



E. Neville Isdell

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

DEAR FELLOW SHAREOWNER:

My focus in the past eight months has been to put in place the steps required to build the long-term health of the Company. However, with 2 percent unit case volume growth, it is clear that The Coca-Cola Company did not perform up to expectations in 2004. A detailed analysis confirmed that the Company's execution was not as effective as it must be, and that a course correction is required to achieve sustainable, long-term growth and value for our shareowners. To improve our ability to realize our potential, the Company has begun to invest additional resources and energy in our brands, programs and people.

Building on Our Strengths

Our goal is to build upon The Coca-Cola Company's formidable assets—our brands, financial strength, unrivaled distribution system and the strong commitment of our management and employees worldwide—to become more competitive. In so doing, growth will be accelerated in a way that creates value for our shareowners and renewed enthusiasm among our people. The Company is focusing all of its efforts on achieving these results. In the pages that follow, you can read about some of the initiatives already underway, as well as some very early indicators of our progress.

Our Financial Performance

The steps being taken are guided by what is best for The Coca-Cola Company over the long term. The Company has carefully assessed its competitive position to ensure that financial targets are realistic, achievable and credible. Based on that analysis, the Company lowered its stated long-term objectives for unit case volume growth, operating income and earnings per share.

Our financial performance in 2004 underscores the need for improvement. Volume grew 2 percent to 19.8 billion unit cases. Net operating revenues grew 4 percent to \$22.0 billion. Earnings per share grew 13 percent to \$2.00. These results reflect significant challenges in important markets such as Germany and North America that the Company has begun to address.

Despite these unsatisfactory 2004 results, net cash flow from operations remained strong, increasing 9 percent to \$6.0 billion. The Company raised its dividend by 14 percent in 2004—the 42nd consecutive year of increased dividends. The Company also repurchased

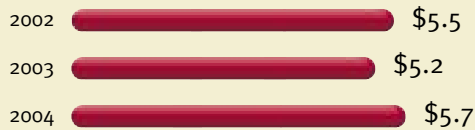
approximately \$1.7 billion of stock, bringing to nearly \$4.2 billion the cash returned to shareowners in 2004, either directly through dividends or indirectly through share repurchases. A complete description of the Company's 2004 results is included in our Annual Report on Form 10-K.

Reinvest, Re-energize

The Company has taken a number of concrete steps to improve its business opportunities and long-term health.

For our brands, the lifeblood of our business, the Company is increasing its investment in marketing and innovation in 2005 and beyond with a permanent annual increase of \$350 million to \$400 million.

For our people, the crucial element is effective execution. Investment is being made in capability building while simplifying and clarifying roles and responsibilities. This effort recognizes two important facts: 1) Our people want to and can succeed if they are given the appropriate tools to meet the ever-growing complexities of our business; and 2) each employee matters.

Operating Income (IN BILLIONS)**Net Income** (IN BILLIONS)

The success of the Coca-Cola system depends on the ability of our people—some of whom are pictured in this report—to function effectively every day around the globe. As an indication of the importance I place on our people, one of my first decisions in my new position was to change the reporting relationship of the Company’s Human Resources Department. It now reports directly to me.

What needs to be done to accelerate growth is clear:

- Build on our fundamental capabilities and strengths
- Generate new avenues for growth through core brands, with a focus on diet and light products
- Continue to expand selectively into other profitable segments of the nonalcoholic beverage industry
- Expand our presence in immediate-consumption channels
- Re-energize marketing and innovation
- Drive increased efficiency and effectiveness

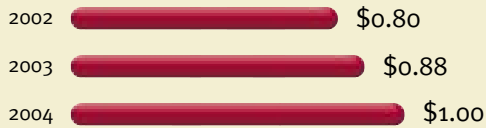
These will be the principal short-term areas of focus for our Company.

Focus on Execution Everywhere

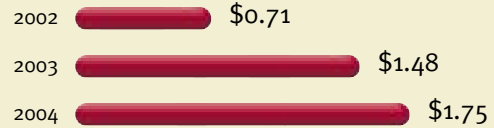
There were a few significant achievements in 2004. Unit case volume for the Coca-Cola system grew for the 50th consecutive year, with strong results in key geographical areas such as China and Russia. Our success in these and other emerging markets will benefit us in the years ahead as the Company continues to focus on execution and capitalizing on the global nature of our business. This will be accomplished by building on and replicating the pockets of excellence that exist throughout the Coca-Cola system.

In marketing, for example, a three-year decline in brand preference scores among Greek teenagers was reversed through a cross-media Olympic experience. In Korea, CokePLAY.com was launched and visited by more than 11 million people in its first six months. It is now one of Korea’s most popular entertainment websites. And in 2004—just two years after it was first rebranded in Greece—diet Sprite Zero/Sprite Zero entered its 23rd market, and worldwide annual unit case volume for diet Sprite brands surpassed 100 million for the first time.

Dividends Per Share



Share Repurchases (IN BILLIONS)



The Company has also seen steady improvement in its ability to work with its bottling partners. South Africa and Spain are models of Company and bottler collaboration, and the system has made solid progress toward finding the right balance between price and unit case volume in Argentina, Brazil and Japan.

In the United States, the Company worked closely with Coca-Cola Enterprises Inc. to reverse early unit case volume losses in the weeks after the May introduction of a new 1.5-liter package in the New York City area. By working with customers, re-examining price and package elasticity, and overhauling in-store merchandising, the Coca-Cola system regained unit case volume share lead on a full-year basis in the New York City area by the end of 2004. The Coca-Cola system maintained dollar share lead throughout the year. This example illustrates that while not every initiative will meet expectations right away, the system perseveres by applying market insights and making appropriate adjustments.

These achievements demonstrate the strategic advantage of being a global company, learning from the insights of consumers on every

continent and taking advantage of our market presence all around the world.

Around the Globe

In an era of globalization, our enterprise is viewed in a broader social context. As a corporate citizen, our people always work to be an integral and involved part of every society in which we operate. Led by our Asia team, our timely and substantial response to the devastating Indian Ocean tsunami was one more example of the Coca-Cola system's long tradition of helping those in need.

Because of our people, The Coca-Cola Company was again recognized in 2004 in many important ways around the world, including being named "Most Prestigious Company of the Past Decade" in Argentina and Uruguay, "Most Admired Company" in Chile, "Most Admired Brand" in South Africa, "Best Retail Brand" in Ireland and "Corporation of the Year" by the United States Hispanic Chamber of Commerce.

Our efforts in communities everywhere attest to what I believe The Coca-Cola Company should be every day around the world: not a collection of decentralized businesses or

a centralized, command-and-control enterprise, but simultaneously a local and an international enterprise. This balanced approach is the mark of a truly global company.

The Coca-Cola Company is clearly moving in the right direction. A new spirit is beginning to emerge within our system that gives me great pride and confidence that we will succeed.

As this report goes to press, the Company is advancing work on a new operating and cultural framework. Developed in consultation with 150 managers from around the world, the framework clarifies the steps required for the Company to return to consistent growth over the long term. By aligning the Company's capabilities and organizational structure with long-term objectives, this new framework will be a catalyst for a culture focused on execution and performance.

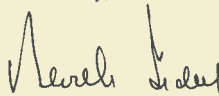
Beginning now and continuing for the long term, we are acting with a great sense of urgency to deliver on our promises. Our performance in 2004 simply was not satisfactory. However, by taking actions to enable consistent performance over the long term,

the true value of The Coca-Cola Company should be recognized.

On behalf of the Board of Directors, I want to thank Doug Daft for his 35 years with The Coca-Cola Company. Doug established a legacy of significant accomplishment during his career, and we are grateful for his service. Robert Nardelli has decided not to stand for re-election to the Board, and I extend our thanks to him for his three years of service. I also want to note with sorrow the passing of our friend and colleague Susan Bennett King, who served on our Board from December 1991 until July 2004.

We appreciate the trust you place in us, and we will work diligently to be worthy of that trust and to reward you for your investment.

Sincerely,



E. Neville Isdell
Chairman and Chief Executive Officer