



# Benefit of **Coca-Cola's** Equity Compensation Guidelines Enacted After Public Pressure from Wintergreen Advisers: **\$6.6 billion to \$21 billion**

On March 21, 2014, Wintergreen Advisers ("Wintergreen") objected to what it viewed as an excessive equity compensation plan and initially brought this topic to the public's attention. After much effort from Wintergreen, and with the agreement of certain shareholders that the equity compensation plan was not in the best interests of Coca-Cola shareholders, Coca-Cola issued guidelines which substantially reduced the dilutive effect of the equity compensation plan.

By our calculations, we believe the equity compensation guidelines enacted by Coca-Cola after public pressure from Wintergreen has resulted in savings to shareholders of approximately **\$6.6 billion to \$21 billion**. This is what we believe to be the difference between what Coca-Cola would have granted under the equity compensation plan as originally conceived and what we expect Coca-Cola to grant under the equity compensation guidelines.

**Either way it is calculated, shareholders have benefitted tremendously!**

### Wintergreen's Analysis of Possible Dilution Averted

2014 – Projected Dilution under original Equity Compensation Plan	<b>16.6%</b>	<i>page 7, "Coca-Cola's Big Grab", available at <a href="http://www.fixbigssoda.com">www.fixbigssoda.com</a></i>
2016 -- Projected Dilution under Equity Compensation Guidelines	<b>10.8%</b>	<i>page 57, Coca-Cola's 2016 Proxy</i>
<b>Dilution reduction</b>	<b>5.8%</b>	

2014 shares outstanding = 4,405,893,150*	<b>255,541,803 shares saved</b>
Closing Price	\$44.37 (4/20/2016)
Total Dollar Value	<b>\$11,338,389,786</b>

**Over \$11 billion in savings for Coca-Cola shareholders due to the equity compensation guidelines enacted after Wintergreen's public campaign.**

If we then take the same 5.8% dilution reduction and apply that to the market cap of Coca-Cola on March 21, 2014, we can see the overall impact on Coca-Cola's overall market capitalization. Using Coca-Cola's closing price on March 21, 2014 of \$38.44 multiplied by 4,405,893,150 shares outstanding\* equals a market cap of approximately \$169 billion.

We then multiply that \$169 billion market cap by the 5.8% dilution (as calculated above) which equals \$9.82 billion.

**Adding this \$9.82 billion and the \$11.3 billion (as calculated above) equals over \$21 billion!**

### Coca-Cola Stated Dilution Analysis

2014 – Projected Dilution under original Equity Compensation Plan	<b>14.2%</b>	<i>page 86, Coca-Cola's 2014 Proxy</i>
2016 -- Projected Dilution under Equity Compensation Guidelines	<b>10.8%</b>	<i>page 57, Coca-Cola's 2016 Proxy</i>
<b>Dilution reduction</b>	<b>3.4%</b>	

2014 shares outstanding = 4,405,893,150*	<b>149,800,367 shares saved</b>
Closing Price	\$44.37 (4/20/2016)
Total Dollar Value	<b>\$6,646,642,288</b>

**Over \$6.6 billion in savings for Coca-Cola shareholders due to the equity compensation guidelines enacted after Wintergreen's public campaign.**

If we then take the same 3.4% dilution reduction and apply that to the market cap of Coca-Cola on March 21, 2014, we can see the overall impact on Coca-Cola's overall market capitalization. Using Coca-Cola's closing price on March 21, 2014 of \$38.44 multiplied by 4,405,893,150 shares outstanding\* equals a market cap of approximately \$169 billion.

We then multiply that \$169 billion market cap by the 3.4% dilution (as calculated above) which equals \$5.75 billion.

**Adding this \$5.75 billion and the \$6.65 billion (as calculated above) equals over \$12 billion!**

\*page 85, Coca-Cola's 2014 Proxy



Established in 2005, Wintergreen Advisers, LLC, is an independent global money manager based in Mountain Lakes, New Jersey. Wintergreen employs a research-driven value style in managing global securities. The firm was cofounded by David J. Winters, who has 30 years of experience in investment advisory services, including management of registered investment companies. David Winters is the firm's Chief Executive Officer. Wintergreen Adviser's co-founder is Liz Cohernour, who has over 30 years' experience in investment advisory business and is the firm's Chief Operating Officer. All client assets are managed on a discretionary basis. The Adviser does not manage separate accounts.

For information, forms and documents regarding Wintergreen's U.S. mutual fund, please visit [www.wintergreenfund.com](http://www.wintergreenfund.com).



### **David J. Winters - Chief Executive Officer**

- Mr. Winters is Chief Executive Officer of Wintergreen Advisers, LLC, an independent investment advisor founded in 2005.
- Mr. Winters was nominated by Morningstar for International-Stock Manager of the Year in 2010 and 2011.
- Prior to co-founding Wintergreen Advisers in May 2005, he held various positions with Franklin Mutual Advisers where he led the Mutual Series group of global and domestic equity value funds, including serving as Portfolio Manager of Mutual Discovery from 2001 through 2004.
- Mr. Winters graduated from Cornell University with a BA in Economics and holds the Chartered Financial Analyst (CFA) designation.



### **Liz Cohernour - Chief Operating Officer**

- Ms. Cohernour has over thirty years of legal experience.
- Prior to co-founding Wintergreen Advisers in 2005, she served as General Counsel and Senior Vice President at Mutual Series. Ms. Cohernour has responsibility for non-investment operations of Wintergreen.
- She holds a Juris Doctor degree.

## **Wintergreen Advisers, LLC**

333 Route 46 West, Suite 204, Mountain Lakes, NJ 07046  
wintergreenadvisers.com | info@wintergreen.com | 1-973-263-4500  
Follow Wintergreen Advisers on Twitter: @WintergreenAdv