Coca-Cola 4Q Profit Slips as Soda Sales Fall Flat

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In this July 15, 2013 file photo, bottle tops of Coca-Cola 8 oz. bottles are photographed in Doral, Fla. The Coca-Cola Co. reports quarterly financial results before the market opens on Tuesday, Feb. 18, 2014.

(AP Photo/Wilfredo Lee, File)

NEW YORK (AP) — Coca-Cola says its fourth-quarter profit fell as the world's biggest beverage maker once again sold less soda in North America.

The maker of Sprite, Dasani and Vitaminwater water says sales volume declined 1 percent in North America. That reflected a 3 percent decline in soda, which offset improved performance by noncarbonated drinks such as Powerade. Last week, PepsiCo also said its soda volume fell in the "mid-single digits." [1]

The Atlanta-based company also saw growth slow in markets such as India and China during the quarter. Overall, global sales volume rose just 1 percent as a result. Coca-Cola said it would step up cost-cutting to produce another $1 billion in savings by 2016.

Although Coca-Cola and PepsiCo are tapping emerging markets for growth and sell a wide array of beverages, pressure is mounting for the two companies to figure out how to get soda sales moving in the right direction back at home.

Americans have been cutting back on soda bit by bit for years, whether it's because they worry about the sugar in regular soda or, more recently, the artificial sweeteners in diet soda. Beverage aisles have also gotten a lot more crowded, with competitors such as Monster energy drinks and Sparkling Ice waters increasingly

taking up space.

Coca-Cola is looking for new ways to grow as a result. Earlier this month, the company said it was buying a stake in Green Mountain Coffee Roasters and teaming up with the company on a machine that would let people make cold drinks at home [2]. People would be able to insert pods into the machine to make Coke drinks at home.

It's also introducing bottles and cans in smaller sizes that fit with people's desire to control the amount of soda they drink.

In the meantime, Coca-Cola and PepsiCo are looking to boost financial results by cutting costs. Like Coca-Cola, PepsiCo also said last week that it would extend its cost-cutting program over the next five years, with a significant amount coming from job cuts.

For the three months ended Dec. 31, the company earned $1.71 billion, or 38 cents per share. Not including one-time items such as the restructuring of its bottling operations overseas, it earned 46 cents per share, in line with Wall Street expectations.

A year ago, the company earned $1.87 billion, or 41 cents per share.

Revenue fell to $11.04 billion, short of the $11.31 billion Wall Street expected.

Its stock was down almost 3 percent at $37.84.

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