



## A Letter from Our Chairman and Our President

E. NEVILLE ISDELL, CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER  
MUHTAR KENT, PRESIDENT AND CHIEF OPERATING OFFICER

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Muhtar (left) was born in the U.S., is of Turkish heritage and drinks Coca-Cola Classic. Neville was born in Ireland, grew up in Africa and drinks Coca-Cola Zero.

### DEAR FELLOW SHAREOWNER:

The year 2007 was a defining one in the great story of The Coca-Cola Company.

Our journey to becoming a sustainable growth company reached a new milestone, led by the revitalization of Trademark Coca-Cola; exciting acquisitions and joint ventures; innovative marketing initiatives; and new partnerships that advanced our global corporate citizenship.

The tireless efforts of our people and the great commitment of our bottling partners have rekindled the energy and optimism that have become synonymous with Coca-Cola. Indeed, across our entire portfolio and all our markets, we experienced a systemwide renaissance and commitment to balanced growth.

Nowhere was this energy more tangible than in the nearly 550 billion beverage servings that our consumers reached for and were refreshed by this past year.

The honor our consumers gave us by inviting us into their lives did not happen by chance. It was the sum of many things done well across the Coca-Cola system (the Company and our bottling partners).

At the heart of our progress is the recognition that delivering sustainable growth requires making every

aspect of our business sustainable, from our supply chain and operating model to the citizenship and leadership we exhibit in the communities we serve.

### A STRONG YEAR

The following pages tell the story of a company delivering consistent performance that is well-balanced across markets, categories, customers and products—a company that is moving forward with a clear strategic agenda.

In 2007, The Coca-Cola Company earned \$2.57 per share, an increase of 19 percent. Unit case volume grew 6 percent. And net operating revenues grew 20 percent to \$28.9 billion.

We took several key steps in 2007, including

- strengthening our sparkling portfolio with new brands and brand extensions;
- expanding our still portfolio with strategic acquisitions and innovations;
- improving our capabilities in consumer marketing, commercial leadership and franchise leadership;
- creating a more sustainable future through more efficient energy, water and operational practices.

# 5 Strategic Priorities

TO EXECUTE PEAK PERFORMANCE

**GROW  
SPARKLING  
BEVERAGE  
LEADERSHIP**

**RAPIDLY  
GROW  
STILL  
BEVERAGES**

**LEVERAGE  
BALANCED  
GEOGRAPHIC  
PORTFOLIO**

**ACCELERATE  
GLOBAL  
INNOVATION  
PIPELINE**

**STRENGTHEN  
COCA-COLA  
SYSTEM  
CAPABILITIES**

## REKINDLING GROWTH IN SPARKLING BEVERAGES

We continued to deliver unit case volume growth across our sparkling beverages, led by Trademark Coca-Cola. Our “three-cola strategy” focuses on driving unit case volume growth for Coca-Cola, Coca-Cola Zero and Diet Coke or Coca-Cola light. In 2007, we rolled out Coca-Cola Zero in 37 countries, and it became one of our Company’s billion-dollar brands.

Sprite and Fanta achieved global unit case volume growth of 8 percent and 5 percent, respectively, due to strong marketing execution and focus on immediate-consumption growth.

Sparkling beverages were the catalyst for double-digit unit case volume growth in important emerging markets, such as Brazil, China, Eastern Europe, India, Pakistan, Russia, Southern Eurasia and Turkey. In 2007, we also saw a return to solid performance in Japan, where Trademark Coca-Cola grew at its highest rate in 30 years.

## EXPANDING OUR STILL PORTFOLIO

Having a strong, sustainable business also depends on an expanding portfolio of still beverages that brings our offerings to new consumers and satisfies evolving needs and nutrition occasions.

Still beverage unit case volume grew 12 percent for the year, following 7 percent growth in 2006. We continued to maintain and enhance our position in the global

nonalcoholic ready-to-drink market. We are No. 1 in sparkling beverages, No. 1 in juice and juice drinks, No. 1 in ready-to-drink coffees and teas, No. 2 in sports drinks, and No. 3 in packaged water, where our ambition is to lead on a value, rather than a volume, basis.

To further enhance our still portfolio we made selective, strategic acquisitions, including our purchase of glacéau, the maker of vitaminwater—the fast-growing, premier active-lifestyle beverage. This acquisition is already delivering ahead of our expectations. And our partnership with Caribou Coffee will firmly establish us in the growing ready-to-drink coffee space in North America, enabling us to deliver premium, authentic coffee to our consumers.

## BUILDING OUR CAPABILITIES

A year ago in this report, we said we were going to fuel growth by creating inspirational consumer marketing, providing enhanced value to millions of retail partners and to our bottling partners, who make up the world’s largest and most powerful beverage distribution network.

The men and women of The Coca-Cola Company, working closely with our dedicated bottling partners around the world, delivered on our commitments with great discipline and skill. Our product mix is the strongest it has ever been, our innovation pipeline is growing, and our brands are winning again at the point of sale.



# Now in 55 countries

COCA-COLA ZERO IS OUR MOST SUCCESSFUL BEVERAGE LAUNCH IN 25 YEARS.

## +4%

TRADEMARK COCA-COLA

## +4%

SPARKLING BEVERAGES

## +12%

STILL BEVERAGES

2007 UNIT CASE VOLUME GROWTH

Our progress in consumer marketing and commercial leadership has renewed interest in our expanding portfolio among shoppers, retail customers and our bottling partners. Creative marketing is part of our DNA and has always been our core competency in eras of success.

In the past year, with "The Coke Side of Life," *Happiness Factory-The Movie* and other award-winning marketing programs, we reinvigorated the energy and optimism at the heart of our brands. We also invited our consumers to experience the magic and history of the world's most valuable brand at the highly successful new World of Coca-Cola, which opened this past year in Atlanta.

### ENHANCING THE COMMUNITIES WE SERVE

We recognize that we cannot have a healthy and growing business unless the communities we serve are sustainable themselves. Careful consideration of environmental, economic and social factors plays into all our decision making and resulted in a number of new partnerships to support the health of our business and our planet. Across the Coca-Cola system, we made significant progress in reducing our water, packaging and energy imprint.

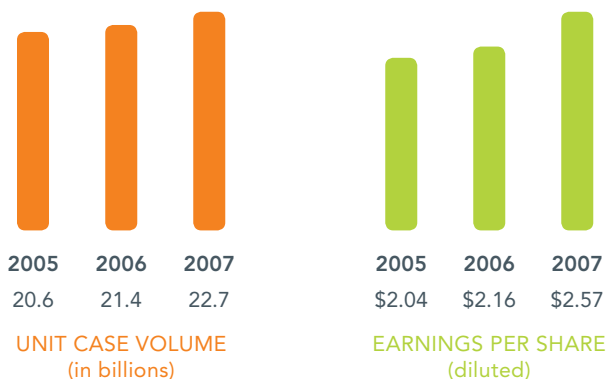
Water is essential to our business. In 2007, we set the ambitious goal to return the water we use, in our beverages and in their production, back to nature. And our expanded global partnership with World Wildlife Fund (WWF) aims to help conserve seven of the world's most important watersheds, as well as to further improve water efficiency

in our operations and strengthen our climate protection initiatives. Additionally, we signed The CEO Water Mandate, a partnership with the United Nations Global Compact that commits companies to help protect and preserve freshwater resources by making water-resource management a strategic priority throughout their operations and supply chain.

We see packaging not as waste, but as a valuable resource for future use. In 2007, we established a goal of recycling or reusing 100 percent of our PET\* packaging in the United States. We took an important step toward this goal through a major investment in the world's largest PET bottle-to-bottle recycling plant in South Carolina and the launch of a new recycling business called Coca-Cola Recycling LLC led by our bottling partner, Coca-Cola Enterprises Inc. In India, we are partnering with the Indian Association of Plastic Manufacturers on significant PET recycling initiatives in more than 100 locations across the country. And in Brazil, which recycles nearly 50 percent of PET containers, the Company remains a long-time supporter of CEMPRE, a nonprofit association dedicated to the promotion of recycling and waste management.

We also are scaling up our efforts to reduce carbon emissions. We are committed to growing our business, without growing our carbon footprint. In 2007, we launched Project esKO to reduce emissions in manufacturing and drive productivity improvements. For example, at our 2-million-square-foot world headquarters in Atlanta,

\*Polyethylene terephthalate



WE ACQUIRED GLACÉAU, MAKER OF VITAMINWATER—THE FAST-GROWING, PREMIER ACTIVE-LIFESTYLE BEVERAGE.

we are working to reduce energy consumption by 23 percent. These efforts are expected to eliminate more than 10,000 metric tons of carbon dioxide emissions each year, which is the equivalent of removing 2,000 cars from the road. And we are using our voice on the world stage to call for responsible standards on greenhouse gas emissions through our support of the United Nations Global Compact "Caring for Climate" leadership platform and the "Bali Communiqué."

Our commitment to being a responsible company includes being a responsible employer. In 2007, we launched our global *Workplace Rights Policy* and *Human Rights Statement*, guided by the principles of the International Labour Organization and other well-known international organizations. Our *Workplace Rights Policy* formalizes our long-standing commitment to ensure that each of our 90,500 associates around the world is treated with dignity and fairness.

### THE OPPORTUNITY

The opportunities associated with getting these and other actions right are immense. Over the next several years, our industry's growth is expected to outpace the growth of the world economy. By 2010, the industry is projected to eclipse \$650 billion in total revenue.

Despite the gains we are making across our business, we know greater opportunities still exist. We remain constructively discontent.

We are confident, though, that our strategies and structures are coming together. Our business-planning process this past year has been as robust as any we have witnessed in our careers. If 2007 was "the year of winning again," then 2008 will be the year "we execute to peak performance."

### THE ROAD AHEAD

To reach our peak performance in 2008, we will focus on five strategic priorities:

First, we will continue to grow our leadership in sparkling beverages, the core of our business today and tomorrow. We know there is tremendous opportunity to grow our sparkling beverages in both developed and emerging markets.

Second, we will drive even faster growth in our still beverage portfolio by adding new functional benefits, developing affordable formulations, pursuing relevant bolt-on acquisitions and seeking margin enhancements. Juice and juice drinks, sports drinks, water, coffees, teas and emerging categories offer exciting opportunities for future growth around the world.

Third, we will continue to generate and take advantage of the balanced growth we have achieved across our portfolio and the markets we serve. In the world's emerging economies, our business is buoyed by growing urbanization, rising middle-class consumers and the corresponding conversion to ready-to-drink beverages

that meet new lifestyle needs. In North America, our flagship market, we will continue to focus on renewing the health of our business.

Fourth, we will accelerate the rich innovation pipeline of ingredients, sweeteners, packaging and equipment that generate profit and value for our system. We will continue to advance structural and organizational initiatives designed to expedite the time it takes to move ideas to the market.

And fifth, we will strengthen Coca-Cola system capabilities. This begins with further enhancing our core capabilities of consumer marketing, commercial leadership and franchise leadership—all designed to connect more deeply with consumers and our more than 20 million customer outlets.

Productivity is another system enabler that can further our growth. Part of the savings gained from our supply chain, marketing and operating efficiencies can be reinvested to help drive top-line growth and sustain results.

The Coca-Cola system's greatest asset is our team of talented and experienced people across the world. We have worked hard to restore the belief that the Coca-Cola system can win again, and we have seen the return of belief and enthusiasm. The winning culture is back.

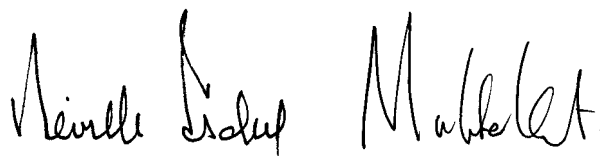
Winning changes everything—winning today, and the confidence of winning tomorrow.

Everything we do will be aligned with our vision of creating greater value for our shareowners, bottling partners, customers and consumers by shaping positive and unforgettable experiences at every point of contact with our Company, the Coca-Cola system and our brands.

Ultimately, our commitment is to reward the faith you put in us by creating stronger and lasting performance.

Thank you for your confidence and support.

Sincerely,

A handwritten signature in black ink, reading "Neville Isdell" followed by a flourish.

E. NEVILLE ISDELL, CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER  
MUHTAR KENT, PRESIDENT AND CHIEF OPERATING OFFICER  
February 21, 2008

**LEADERSHIP TRANSITION:** On December 6, 2007, The Coca-Cola Company announced that its Board of Directors approved the recommendation of Chairman and Chief Executive Officer Neville Isdell for an evolution of the Company's leadership structure. Under the new structure, President and Chief Operating Officer Muhtar Kent will succeed Mr. Isdell as chief executive officer as of July 1, 2008. Mr. Isdell will remain chairman of the Board of Directors until the Company's Annual Meeting of Shareowners in April 2009.

"The Coca-Cola Company is an enterprise of sustained, long-term growth. Diligent, detailed succession planning is a vital part of that growth plan. This next management step, which draws on the successful partnership between Muhtar and me, ensures that we will continue to grow and enhance Coca-Cola's business around the world," said Mr. Isdell. "I have been engaged with the Management Development Committee and the entire Board in succession discussions and planning since my return in June 2004. Having worked closely with Muhtar for nearly 20 years, I know that his combination of industry knowledge, passion for operational excellence, strategic vision and high level of interpersonal skills is the ideal blend to take our Company forward."

"The opportunity to lead The Coca-Cola Company is an extraordinary honor, and I am grateful to the Board for the confidence it has placed in me," said Mr. Kent. "I look forward to building on the strong foundation for sustainable growth that we have set in place for the Coca-Cola system around the world."