

DR PEPPER SNAPPLE GROUP, INC.
RECONCILIATION OF GAAP AND NON-GAAP INFORMATION
(Unaudited)

The company reports its financial results in accordance with U.S. GAAP. However, management believes that certain non-GAAP measures that reflect the way management evaluates the business may provide investors with additional information regarding the company's results, trends and ongoing performance on a comparable basis. Specifically, investors should consider the following with respect to our quarterly results:

Net sales and Segment Operating Profit, as adjusted to currency neutral: Net sales and Segment Operating Profit are calculated on a currency neutral basis by converting our current-period local currency financial results using the prior-period foreign currency exchange rates.

Free Cash Flow: Free cash flow is defined as net cash provided by operating activities adjusted for capital spending and certain items excluded for comparison to prior year periods. For the six months ended June 30, 2017 and 2016, there were no certain items excluded for comparison to prior year periods.

Core earnings: Core earnings is defined as net income adjusted for the unrealized mark-to-market impact of commodity derivatives and interest rate derivatives not designated as hedges in accordance with U.S. GAAP and certain items that are excluded for comparison to prior year periods, adjusted for the tax impact. Tax impact is determined based upon an approximate rate for each item. For the three and six months ended June 30, 2017, we excluded (i) the impact of transaction and integration expenses associated with the Bai Brands Merger and (ii) the loss on early extinguishment of debt related to the completion of a tender offer for our 2018 Notes and 2038 Notes. For the three and six months ended June 30, 2016, we excluded a gain on the extinguishment of a multi-employer withdrawal liability.

The tables on the following pages provide these reconciliations.

**RECONCILIATION OF NET SALES AND SOP
AS REPORTED TO AS ADJUSTED TO CURRENCY NEUTRAL
(Unaudited)**

For the Three Months Ended June 30, 2017				
Percent change	Beverage Concentrates	Packaged Beverages	Latin America Beverages	Total
Reported net sales	4%	6%	9%	6%
Impact of foreign currency	—%	—%	2%	—%
Net sales, as adjusted to currency neutral	4%	6%	11%	6%

For the Three Months Ended June 30, 2017				
Percent change	Beverage Concentrates	Packaged Beverages	Latin America Beverages	Total
Reported SOP	3%	(6)%	—%	(1)%
Impact of foreign currency	—%	—%	—%	—%
SOP, as adjusted to currency neutral	3%	(6)%	—%	(1)%

For the Six Months Ended June 30, 2017				
Percent change	Beverage Concentrates	Packaged Beverages	Latin America Beverages	Total
Reported net sales	3%	4%	3%	4%
Impact of foreign currency	—%	—%	6%	—%
Net sales, as adjusted to currency neutral	3%	4%	9%	4%

For the Six Months Ended June 30, 2017				
Percent change	Beverage Concentrates	Packaged Beverages	Latin America Beverages	Total
Reported SOP	1%	(12)%	(10)%	(5)%
Impact of foreign currency	—%	—%	2%	—%
SOP, as adjusted to currency neutral	1%	(12)%	(8)%	(5)%

**RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW
(Unaudited, in millions)**

	For the Six Months Ended June 30,		
	2017	2016	Change
	Net cash provided by operating activities	\$ 410	\$ 428
Purchase of property, plant and equipment	(41)	(68)	
Free Cash Flow	\$ 369	\$ 360	\$ 9

RECONCILIATION OF CERTAIN REPORTED ITEMS TO NON-GAAP CORE MEASURES
(Unaudited, in millions, except per share data)

For the Three Months Ended June 30, 2017

	Reported	Mark to Market	Transaction & Integration Expenses	Loss on Early Extinguishment of Debt	Total Adjustments	Core
Cost of sales	\$ 718	\$ (6)	\$ —	\$ —	\$ (6)	\$ 712
Gross profit	1,079	6	—	—	6	1,085
Gross margin	60.0%	0.4%	—	—	0.4%	60.4%
Selling, general and administrative expenses	\$ 683	\$ (6)	\$ (1)	\$ —	\$ (7)	\$ 676
Income from operations	373	12	1	—	13	386
Operating margin	20.8%	0.6%	0.1 %	—	0.7 %	21.5%
Loss on early extinguishment of debt	\$ 49	\$ —	\$ —	\$ (49)	\$ (49)	\$ —
Income before provision for income taxes and equity in earnings of unconsolidated subsidiaries	283	12	1	49	62	345
Provision for income taxes	94	4	—	17	21	115
Effective tax rate	33.2%	—%	(0.1)%	0.2%	0.1 %	33.3%
Net income	\$ 188	\$ 8	\$ 1	\$ 32	\$ 41	\$ 229

	Reported EPS					Core EPS
Diluted earnings per common share	\$ 1.02	\$ 0.04	\$ 0.01	\$ 0.18	\$ 0.23	\$ 1.25
				FX Translation	\$ 0.01	
				Currency Neutral Core EPS	\$ 1.26	

RECONCILIATION OF CERTAIN REPORTED ITEMS TO NON-GAAP CORE MEASURES - (Continued)
(Unaudited, in millions, except per share data)

	For the Three Months Ended June 30, 2016				
	Reported	Mark to Market	Extinguishment Gain	Total Adjustments	Core
Cost of sales	\$ 670	\$ 13	\$ —	\$ 13	\$ 683
Gross profit	1,025	(13)	—	(13)	1,012
Gross margin	60.5%	(0.8)%	—	(0.8)%	59.7%
Selling, general and administrative expenses	\$ 590	\$ 12	\$ —	\$ 12	\$ 602
Income from operations	412	(25)	—	(25)	387
Operating margin	24.3%	(1.5)%	—	(1.5)%	22.8%
Other income, net	\$ (22)	\$ —	\$ 21	\$ 21	\$ (1)
Income before provision for income taxes and equity in earnings of unconsolidated subsidiaries	402	(25)	(21)	(46)	356
Provision for income taxes	142	(10)	(9)	(19)	123
Effective tax rate	35.3%	(0.3)%	(0.4)%	(0.7)%	34.6%
Net income	\$ 260	\$ (15)	\$ (12)	\$ (27)	\$ 233

	Reported EPS				Core EPS
Diluted earnings per common share	\$ 1.39	\$ (0.08)	\$ (0.06)	\$ (0.14)	\$ 1.25

RECONCILIATION OF CERTAIN REPORTED ITEMS TO NON-GAAP CORE MEASURES - (Continued)
(Unaudited, in millions, except per share data)

For the Six Months Ended June 30, 2017

	Reported	Mark to Market	Transaction & Integration Expenses	Loss on Early Extinguishment of Debt	Total Adjustments	Core
Cost of sales	\$ 1,325	\$ 12	\$ —	\$ —	\$ 12	\$ 1,337
Gross profit	1,982	(12)	—	—	(12)	1,970
Gross margin	59.9%	(0.3)%	—	—	(0.3)%	59.6%
Selling, general and administrative expenses	\$ 1,304	\$ (20)	\$ (20)	\$ —	\$ (40)	\$ 1,264
Income from operations	658	8	20	—	28	686
Operating margin	19.9%	0.2 %	0.6%	—	0.8%	20.7%
Interest expense	\$ 84	\$ 1	\$ —	\$ —	\$ 1	\$ 85
Loss on early extinguishment of debt	49	—	—	(49)	(49)	—
Income before provision for income taxes and equity in earnings of unconsolidated subsidiaries	531	7	20	49	76	607
Provision for income taxes	165	2	7	17	26	191
Effective tax rate	31.1%	—	0.1%	0.3%	0.4%	31.5%
Net income	\$ 365	\$ 5	\$ 13	\$ 32	\$ 50	\$ 415
	Reported EPS					Core EPS
Diluted earnings per common share	\$ 1.98	\$ 0.02	\$ 0.07	\$ 0.18	\$ 0.27	\$ 2.25
				FX Translation		\$ 0.01
				Currency Neutral Core EPS		\$ 2.26

RECONCILIATION OF CERTAIN REPORTED ITEMS TO NON-GAAP CORE MEASURES - (Continued)
(Unaudited, in millions, except per share data)

	For the Six Months Ended June 30, 2016				
	Reported	Mark to Market	Extinguishment Gain	Total Adjustments	Core
Cost of sales	\$ 1,272	\$ 16	\$ —	\$ 16	\$ 1,288
Gross profit	1,910	(16)	—	(16)	1,894
Gross margin	60.0%	(0.5)%	—	(0.5)%	59.5%
Selling, general and administrative expenses	\$ 1,136	\$ 16	\$ —	\$ 16	\$ 1,152
Income from operations	725	(32)	—	(32)	693
Operating margin	22.8%	(1.0)%	—	(1.0)%	21.8%
Other income, net	\$ (23)	\$ —	\$ 21	\$ 21	\$ (2)
Income before provision for income taxes and equity in earnings of unconsolidated subsidiaries	683	(32)	(21)	(53)	630
Provision for income taxes	241	(12)	(9)	(21)	220
Effective tax rate	35.3%	(0.1)%	(0.3)%	(0.4)%	34.9%
Net income	\$ 442	\$ (20)	\$ (12)	\$ (32)	\$ 410

	Reported EPS				Core EPS
Diluted earnings per common share	\$ 2.35	\$ (0.11)	\$ (0.06)	\$ (0.17)	\$ 2.18