sheets as of March 28, 2014, and December 31,

2013, (iv) Condensed Consolidated Statements of Cash Flows for the three months ended March 28, 2014, and March 29, 2013, and (v) Notes to Condensed Consolidated Financial Statements.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	THE COCA-COLA COMPANY (REGISTRANT)
	/s/ LARRY M. MARK Larry M. Mark
Date: April 24, 2014	Vice President and Controller (As Principal Accounting Officer)
	/s/ MARK RANDAZZA Mark Randazza
Date: April 24, 2014	Vice President and Assistant Controller (On Behalf of the Registrant)

EXHIBIT INDEX

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