| meninss |
| :---: |
| surer |

ss 4
4 Lowered 22814
High:

Low: 1 New 72790 TECHNICAL 2 Ralsed $725 / 14$ BETA $70 \quad(1.00=$ Market $)$ Nosem \begin{tabular}{|llllll|}
\hline Low \& 50 \& $(+20 \%)$ \& $8 \%$ \\
\hline \multicolumn{8}{l}{ Insider Decisions } \\
A S O N D J F M A

 

\& A \& $\mathbf{S}$ \& $\mathbf{O}$ \& $\mathbf{N}$ \& $\mathbf{D}$ \& $\mathbf{J}$ \& $\mathbf{F}$ \& $\mathbf{M}$ \& $\mathbf{A}$ \\
to Buy \& 0 \& 0 \& 0 \& 0 \& 0 \& 0 \& 4 \& 1 \& 0 \\
Options \& 0 \& 0 \& 0 \& 2 \& 0 \& 0 \& 0 \& 1 \& 1 \\
to Sell \& 1 \& 0 \& 0 \& 2 \& 0 \& 0 \& 0 \& 1 \& 0 \\
\hline

 Institutional Decisions 

\hline \& 3 Q2013 \& 4Q2013 \& 1Q2014 \\
to Buy \& 650 \& 763 \& 639 \\
to Sell \& 681 \& 676 \& 760 \\
Hld's $(000)$ \& 26746062683755 \& 2598026 \\
\hline $\mathbf{1 9 9 8}$ \& 1990 \& 2000 \& $\mathbf{2 0 0 1}$ \\
\hline

 

\hline 1998 \& 1999 \& 2000 \& 2001 \\
\hline
\end{tabular}

| 3.82 | 4.01 | 4.12 | 3.53 |
| ---: | ---: | ---: | ---: |
| .85 | .81 | .89 | .96 |
| .71 | .65 | .74 | .80 |
| .30 | .32 | .34 | .36 |
| .18 | .22 | .15 | .15 |
| 1.70 | 1.92 | 1.87 | 2.29 |
| 4931.0 | 4943.2 | 4969.5 | 4972.5 |
| 51.3 | 47.5 | 37.5 | 30.5 |
| 2.67 | 2.71 | 2.44 | 1.56 |
| $.8 \%$ | $1.0 \%$ | $1.2 \%$ | $1.5 \%$ |

CAPITAL STRUCTURE as of 3/28/14
Total Debt $\$ 38.441$ bill. Due in 5 Yrs. $\$ 27.9$ bill. LT Debt $\$ 18.640$ bill. Total Int. $\$ 410.0$ mill. (Total interest coverage: greater than 25 x )
(36\% of Cap'l)
Pension Assets-12/13 $\$ 8.7$ bill. Oblig. $\$ 8.8$ bill.
Pfd Stock None
Commo Soock 4,322000.000 stis
MARKET CAP: $\$ 185$ billion (Large Cap)

| $\begin{array}{c}\text { CURRENT POSITION } \\ \text { (\$MILL.) }\end{array}$ | 2012 | 2013 | $3 / 28 / 14$ |
| :--- | :--- | :--- | :--- |


| (\$MILL.) |  |  |  |
| :---: | :---: | :---: | :---: |
| Receivables | 4759 | 4873 | 5233 |
| Inventory (Avg Cst) | t) 3264 | 3277 | 3357 |
| Other | 8846 | 6033 | 6413 |
| Current Assets | 30328 | 31304 | 31052 |
| Accts Payable | 1969 | 1933 | 2000 |
| Debt Due | 17874 | 17925 | 19801 |
| Other | 7978 | 7953 | 8255 |
| Current Liab. | 27821 | 27811 | 30056 |
| ANNUAL RATES P | Past | Past | '11-'13 |
| of change (per sh) 10 | $10 \mathrm{Yrs}$. | 5 Yrs. | '17-'19 |
| Sales | 10.5\% | 11.5\% | 5.0\% |
| "Cash Flow" | 9.0\% | 9.5\% | 6.0\% |
| Earnings | 8.5\% | 8.5\% | 6.5\% |
| Dividends | 10.0\% | 8.5\% | 8.0\% |
| Book Value | 11.0\% | 11.5\% | 4.0\% |


| Cal- <br> endar | QUARTERLY SALES (\$ mill.) Mar.Per Jun.Per Sep.Per Dec.Per |  |  |  | Full |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 2011 | 10545 | ${ }^{12729}$ | 12243 | 11037 | 46554 |
| 2012 | 11137 | 13085 | 12340 | 11455 | 48017 |
| 2013 | 11035 | 12749 | 12330 | 11040 | 46854 |
| 2014 | 10576 | 1270 | 12324 | 11400 | 47000 |
| 2015 | 11250 | 13100 | 12800 | 12100 | 49250 |
| Cal- <br> enda | Mar.Per | $\begin{aligned} & \text { RNINGS P } \\ & \text { Jun.Per } \end{aligned}$ | $\begin{aligned} & \text { ERSHARE } \\ & \text { Sep.Per } \end{aligned}$ | Dec.Per | $\begin{aligned} & \text { F F } \\ & \text { Year } \end{aligned}$ |
| 2011 | 42 | 59 | 52 |  | 1.92 |
| 2012 | . 45 | . 61 | . 50 |  | 1.97 |
| 2013 | 46 | 63 | . 53 | . 46 | 2.08 |
| 2014 | . 44 | . 64 | . 54 | . 48 | 2.10 |
| 2015 | . 47 | 68 | . 58 | 52 | 2.25 |
|  | AR | ERLY DIV | DEENSS | AID ${ }^{\text {P }}$ |  |
| endar | Mar 31 | Jun. 30 | Sep. 30 | Dec. 31 | Year |
| 2010 |  |  | . 22 |  |  |
| 2011 |  |  |  |  | 94 |
| 2012 | . | . 255 | . 255 | . 51 | 1.02 |
| 2013 |  | 28 |  | . 56 | 1.12 |
| 2014 |  | . 305 | 305 |  |  |

[^0]BUSINESS: The Coca-Cola Company is the world's largest beverage company. Markets over 500 nonalcoholic beverage brands through a network of company-owned and independent bottlers/distributors, wholesalers, and retailers. Leading company/licensed brands include Coca-Cola, Diet Coke, Sprite, Fanta Fresca, Dasani, glaceau vitaminwater, Powerade, and Minute Maid.
The Coca-Cola Company's sales and earnings are likely to make little progress in 2014. F oreign exchange headwinds were the big factor behind the negative top- and bottom-line comparisons in the March quarter, and will likely dip $7 \%$ from operating income before the year is through. (The company was set to release J une-quarter results shortly after we went to press with this report.) Absent currency effects, the beverage giant's performance looks more encouraging, though volume growth remains underwhelming (up $2 \%$ in the March quarter), with lackluster demand for sparkling beverages offsetting solid gains in still drinks.
The company is putting more muscle behind its brands. Over the next three years, Coke aims to increase its brand investments by $\$ 1$ billion, including $\$ 400$ million in 2014. In particular, the beverage maker is focused on accelerating growth in its sparkling portfolio, which has been a soft spot for some time. Meanwhile, the company has also expanded its productivity program with the objective of offsetting the cost of its brand-building measures. Assuming good execution on

Int'l markets accounted for 58\% of 2013 net sales; Advertising expenses, $7.0 \%$ of 2013 revenues. Has approximately $131,000 \mathrm{em}-$ ployees. Directors and Officers own 1.4\% of stock; Berkshire Hathaway, 9.1\%; BlackRock, 5.5\% (3/14 Proxy). Chairman and CEO: Muhtar Kent. Inc.: DE. Address: One Coca-Cola Plaza, Atlanta, GA 30313. Tel.: 404-676-2121. Internet: www.coca-cola.com.
these fronts, we look for a return to mid-single-digit growth on both the top and bottom lines in 2015.
Coke is looking to adapt to changing consumer tastes. For instance, the company's "Coke Life" product, which is now in some Latin American markets, and is reported to be headed for the U.S. by yearend, could appeal to consumers put off by some of the health concerns surrounding carbonated beverages. The product has fewer calories than a typical soft drink, without the artificial sweeteners found in no-calorie offerings. Meanwhile, Coke is also positioning itself to be a player in the burgeoning at-home market. Over the winter, the company spent $\$ 1.25$ billion to acquire a $10 \%$ stake in Keurig Green Mountain (since raised to $16 \%$ ), and the two are now developing a cold-drink system that will feature Coke products.
These shares are an untimely selection for the year ahead. Conservative accounts, though, still may wish to take a closer look, as this equity offers the potential for worthwhile risk-adjusted total returns to 2017-2019, in our view.
Robert M. Greene


[^0]:    (A) Based on diluted shares. Next earnings eport due mid-October. Excludes nonrecurring (B) Div'ds historically paid abot , first April. $\$ 6.27 / \mathrm{sh}$. (D) In millions. (E) gain/(losses): '99, (16¢); '00, (30¢); '01, (1¢); July, Oct., Dec. ■ Div'd reinvestment plan avail. '02, (22¢); '03, (9¢); '04, (3¢); '05, (7¢); '06, (C) Includes intangibles. In '13: \$27.6 bill.,
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