UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

September 29, 2017

COCA-COLA BOTTLING CO. CONSOLIDATED
(Exact name of registrant as specified in its charter)

Delaware	0-9286	56-0950585
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

4100 Coca-Cola Plaza, Charlotte, North Carolina 28211
(Address of principal executive offices) (Zip Code)

(704) 557-4400
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

EXPLANATORY NOTE

This Amendment No. 1 amends the Current Report on Form 8-K filed on October 4, 2017 (the "Original Form 8-K") by Coca-Cola Bottling Co. Consolidated (the "Company") with the Securities and Exchange Commission (the "SEC") to include the financial statements and pro forma financial information required by Items 9.01(a) and 9.01(b) of Form 8-K and to include exhibits under Item 9.01(d) of Form 8-K, which were omitted from the Original Form 8-K pursuant to paragraphs (a)(4) and (b)(2), respectively, of Item 9.01 of Form 8-K. The Original Form 8-K was filed, in part, to report the Company's completion of two transactions with Coca-Cola Refreshments USA, Inc. ("CCR"), a wholly-owned subsidiary of The Coca-Cola Company, specifically (i) the exchange with CCR of certain distribution assets and regional manufacturing facilities and related assets and (ii) the acquisition from CCR of certain distribution assets (collectively, the "2017 Tranche 2 Expansion Transactions"). As a result of the 2017 Tranche 2 Expansion Transactions, the aggregate business acquired by the Company from CCR in fiscal 2017 through October 2, 2017 (the "2017 CCR Expansion Transactions") is significant under Rule 3-05 of Regulation S-X and Item 2.01 of Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

The audited combined statements of assets acquired and liabilities assumed for the 2017 CCR Expansion Transactions as of December 31, 2016 and December 31, 2015 and audited combined statements of net revenues and direct operating expenses for the 2017 CCR Expansion Transactions for each of the two years ended December 31, 2016 and the notes thereto are filed as Exhibit 99.1 hereto and are incorporated herein by reference.

The interim unaudited combined statement of assets acquired and liabilities assumed as of June 30, 2017 and December 31, 2016 and the unaudited combined statements of net revenues and direct operating expenses for each of the six month periods ended June 30, 2017 and July 1, 2016 and the notes thereto are filed as Exhibit 99.2 hereto and are incorporated herein by reference.

Pursuant to a letter dated June 21, 2017 from the Staff of the SEC's Division of Corporation Finance, the Staff stated that it would not object to the Company's proposal to provide the abbreviated financial statements described above in satisfaction of the requirements of Rule 3-05 of Regulation S-X.

(b) Pro Forma Financial Information.

The unaudited pro forma condensed combined financial statements for the 2017 CCR Expansion Transactions for the year ended January 1, 2017 and as of and for the first half ended July 2, 2017 and the notes thereto are filed as Exhibit 99.3 hereto and are incorporated herein by reference.

The unaudited pro forma condensed combined financial statements are presented for illustrative purposes only, in accordance with Article 11 of Regulation S-X, and are not indicative of the results of operations that would have been realized had the closings for the 2017 CCR Expansion Transactions actually been completed on the dates indicated, nor are they indicative of the 2017 CCR Expansion Transactions' operations going forward.

(d) Exhibits.

Exhibit No.	Description	Incorporated by Reference or Filed Herewith
23.1	Consent of Ernst & Young LLP.	Filed herewith.
99.1	The audited combined statements of assets acquired and liabilities assumed as of December 31, 2016 and December 31, 2015 and audited combined statements of net revenues and direct operating expenses for each of the two years ended December 31, 2016 and the notes thereto.	Filed herewith.
99.2	The interim unaudited combined statement of assets acquired and liabilities assumed as of June 30, 2017 and December 31, 2016 and unaudited combined statements of net revenues and direct operating expenses for each of the six month periods ended June 30, 2017 and July 1, 2016 and the notes thereto.	Filed herewith.
99.3	Unaudited pro forma condensed combined financial statements for the year ended January 1, 2017 and as of and for the first half ended July 2, 2017 and the notes thereto.	Filed herewith.

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 hereunto duly authorized.

COCA-COLA BOTTLING CO. CONSOLIDATED
(REGISTRANT)

Date: December 15, 2017

By: /s/ Clifford M. Deal, III
Clifford M. Deal, III
Senior Vice President, Chief Financial Officer

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-181345) of Coca-Cola Bottling Co. Consolidated of our report dated December 12, 2017, with respect to the combined statements of assets acquired and liabilities assumed as of December 31, 2016 and 2015 and the related combined statements of net revenues and direct operating expenses for each of the two years then ended, and the related notes to the combined abbreviated financial statements of CCR 2017 Carve-out Transactions – Production and Distribution, a business of The Coca-Cola Company, included in this Current Report on Form 8-K/A of Coca-Cola Bottling Co. Consolidated.

/s/ Ernst & Young LLP

Atlanta, Georgia
December 15, 2017

Exhibit 99.1

CCR 2017 Carve-out Transactions – Production and Distribution

(A BUSINESS OF THE COCA-COLA COMPANY)

COMBINED ABBREVIATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2016 AND 2015 AND FOR EACH OF THE TWO YEARS ENDED DECEMBER 31, 2016

(WITH REPORT OF INDEPENDENT AUDITORS)

CCR 2017 Tranche 1 Carve-out Transactions – Production and Distribution

(A BUSINESS OF THE COCA-COLA COMPANY)

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Report of Independent Auditors

The Board of Directors of The Coca-Cola Company

We have audited the accompanying combined abbreviated financial statements of CCR 2017 Carve-out Transactions – Production and Distribution, a business of The Coca-Cola Company, which comprise the combined statements of assets acquired and liabilities assumed as of December 31, 2016 and 2015, and the related combined statements of net revenues and direct operating expenses for each of the two years ended December 31, 2016, and the related notes to the combined abbreviated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined statements of assets acquired and liabilities assumed of the CCR 2017 Carve-out Transactions – Production and Distribution at December 31, 2016 and 2015, and the related combined statements of net revenues and direct operating expenses for each of the two years ended December 31, 2016, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Atlanta, Georgia
December 12, 2017

CCR 2017 Carve-out Transactions – Production and Distribution

(A BUSINESS OF THE COCA-COLA COMPANY)

COMBINED STATEMENTS OF NET REVENUES AND DIRECT OPERATING EXPENSES

Year Ended December 31,		**2016**		2015
(In thousands)				
NET REVENUES	**$**	**1,049,882**	$	955,489
Cost of goods sold		**703,988**		638,342
GROSS PROFIT		**345,894**		317,147
Selling, general and administrative expenses		**287,783**		270,190
NET REVENUES IN EXCESS OF DIRECT OPERATING EXPENSES	**$**	**58,111**	$	46,957

The accompanying notes are an integral part of these combined abbreviated financial statements.

CCR 2017 Carve-out Transactions – Production and Distribution

(A BUSINESS OF THE COCA-COLA COMPANY)

COMBINED STATEMENTS OF ASSETS ACQUIRED AND LIABILITIES ASSUMED

December 31,		2016		2015
(In thousands)				
ASSETS ACQUIRED				
CURRENT ASSETS				
Cash	**$**	**580**	$	574
Inventories		**56,486**		54,227
Prepaid and other current assets		**3,259**		4,512
TOTAL CURRENT ASSETS		**60,325**		59,313
Property, plant and equipment, net		**304,795**		306,620
Intangible assets, net		**453,022**		457,615
Other non-current assets		**2,267**		761
TOTAL ASSETS ACQUIRED		**820,409**		824,309
LIABILITIES ASSUMED				
CURRENT LIABILITIES				
Cooperative trade marketing ("CTM") liability		**34,483**		33,653
Accrued expenses		**2,415**		1,319
Accrued taxes		**-**		1,168
Deposit liabilities		**4,567**		2,635
TOTAL CURRENT LIABILITIES		**41,465**		38,775
Other non-current liabilities		**126**		22
ASSETS ACQUIRED AND LIABILITIES ASSUMED, NET	**$**	**778,818**	$	785,512

The accompanying notes are an integral part of these combined abbreviated financial statements.

NOTE 1: DESCRIPTION OF TRANSACTIONS, DESCRIPTION OF THE BUSINESS, AND BASIS OF PRESENTATION

Description of Transactions

On September 1, 2016, Coca-Cola Refreshments USA, Inc ("CCR"), a wholly-owned subsidiary of The Coca-Cola Company (the "Company" or "KO"), entered into the following two definitive agreements with Coca-Cola Bottling Co. Consolidated ("CCBCC"): (i) an asset purchase agreement (the "September 2016 Distribution APA") that provides for the transfer of certain territory distribution rights and related tangible assets; and (ii) an asset purchase agreement (the "September 2016 Manufacturing APA") that provides for the transfer of certain manufacturing rights for KO products and three regional manufacturing facilities.

In the first fiscal quarter of 2017, CCR closed on the following transfer of rights to CCBCC as part of the September 2016 Distribution APA and the September 2016 Manufacturing APA:

- distribution rights and related assets in Anderson, Fort Wayne, Lafayette, South Bend and Terre Haute, Indiana on January 27, 2017;
- distribution rights and related assets in Indianapolis and Bloomington, Indiana and Columbus and Mansfield, Ohio on March 31, 2017; and
- the Indianapolis and Portland, Indiana regional manufacturing facilities and related manufacturing assets on March 31, 2017.

On April 13, 2017, CCR entered into the following definitive agreements with CCBCC: (i) an asset purchase agreement (the "April 2017 Distribution APA") that provides for the transfer of certain territory distribution rights and related tangible assets; and (ii) an asset purchase agreement (the "April 2017 Manufacturing APA") that provides for the transfer of certain manufacturing rights for KO products and one regional manufacturing facility.

On April 28, 2017, CCR closed on the following transfer of rights to CCBCC as part of the April 2017 Distribution APA and the April 2017 Manufacturing APA:

- distribution rights and related assets in Akron, Toledo, Elyria and Willoughby, Ohio and the portion of the territory supplied by CCR's Youngstown, Ohio sales center located in Ohio; and
- the Twinsburg, Ohio regional manufacturing facility and related manufacturing assets.

On September 29, 2017, CCR entered into the following definitive agreements with CCBCC: (i) an asset exchange agreement (the "CCR Asset Exchange Agreement") that provides for the transfer of certain territory distribution rights in central and southern Arkansas and related tangible assets as well as certain manufacturing rights for KO products and two regional manufacturing facilities in Memphis, Tennessee and West Memphis, Arkansas in exchange for certain of CCBCC's territory distribution rights in southern Alabama, southeastern Mississippi, southwestern Georgia and northwestern Florida and in and around Somerset, Kentucky and related tangible assets as well as a regional manufacturing facility in Mobile, Alabama and related manufacturing assets and certain associated liabilities (the "Deep South and Somerset Exchange Business"); and (ii) an asset purchase agreement (the "Memphis Purchase Agreement") that provides for the transfer of certain territory distribution rights and related tangible assets.

On October 2, 2017, CCR closed on the following transfer of rights to CCBCC as part of the CCR Asset Exchange Agreement and the Memphis Purchase Agreement:

- distribution rights and related assets in central and southern Arkansas under the CCR Asset Exchange Agreement;
- the Memphis, Tennessee and West Memphis, Arkansas regional manufacturing facilities and related assets under the CCR Asset Exchange Agreement; and
- distribution rights and related assets in and around Memphis, Tennessee, including portions of northwestern Mississippi and eastern Arkansas under the Memphis Purchase Agreement.

The transactions completed through October 2, 2017 pursuant to the September 2016 Distribution APA, September 2016 Manufacturing APA, April 2017 Distribution APA, April 2017 Manufacturing APA, CCR Asset Exchange Agreement and Memphis Purchase Agreement are collectively referred to herein as “CCR 2017 Carve-out Transactions – Production and Distribution” or the “APAs and AEA.” The aggregate territory and manufacturing operations covered by the APAs and AEA is collectively referred to herein as the “Business". Aggregate cash proceeds after deducting the value of certain retained assets and retained liabilities pursuant to the APAs and AEA approximated $282.2 million, excluding the impact of future sub-bottling payments and post-closing adjustments and net of the estimated aggregate value at closing after deducting the value of certain retained assets and retained liabilities of the Deep South and Somerset Exchange Business of $142.0 million. In connection with the APAs and AEA, CCBCC agreed to produce and transfer beverage products to certain third-party bottlers of KO beverages at prices unilaterally determined by KO. Future sub-bottling payments are quarterly payments from CCBCC to KO based on gross profit derived from sales of certain beverages and beverage products.

Description of the Business

The Company is the world's largest beverage company, which owns or licenses and markets more than 500 nonalcoholic beverage brands, primarily sparkling beverages but also a variety of still beverages such as waters, enhanced waters, juices and juice drinks, ready-to-drink teas and coffees, and energy and sports drinks. Finished beverage products bearing the Company's trademarks are now sold in more than 200 countries. The Company makes its branded beverage products available to consumers throughout the world through its network of Company-owned or Company-controlled bottling and distribution operations as well as independent bottling partners, distributors, wholesalers and retailers-the world's largest beverage distribution system.

The Business produces, distributes, and markets bottled and canned beverages in Indiana, Ohio, Tennessee, Mississippi and Arkansas. It offers various beverages, including regular sparkling, zero, and low-calorie energy and sports drinks, waters, juices, fruit drinks, coffees, and teas.

Basis of Presentation

In these combined abbreviated financial statements, the terms "we," "us" and "our" mean the Business. The accompanying combined statements of assets acquired and liabilities assumed and the related combined statements of net revenues and direct operating expenses of the Business are derived from KO's historical accounting records, which are maintained in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). These combined abbreviated financial statements are not intended to be a complete presentation and are not necessarily indicative of the financial position or results of operations that would have been achieved if the Business had operated as a separate, stand-alone entity as of or during any of the periods presented, nor are they indicative of the financial condition or results going forward due to the changes in the Business and the omission of certain operating expenses, as described below. Certain centrally provided services, which are shared by KO's business units, corporate functions, and other areas of KO are not

tracked or monitored in a manner that would enable the development of full financial statements required by Rule 3-05 of Regulation S-X. As such, it is not possible to provide a meaningful allocation of certain business unit and corporate costs, interest or tax and only costs directly related to the revenue-generating activities of the Business are included in these combined abbreviated financial statements.

The combined statements of assets acquired and liabilities assumed include only the specific assets and liabilities related to the Business that were acquired by CCBCC in accordance with the APAs and AEA, which included assets and liabilities exclusively related to or used in the Business. Items such as accounts receivable, deferred costs, accounts payable, and certain other assets and accrued liabilities are excluded from the transactions. Employees of the Business may participate in one or more defined benefit plans sponsored by the Company. CCBCC will not assume any portion of the benefit plans' pension obligation, and no portion of plan assets or benefit obligation has been allocated to the Business. Cash acquired by CCBCC is limited to estimated amounts in vending machines upon divestiture by KO. The CTM liability (payables to other KO entities) will be assumed by CCBCC. Prepaid expenses represent balances specific to the Business that will be acquired by CCBCC. Fleet vehicles and vending equipment are often used to service multiple CCR distribution territories. Fleet vehicles and vending equipment, reported in the line item Property, plant & equipment, net in our combined statements of assets acquired and liabilities assumed, represent assets identified by us that most closely relate to operations of the Business. Intangible assets represent franchise rights and customer relationships that will be acquired by CCBCC.

The combined statements of net revenues and direct operating expenses include the net revenues and direct operating expenses directly attributable to the generation of revenues to Company-owned or -controlled, as well as independent bottlers (e.g. marketing, manufacturing and selling of concentrates and/or beverage bases necessary for the production of finished beverages of the Business). Cost of goods sold is based on the standard costs of the actual products sold with directly related manufacturing variances as well as an allocation of labor and overhead using reasonable allocation methods. The cost of freight to deliver finished products from production facilities to distribution centers has been estimated using national freight rates. Local freight rates may differ from the estimated national freight rates. Marketing expenses included as deductions from revenue and in selling, general and administrative expenses are primarily comprised of campaigns directly related to brands of the Business for which the right to distribute those brands will be granted to CCBCC.

Compensation expense for the dedicated employees that may be transferred to CCBCC is included in selling, general and administrative expenses. Allocations of other selling, general and administrative expenses directly related to the Business, including net periodic benefit costs related to participation by employees of the Business in defined benefit plans sponsored by the Company, are based on reasonable allocation methods. The combined statements of net revenues and direct operating expenses excludes the cost of general corporate activities, corporate level overhead, interest expense and income taxes. Future results of operations and financial position could differ materially from the historical amounts presented herein.

Statements of cash flows and statements of shareowners' equity are not presented as CCBCC did not acquire all of the assets nor assume all of the liabilities of the Business and the preparation of such statements is not meaningful. All cash flow requirements of the Business were funded by KO, and cash management functions were not performed at the Business level. Therefore, it is impracticable to present a statement of cash flows, including cash flows from operating, investing and financing activities, as the Business did not maintain cash balances of that nature.

Recently Issued Accounting Guidance

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*, which will replace most existing revenue recognition guidance in U.S.

GAAP and is intended to improve and converge with international standards for the financial reporting requirements for revenue from contracts with customers. The core principle of ASU 2014-09 is that an entity should recognize revenue for the transfer of goods or services equal to the amount that it expects to be entitled to receive for those goods or services. ASU 2014-09 also requires additional disclosures about the nature, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. ASU 2014-09 allows for adoption either on a full retrospective basis to each prior reporting period presented or on a modified retrospective basis with the cumulative effect of initially applying the new guidance recognized at the date of initial application, which will be effective for the Business beginning January 1, 2019.

The Business plans to adopt ASU 2014-09 and its amendments on a modified retrospective basis and is continuing to assess all future impacts of the guidance by reviewing our current contracts with customers to identify potential differences that could result from applying the new guidance. Based on our preliminary review, we expect that ASU 2014-09's broad definition of variable consideration will require the Business to estimate and record certain variable payments resulting from collaborative funding arrangements, rebates and other pricing allowances earlier than it currently does. While we do not expect this change to have a material impact on net revenues on an annual basis, we do expect that it will have an impact on our revenue in interim periods. As we complete our overall assessment, the Business is also identifying and preparing to implement changes to our accounting policies and practices, business processes, systems and controls to support the new revenue recognition and disclosure requirements. Our assessment will be completed during fiscal year 2017.

In July 2015, the FASB issued ASU No. 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*. ASU No. 2015-11 changes the measurement principle for inventory from the "lower of cost or market" to "lower of cost and net realizable value." Net realizable value is defined as the "estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation." ASU No. 2015-11 eliminates the guidance that entities consider replacement cost or net realizable value less an approximately normal profit margin in the subsequent measurement of inventory when cost is determined on a first-in, first-out or average cost basis. It is effective for the Business for annual reporting periods beginning January 1, 2017, and interim periods within fiscal years beginning January 1, 2018. Early adoption is permitted. The adoption of ASU 2015-11 will not impact our combined abbreviated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*, which requires lessees to recognize on the balance sheet a right-of-use asset, representing their right to use the underlying asset for the lease term, and a lease liability for all leases with terms greater than 12 months. The guidance also requires qualitative and quantitative disclosures designed to assess the amount, timing and uncertainty of cash flows arising from leases. The standard requires the use of a modified retrospective transition approach, which includes a number of optional practical expedients that entities may elect to apply. ASU 2016-02 is effective for the Business for annual periods beginning January 1, 2020, and interim periods within fiscal years beginning January 1, 2021. We are currently evaluating the impact that ASU 2016-02 will have on our combined abbreviated financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the statements and accompanying notes. Actual results could differ from these estimates.

Revenue Recognition

Revenue included in the combined statements of net revenues and direct operating expenses include sales of our finished beverage products to retailers, distributors, wholesalers, and bottling partners. We recognize revenue when persuasive evidence of an arrangement exists, delivery of products has occurred, the sales price charged is fixed or determinable, and collectability is reasonably assured. For the Business, this generally means that we recognize revenue when title to our products is transferred to our customers. In particular, title usually transfers upon shipment to or receipt at our customers' locations, as determined by the specific sales terms of the transactions. Our sales terms do not allow for a right of return except for matters related to any manufacturing defects on our part.

Deductions from Revenue

Our customers can earn certain incentives including, but not limited to, cash discounts, funds for promotional and marketing activities, volume based incentive programs and support for infrastructure programs. The costs associated with these incentives are reflected as deductions from revenue, a component of net revenues in our combined statements of net revenues and direct operating expenses. For customer incentives that must be earned, management must make estimates related to the contractual terms, customer performance, and sales volume to determine the total amounts earned and to be recorded in deductions from revenue. In making these estimates, management considers past results. The actual amounts ultimately paid may be different from our estimates.

In some situations, the Business may determine it to be advantageous to make advanced payments to specific customers to fund certain marketing activities intended to generate profitable volume. The Business also makes advanced payments to certain customers for distribution rights. The advanced payments made to customers may be capitalized and reported in the line item prepaid and other current assets in our combined statements of assets acquired and liabilities assumed. The assets are amortized over the applicable periods and included in deductions from revenue. The duration of these agreements typically ranges up to 10 years.

Shipping and Handling Costs

Shipping and handling costs related to the movement of finished goods from manufacturing locations to our sales distribution centers are included in the line item cost of goods sold in our combined statements of net revenues and direct operating expenses. Shipping and handling costs incurred to move finished goods from our sales distribution centers to customer locations are included in the line item selling, general and administrative expenses in our combined statements of net revenues and direct operating expenses. During the years ended December 31, 2016 and 2015, the Business recorded shipping and handling costs of $75,698 and $68,983, respectively, in the line item selling, general and administrative expenses. Our customers do not pay us separately for shipping and handling costs related to finished goods.

Inventories

Inventories consist primarily of raw materials, finished goods and spare parts used in our production facilities and for spare vending equipment. 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. Refer to Note 4.

Property, Plant and Equipment

Property, plant and equipment is stated at cost. Depreciation is recorded principally by the straight-line method over the estimated useful lives of our assets, which are reviewed periodically and generally have the following ranges: buildings and improvements: 40 years or less; and machinery, equipment and vehicle fleet: 20 years or less. Land is not depreciated,

and construction in progress is not depreciated until it is ready for its intended use. Leasehold improvements are amortized using the straight-line method over the shorter of the remaining lease term, including renewals that are deemed to be reasonably assured, or the estimated useful life of the improvement. Repair and maintenance costs that do not improve service potential or extend economic life are expensed as incurred.

Certain events or changes in circumstances may indicate that the recoverability of the carrying amount of property, plant and equipment should be assessed, including, among others, a significant decrease in market value, a significant change in the business climate in a particular market, or a current period operating or cash flow loss combined with historical losses or projected future losses. When such events or changes in circumstances are present, we estimate the future cash flows expected to result from the use of the asset (or asset group) and its eventual disposition. These estimated future cash flows are consistent with those we use in our internal planning. If the sum of the expected future cash flows (undiscounted and without interest charges) is less than the carrying amount, we recognize an impairment loss. The impairment loss recognized is the amount by which the carrying amount exceeds the fair value. We use a variety of methodologies to determine the fair value of property, plant and equipment, including appraisals and discounted cash flow models, which are consistent with the assumptions we believe hypothetical marketplace participants would use. Refer to Note 5.

Intangible Assets

Intangible assets included in our accompanying combined statements of assets acquired and liabilities assumed relate to indefinite-lived franchise rights associated with the right to distribute Coca-Cola, Monster and Dr Pepper products, definite-lived franchise rights associated with the right to distribute other KO brands, and definite-lived customer relationships. The indefinite-lived franchise rights are not subject to amortization. The definite-lived franchise rights are amortized over their estimated useful lives of between seven and eight years, and customer relationships are amortized over their estimated useful lives of twenty years. Refer to Note 6.

We test intangible assets determined to have indefinite useful lives for impairment annually, or more frequently if events or circumstances indicate that assets might be impaired. We perform these annual impairment reviews as of the first day of our third fiscal quarter. We use a variety of methodologies in conducting impairment assessments of indefinite-lived intangible assets, including, but not limited to, discounted cash flow models, which are based on the assumptions we believe hypothetical marketplace participants would use. For indefinite-lived intangible assets, if the carrying amount exceeds the fair value, an impairment charge is recognized in an amount equal to that excess.

There were no impairment charges recognized for the years ended December 31, 2016 and 2015.

Contingencies

The Business is involved in various legal proceedings and tax matters. Due to their nature, such legal proceedings and tax matters involve inherent uncertainties including, but not limited to, court rulings, negotiations between affected parties and governmental actions. Management assesses the probability of loss for such contingencies and accrues a liability and/or discloses the relevant circumstances, as appropriate. Contingent liabilities will be retained by the Company and have been excluded from the combined abbreviated financial statements.

NOTE 3: ACQUISITIONS

Monster Beverage Corporation (2015)

On August 14, 2014, the Company and Monster Beverage Corporation ("Monster") entered into definitive agreements for a long-term strategic relationship in the global energy drink category. The transaction contemplated under these agreements ("Monster Transaction") closed on June 12, 2015. As a result of the Monster Transaction, (1) the Company purchased newly issued shares of Monster common stock representing approximately 17 percent of the outstanding shares of Monster common stock (after giving effect to the new issuance); (2) the Company sold its global energy drink business (including NOS, Full Throttle, Burn, Mother, Play and Power Play, and Relentless) to Monster, and the Company acquired Monster's non-energy drink business (including Hansen's Natural Sodas, Peace Tea, Hubert's Lemonade and Hansen's Juice Products); and (3) the parties amended their distribution coordination agreements to expand distribution of Monster products into additional territories pursuant to long-term agreements with the Company's existing network of Company-owned or -controlled bottling operations and distribution partners. The Coca-Cola system also became Monster's preferred global distribution partner. The consideration transferred comprised $2,150 million of cash and the fair value of the Company's global energy drink business of $2,046 million, which was determined using discounted cash flow analyses, resulting in total consideration transferred of $4,196 million.

As a result of the Monster Transaction, the North America Coca-Cola system obtained the right to distribute Monster products in territories for which it was not previously the authorized distributor ("expanded territories"). Among others, the expanded territories include portions of Indiana, Ohio, Tennessee, Mississippi, and Arkansas, and the right to distribute Monster products in certain of these territories was included in the sale of the Business to CCBCC in 2017. The portion of fair value of intangible assets attributable to the Business upon acquisition was $75.8 million.

These distribution rights are governed by an agreement with an initial term of twenty years, after which it will continue to remain in effect unless otherwise terminated by either party, and there are no future costs of renewal. As such, these rights were determined to be indefinite-lived intangible assets, and are included in the carrying value of indefinite-lived bottlers' franchise rights in Note 6.

NOTE 4: INVENTORIES

Inventories consist primarily of raw materials (which include concentrates, ingredients and supplies), finished goods (which include finished beverages inclusive of costs to produce such as materials, direct labor, inbound freight, and related manufacturing overhead) and spare production and vending parts. 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:

Year ended December 31,	**2016**	2015
Raw materials	**$ 14,662**	$ 14,653
Finished goods	**31,066**	31,126
Spare production parts	**7,999**	5,406
Vending and other spare parts	**2,759**	3,042
TOTAL INVENTORIES	**$ 56,486**	$ 54,227

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

The following table summarizes our property, plant and equipment:

Year ended December 31,	**2016**	2015
Land	**$ 19,914**	$ 19,914
Buildings and improvements	**121,553**	113,612
Machinery, equipment and vehicle fleet	**398,230**	387,932
Total	**539,697**	521,458
Less accumulated depreciation	**(240,952)**	(241,727)
Total net book value	**298,745**	279,731
Construction in progress	**6,050**	26,889
PROPERTY, PLANT AND EQUIPMENT, NET	**$ 304,795**	$ 306,620

Total depreciation expense for property, plant & equipment was $39,057 and $37,915 for the years ended December 31, 2016 and 2015, respectively.

NOTE 6: INTANGIBLE ASSETS

Indefinite-Lived Intangible Assets

The carrying value of indefinite-lived bottlers' franchise rights was $435,812 as of December 31, 2016 and 2015.

Definite-Lived Intangible Assets

The following table summarizes information related to definite-lived intangible assets:

	December 31, 2016			**December 31, 2015**		
	Gross carrying amount	**Accumulated amortization**	**Net**	**Gross carrying amount**	**Accumulated amortization**	**Net**
Bottlers' franchise rights	**$ 25,638**	**$ 23,303**	**$ 2,335**	$ 25,638	$ 19,792	$ 5,846
Customer relationships	**21,636**	**6,761**	**14,875**	21,636	5,679	15,957
TOTAL DEFINITE - LIVED INTANGIBLE ASSETS	**$ 47,274**	**$ 30,064**	**$ 17,210**	$ 47,274	$ 25,471	$ 21,803

Total amortization expense for intangible assets subject to amortization was $4,593 and $4,679 for the years ended December 31, 2016 and 2015, respectively.

Based on the carrying value of definite-lived intangible assets as of December 31, 2016, the estimated amortization expense of the Business for the next five years will be as follows:

Year Ended December 31,		
2017	$	**3,399**
2018		**1,099**
2019		**1,082**
2020		**1,082**
2021	$	**1,082**

NOTE 7: CURRENT LIABILITIES

The CTM liability represents amounts owed to the Company by CCR in connection with cooperative trade marketing programs administered by the Company. Under the programs, the Company incurs costs in connection with customer marketing programs which are reimbursed by CCR. In connection with the divestiture of the Business, the Company has allocated the portion of total CCR costs attributable to the Business. Amounts are settled annually as of December 31 for the prior twelve months of CTM charges from the Company.

NOTE 8: COMMITMENTS AND CONTINGENCIES

The Business rents vehicles, forklifts and other equipment on an as-needed basis in the normal course of business. The rentals are short term in nature with rental periods of typically less than one month. The Business also leases certain real estate assets. The following table summarizes our minimum lease payments under noncancelable operating leases, primarily related to real estate, with initial or remaining lease terms in excess of one year as of December 31, 2016:

Year Ended December 31,		
2017	$	**1,424**
2018		**1,418**
2019		**1,297**
2020		**1,083**
2021		**989**
Thereafter		**3,606**
Total minimum operating lease payments	$	**9,817**

Total rent expense under noncancelable operating leases with initial lease terms in excess of one year was $1,247 and $656 for the years ended December 31, 2016 and 2015, respectively.

NOTE 9: SIGNIFICANT CUSTOMERS

The significant customers representing 10% or more of unit case sales volume and their respective unit case volume as a percentage of the Business's total unit case sales volume are presented below:

Year ended December 31,	2016	2015
Wal-Mart Stores, Inc.	**18.9%**	18.7%
The Kroger Co.	**14.2%**	13.9%

NOTE 10: RELATED PARTY TRANSACTIONS

The Business engages in certain related party transactions in the normal course of business. The following tables summarize our related party transactions:

Purchases and other payments

Year ended December 31,	2016	2015
Purchases of concentrate, syrup, sweetener and other supplies from the Company	**$ 348,787**	$ 367,657
Purchases of finished goods from Monster	**158,901**	86,923
Purchases of finished goods from CCBCC	**8,169**	3,280
Other purchases and payments	**15,789**	15,180
TOTAL PURCHASES AND OTHER PAYMENTS	**$ 531,646**	$ 473,040

Sales and other fee reimbursements

Year ended December 31,	2016	2015
Sales of finished products to CCBCC	**$ 39,534**	$ 24,817
Reimbursements from the Company for customer marketing programs	**19,055**	21,485
Reimbursements from the Company for equipment services	**8,162**	7,535
Other sales and fee reimbursements	**7,317**	7,465
TOTAL SALES AND OTHER FEE REIMBURSEMENTS	**$ 74,068**	$ 61,302

NOTE 11: SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 12, 2017, the date the combined abbreviated financial statements were issued. There were no subsequent events which have not been disclosed in these combined abbreviated financial statements.

Exhibit 99.2

CCR 2017 Carve-out Transactions – Production and Distribution

(A BUSINESS OF THE COCA-COLA COMPANY)

COMBINED ABBREVIATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2017 AND DECEMBER 31, 2016 AND FOR EACH OF THE SIX MONTH PERIODS ENDED JUNE 30, 2017 AND JULY 1, 2016

(UNAUDITED)

CCR 2017 Carve-out Transactions – Production and Distribution

(A BUSINESS OF THE COCA-COLA COMPANY)

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CCR 2017 Carve-out Transactions – Production and Distribution

(A BUSINESS OF THE COCA-COLA COMPANY)

COMBINED STATEMENTS OF NET REVENUES AND DIRECT OPERATING EXPENSES

(UNAUDITED)

	Six Months Ended	
	June 30, 2017	July 1, 2016
(In thousands)		
NET REVENUES	**$ 334,020**	$ 515,309
Cost of goods sold	**225,509**	349,909
GROSS PROFIT	**108,511**	165,400
Selling, general and administrative expenses	**100,662**	142,669
NET REVENUES IN EXCESS OF DIRECT OPERATING EXPENSES	**$ 7,849**	$ 22,731

Refer to Note 1 for additional information affecting comparability between periods.

The accompanying notes are an integral part of these combined abbreviated financial statements.

CCR 2017 Carve-out Transactions – Production and Distribution

(A BUSINESS OF THE COCA-COLA COMPANY)

COMBINED STATEMENTS OF ASSETS ACQUIRED AND LIABILITIES ASSUMED

(UNAUDITED)

(In thousands)		**June 30, 2017**		December 31, 2016
ASSETS ACQUIRED				
CURRENT ASSETS				
Cash	**$**	**174**	$	580
Inventories		**16,685**		56,486
Prepaid and other current assets		**1,166**		3,259
TOTAL CURRENT ASSETS		**18,025**		60,325
Property, plant & equipment, net		**87,277**		304,795
Intangible assets, net		**161,240**		453,022
Other non-current assets		**430**		2,267
TOTAL ASSETS ACQUIRED		**266,972**		820,409
LIABILITIES ASSUMED				
CURRENT LIABILITIES				
Cooperative trade marketing ("CTM") liability		**4,787**		34,483
Accrued Expenses		**359**		2,415
Accrued Taxes		**386**		-
Deposit Liabilities		**720**		4,567
TOTAL CURRENT LIABILITIES		**6,252**		41,465
Other non-current liabilities		**64**		126
ASSETS ACQUIRED AND LIABILITIES ASSUMED, NET	**$**	**260,656**	$	778,818

Refer to Notes 1, 4, 5, 6 and 7 for additional information affecting comparability between periods.

The accompanying notes are an integral part of these combined abbreviated financial statements.

NOTE 1: DESCRIPTION OF TRANSACTION, SERIES OF TRANSACTIONS, DESCRIPTION OF THE BUSINESS, AND BASIS OF PRESENTATION

Description of Transactions

On September 1, 2016, Coca-Cola Refreshments USA, Inc ("CCR"), a wholly-owned subsidiary of The Coca-Cola Company (the "Company" or "KO"), entered into the following two definitive agreements with Coca-Cola Bottling Co. Consolidated ("CCBCC"): (i) an asset purchase agreement (the "September 2016 Distribution APA") that provides for the transfer of certain territory distribution rights and related tangible assets; and (ii) an asset purchase agreement (the "September 2016 Manufacturing APA") that provides for the transfer of certain manufacturing rights for KO products and three regional manufacturing facilities.

In the first fiscal quarter of 2017, CCR closed on the following transfer of rights to CCBCC as part of the September 2016 Distribution APA and the September 2016 Manufacturing APA:

- distribution rights and related assets in Anderson, Fort Wayne, Lafayette, South Bend and Terre Haute, Indiana on January 27, 2017;
- distribution rights and related assets in Indianapolis and Bloomington, Indiana and Columbus and Mansfield, Ohio on March 31, 2017; and
- the Indianapolis and Portland, Indiana regional manufacturing facilities and related manufacturing assets on March 31, 2017

On April 13, 2017, CCR entered into the following definitive agreements with CCBCC: (i) an asset purchase agreement (the "April 2017 Distribution APA") that provides for the transfer of certain territory distribution rights and related tangible assets; and (ii) an asset purchase agreement (the "April 2017 Manufacturing APA") that provides for the transfer of certain manufacturing rights for KO products and one regional manufacturing facility.

In the second fiscal quarter of 2017, CCR closed on the following transfer of rights to CCBCC as part of the April 2017 Distribution APA and the April 2017 Manufacturing APA:

- distribution rights and related assets in Akron, Toledo, Elyria and Willoughby, Ohio and the portion of the territory supplied by CCR's Youngstown, Ohio sales center located in Ohio on April 28, 2017; and
- the Twinsburg, Ohio regional manufacturing facility and related manufacturing assets on April 28, 2017

On September 29, 2017, CCR entered into the following definitive agreements with CCBCC: (i) an asset exchange agreement (the "CCR Asset Exchange Agreement") that provides for the transfer of certain territory distribution rights in central and southern Arkansas and related tangible assets as well as certain manufacturing rights for KO products and two regional manufacturing facilities in Memphis, Tennessee and West Memphis, Arkansas in exchange for certain of CCBCC's territory distribution rights in southern Alabama, southeastern Mississippi, southwestern Georgia and northwestern Florida and in and around Somerset, Kentucky and related tangible assets as well as a regional manufacturing facility in Mobile, Alabama and related manufacturing assets and certain associated liabilities (the "Deep South and Somerset Exchange Business"); and (ii) an asset purchase agreement (the "Memphis Purchase Agreement") that provides for the transfer of certain territory distribution rights and related tangible assets.

On October 2, 2017, CCR closed on the following transfer of rights to CCBCC as part of the CCR Asset Exchange Agreement and the Memphis Purchase Agreement:

- distribution rights and related assets in central and southern Arkansas under the CCR Asset Exchange Agreement;
- the Memphis, Tennessee and West Memphis, Arkansas regional manufacturing facilities and related assets under the CCR Asset Exchange Agreement; and
- distribution rights and related assets in and around Memphis, Tennessee, including portions of northwestern Mississippi and eastern Arkansas under the Memphis Purchase Agreement.

The transactions completed through October 2, 2017 pursuant to the September 2016 Distribution APA, September 2016 Manufacturing APA, April 2017 Distribution APA, April 2017 Manufacturing APA, CCR Asset Exchange Agreement and Memphis Purchase Agreement are collectively referred to herein as "CCR 2017 Carve-out Transactions – Production and Distribution" or the "APAs and AEA." The aggregate territory and manufacturing operations covered by the APAs and AEA is collectively referred to herein as the "Business". Aggregate cash proceeds after deducting the value of certain retained assets and retained liabilities pursuant to the APAs and AEA approximated $282.2 million, excluding the impact of future sub-bottling payments and post-closing adjustments and net of the estimated aggregate value at closing after deducting the value of certain retained assets and retained liabilities of the Deep South and Somerset Exchange Business of $142.0 million. In connection with the APAs and AEA, CCBCC agreed to produce and transfer beverage products to certain third-party bottlers of KO beverages at prices unilaterally determined by KO. Future sub-bottling payments are quarterly payments from CCBCC to KO based on gross profit derived from sales of certain beverages and beverage products.

Description of the Business

The Company is the world's largest beverage company, which owns or licenses and markets more than 500 nonalcoholic beverage brands, primarily sparkling beverages but also a variety of still beverages such as waters, enhanced waters, juices and juice drinks, ready-to-drink teas and coffees, and energy and sports drinks. Finished beverage products bearing the Company's trademarks are now sold in more than 200 countries. The Company makes its branded beverage products available to consumers throughout the world through its network of Company-owned or Company-controlled bottling and distribution operations as well as independent bottling partners, distributors, wholesalers and retailers-the world's largest beverage distribution system.

The Business produces, distributes, and markets bottled and canned beverages in Indiana, Ohio, Tennessee, Mississippi, and Arkansas. It offers various beverages, including regular sparkling, zero, and low-calorie energy and sports drinks, waters, juices, fruit drinks, coffees, and teas.

Basis of Presentation

In these combined abbreviated financial statements, the terms "we," "us" and "our" mean the Business. The accompanying combined statements of assets acquired and liabilities assumed and the related combined statements of net revenues and direct operating expenses of the Business are derived from KO's historical accounting records, which are maintained in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). These combined abbreviated financial statements are not intended to be a complete presentation and are not necessarily indicative of the financial position or results of operations that would have been achieved if the Business had operated as a separate, stand-alone entity as of or during any of the periods presented nor are they indicative of the financial condition or results going forward due to the changes in the Business and the omission of certain operating expenses, as described below. Certain

centrally provided services, which are shared by KO's business units, corporate functions, and other areas of KO are not tracked or monitored in a manner that would enable the development of full financial statements required by Rule 3-05 of Regulation S-X. As such, it is not possible to provide a meaningful allocation of certain business unit and corporate costs, interest or tax and only costs directly related to the revenue-generating activities of the Business are included in these combined abbreviated financial statements.

The combined statements of assets acquired and liabilities assumed include only the specific assets and liabilities related to the Business that were acquired by CCBCC in accordance with the APAs and AEA, which included assets and liabilities exclusively related to or used in the Business. The combined statements of assets acquired and liabilities assumed as of June 30, 2017 includes only the assets and liabilities related to the Business to be transferred to CCBCC under the CCR Asset Exchange Agreement and the Memphis Purchase Agreement (for which the transactions had not closed as of June 30, 2017). Refer to Notes 4, 5, 6, and 7 for additional discussion.

Items such as accounts receivable, deferred costs, accounts payable, and certain other assets and accrued liabilities are excluded from the transactions. Employees of the Business may participate in one or more defined benefit plans sponsored by the Company. CCBCC will not assume any portion of the benefit plans' pension obligation, and no portion of plan assets or benefit obligation has been allocated to the Business. Cash acquired by CCBCC is limited to estimated amounts in vending machines upon divestiture by KO. The CTM liability (payables to other KO entities) will be assumed by CCBCC. Prepaid expenses represent balances specific to the Business that will be acquired by CCBCC. Fleet vehicles and vending equipment are often used to service multiple CCR distribution territories. Fleet vehicles and vending equipment, reported in the line item Property, plant & equipment, net in our combined statements of assets acquired and liabilities assumed, represent assets identified by us that most closely relate to operations of the Business. Intangible assets represent franchise rights and customer relationships that will be acquired by CCBCC.

The combined statements of net revenues and direct operating expenses include the net revenues and direct operating expenses directly attributable to the generation of revenues to Company-owned or -controlled, as well as independent bottlers (e.g. marketing, manufacturing and selling of concentrates and/or beverage bases necessary for the production of finished beverages of the Business). Cost of goods sold is based on the standard costs of the actual products sold with directly related manufacturing variances as well as an allocation of labor and overhead using reasonable allocation methods. The cost of freight to deliver finished products from production facilities to distribution centers has been estimated using national freight rates. Local freight rates may differ from the estimated national freight rates. Marketing expenses included as deductions from revenue and in selling, general and administrative expenses are primarily comprised of campaigns directly related to brands of the Business for which the right to distribute those brands will be granted to CCBCC.

Compensation expense for the dedicated employees that may be transferred to CCBCC is included in selling, general and administrative expenses. Allocations of other selling, general and administrative expenses directly related to the Business, including net periodic benefit costs related to participation by employees of the Business in defined benefit plans sponsored by the Company, are based on reasonable allocation methods. The combined statements of net revenues and direct operating expenses excludes the cost of general corporate activities, corporate level overhead, interest expense and income taxes. Future results of operations and financial position could differ materially from the historical amounts presented herein.

Statements of cash flows and statements of shareowners' equity are not presented as CCBCC did not acquire all of the assets nor assume all of the liabilities of the Business and the preparation of such statements is not meaningful. All cash flow requirements of the Business were funded by KO, and cash management functions were not performed at the

Business level. Therefore, it is impracticable to present a statement of cash flows, including cash flows from operating, investing and financing activities, as the Business did not maintain cash balances of that nature.

Factors Impacting Comparability Between Periods

The statements of net revenues and direct operating expenses and statements of assets acquired and liabilities assumed have been prepared on a combined basis and reflect the assets, liabilities and activities of CCR 2017 Carve-out Transactions – Production and Distribution business as of and for the period during which the component businesses were under the control of the Company. Accordingly, the statement of assets acquired and liabilities assumed as of June 30, 2017 does not reflect the assets and liabilities for territories/operations that were transferred to CCBCC prior to June 30, 2017. Similarly, the statements of net revenues and direct operating expenses reflect the activities for territories/operations that were transferred to CCBCC prior to June 30, 2017 only through the date of the related sale/transfer to CCBCC. The following table provides supplemental information with respect to the historical activities of territories/operations that were transferred to CCBCC prior to June 30, 2017 and with respect to the historical activities of territories/operations that were transferred to CCBCC subsequent to June 30, 2017 to highlight the impact on comparability between periods.

(In thousands, unless otherwise stated)

	Six month period ended June 30, 2017			Six month period ended July 1, 2016		
	Portion of Business transferred to CCBCC prior to June 30, 2017	**Portion of Business transferred to CCBCC on October 2, 2017**	**Total**	**Portion of Business transferred to CCBCC prior to June 30, 2017**	**Portion of Business transferred to CCBCC on October 2, 2017**	**Total**
NET REVENUES	**$ 182,348**	**$ 151,672**	**$ 334,020**	$ 366,825	$ 148,484	$ 515,309
Cost of goods sold	**131,244**	**94,265**	**225,509**	255,702	94,207	349,909
GROSS PROFIT	**51,104**	**57,407**	**108,511**	111,123	54,277	165,400
Selling, general and administrative expenses	**50,930**	**49,732**	**100,662**	95,839	46,830	142,669
NET REVENUES IN EXCESS OF DIRECT OPERATING EXPENSES	**$ 174**	**$ 7,675**	**$ 7,849**	$ 15,284	$ 7,447	$ 22,731

Recently Issued Accounting Guidance

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*, which will replace most existing revenue recognition guidance in U.S. GAAP and is intended to improve and converge with international standards for the financial reporting requirements for revenue from contracts with customers. The core principle of ASU 2014-09 is that an entity should recognize revenue for the transfer of goods or services equal to the amount that it expects to be entitled to receive for those goods or services. ASU 2014-09 also requires additional disclosures about the nature, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. ASU 2014-09 allows for adoption either on a full retrospective basis to each prior reporting period presented or on a modified retrospective basis with the cumulative effect of initially applying the new guidance recognized at the date of initial application, which will be effective for the Business beginning January 1, 2019.

The Business plans to adopt ASU 2014-09 and its amendments on a modified retrospective basis and is continuing to assess all future impacts of the guidance by reviewing our current contracts with customers to identify potential differences that could result from applying the new guidance. Based on our preliminary review, we expect that ASU 2014-09's broad definition of variable consideration will require the Business to estimate and record certain variable payments resulting from collaborative funding arrangements, rebates and other pricing allowances earlier than it currently does. While we do not expect this change to have a material impact on net revenues on an annual basis, we do expect that it will have an impact on our revenue in interim periods. As we complete our overall assessment, the Business is also identifying and preparing to implement changes to our accounting policies and practices, business processes, systems and controls to support the new revenue recognition and disclosure requirements. Our assessment will be completed during fiscal year 2017.

In July 2015, the FASB issued ASU No. 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*. ASU No. 2015-11 changes the measurement principle for inventory from the "lower of cost or market" to "lower of cost and net realizable value." Net realizable value is defined as the "estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation." ASU No. 2015-11 eliminates the guidance that entities consider replacement cost or net realizable value less an approximately normal profit margin in the subsequent measurement of inventory when cost is determined on a first-in, first-out or average cost basis. It is effective for the Business for annual reporting periods beginning January 1, 2017, and interim periods within fiscal years beginning January 1, 2018. Early adoption is permitted. The adoption of ASU 2015-11 will not impact our combined abbreviated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*, which requires lessees to recognize on the balance sheet a right-of-use asset, representing their right to use the underlying asset for the lease term, and a lease liability for all leases with terms greater than 12 months. The guidance also requires qualitative and quantitative disclosures designed to assess the amount, timing and uncertainty of cash flows arising from leases. The standard requires the use of a modified retrospective transition approach, which includes a number of optional practical expedients that entities may elect to apply. ASU 2016-02 is effective for the Business for annual periods beginning January 1, 2020, and interim periods within fiscal years beginning January 1, 2021. We are currently evaluating the impact that ASU 2016-02 will have on our combined abbreviated financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the statements and accompanying notes. Actual results could differ from these estimates.

Revenue Recognition

Revenue included in the combined statements of net revenues and direct operating expenses include sales of our finished beverage products to retailers, distributors, wholesalers, and bottling partners. We recognize revenue when persuasive evidence of an arrangement exists, delivery of products has occurred, the sales price charged is fixed or determinable, and collectability is reasonably assured. For the Business, this generally means that we recognize revenue when title to our products is transferred to our customers. In particular, title usually transfers upon shipment to or receipt at our customers'

locations, as determined by the specific sales terms of the transactions. Our sales terms do not allow for a right of return except for matters related to any manufacturing defects on our part.

Deductions from Revenue

Our customers can earn certain incentives including, but not limited to, cash discounts, funds for promotional and marketing activities, volume based incentive programs and support for infrastructure programs. The costs associated with these incentives are reflected as deductions from revenue, a component of net revenues in our combined statements of net revenues and direct operating expenses. For customer incentives that must be earned, management must make estimates related to the contractual terms, customer performance and sales volume to determine the total amounts earned and to be recorded in deductions from revenue. In making these estimates, management considers past results. The actual amounts ultimately paid may be different from our estimates.

In some situations, the Business may determine it to be advantageous to make advanced payments to specific customers to fund certain marketing activities intended to generate profitable volume. The Business also makes advance payments to certain customers for distribution rights. The advanced payments made to customers may be capitalized and reported in the line item prepaid and other current assets in our combined statements of assets acquired and liabilities assumed. The assets are amortized over the applicable periods and included in deductions from revenue. The duration of these agreements typically ranges up to 10 years.

Shipping and Handling Costs

Shipping and handling costs related to the movement of finished goods from manufacturing locations to our sales distribution centers are included in the line item cost of goods sold in our combined statements of net revenues and direct operating expenses. Shipping and handling costs incurred to move finished goods from our sales distribution centers to customer locations are included in the line item selling, general and administrative expenses in our combined statements of net revenues and direct operating expenses. During the six-months ended June 30, 2017 and July 1, 2016, the Company recorded shipping and handling costs of $25,129 and $37,179, respectively, in the line item selling, general and administrative expenses. Our customers do not pay us separately for shipping and handling costs related to finished goods.

Inventories

Inventories consist primarily of raw materials, finished goods and spare parts used in our production facilities and for spare vending equipment. 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. Refer to Note 4.

Property, Plant and Equipment

Property, plant and equipment is stated at cost. Depreciation is recorded principally by the straight-line method over the estimated useful lives of our assets, which are reviewed periodically and generally have the following ranges: buildings and improvements: 40 years or less; and machinery, equipment and vehicle fleet: 20 years or less. Land is not depreciated, and construction in progress is not depreciated until it is ready for its intended use. Leasehold improvements are amortized using the straight-line method over the shorter of the remaining lease term, including renewals that are deemed to be reasonably assured, or the estimated useful life of the improvement. Repair and maintenance costs that do not improve service potential or extend economic life are expensed as incurred.

Certain events or changes in circumstances may indicate that the recoverability of the carrying amount of property, plant and equipment should be assessed, including, among others, a significant decrease in market value, a significant change in the business climate in a particular market, or a current period operating or cash flow loss combined with historical losses or projected future losses. When such events or changes in circumstances are present, we estimate the future cash flows expected to result from the use of the asset (or asset group) and its eventual disposition. These estimated future cash flows are consistent with those we use in our internal planning. If the sum of the expected future cash flows (undiscounted and without interest charges) is less than the carrying amount, we recognize an impairment loss. The impairment loss recognized is the amount by which the carrying amount exceeds the fair value. We use a variety of methodologies to determine the fair value of property, plant and equipment, including appraisals and discounted cash flow models, which are consistent with the assumptions we believe hypothetical marketplace participants would use. Refer to Note 5.

Intangible Assets

Intangible assets included in our accompanying combined statements of assets acquired and liabilities assumed relate to indefinite-lived franchise rights associated with the right to distribute Coca-Cola, Monster and Dr Pepper products, definite-lived franchise rights associated with the right to distribute other KO brands and definite-lived customer relationships. The indefinite-lived franchise rights are not subject to amortization. The definite-lived franchise rights are amortized over their estimated useful lives of between seven and eight years, and customer relationships are amortized over their estimated useful lives of 20 years. Refer to Note 6.

We test intangible assets determined to have indefinite useful lives for impairment annually, or more frequently if events or circumstances indicate that assets might be impaired. We perform these annual impairment reviews as of the first day of our third fiscal quarter. We use a variety of methodologies in conducting impairment assessments of indefinite-lived intangible assets, including, but not limited to, discounted cash flow models, which are based on the assumptions we believe hypothetical marketplace participants would use. For indefinite-lived intangible assets, if the carrying amount exceeds the fair value, an impairment charge is recognized in an amount equal to that excess.

There were no impairment charges recognized for the six month periods ended June 30, 2017 and July 1, 2016.

Contingencies

The Business is involved in various legal proceedings and tax matters. Due to their nature, such legal proceedings and tax matters involve inherent uncertainties including, but not limited to, court rulings, negotiations between affected parties and governmental actions. Management assesses the probability of loss for such contingencies and accrues a liability and/or discloses the relevant circumstances, as appropriate. Contingent liabilities will be retained by the Company and have been excluded from the combined abbreviated financial statements.

NOTE 3: MONSTER BEVERAGE CORPORATION ACQUISITION

Monster Beverage Corporation (2015)

On August 14, 2014, the Company and Monster Beverage Corporation (“Monster”) entered into definitive agreements for a long-term strategic relationship in the global energy drink category. The transaction contemplated under these agreements ("Monster Transaction") closed on June 12, 2015. As a result of the Monster Transaction, (1) the Company purchased newly issued shares of Monster common stock representing approximately 17 percent of the outstanding shares

of Monster common stock (after giving effect to the new issuance); (2) the Company sold its global energy drink business (including NOS, Full Throttle, Burn, Mother, Play and Power Play, and Relentless) to Monster, and the Company acquired Monster's non-energy drink business (including Hansen's Natural Sodas, Peace Tea, Hubert's Lemonade and Hansen's Juice Products); and (3) the parties amended their distribution coordination agreements to expand distribution of Monster products into additional territories pursuant to long-term agreements with the Company's existing network of Company-owned or -controlled bottling operations and distribution partners. The Coca-Cola system also became Monster's preferred global distribution partner. The consideration transferred consisted of $2,150 million of cash and the fair value of the Company's global energy business of $2,046 million, which was determined using discounted cash flow analyses, resulting in total consideration transferred of $4,196 million.

As a result of the Monster Transaction, the North America Coca-Cola system obtained the right to distribute Monster products in territories for which it was not previously the authorized distributor ("expanded territories"). Among others, the expanded territories include portions of Indiana, Ohio, Tennessee, Mississippi, and Arkansas, and the right to distribute Monster products in certain of these territories was included in the sale of the Business to CCBCC in 2017. The portion of fair value of intangible assets attributable to the Business upon acquisition was $75.8 million.

These distribution rights are governed by an agreement with an initial term of 20 years, after which it will continue to remain in effect unless otherwise terminated by either party and there are no future costs of renewal. As such, these rights were determined to be indefinite-lived intangible assets, and are classified in the line item Indefinite-lived bottlers' franchise rights in Note 6.

NOTE 4: INVENTORIES

Inventories consist primarily of raw materials (which include concentrates, ingredients and supplies), finished goods (which include finished beverages inclusive of costs to produce such as materials, direct labor, inbound freight, and related manufacturing overhead) and spare production and vending parts. 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:

	June 30, 2017	December 31, 2016
Raw materials	**$ 3,070**	$ 14,662
Finished goods	**10,713**	31,066
Spare production parts	**1,935**	7,999
Vending and other spare parts	**967**	2,759
TOTAL INVENTORIES	**$ 16,685**	$ 56,486

During the six-months ended June 30, 2017, the Company disposed of inventory with an aggregate cost of $43,237 as of December 31, 2016 in connection with the APAs and AEA (refer to Note 1).

NOTE 5: PROPERTY, PLANT & EQUIPMENT

The following table summarizes our property, plant and equipment:

	June 30, 2017	December 31, 2016
Land	**$ 4,372**	$ 19,914
Buildings and improvements	**46,404**	121,553
Machinery, equipment and vehicle fleet	**115,542**	398,230
Total	**166,318**	539,697
Less accumulated depreciation	**(79,121)**	(240,952)
Total net book value	**87,197**	298,745
Construction in progress	**80**	6,050
PROPERTY, PLANT & EQUIPMENT – NET	**$ 87,277**	$ 304,795

During the six-months ended June 30, 2017, the Company disposed of property, plant and equipment with an aggregate net book value of $212,923 as of December 31, 2016 in connection with the APAs and AEA (refer to Note 1).

NOTE 6: INTANGIBLE ASSETS

The following table summarizes information related to indefinite and definite-lived intangible assets:

	June 30, 2017			December 31, 2016		
	Gross carrying amount	Accumulated amortization	Net	Gross carrying amount	Accumulated amortization	Net
Indefinite-lived bottlers' franchise rights	**$ 156,440**	**$ -**	**$ 156,440**	$ 435,812	$ -	$ 435,812
Definite-lived bottlers' franchise rights	**9,016**	**8,647**	**369**	25,638	23,303	2,335
Definite-lived customer relationships	**6,688**	**2,257**	**4,431**	21,636	6,761	14,875
TOTAL INTANGIBLE ASSETS	**$ 172,144**	**$ 10,904**	**$ 161,240**	$ 483,086	$ 30,064	$ 453,022

During the six-months ended June 30, 2017, the Company disposed of intangible assets with an aggregate net carrying amount of $291,174 as of December 31, 2016 in connection with the APAs and AEA (refer to Note 1).

NOTE 7: CURRENT LIABILITIES

The CTM liability represents amounts owed to the Company by CCR in connection with cooperative trade marketing programs administered by the Company. Under the programs, the Company incurs costs in connection with customer marketing programs which are reimbursed by CCR. In connection with the divestiture of the Business, the Company has

allocated the portion of total CCR costs attributable to the Business. Amounts are settled annually as of December 31 for the prior twelve months of CTM charges from the Company.

During the six-months ended June 30, 2017, the Company transferred CTM liabilities amounting to $24,582 as of December 31, 2016 in connection with the APAs and AEA (refer to Note 1). The CTM liabilities transferred by the Company approximated $10.9 million in the aggregate as of the date of the January 27, 2017, March 31, 2017, April 28, 2017 closings and October 2, 2017 closings.

NOTE 8: SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 14, 2017, the date the combined abbreviated financial statements were issued. There were no subsequent events which have not been disclosed in these combined abbreviated financial statements.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information has been prepared to reflect the acquisitions of the Acquired Business (as defined in Note 1 to the accompanying unaudited pro forma condensed combined financial statements) by Coca-Cola Bottling Co. Consolidated (the "Company" or "CCBCC") from Coca-Cola Refreshments USA, Inc. ("CCR"), a wholly-owned subsidiary of The Coca-Cola Company, pursuant to various asset purchase agreements and an asset exchange agreement between the Company, The Cola-Cola Company and CCR. The historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (1) directly attributable to the Acquired Business, (2) factually supportable, and (3) with respect to the statements of operations, expected to have a continuing impact on the Company's results of operations.

The unaudited pro forma condensed combined balance sheet is based on the historical balance sheet of the Company and the 2017 Tranche 2 Expansion Transactions (as defined in Note 1) as of July 2, 2017, which is the end of the second quarter of fiscal 2017 ("2017"), and has been prepared to reflect the effects of the 2017 Tranche 2 Expansion Transactions as if the acquisitions thereunder occurred on July 2, 2017.

The unaudited pro forma condensed combined statements of operations for the fiscal year ended January 1, 2017 (fiscal "2016") and the first half ended July 2, 2017 combine the historical results and operations of the Company and CCR, giving effect to the acquisitions of the Acquired Business as if they occurred on January 4, 2016, the first day of 2016. The historical results of the Company reflect the prior completion of previously announced distribution territory transactions and manufacturing facility acquisitions, as discussed in Note 1.

The unaudited pro forma condensed combined statements of operations do not reflect future events that may occur, including, but not limited to, the anticipated realization of ongoing savings from operating synergies and certain one-time charges the Company expects to incur in connection with integrating the operations of the Acquired Business.

The unaudited pro forma condensed combined financial statements are presented for illustrative purposes only, in accordance with Article 11 of Regulation S-X, and are not indicative of the results of operations that would have been realized had the closings for the Acquired Business actually been completed on the dates indicated, nor are they indicative of the Acquired Business's operations going forward.

To produce the pro forma financial information, the assets acquired and liabilities assumed in the 2017 Tranche 1 Expansion Transactions (as defined in Note 1), the 2017 Tranche 2 Expansion Transactions and the 2016 Expansion Transactions (as defined in Note 1) were adjusted to their estimated fair values. As of the date of this filing, the Company has not fully completed the detailed valuation work necessary to arrive at the final estimate of the fair value of the assets acquired and liabilities assumed for all of these transactions. Accordingly, the accompanying unaudited pro forma accounting for the Acquired Business is preliminary, made solely for the purpose of preparing the accompanying unaudited pro forma condensed combined financial statements, and is subject to further adjustments as additional analyses are performed. There can be no assurance that such finalization will not result in material changes from the preliminary accounting for the Acquired Business included in the accompanying unaudited pro forma condensed combined financial statements. The unaudited pro forma condensed combined financial statements have been derived from and should be read in conjunction with:

- the accompanying notes to the unaudited pro forma condensed combined financial statements;
- the Company's audited consolidated financial statements and related notes contained within the Company's Annual Report on Form 10-K for 2016;
- the Company's Quarterly Reports on Form 10-Q for the quarterly periods ended April 2, 2017, July 2, 2017 and October 1, 2017;
- the CCR 2017 Carve-out Transactions – Production and Distribution Combined Abbreviated Financial Statements as of December 31, 2016 and 2015 and for each of the two years ended December 31, 2016, filed as Exhibit 99.1 to this Form 8-K/A;
- the CCR 2017 Carve-out Transactions – Production and Distribution Combined Abbreviated Financial Statements as of June 30, 2017 and December 31, 2016 and for each of the six month periods ended June 30, 2017 and July 1, 2016, filed as Exhibit 99.2 to this Form 8-K/A;
- the CCR 2017 Tranche 1 Carve-out Transactions – Production and Distribution Combined Abbreviated Financial Statements as of and for the year ended December 31, 2016, filed as Exhibit 99.1 to the Company's Current Report on Form 8-K/A filed with the Securities and Exchange Commission (the "SEC") on July 13, 2017;

- the CCR 2016 Carve-out Transactions – Production and Distribution Combined Abbreviated Financial Statements as of September 30, 2016 and December 31, 2015 and for the nine month periods ended September 30, 2016 and October 2, 2015, filed as Exhibit 99.2 to the Company's Current Report on Form 8-K/A filed with the SEC on January 13, 2017; and
- the Company's Current Report on Form 8-K filed with the SEC on October 4, 2017, as it pertains to the 2017 Tranche 2 Expansion Transactions.

COCA-COLA BOTTLING CO. CONSOLIDATED
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF JULY 2, 2017

(in thousands)	CCBCC (as reported)	Current Year Historic CCR - 2017 Tranche 2	Deep South Adjustments (Note 5)	2017 Tranche 2 Expansion Transactions Pro Forma Adjustments		Pro Forma Combined
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 43,514	$ 174	$ (326)	$ 1,319	5a	$ 44,681
Accounts receivable, trade	389,124	-	-	-		389,124
Allowance for doubtful accounts	(5,690)	-	-	-		(5,690)
Accounts receivable from The Coca-Cola Company	87,290	-	-	2,181	5b	89,471
Accounts receivable, other	29,825	-	-	-		29,825
Inventories	200,441	16,685	(17,684)	1,096	5c	200,538
Prepaid expenses and other current assets	66,871	1,166	(154)	-		67,883
Total current assets	**811,375**	**18,025**	**(18,164)**	**4,596**		**815,832**
Property, plant and equipment, net	977,553	87,277	(40,026)	(17,410)	5d	1,007,394
Leased property under capital leases, net	30,689	-	-	-		30,689
Other assets	99,587	430	(199)	-		99,818
Goodwill	160,427	-	(12,727)	16,046	5e	163,746
Distribution agreements, net	798,204	156,809	(63,455)	(46,009)	5f	845,549
Customer lists and other identifiable intangible assets, net	13,606	4,431	-	(31)	5g	18,006
Total assets	**$ 2,891,441**	**$ 266,972**	**$ (134,571)**	**$ (42,808)**		**$ 2,981,034**
LIABILITIES AND EQUITY						
Current Liabilities:						
Current portion of obligations under capital leases	$ 7,875	$ -	$ -	$ -		$ 7,875
Accounts payable, trade	164,622	-	-	-		164,622
Accounts payable to The Coca-Cola Company	187,476	-	-	-		187,476
Other accrued liabilities	183,683	745	(4,197)	6,245	5h	186,476
Accrued compensation	53,518	-	-	-		53,518
Accrued interest payable	4,914	-	-	-		4,914
Cooperative trade marketing liability	-	4,787	-	(4,787)	5i	-
Deposit liabilities	-	720	-	(720)	5j	-
Total current liabilities	**602,088**	**6,252**	**(4,197)**	**738**		**604,881**
Deferred income taxes	146,649	-	-	-		146,649
Pension and postretirement benefit obligations	126,314	-	(14,661)	-		111,653
Other liabilities	532,570	64	-	18,848	5k	551,482
Obligations under capital leases	37,151	-	-	-		37,151
Long-term debt	1,080,578	-	-	60,000	5l	1,140,578
Total liabilities	**2,525,350**	**6,316**	**(18,858)**	**79,586**		**2,592,394**
Equity:						
Common Stock	10,204	-	-	-		10,204
Class B Common Stock	2,819	-	-	-		2,819
Capital in excess of par value	120,417	-	-	-		120,417
Retained earnings	298,146	-	(5,108)	27,657	5m	320,695
Accumulated other comprehensive loss	(92,001)	-	-	-		(92,001)
Treasury stock, at cost: Common Stock	(60,845)	-	-	-		(60,845)
Treasury stock, at cost: Class B Common Stock	(409)	-	-	-		(409)
Total equity of Coca-Cola Bottling Co. Consolidated	278,331	-	(5,108)	27,657		300,880
Noncontrolling interest	87,760	-	-	-		87,760
Total equity	**366,091**	**-**	(5,108)	27,657		**388,640**
Total liabilities and equity	**$ 2,891,441**	**$ 6,316**	**$ (23,966)**	**$ 107,243**		**$ 2,981,034**

See accompanying notes to the unaudited pro forma condensed combined financial statements.

COCA-COLA BOTTLING CO. CONSOLIDATED
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE FIRST HALF ENDED JULY 2, 2017

(in thousands, except per share data)	CCBCC (as reported)	Current Year Historic CCR - 2017 Tranche 1 for the six months ended June 30, 2017	Total 2017 Tranche 1 Expansion Transactions Pro Forma Adjustments		Current Year Historic CCR - 2017 Tranche 2 for the six months ended June 30, 2017	Deep South Adjustments (Note 6)	2017 Tranche 2 Expansion Transactions Pro Forma Adjustments		Pro Forma Combined
Net sales	$ 2,034,993	$ 182,348	$ (30,255)	3a	$ 151,672	$ (120,191)	$ (3,892)	6a	$ 2,214,675
Cost of sales	1,287,794	131,244	(30,041)	3b	94,265	(69,796)	(3,864)	6b	1,409,602
Gross profit	747,199	51,104	(214)		57,407	(50,395)	(28)		805,073
Selling, delivery and administrative expenses	686,278	50,930	(3,793)	3c	49,732	(42,088)	585	6c	741,644
Income from operations	60,921	174	3,579		7,675	(8,307)	(613)		63,429
Interest expense, net	19,910	-	691	3d	-	-	662	6d	21,263
Other expense, net	37,795	-	-		-	-	-		37,795
Income (loss) before income taxes	3,216	174	2,888		7,675	(8,307)	(1,275)		4,371
Income tax expense (benefit)	52	-	1,179	3e	-	(3,199)	2,464	6e	496
Net income (loss)	3,164	174	1,709		7,675	(5,108)	(3,739)		3,875
Less: Net income attributable to noncontrolling interest	1,867	-	-		-	-	-		1,867
Net income (loss) attributable to CCBCC	**$ 1,297**	**$ 174**	**$ 1,709**		**$ 7,675**	**$ (5,108)**	**$ (3,739)**		**$ 2,008**
Basic net income (loss) per share based on net income attributable to CCBCC:									
Common Stock	**$ 0.14**								**$ 0.22**
Weighted average number of Common Stock shares outstanding	7,141								7,141
Class B Common Stock	**$ 0.14**								**$ 0.21**
Weighted average number of Class B Common Stock shares outstanding	2,185								2,185
Diluted net income (loss) per share based on net income attributable to CCBCC:									
Common Stock	**$ 0.14**								**$ 0.21**
Weighted average number of Common Stock shares outstanding - assuming dilution	9,366								9,366
Class B Common Stock	**$ 0.13**								**$ 0.21**
Weighted average number of Class B Common Stock shares outstanding - assuming dilution	2,225								2,225

See accompanying notes to the unaudited pro forma condensed combined financial statements.

COCA-COLA BOTTLING CO. CONSOLIDATED
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR ENDED JANUARY 1, 2017

(in thousands, except per share data)	CCBCC (as reported)	Historic CCR - 2016 Transactions for the nine months ended September 30, 2016	Historic CCR - 2016 Transactions for the month ended October 28, 2016	2016 Expansion Transactions Pro Forma Adjustments		2016 Pro Forma Combined
Net sales	$ 3,156,428	$ 418,954	$ 26,998	$ (57,608)	3a	$ 3,544,772
Cost of sales	1,940,706	293,409	19,018	(57,792)	3b	2,195,341
Gross profit	1,215,722	125,545	7,980	184		1,349,431
Selling, delivery and administrative expenses	1,087,863	106,005	7,036	(7,349)	3c	1,193,555
Income from operations	127,859	19,540	944	7,533		155,876
Interest expense, net	36,325	-	-	1,559	3d	37,884
Other income, net	1,870	-	-	-		1,870
Loss on exchange of franchise territory	692	-	-	-		692
Income before income taxes	92,712	19,540	944	5,974		119,170
Income tax expense	36,049	-	-	10,186	3e	46,235
Net income (loss)	56,663	19,540	944	(4,212)		72,935
Less: Net income attributable to noncontrolling interest	6,517	-	-	-		6,517
Net income (loss) attributable to CCBCC	**$ 50,146**	**$ 19,540**	**$ 944**	**$ (4,212)**		**$ 66,418**
Basic net income per share based on net income attributable to CCBCC:						
Common Stock	**$ 5.39**					**$ 7.14**
Weighted average number of Common Stock shares outstanding	7,141					7,141
Class B Common Stock	**$ 5.39**					**$ 7.14**
Weighted average number of Class B Common Stock shares outstanding	2,168					2,168
Diluted net income per share based on net income attributable to CCBCC:						
Common Stock	**$ 5.36**					**$ 7.10**
Weighted average number of Common Stock shares outstanding - assuming dilution	9,349					9,349
Class B Common Stock	**$ 5.35**					**$ 7.09**
Weighted average number of Class B Common Stock shares outstanding - assuming dilution	2,208					2,208

See accompanying notes to the unaudited pro forma condensed combined financial statements.

COCA-COLA BOTTLING CO. CONSOLIDATED
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR ENDED JANUARY 1, 2017

(in thousands, except per share data)	2016 Pro Forma Combined	Historic CCR - 2017 Tranche 1 for the year ended December 31, 2016	Total 2017 Tranche 1 Expansion Transactions Pro Forma Adjustments		Historic CCR - 2017 Tranche 2 for the year ended December 31, 2016	Deep South Adjustments (Note 6)	2017 Tranche 2 Expansion Transactions Pro Forma Adjustments		Pro Forma Combined
Net sales	$ 3,544,772	$ 742,227	$ (41,530)	3a	$ 307,655	$ (234,976)	$ (8,362)	6a	$ 4,309,786
Cost of sales	2,195,341	511,103	(43,608)	3b	192,885	(136,453)	(8,614)	6b	2,710,654
Gross profit	1,349,431	231,124	2,078		114,770	(98,523)	252		1,599,132
Selling, delivery and administrative expenses	1,193,555	194,743	(5,623)	3c	93,040	(82,283)	935	6c	1,394,367
Income from operations	155,876	36,381	7,701		21,730	(16,240)	(683)		204,765
Interest expense, net	37,884	-	2,619	3d	-	-	1,335	6d	41,838
Other income, net	1,870	-	-		-	-	-		1,870
Loss on exchange of franchise territory	692	-	-		-	-	-		692
Income before income taxes	119,170	36,381	5,082		21,730	(16,240)	(2,018)		164,105
Income tax expense	46,235	-	15,963	3e	-	(6,253)	7,589	6e	63,534
Net income (loss)	72,935	36,381	(10,881)		21,730	(9,987)	(9,607)		100,571
Less: Net income attributable to noncontrolling interest	6,517	-	-		-	-	-		6,517
Net income (loss) attributable to CCBCC	**$ 66,418**	**$ 36,381**	**$ (10,881)**		**$ 21,730**	**$ (9,987)**	**$ (9,607)**		**$ 94,054**
Basic net income per share based on net income attributable to CCBCC:									
Common Stock	**$ 7.14**								**$ 10.10**
Weighted average number of Common Stock shares outstanding	7,141								7,141
Class B Common Stock	**$ 7.14**								**$ 10.10**
Weighted average number of Class B Common Stock shares outstanding	2,168								2,168
Diluted net income per share based on net income attributable to CCBCC:									
Common Stock	**$ 7.10**								**$ 10.06**
Weighted average number of Common Stock shares outstanding - assuming dilution	9,349								9,349
Class B Common Stock	**$ 7.09**								**$ 10.05**
Weighted average number of Class B Common Stock shares outstanding - assuming dilution	2,208								2,208

See accompanying notes to the unaudited pro forma condensed combined financial statements.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. BACKGROUND

As part of The Coca-Cola Company's plans to refranchise its North American bottling territories, the Company has engaged in a multi-year series of transactions with The Coca-Cola Company and CCR to significantly expand the Company's distribution and manufacturing operations. This expansion includes acquisition of the rights to serve additional distribution territories previously served by CCR (the "Expansion Territories") and related distribution assets, as well as the acquisition of regional manufacturing facilities previously owned by CCR (the "Expansion Facilities") and related manufacturing assets (collectively, the "Expansion Transactions").

Following is a summary of the Expansion Transactions completed by the Company during 2017:

2017 Tranche 1 Expansion Transactions

On January 27, 2017, the Company completed an acquisition from CCR (the "*January 2017 Expansion Transaction*") of distribution rights and related assets in Expansion Territories previously served by CCR through CCR's facilities and equipment located in Anderson, Fort Wayne, Lafayette, South Bend and Terre Haute, Indiana, as contemplated by a distribution asset purchase agreement between the Company and CCR dated September 1, 2016 (the "September 2016 Distribution APA").

On March 31, 2017, the Company completed an acquisition from CCR (the "*March 2017 Expansion Transactions*") of (i) distribution rights and related assets in Expansion Territories previously served by CCR through CCR's facilities and equipment located in Bloomington and Indianapolis, Indiana and Columbus and Mansfield, Ohio, as contemplated by the September 2016 Distribution APA; and (ii) two Expansion Facilities and related assets located in Portland and Indianapolis, Indiana, as contemplated by a manufacturing asset purchase agreement between the Company and CCR dated September 1, 2016 (the "September 2016 Manufacturing APA").

On April 28, 2017, the Company completed an acquisition from CCR (the "*April 2017 Expansion Transactions*") of (i) distribution rights and related assets in Expansion Territories previously served by CCR through CCR's facilities and equipment located in Akron, Elyria, Toledo, Willoughby and Youngstown, Ohio, as contemplated by a distribution asset purchase agreement between the Company and CCR dated April 13, 2017; and (ii) an Expansion Facility and related assets located in Twinsburg, Ohio, as contemplated by a manufacturing asset purchase agreement between the Company and CCR dated April 13, 2017.

Collectively, the January 2017 Expansion Transaction, the March 2017 Expansion Transactions and the April 2017 Expansion Transactions are the "2017 Tranche 1 Expansion Transactions."

2017 Tranche 2 Expansion Transactions

On October 2, 2017, the Company completed (i) an acquisition from CCR (the "*Memphis Territory Acquisition*") of distribution rights and related assets in Expansion Territories previously served by CCR through CCR's facilities and equipment located in Memphis, Tennessee, as contemplated by a distribution asset purchase agreement between the Company and CCR dated September 29, 2017, and (ii) an exchange transaction with CCR (the "*CCR Exchange Transaction*") pursuant to which (a) the Company acquired from CCR distribution rights and related assets in Expansion Territories located in central and southern Arkansas and two Expansion Facilities and related assets located in Memphis, Tennessee and West Memphis, Arkansas (the "CCR Exchange Business"), in exchange for which (b) the Company transferred to CCR distribution rights and related assets in Expansion Territories located in portions of southern Alabama, southeastern Mississippi, southwestern Georgia and northwestern Florida and in and around Somerset, Kentucky and an Expansion Facility and related assets located in Mobile, Alabama (the "Deep South and Somerset Exchange Business"), as contemplated by an asset exchange agreement between the Company, certain of its wholly-owned subsidiaries and CCR dated September 29, 2017 (the "CCR Asset Exchange Agreement"). Collectively, the Memphis Territory Acquisition and the acquisition of the CCR Exchange Business pursuant to the CCR Exchange Transaction are the "2017 Tranche 2 Expansion Transactions."

2016 Expansion Transactions

In addition, the Company completed the following Expansion Transactions during 2016:

On January 29, 2016, the Company completed an acquisition from CCR (the "*January 2016 Expansion Transactions*") of (i) distribution rights and related assets in Expansion Territories previously served by CCR through CCR's facilities and equipment located in Easton and Salisbury, Maryland and Richmond and Yorktown, Virginia, as contemplated by a distribution asset purchase agreement between the Company and CCR dated September 23, 2015 (the "September 2015 APA"); and (ii) an Expansion Facility

and related assets located in Sandston, Virginia, as contemplated by a manufacturing asset purchase agreement between the Company and CCR dated October 30, 2015 (the "October 2015 APA").

On April 1, 2016, the Company completed an acquisition from CCR (the "*April 1, 2016 Expansion Transaction*") of distribution rights and related assets in Expansion Territories previously served by CCR through CCR's facilities and equipment located in Alexandria, Virginia and Capitol Heights and La Plata, Maryland, as contemplated by the September 2015 APA.

On April 29, 2016, the Company completed an acquisition from CCR (the "*April 29 2016 Expansion Transactions*") of (i) distribution rights and related assets in Expansion Territories previously served by CCR through CCR's facilities and equipment located in Baltimore, Hagerstown and Cumberland, Maryland, as contemplated by the September 2015 APA; and (ii) two Expansion Facilities and related assets located in Silver Spring and Baltimore, Maryland, as contemplated by the October 2015 APA.

On October 28, 2016, the Company completed an acquisition from CCR (the "*October 2016 Expansion Transactions*") of (i) distribution rights and related assets in Expansion Territories previously served by CCR through CCR's facilities and equipment located in Cincinnati, Dayton, Lima and Portsmouth, Ohio and Louisa, Kentucky, as contemplated by the September 2016 Distribution APA; and (ii) an Expansion Facility and related assets located in Cincinnati, Ohio, as contemplated by the September 2016 Manufacturing APA.

Collectively, the January 2016 Expansion Transactions, the April 1, 2016 Expansion Transaction, the April 29, 2016 Expansion Transactions and the October 2016 Expansion Transactions are the "2016 Expansion Transactions." The Expansion Territories and Expansion Facilities acquired in the 2016 Expansion Transactions, the 2017 Tranche 1 Expansion Transactions and the 2017 Tranche 2 Expansion Transactions are collectively known as the "Acquired Business."

2. BASIS OF PRESENTATION

The unaudited pro forma condensed combined financial statements were prepared in accordance with generally accepted accounting principles in the United States and pursuant to Article 11 of Regulation S-X, and present the pro forma balance sheet and statements of operations of the Company based upon historical information after giving effect to the acquisitions of the Acquired Business and the adjustments described in these footnotes.

The unaudited pro forma condensed combined balance sheet is presented as if the 2017 Tranche 2 Expansion Transactions had occurred on July 2, 2017. The unaudited pro forma condensed combined statements of operations for the first half ended July 2, 2017 and for the year ended January 1, 2017 are presented as if the 2017 Tranche 1 Expansion Transactions and the 2017 Tranche 2 Expansion Transactions had occurred on January 4, 2016, the first day of 2016, and the 2016 Expansion Transactions had occurred on December 29, 2014, the first day of 2015. A pro forma income statement for 2016 reflecting the 2016 Acquired Business is provided for the purpose of measuring relative significance of the 2017 Tranche 1 Expansion Transactions and the 2017 Tranche 2 Expansion Transactions.

The historical balance sheet of the Company as of July 2, 2017 reflects the business combination accounting for the 2016 Expansion Transactions and the 2017 Tranche 1 Expansion Transactions. The historical balance sheet of CCR as of June 30, 2017 includes only the net assets related to the 2017 Tranche 2 Expansion Transactions and it excludes the net assets of the 2016 Expansion Transactions and the net assets related to the 2017 Tranche 1 Expansion Transactions.

The historical results of the Company as of and for the first half ended July 2, 2017 have been derived from unaudited financial statements. The historical results of the Company for the year ended January 1, 2017 have been derived from audited financial statements.

The historical results of CCR as of June 30, 2017, for the six months ended June 30, 2017 and for the nine months ended September 30, 2016 have been derived from unaudited abbreviated financial statements obtained from CCR. The historical results of CCR for the year ended December 31, 2016 have been derived from audited abbreviated financial statements obtained from CCR. The historical results of CCR for the period of October 1, 2016 through October 28, 2016 have been derived from unaudited financial information obtained from CCR.

The historical results of the Company for the first half ended July 2, 2017 reflect the operating results of the 2016 Expansion Transactions and the 2017 Tranche 1 Expansion Transactions from and after their respective closing dates.

The unaudited pro forma condensed combined financial information does not reflect pro forma adjustments for (i) ongoing cost savings that the Company expects to and/or has achieved as a result of the acquisitions of the Acquired Business or (ii) the transition and related costs necessary to achieve such cost savings or synergies.

Adjustments associated with the Deep South and Somerset Exchange Business (the "Deep South Adjustments") have been included in the condensed combined balance sheet and represent the divested balances for the assets acquired and liabilities assumed by CCR as part of the CCR Exchange Transaction, pursuant to the CCR Asset Exchange Agreement. The Deep South Adjustments included in the condensed combined statements of operations represent the operating results for the Deep South and Somerset Exchange Business for the periods presented.

3. 2016 EXPANSION TRANSACTIONS AND 2017 TRANCHE 1 EXPANSION TRANSACTIONS — PRELIMINARY FAIR VALUE OF NET ASSETS ACQUIRED AND PRO FORMA ADJUSTMENTS

The Company's historical consolidated balance sheet as of July 2, 2017 reflects the purchase accounting from the 2016 Expansion Transactions and the 2017 Tranche 1 Expansion Transactions, and therefore does not require any pro forma adjustments.

The pro forma adjustments included in the unaudited pro forma condensed combined statements of operations for the year ended January 1, 2017 and the first half ended July 2, 2017 related to the 2016 Expansion Transactions and the 2017 Tranche 1 Expansion Transactions are as follows:

(a) Net sales— In the normal course of business, CCBCC purchases certain finished products from CCR and, conversely, CCR purchases certain finished products from CCBCC. The adjustments reflect the elimination of net sales between CCBCC and CCR in the following amounts:

	For the Year Ended January 1, 2017		For the First Half Ended July 2, 2017
(in thousands)	Total 2016 Expansion Transactions	Total 2017 Tranche 1 Expansion Transactions	Total 2017 Tranche 1 Expansion Transactions
CCR sales to CCBCC	$ (50,939)	$ (31,172)	$ (19,338)
CCBCC sales to CCR	(6,669)	(10,358)	(10,917)
Total net sales pro forma adjustment	**$ (57,608)**	**$ (41,530)**	**$ (30,255)**

(b) Cost of sales— Adjustment to cost of sales includes the following:

	For the Year Ended January 1, 2017		For the First Half Ended July 2, 2017
(in thousands)	Total 2016 Expansion Transactions	Total 2017 Tranche 1 Expansion Transactions	Total 2017 Tranche 1 Expansion Transactions
Intercompany cost of sales elimination (i)	$ (56,946)	$ (42,086)	$ (29,708)
Depreciation expense (ii)	(846)	(1,522)	(333)
Total cost of sales pro forma adjustment	**$ (57,792)**	**$ (43,608)**	**$ (30,041)**

(i) Reflects the adjustment to cost of sales of removing intercompany sales transactions, which are summarized as follows:

	For the Year Ended January 1, 2017		For the First Half Ended July 2, 2017
(in thousands)	Total 2016 Expansion Transactions	Total 2017 Tranche 1 Expansion Transactions	Total 2017 Tranche 1 Expansion Transactions
CCR cost of sales from CCBCC	$ (50,950)	$ (31,919)	$ (18,652)
CCBCC cost of sales from CCR	(5,996)	(10,167)	(11,056)
Total intercompany cost of sales elimination adjustment	**$ (56,946)**	**$ (42,086)**	**$ (29,708)**

(ii) Reflects the adjustment to depreciation expense recorded in cost of sales associated with the change in fair value of property, plant and equipment acquired in the 2016 Expansion Transactions and the 2017 Tranche 1 Expansion Transactions.

(c) Selling, delivery and administrative ("S,D&A") expenses— Adjustment to selling, delivery and administrative expenses includes the following:

	For the Year Ended January 1, 2017		For the First Half Ended July 2, 2017
(in thousands)	Total 2016 Expansion Transactions	Total 2017 Tranche 1 Expansion Transactions	Total 2017 Tranche 1 Expansion Transactions
Transaction costs (i)	$ (5,659)	$ (1,630)	$ (2,862)
Depreciation expense (ii)	(1,276)	(2,201)	(600)
Amortization expense (iii)	(414)	(1,792)	(331)
Total S,D&A expenses pro forma adjustment	**$ (7,349)**	**$ (5,623)**	**$ (3,793)**

(i) Reflects the removal of transaction expenses incurred by the Company related to the 2016 Expansion Transactions and the 2017 Tranche 1 Expansion Transactions. These expenses are directly attributable to the 2016 Expansion Transactions and the 2017 Tranche 1 Expansion Transactions and are not expected to have a continuing impact.

(ii) Reflects the adjustment to depreciation expense associated with the change in fair value of property, plant and equipment acquired in the 2016 Expansion Transactions and the 2017 Tranche 1 Expansion Transactions.

(iii) Reflects the preliminary adjustment to the amortization expense associated with the fair value of the identifiable intangible assets acquired in the 2016 Expansion Transactions and the 2017 Tranche 1 Expansion Transactions, less historical amortization expense. The preliminary pro forma adjustment for amortization expense for the intangible assets acquired in the 2016 Expansion Transactions and the 2017 Tranche 1 Expansion Transactions is as follows:

				Amortization Expense For the Year Ended January 1, 2017		Amortization Expense For the First Half Ended July 2, 2017
(in thousands)	Estimated useful life (years)	Total 2016 Expansion Transactions at Fair Value	Total 2017 Tranche 1 Expansion Transactions at Fair Value	Total 2016 Expansion Transactions	Total 2017 Tranche 1 Expansion Transactions	Total 2017 Tranche 1 Expansion Transactions
Definite-lived bottlers' franchise rights	40	$ 86,650	$ 36,800	$ 1,367	$ 920	$ 198
Customer relationships	12	4,600	3,800	203	317	63
Total		**$ 91,250**	**$ 40,600**	**$ 1,570**	**$ 1,237**	**$ 261**
Less: Historic CCR amounts				(1,984)	(3,029)	(592)
Total amortization expense adjustment				**$ (414)**	**$ (1,792)**	**$ (331)**

The estimated fair value of amortizable intangible assets is expected to be amortized on a straight-line basis over the estimated useful life of the intangible assets acquired in the 2016 Expansion Transactions and the 2017 Tranche 1 Expansion Transactions. The amortizable life reflects the period over which the asset is expected to provide material economic benefit.

With other assumptions held constant, the annual pro forma amortization and the annual amortization expense associated with the amortizable intangible assets acquired in the 2016 Expansion Transactions and the 2017 Tranche 1 Expansion Transactions would change by approximately the following amounts under the scenarios described below:

(in thousands)	Total 2016 Expansion Transactions	Total 2017 Tranche 1 Expansion Transactions
Impact on the annual pro forma amortization from a 10% increase in the fair value adjustment for amortizable intangible assets acquired	$ 255	$ 124
Impact on annual amortization expense from a one year change in the estimated useful life of intangible assets acquired	(82)	(47)

(d) Interest expense, net— Reflects the adjustments to interest expense associated with the proceeds from the Company's revolving credit facility used towards the respective acquisitions. The interest rates for each advance under the revolving credit facility were

based on the LIBOR rate plus an interest margin determined at the advance date. The pro forma adjustments for interest expense are as follows:

(in thousands)	Debt Proceeds	Interest Rate	Interest Expense For the Year Ended January 1, 2017	Effective annual interest expense would change in interest rate by 1/8%
January 2016 Expansion Transactions	$ 70,000	1.4125%	$ 68	$ 88
April 1, 2016 Expansion Transaction	35,000	1.4125%	119	44
April 29, 2016 Expansion Transactions	65,000	1.4750%	305	81
October 2016 Expansion Transactions	85,000	1.5375%	1,067	106
Total 2016 Expansion Transactions interest expense pro forma adjustment			**$ 1,559**	

(in thousands)	Debt Proceeds	Interest Rate	Interest Expense For the Year Ended January 1, 2017	Interest Expense For the First Half Ended July 2, 2017	Effective annual interest expense would change in interest rate by 1/8%
January 2017 Expansion Transaction	$ 25,000	1.7875%	$ 447	$ 31	$ 31
March 2017 Expansion Transactions	20,000	1.9750%	395	95	25
April 2017 Expansion Transactions	90,000	1.9750%	1,777	565	113
Total 2017 Tranche 1 Expansion Transactions interest expense pro forma adjustments			**$ 2,619**	**$ 691**	

(e) Income tax expense— Adjustment to income tax expense includes the following:

	For the Year Ended January 1, 2017		For the First Half Ended July 2, 2017
(in thousands)	Total 2016 Expansion Transactions	Total 2017 Tranche 1 Expansion Transactions	Total 2017 Tranche 1 Expansion Transactions
Historic CCR transactions (i)	$ 7,886	$ 14,007	$ 67
Pro forma adjustments (ii)	2,300	1,956	1,112
Total income tax expense pro forma adjustment	**$ 10,186**	**$ 15,963**	**$ 1,179**

(i) Reflects the income tax impacts of the Historic CCR – 2016 Expansion Transactions and Historic CCR – 2017 Tranche 1 Expansion Transactions on the pro forma statements of operations using the combined U.S. federal and state statutory rate of 38.5%.

(ii) Reflects the income tax impacts of the pro forma adjustments made to the pro forma statements of operations using the combined U.S. federal and state statutory rate of 38.5%.

4. 2017 TRANCHE 2 EXPANSION TRANSACTIONS—CONSIDERATION TRANSFERRED AND PRELIMINARY FAIR VALUE OF NET ASSETS ACQUIRED

The 2017 Tranche 2 Expansion Transactions have been reflected in the unaudited pro forma condensed combined financial statements as being accounted for under the acquisition method in accordance with ASC 805, *Business Combinations* (“ASC 805”) with the Company treated as the accounting acquirer. In accordance with ASC 805, the assets acquired and the liabilities assumed have been measured at fair value based on various preliminary estimates. Due to the fact that the unaudited pro forma condensed combined financial information has been prepared based on preliminary estimates, the final amounts recorded for the 2017 Tranche 2 Expansion Transactions may differ materially from the information presented herein. These estimates are subject to change pending further review of the fair value of assets acquired and liabilities assumed.

For purposes of measuring the estimated fair value of the assets acquired and the liabilities assumed as reflected in the unaudited pro forma condensed combined financial information, the guidance in ASC 820, *Fair Value Measurements and Disclosures* (“ASC 820”) has been applied, where applicable, which establishes a framework for measuring fair value. In accordance with ASC 820, fair value is an exit price and is defined as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” Under ASC 805, acquisition-related transaction costs and acquisition-related restructuring charges are not included as components of consideration transferred but are accounted for as expenses in the period in which the costs are incurred.

The following is a summary of the preliminary estimated consideration transferred and fair values of the net assets acquired in the 2017 Tranche 2 Expansion Transactions as if each transaction had closed on July 2, 2017:

(in thousands)		Total 2017 Tranche 2 Expansion Transactions
Upfront cash payment	$	54,979
Fair value of sub-bottler liability (contingent consideration)		20,306
Fair value of the Deep South and Somerset Exchange Business		141,965
Consideration transferred	**$**	**217,250**
Cash	$	174
Accounts receivable from The Coca-Cola Company		2,182
Inventories		17,781
Prepaid expenses and other current assets		1,166
Property, plant and equipment		69,867
Other assets (including deferred taxes)		430
Goodwill		16,046
Distribution agreements, net		110,800
Customer lists		4,400
Total acquired assets	**$**	**222,846**
Other current liabilities	$	5,532
Other liabilities		64
Total assumed liabilities	**$**	**5,596**

Management has made preliminary allocation estimates based on currently available information. The final determination of the accounting for the 2017 Tranche 2 Expansion Transactions will be completed as soon as practicable. The valuations of the acquired asset and contingent consideration will consist of discounted cash flow analyses and other appropriate valuation techniques to determine the fair value of the assets acquired, liabilities assumed, and the contingent consideration liability associated with ongoing quarterly sub-bottling payments the Company is required to make to CCR for the grant of exclusive rights to distribute, promote, market and sell covered beverages and related products, pursuant to the Company's final comprehensive beverage agreement with CCR (the "Final CBA"). These quarterly sub-bottling payments are based on sales of certain beverages and beverage products that are sold under the same trademarks that identify a covered beverage, related product or certain cross-licensed brands (as defined in the Final CBA).

The amounts allocated to the 2017 Tranche 2 Expansion Transactions, including contingent consideration, could differ materially from the preliminary amounts presented in these unaudited pro forma condensed combined financial statements. A decrease in the fair value of the assets acquired or an increase in the fair value of liabilities assumed, including contingent consideration, from the preliminary valuations presented in these unaudited pro forma condensed combined financial statements would result in a dollar-for-dollar corresponding increase in the amount of goodwill that will result from the 2017 Tranche 2 Expansion Transactions. In addition, if the value of the acquired assets is higher than the preliminary indication, it may result in higher amortization and depreciation expense than is presented in these unaudited pro forma condensed combined financial statements.

5. 2017 TRANCHE 2 EXPANSION TRANSACTIONS—CONDENSED COMBINED BALANCE SHEET PRO FORMA ADJUSTMENTS

The Deep South Adjustments as of July 2, 2017 have been included in the condensed combined balance sheet and represent the divested balances for the assets acquired and liabilities assumed by CCR as part of the CCR Exchange Transaction, pursuant to the CCR Asset Exchange Agreement.

The preliminary pro forma adjustments included in the unaudited pro forma condensed combined balance sheet related to the 2017 Tranche 2 Expansion Transactions are as follows:

(a) Cash and cash equivalents— Adjustment of $1.3 million reflects the preliminary net adjustment to cash in connection with the 2017 Tranche 2 Expansion Transactions.

(in thousands)	Cash and cash equivalents adjustment	
Proceeds from credit facility (i)	$	60,000
Cash payment at closing (ii)		(54,979)
Transaction expenses to be incurred (iii)		(3,702)
Total pro forma adjustment	**$**	**1,319**

(i) An increase in cash related to the use of the Company's revolving credit facility;

(ii) A decrease in cash related to the net cash payment due to CCR at the closings for the 2017 Tranche 2 Expansion Transactions; and

(iii) Estimated expenses related to the 2017 Tranche 2 Expansion Transactions to be incurred by the Company as of July 2, 2017.

(b) Accounts receivable from The Coca-Cola Company— Adjustment of $2.2 million reflects the fair value of the estimated amount due to the Company from The Coca-Cola Company related to cold drink equipment acquired in the 2017 Tranche 2 Expansion Transactions.

(c) Inventories— Adjustment of $1.1 million to inventories includes the change in the fair value of plastic shells, plastic pallets and other inventories acquired from CCR in the 2017 Tranche 2 Expansion Transactions. The Company classifies these items as inventories on their balance sheet whereas CCR classified deposit items in property, plant and equipment.

(d) Property, plant and equipment, net— Adjustment represents the preliminary estimate to reflect property, plant and equipment acquired in the 2017 Tranche 2 Expansion Transactions at fair value. The preliminary fair value was determined using the income, market and cost approaches. The preliminary amounts assigned to property, plant and equipment are as follows:

(in thousands)	Estimated useful life (years)	Property, plant and equipment, net adjustment	
Land	N/A	$	2,340
Construction in progress	N/A		211
Buildings and improvements	12 to 28		11,640
Machinery, equipment and vehicle fleet	2 to 13		52,837
Leasehold improvements	2 to 8		2,839
Total			69,867
Less: Historic CCR amounts			(87,277)
Total pro forma adjustment		**$**	**(17,410)**

(e) Goodwill—Adjustment reflects the preliminary estimated adjustment to goodwill as a result of the 2017 Tranche 2 Expansion Transactions and is primarily attributable to the workforce acquired. Goodwill represents the excess of the consideration transferred over the preliminary fair value of the assets acquired and liabilities assumed as described in Note 4. The goodwill will not be amortized, but instead will be tested for impairment at least annually and whenever events or circumstances have occurred that may indicate a possible impairment exists. In the event management determines that the value of goodwill has become impaired, the Company will incur an accounting charge for the amount of the impairment during the period in which the determination is made. The preliminary pro forma adjustment to goodwill is calculated as follows:

(in thousands)	Goodwill adjustment	
Consideration transferred	$	217,250
Less: Fair value of net assets to be acquired		(201,204)
Total pro forma adjustment	**$**	**16,046**

(f) Distribution agreements, net— Adjustment of $46.0 million represents the preliminary estimate to reflect distribution agreements acquired in the 2017 Tranche 2 Expansion Transactions at fair value. The preliminary fair market value was determined using an income approach. The preliminary amounts assigned to the distribution agreements are as follows:

(in thousands)	**Estimated useful life (years)**		**Distribution agreements, net**
Distribution agreements	40	$	110,800
Less: Historic CCR amounts			(156,809)
Total pro forma adjustment		**$**	**(46,009)**

(g) Customer lists and other identifiable intangible assets, net — Adjustment represents the preliminary estimate to reflect customer lists acquired in the 2017 Tranche 2 Expansion Transactions at fair value. The preliminary fair market value was determined using an income approach. The preliminary amounts assigned to the customer lists are as follows:

(in thousands)	**Estimated useful life (years)**		**Customer lists and other identifiable intangible assets, net**
Customer lists	12	$	4,400
Less: Historic CCR amounts			(4,431)
Total pro forma adjustment		**$**	**(31)**

(h) Other accrued liabilities— Adjustment of $6.2 million includes the following:

> *(i)* Adjustment of $4.8 million reflects the reclassification of the cooperative trade marketing (“CTM”) liability to conform CCR’s financial statement presentation to the Company’s financial statement presentation.
>
> *(ii)* Adjustment of $1.4 million reflects the current portion of acquisition related contingent consideration associated with the sub-bottling payments under the Final CBA.

(i) CTM liability— The CTM liability reflects a $4.8 million reclassification of the CTM liability to other accrued liabilities to conform CCR’s financial statement presentation to the Company’s financial statement presentation.

(j) Deposit liabilities— Adjustment of $0.7 million reflects the alignment to the Company’s accounting policy for deposit items.

(k) Other liabilities— Adjustment of $18.8 million represents the fair value of the contingent consideration associated with the sub-bottling payments under the Final CBA.

(l) Long-term debt— Adjustment reflects an increase in long-term debt of $60.0 million that was borrowed under the Company’s revolving credit facility. Proceeds from the revolving credit facility were used to finance a portion of the upfront cash purchase price for the 2017 Tranche 2 Expansion Transactions.

(m) Retained earnings— Adjustment of $27.7 million includes an adjustment of $31.4 million to reflect the gain related to the exchange of the Deep South and Somerset Exchange Business, partially offset by a $3.7 million adjustment to reflect the estimated transaction costs to be incurred by the Company related to the 2017 Tranche 2 Expansion Transactions. The estimated fees and expenses associated with the 2017 Tranche 2 Expansion Transactions have been excluded from the unaudited pro forma condensed combined statements of operations as they reflect charges directly attributable to the 2017 Tranche 2 Expansion Transactions that will not have a continuing impact on the Company’s operations.

6. 2017 TRANCHE 2 EXPANSION TRANSACTIONS—CONDENSED COMBINED STATEMENTS OF OPERATIONS PRO FORMA ADJUSTMENTS

The Deep South Adjustments have been included in the condensed combined statements of operations for the year ended January 1, 2017 and for the first half ended July 2, 2017 and represent the operating results for the Deep South and Somerset Exchange Business, which were divested as part of the CCR Exchange Transaction, pursuant to the CCR Asset Exchange Agreement..

The preliminary pro forma adjustments included in the unaudited pro forma condensed combined statements of operations related to the 2017 Tranche 2 Expansion Transactions are as follows:

(a) Net sales— In the normal course of business, CCBCC purchases certain finished products from CCR and, conversely, CCR purchases certain finished products from CCBCC. The adjustments for the 2017 Tranche 2 Expansion Transactions reflect the elimination of net sales between CCBCC and CCR in the following amounts:

(in thousands)	For the Year Ended January 1, 2017	For the First Half Ended July 2, 2017
CCR sales to CCBCC	$ (8,362)	$ (3,765)
CCBCC sales to CCR	-	(127)
Total net sales pro forma adjustment	**$ (8,362)**	**$ (3,892)**

(b) Cost of sales— Adjustment to cost of sales for the 2017 Tranche 2 Expansion Transactions includes the following:

(in thousands)	For the Year Ended January 1, 2017	For the First Half Ended July 2, 2017
Intercompany cost of sales elimination (i)	$ (8,307)	$ (3,757)
Depreciation expense (ii)	(307)	(107)
Total cost of sales pro forma adjustment	**$ (8,614)**	**$ (3,864)**

(i) Reflects the adjustment to cost of sales of removing intercompany sales transactions, which are summarized as follows:

(in thousands)	For the Year Ended January 1, 2017	For the First Half Ended July 2, 2017
CCR cost of sales from CCBCC	$ (8,307)	$ (3,637)
CCBCC cost of sales from CCR	-	(120)
Total intercompany cost of sales elimination adjustment	**$ (8,307)**	**$ (3,757)**

(ii) Reflects adjustment to depreciation expense recorded in cost of sales associated with the change in fair value of property, plant and equipment acquired in the 2017 Tranche 2 Expansion Transactions.

(c) Selling, delivery and administrative expenses—Adjustment to selling, delivery and administrative expenses includes the following:

(in thousands)	For the Year Ended January 1, 2017	For the First Half Ended July 2, 2017
Depreciation expense (i)	$ (638)	$ (362)
Amortization expense (ii)	1,573	947
Total S,D&A expenses pro forma adjustment	**$ 935**	**$ 585**

(i) Reflects the adjustment to depreciation expense associated with the change in fair value of property, plant and equipment acquired in the 2017 Tranche 2 Expansion Transactions.

(ii) Reflects the preliminary adjustment to the amortization expense associated with the fair value of the identifiable intangible assets acquired in the 2017 Tranche 2 Expansion Transactions, less historical amortization expense. The preliminary pro forma adjustment for amortization expense for the intangible assets acquired in the 2017 Tranche 2 Expansion Transactions is as follows:

(in thousands)	Estimated useful life (years)	Total 2017 Tranche 2 Expansion Transactions at Fair Value	Amortization Expense For the Year Ended January 1, 2017	Amortization Expense For the First Half Ended July 2, 2017
Definite-lived bottlers' franchise rights	40	$ 110,800	$ 2,770	$ 1,374
Customer relationships	12	4,400	367	$ 182
Total		**$ 115,200**	**$ 3,137**	**$ 1,556**
Less: Historic CCR amounts			(1,564)	(609)
Total amortization expense adjustment			**$ 1,573**	**$ 947**

The estimated fair value of amortizable intangible assets is expected to be amortized on a straight-line basis over the estimated useful life of the intangible assets acquired in the 2017 Tranche 2 Expansion Transactions. The amortizable life reflects the period over which the asset is expected to provide material economic benefit.

With other assumptions held constant, the annual pro forma amortization and the annual amortization expense associated with the amortizable intangible assets acquired in the 2017 Tranche 2 Expansion Transactions would change by approximately the following amounts under the scenarios described below:

(in thousands)	Total 2017 Tranche 2 Expansion Transactions
Impact on the annual pro forma amortization from a 10% increase in the fair value adjustment for amortizable intangible assets acquired	$ 314
Impact on annual amortization expense from a one year change in the estimated useful life of intangible assets acquired	(96)

(d) Interest expense, net— Reflects the adjustment to interest expense associated with the proceeds from the Company's revolving credit facility used towards the 2017 Tranche 2 Expansion Transactions. The interest rates for the advance under the revolving credit facility was based on the LIBOR rate plus an interest margin determined at the advance date. The pro forma adjustment for interest expense is as follows:

(in thousands)	Debt Proceeds	Interest Rate	Interest Expense For the Year Ended January 1, 2017	Interest Expense For the First Half Ended July 2, 2017	Effective annual interest expense would change in interest rate by 1/8%
2017 Tranche 2 Expansion Transactions	$ 60,000	2.2250%	$ 1,335	$ 662	$ 75

(e) Income tax expense— Adjustment to income tax expense for the 2017 Tranche 2 Expansion Transactions includes the following:

(in thousands)	For the Year Ended January 1, 2017	For the First Half Ended July 2, 2017
Historic CCR - 2017 Tranche 2 (i)	$ 8,366	$ 2,955
Pro forma adjustments (ii)	(777)	(491)
Total income tax expense pro forma adjustment	**$ 7,589**	**$ 2,464**

(i) Reflects the income tax impacts of the Historic CCR – 2017 Tranche 2 Expansion Transactions on the pro forma statements of operations using the combined U.S. federal and state statutory rate of 38.5%.

(ii) Reflects the income tax impacts of the pro forma adjustments made to the pro forma statements of operations using the combined U.S. federal and state statutory rate of 38.5%.