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**Consolidated Statement of Income**

PepsiCo, Inc. and Subsidiaries

Fiscal years ended December 31, 2005, December 25, 2004 December 27, 2003

(in millions except per share amounts) **2005** 2004 2003

**Net Revenue**...................................................................................... **$32,562** $29,261 $26,971

Cost of sales...........................................................................................**14,176** 12,674 11,691

Selling, general and administrative expenses ........................................**12,314** 11,031 10,148

Amortization of intangible assets.............................................................**150** 147 145

Restructuring and impairment charges.................................................... 150 147

Merger-related costs............................................................................................................... 59

**Operating Profit**......................................................................................**5,922** 5,259 4,781

Bottling equity income............................................................................. **557** 380 323

Interest expense..................................................................................... **(256)** (167) (163)

Interest income......................................................................................... **159** 74 51

**Income from Continuing Operations before Income Taxes** ................**6,382** 5,546 4,992

**Provision for Income Taxes**................................................................... **2,304** 1,372 1,424

**Income from Continuing Operations**.......................................................**4,078** 4,174 3,568

**Tax Benefit from Discontinued Operations** ....................................................................38

**Net Income** ............................................................................................. **$ 4,078** $ 4,212 $ 3,568

**Net Income per Common Share — Basic**

Continuing operations ..............................................................................**$2.43** $2.45 $2.07

Discontinued operations....................................................................................................0.02

Total ...........................................................................................................**$2.43** $2.47 $2.07

**Net Income per Common Share — Diluted**

Continuing operations ...............................................................................**$2.39** $2.41 $2.05

Discontinued operations.................................................................................................... 0.02

Total ........................................................................................................**$2.39** $2.44\* $2.05

\* Based on unrounded amounts.

**Net Revenue Operating Profit**

**Income from Continuing Operations Net Income per Common Share — Continuing Operations**



A6 Appendix A Specimen Financial Statements: PepsiCo, Inc.

**Consolidated Balance Sheet**

PepsiCo, Inc. and Subsidiaries

 December 31, 2005 and December 25,2004

(in millions except per share amounts) **2005** 2004

**ASSETS 2005 2004**

**Current Assets**

Cash and cash equivalents.................................................................................................................................. **$ 1,716** $ 1,280

Short-term investments ....................................................................................................................................... **3,166** 2,165

**4,882** 3,445

Accounts and notes receivable, net....................................................................................................................... **3,261** 2,999

Inventories............................................................................................................................................................ **1,693** 1,541

Prepaid expenses and other current assets........................................................................................................... **618** 654

**Total Current Assets** ...................................................................................................................................... **10,454** 8,639

**Property, Plant and Equipment, net** .................................................................................................................... **8,681** 8,149

**Amortizable Intangible Assets, net**...................................................................................................................... **530** 598

Goodwill................................................................................................................................................................ **4,088** 3,909

Other nonamortizable intangible assets................................................................................................................ **1,086** 933

**Nonamortizable Intangible Assets**.................................................................................................................. **5,174** 4,842

**Investments in Noncontrolled Affiliates** .............................................................................................................. **3,485** 3,284

**Other Assets** ........................................................................................................................................................ **3,403** 2,475

**Total Assets**............................................................................................................................................... **$31,727** $27,987

**LIABILITIES AND SHAREHOLDERS’ EQUITY**

**Current Liabilities**

Short-term obligations ......................................................................................................................................... **$ 2,889** $ 1,054

Accounts payable and other current liabilities...................................................................................................... **5,971** 5,599

Income taxes payable........................................................................................................................................... **546** 99

**Total Current Liabilities** ................................................................................................................................. **9,406** 6,752

**Long-Term Debt Obligations**................................................................................................................................ **2,313** 2,397

**Other Liabilities** ................................................................................................................................................... **4,323** 4,099

**Deferred Income Taxes**....................................................................................................................................... **1,434** 1,216

**Total Liabilities**............................................................................................................................................... **17,476** 14,464

Commitments and Contingencies

**Preferred Stock, no par value** ............................................................................................................................. **41** 41

**Repurchased Preferred Stock**............................................................................................................................ **(110)** (90)

**Common Shareholders’ Equity**

Common stock, par value 1 2/3¢ per share (issued 1,782 shares)....................................................................... **30** 30

Capital in excess of par value.............................................................................................................................. **614** 618

Retained earnings ................................................................................................................................................ **21,116** 18,730

Accumulated other comprehensive loss ................................................................................................................ **(1,053)** (886)

**20,707** 18,492

Less: repurchased common stock, at cost (126 and 103 shares, respectively) ................................................... **(6,387)** (4,920)

**Total Common Shareholders’ Equity** .............................................................................................................. **14,320** 13,572

**Total Liabilities and Shareholders’ Equity** ................................................................................................ **$31,727** $27,987

SPECIMEN FINANCIAL STATEMENTS:

The Coca-Cola Company

*Appendix*B

B1

**THE COCA-COLA COMPANY AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF INCOME**

Year Ended December 31, **2005** 2004 2003

(In millions except per share data)

**NET OPERATING REVENUES $ 23,104** $ 21,742 $ 20,857

Cost of goods sold **8,195** 7,674 7,776

**GROSS PROFIT 14,909** 14,068 13,081

Selling, general and administrative expenses **8,739** 7,890 7,287

Other operating charges **85** 480 573

**OPERATING INCOME 6,085** 5,698 5,221

Interest income **235** 157 176

Interest expense **240** 196 178

Equity income — net **680** 621 406

Other loss — net **(93)** (82) (138)

Gains on issuances of stock by equity investees **23** 24 8

**INCOME BEFORE INCOME TAXES 6,690** 6,222 5,495

Income taxes **1,818** 1,375 1,148

**NET INCOME $ 4,872** $ 4,847 $4,347

**BASIC NET INCOME PER SHARE $ 2.04** $ 2.00 $ 1.77

**DILUTED NET INCOME PER SHARE $ 2.04** $ 2.00 $1.77

**AVERAGE SHARES OUTSTANDING 2,392** 2,426 2,459

Effect of dilutive securities **1** 3 3

**AVERAGE SHARES OUTSTANDING ASSUMING DILUTION 2,393** 2,429 2,462

Refer to Notes to Consolidated Financial Statements.

The financial information herein is reprinted with permission from The Coca-Cola Company 2005

Annual Report. The accompanying Notes are an integral part of the consolidated financial statements.

The complete financial statements are available through a link at the book’s companion

website.

B2 Appendix B Specimen Financial Statements: The Coca-Cola Company

**THE COCA-COLA COMPANY AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

 December 31, **2005** 2004

(In millions except par value)

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents **$ 4,701** $ 6,707

Marketable securities **66** 61

Trade accounts receivable, less allowances of $72 and $69, respectively **2,281** 2,244

Inventories **1,424** 1,420

Prepaid expenses and other assets **1,778** 1,849

**TOTAL CURRENT ASSETS 10,250** 12,281

**INVESTMENTS**

Equity method investments:

Coca-Cola Enterprises Inc. **1,731** 1,569

Coca-Cola Hellenic Bottling Company S.A. **1,039** 1,067

Coca-Cola FEMSA, S.A. de C.V. **982** 792

Coca-Cola Amatil Limited **748** 736

Other, principally bottling companies **2,062** 1,733

Cost method investments, principally bottling companies **360** 355

**TOTAL INVESTMENTS 6,922** 6,252

**OTHER ASSETS 2,648** 2,981

**PROPERTY, PLANT AND EQUIPMENT — net 5,786** 6,091

**TRADEMARKS WITH INDEFINITE LIVES 1,946** 2,037

**GOODWILL 1,047** 1,097

**OTHER INTANGIBLE ASSETS 828** 702

**TOTAL ASSETS $ 29,427** $ 31,441

**LIABILITIES AND SHAREOWNERS’ EQUITY**

**CURRENT LIABILITIES**

Accounts payable and accrued expenses **$ 4,493** $ 4,403

Loans and notes payable **4,518** 4,531

Current maturities of long-term debt **28** 1,490

Accrued income taxes **797** 709

**TOTAL CURRENT LIABILITIES 9,836** 11,133

**LONG-TERM DEBT 1,154** 1,157

**OTHER LIABILITIES 1,730** 2,814

**DEFERRED INCOME TAXES 352** 402

**SHAREOWNERS’ EQUITY**

Common stock, $0.25 par value; Authorized — 5,600 shares;

Issued — 3,507 and 3,500 shares, respectively **877** 875

Capital surplus **5,492** 4,928

Reinvested earnings **31,299** 29,105

Accumulated other comprehensive income (loss) **(1,669)** (1,348)

Treasury stock, at cost — 1,138 and 1,091 shares, respectively **(19,644)** (17,625)

**TOTAL SHAREOWNERS’ EQUITY 16,355** 15,935

**TOTAL LIABILITIES AND SHAREOWNERS’ EQUITY $ 29,427** $ 31,441