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):

April 28, 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 May 2, 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 to report the completion of the Company's acquisition from Coca-Cola Refreshments USA, Inc. ("CCR"), a wholly-owned subsidiary of The Coca-Cola Company, of certain distribution assets and a regional manufacturing facility and related assets (the "April 2017 Acquisitions"). As a result of the April 2017 Acquisitions, the aggregate business acquired by the Company from CCR in fiscal 2017 through April 28, 2017 (the "2017 Tranche 1 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 abbreviated statement of assets acquired and liabilities assumed for the 2017 Tranche 1 Expansion Transactions as of December 31, 2016 and audited combined abbreviated statement of net revenues and direct operating expenses for the 2017 Tranche 1 Expansion Transactions for the year ended December 31, 2016 and the notes thereto are filed as Exhibit 99.1 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 Tranche 1 Expansion Transactions as of and for the year ended January 1, 2017 and the notes thereto are filed as Exhibit 99.2 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 Tranche 1 Expansion Transactions actually been completed on the dates indicated, nor are they indicative of the 2017 Tranche 1 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 abbreviated statement of assets acquired and liabilities assumed as of December 31, 2016 and audited combined abbreviated statement of net revenues and direct operating expenses for the year ended December 31, 2016, and the notes thereto.	Filed herewith.
99.2	Unaudited pro forma condensed combined consolidated financial statements as of and for the year ended January 1, 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: July 13, 2017

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

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC

EXHIBITS

CURRENT REPORT
ON
FORM 8-K

Date of Event Reported:
April 28, 2017

Commission File No:
0-9286

COCA-COLA BOTTLING CO. CONSOLIDATED

EXHIBIT INDEX

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99.2	Unaudited pro forma condensed combined consolidated financial statements as of and for the year ended January 1, 2017 and the notes thereto.	Filed herewith.

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 June 22, 2017, with respect to the combined statement of assets acquired and liabilities assumed as of December 31, 2016, and the related combined statement of net revenues and direct operating expenses for the year then ended, and the related notes to the combined abbreviated financial statements of CCR 2017 Tranche 1 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
July 13, 2017

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

(A BUSINESS OF THE COCA-COLA COMPANY)

COMBINED ABBREVIATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR 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 Tranche 1 Carve-out Transactions – Production and Distribution, a business of The Coca-Cola Company, which comprise the combined statement of assets acquired and liabilities assumed as of December 31, 2016, and the related combined statement of net revenues and direct operating expenses for the year then ended, 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 audit. We conducted our audit 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 statement of assets acquired and liabilities assumed of the CCR 2017 Tranche 1 Carve-out Transactions – Production and Distribution at December 31, 2016 and the related combined statement of net revenues and direct operating expenses for the year then ended, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Atlanta, Georgia
June 22, 2017

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

(A BUSINESS OF THE COCA-COLA COMPANY)

COMBINED STATEMENT OF NET REVENUES AND DIRECT OPERATING EXPENSES

Year Ended December 31, 2016		
(In thousands)		
NET REVENUES	$	742,227
Cost of goods sold		511,103
GROSS PROFIT		231,124
Selling, general and administrative expenses		194,743
NET REVENUES IN EXCESS OF DIRECT OPERATING EXPENSES	$	36,381

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

COMBINED STATEMENT OF ASSETS ACQUIRED AND LIABILITIES ASSUMED

December 31, 2016		
(In thousands)		
ASSETS ACQUIRED		
CURRENT ASSETS		
Cash	$	403
Inventories		42,040
Prepaid and other current assets		2,614
TOTAL CURRENT ASSETS		45,057
Property, plant and equipment, net		211,732
Intangible assets, net		291,174
Other non-current assets		1,536
TOTAL ASSETS		549,499
LIABILITIES ASSUMED		
CURRENT LIABILITIES		
Cooperative trade marketing ("CTM") liability		24,582
Accrued expenses		2,157
Deposit liabilities		3,868
TOTAL CURRENT LIABILITIES		30,607
Other non-current liabilities		17
ASSETS ACQUIRED AND LIABILITIES ASSUMED, NET	$	518,875

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 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

The transactions completed during the first two fiscal quarters of 2017 pursuant to the September 2016 Distribution APA, September 2016 Manufacturing APA, April 2017 Distribution APA and April 2017 Manufacturing APA are collectively referred to herein as "CCR 2017 Tranche 1 Carve-out Transactions – Production and Distribution" or the "APAs." The aggregate territory covered by the APAs is collectively referred to herein as the "Business." Aggregate cash proceeds pursuant to the APAs approximated $228.0 million, excluding the impact of future sub-bottling payments and post-closing adjustments. In connection with the APAs, 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 and Ohio. 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 statement of assets acquired and liabilities assumed and the related combined statement 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 statement of assets acquired and liabilities assumed includes only the specific assets and liabilities related to the Business that will be acquired by CCBCC in accordance with the APAs, which includes 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 statement 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 statement of net revenues and direct operating expenses includes 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 statement 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 statement 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 statement 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 expenses and other current assets in our combined statement 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 statement 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 statement of net revenues and direct operating expenses. During the year ended December 31, 2016, the Business recorded shipping and handling costs of $48,873 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 3.

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 4.

Intangible Assets

Intangible assets included in our accompanying combined statement of assets acquired and liabilities assumed relate to indefinite-lived franchise rights associated with the right to distribute Coca-Cola and Monster 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 5.

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 year ended December 31, 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: 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:

December 31, 2016		
Raw materials	**$**	**11,228**
Finished goods		**22,450**
Spare production parts		**6,183**
Vending and other spare parts		**2,179**
TOTAL INVENTORIES	**$**	**42,040**

(In thousands, unless otherwise stated)

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

The following table summarizes our property, plant and equipment:

December 31, 2016		
Land	$	**14,352**
Buildings and improvements		**82,015**
Machinery, equipment and vehicle fleet		**281,181**
Total		**377,548**
Less accumulated depreciation		**(170,744)**
Total net book value		**206,804**
Construction in progress		**4,928**
PROPERTY, PLANT AND EQUIPMENT, NET	**$**	**211,732**

Total depreciation expense for property, plant & equipment was $25,269 for the year ended December 31, 2016.

NOTE 5: INTANGIBLE ASSETS

Indefinite-Lived Intangible Assets

The carrying value of indefinite-lived bottlers’ franchise rights was $279,372 as of December 31, 2016.

Definite-Lived Intangible Assets

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

	December 31, 2016					
		Gross carrying amount		**Accumulated amortization**		**Net**
Bottlers' franchise rights	$	16,622	$	15,097	$	1,525
Customer relationships		14,948		4,671		10,277
TOTAL DEFINITE - LIVED INTANGIBLE ASSETS	$	31,570	$	19,768	$	11,802

Total amortization expense for intangible assets subject to amortization was $3,029 for the year ended December 31, 2016.

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	**$**	**2,257**
2018		**762**
2019		**747**
2020		**747**
2021		**747**

(In thousands, unless otherwise stated)

NOTE 6: 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 7: 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	$	**486**
2018		**459**
2019		**340**
2020		**113**
Thereafter		**-**
Total minimum operating lease payments	$	**1,398**

Total rent expense under noncancelable operating leases with initial lease terms in excess of one year was $434 for the year ended December 31, 2016.

NOTE 8: 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 for the twelve months ended December 31, 2016:

Year Ended December 31, 2016	
Wal-Mart Stores, Inc.	**16.4%**
The Kroger Co.	**13.7%**

(In thousands, unless otherwise stated)

NOTE 9: 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		
Purchases of concentrate, syrup, sweetener and other supplies from the Company	**$**	**251,978**
Other purchases and payments		**5,825**
TOTAL PURCHASES AND OTHER PAYMENTS	**$**	**257,803**

Sales and other fee reimbursements

Year Ended December 31, 2016		
Sales of finished products to CCBCC	**$**	**27,569**
Reimbursements from the Company for customer marketing programs		**14,297**
Reimbursements from the Company for equipment services		**6,048**
Other sales and fee reimbursements		**5,753**
TOTAL SALES AND OTHER FEE REIMBURSEMENTS	**$**	**53,667**

NOTE 10: SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 22, 2017, the date the combined abbreviated financial statements were issued. There are 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 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 statement 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 1 Expansion Transactions (as defined in Note 1) as of January 1, 2017, which is the end of fiscal 2016 ("2016"), and has been prepared to reflect the effects of the 2017 Tranche 1 Expansion Transactions as if such acquisitions occurred on January 1, 2017. Additionally, the pro forma condensed combined balance sheet reflects the impact of a territory conversion agreement entered into by the Company, The Coca-Cola Company and CCR in September 2015 (as amended), upon the conversion of the Company's bottling agreements to the Final CBA (as defined in Note 4 to the accompanying unaudited pro forma condensed combined financial statements) on March 31, 2017 (the "Territory Conversion Agreement"). The details of the Territory Conversion Agreement were disclosed within the Company's Current Report on Form 8-K filed with the SEC on April 4, 2017, and is a transaction separate and apart from the 2017 Tranche 1 Expansion Transactions.

The unaudited pro forma condensed combined statement of operations for 2016 combines 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 fiscal 2016. The historical results of the Company reflect distribution territory transactions and manufacturing facility acquisitions completed prior to 2016, as discussed in Note 1.

The unaudited pro forma condensed combined statement of operations does 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 future acquisitions of distribution territories and manufacturing facilities, including, but not limited to, costs expected to be incurred 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 and the 2016 Expansion Transactions 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 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 this Form 8-K/A ("Historic CCR – 2017 Tranche 1");

- the CCR 2016 Carve-out Transactions – Production and Distribution Combined Abbreviated Financial Statements as of and for the nine month period ended September 30, 2016, filed as Exhibit 99.2 with the Company's Current Report on Form 8-K/A filed with the Securities and Exchange Commission (the "SEC") on January 13, 2017 ("Historic CCR – 2016 Transactions"); and
- The Company's Current Report on Form 8-K filed with the SEC on April 4, 2017, as it pertains to the Territory Conversion Agreement.

COCA-COLA BOTTLING CO. CONSOLIDATED
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF JANUARY 1, 2017

(in thousands)	CCBCC (as reported)	Historic CCR - 2017 Tranche 1	2017 Tranche 1 Expansion Transactions and Other Pro Forma Adjustments		Pro Forma Combined
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 21,850	$ 403	$ (7,985)	5a	$ 14,268
Accounts receivable, trade	271,661	-	-		271,661
Allowance for doubtful accounts	(4,448)	-	-		(4,448)
Accounts receivable from The Coca-Cola Company	67,591	-	3,849	5b	71,440
Accounts receivable, other	29,770	-	-		29,770
Inventories	143,553	42,040	4,678	5c	190,271
Prepaid expenses and other current assets	63,834	2,614	-		66,448
Total current assets	**593,811**	**45,057**	**542**		**639,410**
Property, plant and equipment, net	812,989	211,732	(49,613)	5d	975,108
Leased property under capital leases, net	33,552	-	-		33,552
Other assets	86,091	1,536	-		87,627
Franchise rights	533,040	-	-		533,040
Goodwill	144,586	-	43,356	5e	187,942
Other identifiable intangible assets, net	245,415	291,174	(250,474)	5f	286,115
Total assets	**$ 2,449,484**	**$ 549,499**	**$ (256,189)**		**$ 2,742,794**
LIABILITIES AND EQUITY					
Current Liabilities:					
Current portion of obligations under capital leases	$ 7,527	$ -	$ -		$ 7,527
Accounts payable, trade	116,821	-	-		116,821
Accounts payable to The Coca-Cola Company	135,155	-	-		135,155
Other accrued liabilities	133,885	2,157	29,623	5g	165,665
Accrued compensation	60,880	-	-		60,880
Accrued interest payable	3,639	-	-		3,639
Cooperative trade marketing liability	-	24,582	(24,582)	5h	-
Deposit liabilities	-	3,868	(3,868)	5i	-
Total current liabilities	**457,907**	**30,607**	**1,173**		**489,687**
Deferred income taxes	174,854	-	-		174,854
Pension and postretirement benefit obligations	126,679	-	-		126,679
Other liabilities	378,572	17	128,338	5j	506,927
Obligations under capital leases	41,194	-	-		41,194
Long-term debt	907,254	-	135,000	5k	1,042,254
Total liabilities	**2,086,460**	**30,624**	**264,511**		**2,381,595**
Equity:					
Common Stock	10,204	-	-		10,204
Class B Common Stock	2,798	-	-		2,798
Capital in excess of par value	116,769	-	-		116,769
Retained earnings	301,511	-	(1,825)	5l	299,686
Accumulated other comprehensive loss	(92,897)	-	-		(92,897)
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	277,131	-	(1,825)		275,306
Noncontrolling interest	85,893	-	-		85,893
Total equity	**363,024**	**-**	(1,825)		**361,199**
Total liabilities and equity	**$ 2,449,484**	**$ 30,624**	**$ 262,686**		**$ 2,742,794**

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 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	Historic CCR - 2017 Tranche 1 for the year ended December 31, 2016	January 2017 Expansion Transaction Pro Forma Adjustments	March 2017 Expansion Transactions Pro Forma Adjustments	April 2017 Expansion Transactions Pro Forma Adjustments	Total 2017 Tranche 1 Expansion Transactions Pro Forma Adjustments	2016 and 2017 Pro Forma Combined
Net sales	$ 3,156,428	$ 418,954	$ 26,998	$ (57,608) 3a	$ 3,544,772	$ 742,227	$ (892) 5m	$ (30,353) 5m	$ (6,683) 5m	$ (37,928) 5m	$ 4,249,071
Cost of sales	1,940,706	293,409	19,018	(57,792) 3b	2,195,341	511,103	(1,038) 5n	(30,877) 5n	(6,964) 5n	(38,879) 5n	2,667,565
Gross profit	1,215,722	125,545	7,980	184	1,349,431	231,124	146	524	281	951	1,581,506
Selling, delivery and administrative expenses	1,087,863	106,005	7,036	(7,349) 3c	1,193,555	194,743	(917) 5o	(2,504) 5o	(1,834) 5o	(5,255) 5o	1,383,043
Income from operations	127,859	19,540	944	7,533	155,876	36,381	1,063	3,028	2,115	6,206	198,463
Interest expense, net	36,325	-	-	1,559 3d	37,884	-	447 5p	395 5p	1,778 5p	2,620 5p	40,504
Other income (expense), net	1,870	-	-	-	1,870	-	-	-	-	-	1,870
Gain (loss) on exchange of franchise territory	(692)	-	-	-	(692)	-	-	-	-	-	(692)
Income before income taxes	92,712	19,540	944	5,974	119,170	36,381	616	2,633	337	3,586	159,137
Income tax expense	36,049	-	-	10,186 3e	46,235	-	4,343 5q	6,604 5q	4,441 5q	15,388 5q	61,623
Net income (loss)	56,663	19,540	944	(4,212)	72,935	36,381	(3,727)	(3,971)	(4,104)	(11,802)	97,514
Less: Net income attributable to noncontrolling interest	6,517	-	-	-	6,517	-	-	-	-	-	6,517
Net income (loss) attributable to CCBCC	**$ 50,146**	**$ 19,540**	**$ 944**	**$ (4,212)**	**$ 66,418**	**$ 36,381**	**$ (3,727)**	**$ (3,971)**	**$ (4,104)**	**$ (11,802)**	**$ 90,997**
Basic net income per share based on net income attributable to CCBCC:											
Common Stock	**$ 5.39**				**$ 7.14**						**$ 9.78**
Weighted average number of Common Stock shares outstanding	7,141				7,141						7,141
Class B Common Stock	**$ 5.39**				**$ 7.14**						**$ 9.78**
Weighted average number of Class B Common Stock shares outstanding	2,168				2,168						2,168
Diluted net income per share based on net income attributable to CCBCC:											
Common Stock	**$ 5.36**				**$ 7.10**						**$ 9.73**
Weighted average number of Common Stock shares outstanding - assuming dilution	9,349				9,349						9,349
Class B Common Stock	**$ 5.35**				**$ 7.09**						**$ 9.72**
Weighted average number of Class B Common Stock shares outstanding - assuming dilution	2,208				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 fiscal 2017 ("2017"):

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." None of the 2017 Tranche 1 Expansion Transactions were individually significant under Rule 3-05 of Regulation S-X and Item 2.01 of Form 8-K; however, as a result of the April 2017 Expansion Transactions, the 2017 Tranche 1 Expansion Transactions are now considered significant under Rule 3-05 of Regulation S-X and Item 2.01 of Form 8-K.

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 an 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 an 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 and the 2017 Tranche 1 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 statement 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 1 Expansion Transactions and the Territory Conversion Agreement had occurred on January 1, 2017; and the unaudited pro forma condensed combined statement of operations for 2016 is presented as if the acquisitions of the Acquired Business had occurred on January 4, 2016, the first day of fiscal 2016.

The historical results of the Company and assets acquired from CCR in conjunction with the 2016 Expansion Transactions have been derived from the unaudited financial statements of the Historic CCR – 2016 Transactions and additional financial information obtained from CCR. The historical results of the Company and assets acquired from CCR in conjunction with the 2017 Tranche 1 Expansion Transactions have been derived from the audited financial statements of the Historic CCR – 2017 Tranche 1. The historical balance sheet of the Company reflects the business combination accounting for the 2016 Expansion Transactions. The historical balance sheet of CCR excludes the net assets of the 2016 Expansion Transactions and only includes the net assets related to the 2017 Tranche 1 Expansion Transactions. The historical results of the Company for 2016 reflect the operating results of the 2016 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.

3. 2016 EXPANSION TRANSACTIONS—PRO FORMA ADJUSTMENTS

The 2016 Expansion Transactions have been accounted for using the acquisition method of accounting in accordance with ASC 805, *Business Combinations* ("ASC 805") which requires, among other things, the net assets acquired in the 2016 Expansion Transactions to be recognized at their acquisition date fair values. The purchase prices for the 2016 Expansion Transactions are summarized below:

(in thousands)	**January 2016 Expansion Transactions**	**April 1, 2016 Expansion Transaction**	**April 29, 2016 Expansion Transactions**	**October 2016 Expansion Transactions**	**Total 2016 Expansion Transactions**
Upfront cash payment	$ 65,690	$ 35,552	$ 69,010	$ 98,216	$ 268,468
Fair value of sub-bottler liability (contingent consideration)	6,505	24,666	36,868	60,384	128,423
Consideration transferred	**$ 72,195**	**$ 60,218**	**$ 105,878**	**$ 158,600**	**$ 396,891**

The following table summarizes the fair value of the net assets acquired in the 2016 Expansion Transactions as of January 1, 2017:

(in thousands)	January 2016 Expansion Transactions	April 1, 2016 Expansion Transaction	April 29, 2016 Expansion Transactions	October 2016 Expansion Transactions	Total 2016 Expansion Transactions
Cash	$ 179	$ 219	$ 161	$ 150	$ 709
Inventories	10,159	3,748	13,850	18,513	46,270
Prepaid expenses and other current assets	2,775	1,945	3,774	4,181	12,675
Accounts receivable from The Coca-Cola Company	1,135	1,176	1,140	1,253	4,704
Property, plant and equipment	46,149	54,135	58,679	68,130	227,093
Other assets (including deferred taxes)	2,351	1,536	5,146	666	9,699
Goodwill	9,388	1,956	7,795	7,133	26,272
Other identifiable intangible assets	1,300	-	23,450	66,500	91,250
Total acquired assets	**$ 73,436**	**$ 64,715**	**$ 113,995**	**$ 166,526**	**$ 418,672**
Other current liabilities	$ 591	$ 4,231	$ 5,482	$ 7,165	$ 17,469
Accounts payable to The Coca-Cola Company	650	-	-	-	650
Other liabilities	-	266	2,635	761	3,662
Total assumed liabilities	**$ 1,241**	**$ 4,497**	**$ 8,117**	**$ 7,926**	**$ 21,781**

The Company's historical consolidated balance sheet as of January 1, 2017 reflects the purchase accounting from the 2016 Expansion Transactions, and therefore does not require any pro forma adjustments. The pro forma adjustments included in the unaudited pro forma condensed combined statement of operations for the year ended January 1, 2017 related to the 2016 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 adjustment of approximately $57.6 million for 2016 reflects the elimination of $50.9 million of CCR sales to CCBCC and $6.7 million of CCBCC sales to CCR.

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

(in thousands)	January 2016 Expansion Transactions	April 1, 2016 Expansion Transaction	April 29, 2016 Expansion Transactions	October 2016 Expansion Transactions	Total 2016 Expansion Transactions
Intercompany sales elimination (i)	$ (2,824)	$ (1,397)	$ (6,920)	$ (45,805)	$ (56,946)
Depreciation expense (ii)	(80)	(47)	(183)	(536)	(846)
Total pro forma adjustment	**$ (2,904)**	**$ (1,444)**	**$ (7,103)**	**$ (46,341)**	**$ (57,792)**

(i) Reflects the adjustment to cost of sales of removing intercompany sales transactions. The impact to cost of sales for 2016 is $50.9 million for sales from CCR to CCBCC and $6.0 million for sales from CCBCC to CCR.

(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.

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

(in thousands)	January 2016 Expansion Transactions	April 1, 2016 Expansion Transaction	April 29, 2016 Expansion Transactions	October 2016 Expansion Transactions	Total 2016 Expansion Transactions
Transaction costs (i)	$ (1,099)	$ (952)	$ (1,527)	$ (2,081)	$ (5,659)
Depreciation expense (ii)	(120)	(71)	(275)	(809)	(1,275)
Amortization expense (iii)	(68)	(294)	(134)	81	(415)
Total pro forma adjustment	**$ (1,287)**	**$ (1,317)**	**$ (1,936)**	**$ (2,809)**	**$ (7,349)**

(i) Reflects the removal of transaction expenses incurred by the Company related to the 2016 Expansion Transactions during 2016. These expenses are directly attributable to the 2016 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.

(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, less historical amortization expense. The preliminary pro forma adjustment for amortization expense for the intangible assets acquired in the 2016 Expansion Transactions is as follows:

(in thousands)	Estimated useful life (years)	January 2016 Expansion Transactions	April 1, 2016 Expansion Transaction	April 29, 2016 Expansion Transactions	October 2016 Expansion Transactions	Total 2016 Expansion Transactions	Amortization expense for the year ended January 1, 2017
Definite-lived bottlers' franchise rights	40	$ 750	$ -	$ 22,000	$ 63,900	$ 86,650	$ 1,367
Customer relationships	12	550	-	1,450	2,600	4,600	203
Total		**$ 1,300**	**$ -**	**$ 23,450**	**$ 66,500**	**$ 91,250**	**$ 1,570**
Less: Historic CCR amounts							(1,985)
Total pro forma adjustment							**$ (415)**

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. The amortizable life reflects the period over which the asset is expected to provide material economic benefit. With other assumptions held constant, a 10% increase in the fair value adjustment for the amortizable intangible assets acquired in the 2016 Expansion Transactions would increase annual pro forma amortization by approximately $0.3 million. In addition, with other assumptions held constant, a one year change in the estimated useful life for the intangible assets acquired would change annual amortization expense by approximately $0.1 million.

(d) Interest expense, net— Reflects the adjustment 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 adjustment for interest expense is as follows:

(in thousands)	Debt Proceeds	Interest Rate	Interest expense for 2016	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 pro forma adjustment			**$ 1,559**	

(e) Income tax expense— Adjustment of $10.2 million to income tax expense includes the following:

(i) Adjustment of $2.3 million reflects the income tax impacts of the pro forma adjustments made to the pro forma statement of operations using the combined U.S. federal and state statutory rate of 38.5%.

(ii) Adjustment of $7.9 million reflects the income tax impacts of the Historic CCR – 2016 Transactions on the pro forma statement of operations using the combined U.S. federal and state statutory rate of 38.5%.

4. 2017 TRANCHE 1 EXPANSION TRANSACTIONS—CONSIDERATION TRANSFERRED AND PRELIMINARY FAIR VALUE OF NET ASSETS ACQUIRED

The 2017 Tranche 1 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 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 1 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 1 Expansion Transactions as if each transaction had closed on January 1, 2017:

(in thousands)	January 2017 Expansion Transaction	March 2017 Expansion Transactions	April 2017 Expansion Transactions	Total 2017 Tranche 1 Expansion Transactions
Upfront cash payment	$ 31,601	$ 108,724	$ 87,901	$ 228,226
Fair value of sub-bottler liability (contingent consideration)	14,135	28,181	3,997	46,313
Consideration transferred	**$ 45,736**	**$ 136,905**	**$ 91,898**	**$ 274,539**
Cash	$ 107	$ 203	$ 93	$ 403
Inventories	5,309	26,562	14,847	46,718
Prepaid expenses and other current assets	401	1,518	695	2,614
Accounts receivable from The Coca-Cola Company	1,042	1,807	1,000	3,849
Property, plant and equipment	25,708	82,591	53,820	162,119
Other assets (including deferred taxes)	21	977	538	1,536
Goodwill	7,006	15,942	20,408	43,356
Other identifiable intangible assets	10,650	20,300	9,750	40,700
Total acquired assets	**$ 50,244**	**$ 149,900**	**$ 101,151**	**$ 301,295**
Other current liabilities	$ 4,508	$ 12,995	$ 9,236	$ 26,739
Other liabilities	-	-	17	17
Total assumed liabilities	**$ 4,508**	**$ 12,995**	**$ 9,253**	**$ 26,756**

Management has made preliminary allocation estimates based on currently available information. The final determination of the accounting for the 2017 Tranche 1 Expansion Transactions will be completed as soon as practicable. Management anticipates 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 1 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 1 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 1 EXPANSION TRANSACTIONS AND OTHER—PRO FORMA ADJUSTMENTS

The preliminary pro forma adjustments included in the unaudited pro forma condensed combined balance sheet related to the 2017 Tranche 1 Expansion Transactions and the Territory Conversion Agreement are as follows:

(a) Cash and cash equivalents— Adjustment reflects the preliminary net adjustment to cash in connection with the 2017 Tranche 1 Expansion Transactions:

(in thousands)		**Cash and cash equivalents adjustment**
Proceeds from credit facility (i)	$	135,000
Proceeds from conversion of franchise rights to distribution rights (ii)		87,066
Cash payment at closing (iii)		(228,226)
Transaction expenses to be incurred (iv)		(1,825)
Total pro forma adjustment	**$**	**(7,985)**

Components of the adjustment include the following:

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

(ii) Pursuant to a territory conversion agreement entered into by the Company, The Coca-Cola Company and CCR in September 2015 (as amended), upon the conversion of the Company's bottling agreements to the Final CBA on March 31, 2017, the Company received a one-time $87.1 million fee from CCR. This was recorded as a deferred liability and will be amortized as a reduction to cost of sales over a period of 40 years;

(iii) A decrease in cash related to the net cash payment due to CCR at the closings for the 2017 Tranche 1 Expansion Transactions; and

(iv) Estimated expenses related to the 2017 Tranche 1 Expansion Transactions to be incurred by the Company as of January 1, 2017.

(b) Accounts receivable from The Coca-Cola Company— Adjustment of $3.8 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 1 Expansion Transactions.

(c) Inventories— Adjustment of $4.7 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 1 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 1 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	$ 10,360
Construction in progress	N/A	2,033
Buildings and improvements	12 to 28	26,060
Machinery, equipment and vehicle fleet	2 to 13	123,630
Leasehold improvements	2 to 8	36
Total		162,119
Less: Historic CCR amounts		(211,732)
Total pro forma adjustment		**$ (49,613)**

(e) Goodwill— Adjustment reflects the preliminary estimated adjustment to goodwill as a result of the 2017 Tranche 1 Expansion Transactions. 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 goodwill is primarily attributable to the workforce acquired. The preliminary pro forma adjustment to goodwill is calculated as follows:

(in thousands)	**Goodwill adjustment**
Consideration transferred	$ 274,539
Less: Fair value of net assets to be acquired	(231,183)
Total pro forma adjustment	**$ 43,356**

(f) Other identifiable intangible assets, net— Adjustment represents the preliminary estimate to reflect identifiable intangible assets acquired in the 2017 Tranche 1 Expansion Transactions at fair value. The preliminary fair market value was determined using an income approach. The preliminary amounts assigned to the identifiable intangible assets are as follows:

(in thousands)	**Estimated useful life (years)**	**Other identifiable intangible assets, net adjustment**
Definite-lived bottlers' franchise rights	40	$ 36,700
Customer relationships	12	4,000
Total		40,700
Less: Historic CCR amounts		(291,174)
Total pro forma adjustment		**$ (250,474)**

(g) Other accrued liabilities— Adjustment of $29.6 million to Other accrued liabilities includes the following:

(i) Adjustment of $24.6 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 $2.9 million reflects the current portion of acquisition related contingent consideration associated with the sub-bottling payments under the Final CBA signed at the closing of the 2017 Tranche 1 Expansion Transactions.

(iii) Adjustment of $2.1 million reflects the current portion of the deferred liability related to the conversion of the Company’s bottling agreements to the Final CBA on March 31, 2017.

(h) CTM liability— The CTM liability reflects a $24.6 million reclassification of the CTM liability to Other accrued liabilities to conform CCR’s financial statement presentation to the Company’s financial statement presentation.

(i) Deposit liabilities— Adjustment of $3.9 million reflects the alignment to the Company’s accounting policy for deposit items.

(j) Other liabilities— Adjustment of $128.3 million to Other liabilities includes the following:

(i) Adjustment of $84.9 million reflects the non-current portion of the deferred liability related to the conversion of the Company’s bottling agreements to the Final CBA on March 31, 2017.

(ii) Adjustment of $43.4 million reflects the fair value of the contingent consideration associated with the sub-bottling payments under the Final CBA.

(k) Long-term debt— Adjustment reflects an increase in long-term debt of $135.0 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 prices for the 2017 Tranche 1 Expansion Transactions.

(l) Retained earnings— The preliminary unaudited pro forma adjustment of $1.8 million is based on estimated transaction costs to be incurred by the Company related to the 2017 Tranche 1 Expansion Transactions. The estimated fees and expenses associated with the 2017 Tranche 1 Expansion Transactions have been excluded from the unaudited pro forma condensed combined statement of operations as they reflect charges directly attributable to the 2017 Tranche 1 Expansion Transactions that will not have a continuing impact on the Company’s operations.

The preliminary pro forma adjustments included in the unaudited pro forma condensed combined statement of operations related to the 2017 Tranche 1 Expansion Transactions are as follows:

(m) 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 adjustment of approximately $37.9 million for the 2017 Tranche 1 Expansion Transactions reflects the elimination of $27.6 million of CCR sales to CCBCC and $10.3 million of CCBCC sales to CCR.

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

(in thousands)	January 2017 Expansion Transaction Pro Forma Adjustments	March 2017 Expansion Transactions Pro Forma Adjustments	April 2017 Expansion Transactions Pro Forma Adjustments	Total 2017 Tranche 1 Expansion Transactions Pro Forma Adjustments
Intercompany sales elimination (i)	$ (893)	$ (30,139)	$ (6,466)	$ (37,498)
Depreciation expense (ii)	(145)	(738)	(498)	(1,381)
Total pro forma adjustment	**$ (1,038)**	**$ (30,877)**	**$ (6,964)**	**$ (38,879)**

(i) Adjustment reflects the impact to cost of sales of removing intercompany sales transactions. The impact to cost of sales for the 2017 Tranche 1 Expansion Transactions is $27.3 million for sales from CCR to CCBCC and $10.2 million for sales from CCBCC to CCR.

(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 1 Expansion Transactions.

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

(in thousands)	**January 2017 Expansion Transaction Pro Forma Adjustments**	**March 2017 Expansion Transactions Pro Forma Adjustments**	**April 2017 Expansion Transactions Pro Forma Adjustments**	**Total 2017 Tranche 1 Expansion Transactions Pro Forma Adjustments**
Transaction costs (i)	$ (407)	$ (407)	$ (407)	$ (1,221)
Depreciation expense (ii)	(237)	(1,206)	(814)	(2,257)
Amortization expense (iii)	(273)	(891)	(613)	(1,777)
Total pro forma adjustment	**$ (917)**	**$ (2,504)**	**$ (1,834)**	**$ (5,255)**

(i) Reflects the removal of transaction expenses incurred by the Company related to the 2017 Tranche 1 Expansion Transactions during 2016. These expenses are directly attributable to 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 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 2017 Tranche 1 Expansion Transactions, less historical amortization expense. The preliminary pro forma adjustment for amortization expense for the intangible assets acquired is as follows:

(in thousands)	**Estimated useful life (years)**	**January 2017 Expansion Transaction Fair Value**	**March 2017 Expansion Transactions Fair Value**	**April 2017 Expansion Transactions Fair Value**	**Total 2017 Tranche 1 Expansion Transactions Fair Value**	**Amortization expense for 2016**
Definite-lived bottlers' franchise rights	40	$ 9,300	$ 18,800	$ 8,600	$ 36,700	$ 918
Customer relationships	12	1,350	1,500	1,150	4,000	333
Total		**$ 10,650**	**$ 20,300**	**$ 9,750**	**$ 40,700**	**$ 1,251**
Less: Historic CCR amounts						(3,028)
Total pro forma adjustment						**$ (1,777)**

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 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, a 10% increase in the fair value adjustment for the amortizable intangible asset would increase annual pro forma amortization by approximately $0.1 million. In addition, with other assumptions held constant, a one year change in the estimated useful life for the intangible assets acquired would change annual amortization expense by approximately $0.5 million.

(p) Interest expense, net— Reflects the adjustment to interest expense associated with the proceeds from the Company's revolving credit facility used towards the respective Expansion Transactions. 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 adjustment for interest expense is as follows:

(in thousands)	Debt Proceeds	Interest Rate	Interest expense for 2016	Effective annual interest expense would change in interest rate by 1/8%
January 2017 Expansion Transaction	$ 25,000	1.7875%	$ 447	$ 31
March 2017 Expansion Transactions	20,000	1.9750%	395	25
April 2017 Expansion Transactions	90,000	1.9750%	1,778	113
Total pro forma adjustment			**$ 2,620**	

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

(in thousands)	January 2017 Expansion Transaction Pro Forma Adjustments	March 2017 Expansion Transactions Pro Forma Adjustments	April 2017 Expansion Transactions Pro Forma Adjustments	Total 2017 Tranche 1 Expansion Transactions Pro Forma Adjustments
Pro forma adjustments (i)	$ (237)	$ (1,014)	$ (130)	$ (1,381)
Historic CCR - 2017 Tranche 1 (ii)	(4,106)	(5,590)	(4,311)	(14,007)
Total pro forma adjustment	**$ (4,343)**	**$ (6,604)**	**$ (4,441)**	**$ (15,388)**

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

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