THE COCA-COLA COMPANY

Index

Part I. Financial Information

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Condensed Consolidated Statements of Cash Flows
Nine months ended September 30, 2003 and 2002

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Item 2. Management’s Discussion and Analysis of Financial
### Condensed Consolidated Statements of Income

**THE COCA-COLA COMPANY AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

**(UNAUDITED)**

(In millions except per share data)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended September 30,</th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003</td>
<td>2002</td>
</tr>
<tr>
<td><strong>NET OPERATING REVENUES</strong></td>
<td>$ 5,662</td>
<td>$ 5,322</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>2,150</td>
<td>2,083</td>
</tr>
<tr>
<td><strong>GROSS PROFIT</strong></td>
<td>3,512</td>
<td>3,239</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>2,006</td>
<td>1,789</td>
</tr>
<tr>
<td>Other operating charges</td>
<td>55</td>
<td>-</td>
</tr>
<tr>
<td><strong>OPERATING INCOME</strong></td>
<td>1,451</td>
<td>1,450</td>
</tr>
<tr>
<td>Interest income</td>
<td>37</td>
<td>46</td>
</tr>
<tr>
<td>Interest expense</td>
<td>42</td>
<td>52</td>
</tr>
<tr>
<td>Equity income (loss) - net</td>
<td>86</td>
<td>113</td>
</tr>
<tr>
<td>Other income (loss) - net</td>
<td>(42)</td>
<td>(62)</td>
</tr>
<tr>
<td>Gains on issuances of stock by equity investees</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td><strong>INCOME BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE</strong></td>
<td>1,498</td>
<td>1,495</td>
</tr>
<tr>
<td>Income taxes</td>
<td>275</td>
<td>404</td>
</tr>
<tr>
<td><strong>NET INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE</strong></td>
<td>1,223</td>
<td>1,091</td>
</tr>
<tr>
<td>Cumulative effect of accounting change for SFAS No. 142, net of income taxes:</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Company operations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity investees</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>$ 1,223</td>
<td>$ 1,091</td>
</tr>
<tr>
<td><strong>BASIC NET INCOME PER SHARE (1):</strong></td>
<td>$ .50</td>
<td>$ .44</td>
</tr>
</tbody>
</table>

**Notes:**

1. Adjustments for the cumulative effect of accounting change are computed as the difference between amounts as reported and the amounts as if the change in accounting had been applied prospectively from the beginning of the earliest period presented.
THE COCA-COLA COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
(In millions except per share data)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended September 30,</th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003</td>
<td>2002</td>
</tr>
<tr>
<td>DILUTED NET INCOME PER SHARE (1):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before accounting change</td>
<td>$.50</td>
<td>$.44</td>
</tr>
<tr>
<td>Cumulative effect of</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>accounting change</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ .50</td>
<td>$.44</td>
</tr>
<tr>
<td>DIVIDENDS PER SHARE</td>
<td>$.22</td>
<td>$.20</td>
</tr>
<tr>
<td>AVERAGE SHARES OUTSTANDING</td>
<td>2,455</td>
<td>2,478</td>
</tr>
<tr>
<td>Dilutive effect of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>stock options</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Average Shares Outstanding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assuming Dilution</td>
<td>2,458</td>
<td>2,483</td>
</tr>
</tbody>
</table>

See Notes to Condensed Consolidated Financial Statements.

(1) The sum of Basic and Diluted Net Income Per Share Before Accounting Change and Cumulative Effect of Accounting Change for the nine months ended September 30, 2002 does not agree to reported Basic and Diluted Net Income Per Share due to rounding.

THE COCA-COLA COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(In millions except share data)

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2003</th>
<th>December 31, 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$3,656</td>
<td>$2,126</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>191</td>
<td>219</td>
</tr>
<tr>
<td>Trade accounts receivable, less</td>
<td>3,847</td>
<td>2,345</td>
</tr>
<tr>
<td>allowances of $60 at September 30 and $55 at December 31</td>
<td>2,142</td>
<td>2,097</td>
</tr>
<tr>
<td>Inventories</td>
<td>1,293</td>
<td>1,294</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>1,762</td>
<td>1,616</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### INVESTMENTS AND OTHER ASSETS

**Equity method investments**
- Coca-Cola Enterprises Inc. 1,234 972
- Coca-Cola Hellenic Bottling Company S.A. 1,010 872
- Coca-Cola FEMSA, S.A. de C.V. 572 492
- Coca-Cola Amatil Limited 572 492
- Other, principally bottling companies 1,576 2,054

**Cost method investments, principally bottling companies**
- 283 254

**Other assets**
- 2,953 2,694

**Total:** 8,344 7,685

### PROPERTY, PLANT AND EQUIPMENT

- **Land**
  - 396 385

- **Buildings and improvements**
  - 2,495 2,332

- **Machinery and equipment**
  - 6,252 5,888

- **Containers**
  - 385 396

**Less allowances for depreciation**
- 3,464 3,090

**Total:** 6,064 5,911

**TRADEMARKS WITH INDEFINITE LIVES**
- 1,867 1,724

**GOODWILL AND OTHER INTANGIBLE ASSETS**
- 2,088 1,829

**Total Assets**
- $ 27,407 $ 24,501

### LIABILITIES AND SHARE-OWNERS' EQUITY

**THE COCA-COLA COMPANY AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

**(UNAUDITED)**

**(In millions except share data)**

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2003</th>
<th>December 31, 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURREN T</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ 4,663</td>
<td>$ 3,692</td>
</tr>
<tr>
<td>Loans and notes payable</td>
<td>2,762</td>
<td>2,475</td>
</tr>
<tr>
<td>Current maturities of long-term debt</td>
<td>307</td>
<td>180</td>
</tr>
<tr>
<td>Accrued income taxes</td>
<td>859</td>
<td>994</td>
</tr>
<tr>
<td>TOTAL CURRENT LIABILITIES</td>
<td>8,591</td>
<td>7,341</td>
</tr>
<tr>
<td>LONG-TERM DEBT</td>
<td>2,479</td>
<td>2,701</td>
</tr>
<tr>
<td>OTHER LIABILITIES</td>
<td>2,415</td>
<td>2,260</td>
</tr>
<tr>
<td>DEFERRED INCOME TAXES</td>
<td>397</td>
<td>399</td>
</tr>
<tr>
<td>SHARE-OWNERS' EQUITY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock, $.25 par value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorized: 5,600,000,000 shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued: 3,493,232,231 shares at September 30; 3,490,818,627 shares at December 31</td>
<td></td>
<td>873 873</td>
</tr>
<tr>
<td>Capital surplus</td>
<td>4,251</td>
<td>3,857</td>
</tr>
<tr>
<td>Reinvested earnings</td>
<td>26,300</td>
<td>24,506</td>
</tr>
<tr>
<td>Accumulated other comprehensive income (loss)</td>
<td>(2,574)</td>
<td>(3,047)</td>
</tr>
<tr>
<td></td>
<td>28,850</td>
<td>26,189</td>
</tr>
<tr>
<td>Less treasury stock, at cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1,041,846,089 shares at September 30; 1,019,839,490 shares at December 31)</td>
<td>15,325</td>
<td>14,389</td>
</tr>
<tr>
<td></td>
<td>13,525</td>
<td>11,800</td>
</tr>
</tbody>
</table>
See Notes to Condensed Consolidated Financial Statements.

### Operating Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$ 3,420</td>
<td>$ 2,120</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>622</td>
<td>599</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>329</td>
<td>311</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>(69)</td>
<td>(131)</td>
</tr>
<tr>
<td>Equity income or loss, net of dividends</td>
<td>(246)</td>
<td>(252)</td>
</tr>
<tr>
<td>Foreign currency adjustments</td>
<td>(121)</td>
<td>(12)</td>
</tr>
<tr>
<td>Gains on issuances of stock by equity investees</td>
<td>(8)</td>
<td>-</td>
</tr>
<tr>
<td>Gains on sale of assets, including bottling interests</td>
<td>(22)</td>
<td>(8)</td>
</tr>
<tr>
<td>Cumulative effect of accounting change</td>
<td>-</td>
<td>926</td>
</tr>
<tr>
<td>Other operating charges</td>
<td>164</td>
<td>-</td>
</tr>
<tr>
<td>Other items</td>
<td>281</td>
<td>244</td>
</tr>
<tr>
<td>Net change in operating assets and liabilities</td>
<td>(229)</td>
<td>(392)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$ 4,121</td>
<td>$ 3,405</td>
</tr>
</tbody>
</table>

### Investing Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisitions and investments, principally trademarks and bottling companies</td>
<td>(306)</td>
<td>(415)</td>
</tr>
<tr>
<td>Purchases of investments and other assets</td>
<td>(190)</td>
<td>(115)</td>
</tr>
<tr>
<td>Proceeds from disposals of investments and other assets</td>
<td>172</td>
<td>277</td>
</tr>
<tr>
<td>Purchases of property, plant and equipment</td>
<td>(565)</td>
<td>(582)</td>
</tr>
<tr>
<td>Proceeds from disposals of property, plant and equipment</td>
<td>54</td>
<td>55</td>
</tr>
<tr>
<td>Other investing activities</td>
<td>29</td>
<td>49</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(806)</td>
<td>(731)</td>
</tr>
</tbody>
</table>

### Financing Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuances of debt</td>
<td>1,121</td>
<td>1,402</td>
</tr>
<tr>
<td>Payments of debt</td>
<td>(1,007)</td>
<td>(1,939)</td>
</tr>
<tr>
<td>Issuances of stock</td>
<td>48</td>
<td>97</td>
</tr>
<tr>
<td>Purchases of stock for treasury</td>
<td>(938)</td>
<td>(478)</td>
</tr>
<tr>
<td>Dividends</td>
<td>(1,086)</td>
<td>(994)</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>(1,862)</td>
<td>(1,912)</td>
</tr>
</tbody>
</table>

### Effect of Exchange Rate Changes on Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>77</td>
<td>19</td>
</tr>
</tbody>
</table>

### Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase during the period</td>
<td>1,530</td>
<td>781</td>
</tr>
<tr>
<td>Balance at beginning of period</td>
<td>2,126</td>
<td>1,866</td>
</tr>
<tr>
<td>Balance at end of period</td>
<td>$ 3,656</td>
<td>$ 2,647</td>
</tr>
</tbody>
</table>

See Notes to Condensed Consolidated Financial Statements.
NOTE A - BASIS OF PRESENTATION
- ----------------------------------------
  The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. They do not include all information and notes required by generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there has been no material change in the information disclosed in the notes to the consolidated financial statements included in the Annual Report on Form 10-K of The Coca-Cola Company for the year ended December 31, 2002. When used in these notes, the terms "Company," "we," "us" or "our" mean The Coca-Cola Company and its divisions and subsidiaries. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine month periods ended September 30, 2003 are not necessarily indicative of the results that may be expected for the year ending December 31, 2003.

Certain amounts in our prior period financial statements have been reclassified to conform to the current period presentation. Additionally, 2002 results were restated to reflect the Company's adoption of the preferable fair value recognition provisions of Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation" under the modified prospective transition method selected by our Company as described in SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure." Refer to Note H.

NOTE B - SEASONALITY
- ---------------------
  Sales of nonalcoholic beverages are somewhat seasonal, with the second and third calendar quarters accounting for the highest sales volumes in the Northern Hemisphere. The volume of sales in the beverages business may be affected by weather conditions.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE C - COMPREHENSIVE INCOME
- -------------------------------
  Total Comprehensive Income for the three months ended September 30, 2003 and 2002 was comprised of the following:

  For the three months ended September 30,
  ----------------------------------------
  2003  2002
  -------  -------
  Net income                          $ 1,223  $ 1,091
  Net foreign currency translation
  loss                                  (369)   (241)
  Net gain/(loss) on derivative financial
  instruments                          (20)    17
  Net change in unrealized gain/(loss) on
  available-for-sale securities        14     (68)
  Net change in minimum pension liability  -     -
  -------  -------
  Total comprehensive income          $ 848  $ 799
  -------  -------

  Total Comprehensive Income for the nine months ended September 30, 2003 and 2002 was comprised of the following:

  For the nine months ended September 30,
  --------------------------------------
  2003  2002
  -------  -------
  Net income                          $ 3,420  $ 2,120
  Net foreign currency translation
  gain/(loss)                          501   (157)
  Net loss on derivative financial
  instruments                         (39)    (99)
  Net change in unrealized gain/(loss) on
  available-for-sale securities        29     (1)
  Net change in minimum pension liability  (18)  (33)
  -------  -------
  Total comprehensive income          $ 3,893  $ 1,830
  -------  -------
Net foreign currency translation loss for the three months ended September 30, 2003 resulted primarily from the weakening of certain currencies against the U.S. dollar from the beginning of the quarter through September 30, 2003, particularly the euro and Mexican peso. Net foreign currency translation gain for the nine months ended September 30, 2003 resulted primarily from the strengthening of certain currencies against the U.S. dollar from the beginning of the year through September 30, 2003, particularly the euro and Japanese yen, partially in Latin American currencies. Net loss on derivative financial instruments for the nine months ended September 30, 2002 resulted primarily from decreases in the fair value of outstanding hedging instruments, primarily related to the Japanese yen. Fluctuations in the value of the hedging instruments are generally offset by changes in the fair value or cash flows of the underlying exposures being hedged.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE D - ACCOUNTING PRONOUNCEMENTS
- ----------------------------------

Effective January 1, 2002, our Company adopted the fair value method defined in SFAS No. 123. For information regarding the adoption of the fair value method defined in SFAS No. 123, refer to Note H.

Effective January 1, 2003, the Company adopted SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force (EITF) Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." SFAS No. 146 requires that a liability for a cost associated with an exit or disposal plan be recognized when the liability is incurred. Under SFAS 146, an exit or disposal plan exists when the following criteria are met:

* Management, having the authority to approve the action, commits to a plan of termination.
* The plan identifies the number of employees to be terminated, their job classifications or functions and their locations, and the expected completion date.
* The plan establishes the terms of the benefit arrangement, including the benefits that employees will receive upon termination (including but not limited to cash payments), in sufficient detail to enable employees to determine the type and amount of benefits they will receive if they are involuntarily terminated.
* Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

SFAS No. 146 establishes that fair value is the objective for initial measurement of the liability. In cases where employees are required to render service until they are terminated in order to receive termination benefits, a liability for termination benefits is recognized ratably over the future service period. Under EITF Issue No. 94-3, a liability for the entire amount of the exit cost was recognized at the date that the entity met the four criteria described above. For information regarding the impact of adopting SFAS No. 146 and the impact of the streamlining initiatives that the Company has undertaken during the three and nine months ended September 30, 2003, refer to Note G.

In November 2002, the Financial Accounting Standards Board (FASB) issued Interpretation No. 45 (Interpretation 45), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." This interpretation elaborates on the disclosures to be made by a guarantor in interim and annual financial statements about the obligations under certain guarantees. Our Company adopted the disclosure provisions of Interpretation 45 as of December 31, 2002. Interpretation 45 also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The initial recognition and initial measurement provisions of this interpretation are applicable on a prospective basis to guarantees issued or modified after December 31, 2002. We do not currently provide significant guarantees on a routine basis. As a result, this interpretation has not had a material impact on our financial statements.

In January 2003, the FASB issued Interpretation No. 46 (Interpretation 46), "Consolidation of Variable Interest Entities." This interpretation addresses the
consolidation of business enterprises (variable interest entities) to which the usual condition (ownership of a majority voting interest) of consolidation does not apply. This interpretation focuses on financial interests that indicate control. It concludes that in the absence of clear control through voting interests, a company's exposure (variable interest) to the economic risks and potential rewards from the variable interest entity's assets and activities are the best evidence of control. Variable interests are rights and obligations that convey economic gains or losses from changes in the values of the variable interest entity's assets and liabilities. Variable interests may arise from financial instruments, service contracts, nonvoting ownership interests and other arrangements. If an enterprise holds a majority of the variable interests of an entity, it would be considered the primary beneficiary. The primary beneficiary would be required to include assets, liabilities and the results of operations of the variable interest entity in its financial statements. Interpretation 46 applies immediately to variable interest entities that are created after or for which control is obtained after January 31, 2003.

FASB Staff Position No. FIN 46-6, "Effective Date of FASB Interpretation No. 46, Consolidation of Variable Interest Entities," was issued with an effective date of October 9, 2003. This FASB Staff Position deferred the effective date for applying the provisions of Interpretation 46 for interests held by public entities in variable interest entities or potential variable interest entities created before February 1, 2003. A public entity need not apply the provisions of Interpretation 46 to an interest held in a variable interest entity or potential variable interest entity until the end of the first interim or annual period ending after December 15, 2003 if both of the following apply:

1. The variable interest entity was created before February 1, 2003.
2. The public entity has not issued financial statements reporting interests in variable interest entities in accordance with Interpretation 46, other than certain required disclosures.

Our Company will implement the provisions of Interpretation 46 for our financial statements for the year ending December 31, 2003 for any variable interest entities created before February 1, 2003.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Our Company holds interests in certain entities, primarily bottlers, currently accounted for under the equity method of accounting, that we believe may be considered variable interest entities. These variable interests relate to profit guarantees or subordinated financial support for these entities. We believe it is reasonably possible that the Company will be required to consolidate these variable interest entities as of December 31, 2003.

Based on our current understanding, we do not expect Interpretation 46 to have a material impact on our financial statements; however, we understand the FASB expects to issue certain implementation guidance regarding Interpretation 46. Our current understanding of Interpretation 46 could be impacted by this implementation guidance.

NOTE E - ACQUISITIONS AND INVESTMENTS
- -------------------------------------

In March 2003, our Company acquired a 100 percent ownership interest in Truesdale Packaging Company LLC (Truesdale) from Coca-Cola Enterprises Inc. for cash consideration of approximately $60 million. Truesdale owns noncarbonated beverage production facilities. The purchase price was allocated primarily to the property, plant and equipment acquired. No amount has been allocated to intangible assets. Truesdale is included in our North America operating segment.

In November 2001, we entered into a Control and Profit and Loss Transfer Agreement (CPL) with Coca-Cola Erfrischungsgetraenke AG (CCEAG). Under the terms of the CPL, our Company acquired management control of CCEAG. In November 2001, we also entered into a Pooling Agreement with certain share owners of CCEAG that provided our Company with voting control of CCEAG. Both agreements became effective in February 2002, when our Company acquired control of CCEAG, for a term ending no later than December 31, 2006. CCEAG is included in our Europe, Eurasia and Middle East operating segment. As a result of acquiring control of CCEAG, our Company is working to help focus its sales and marketing programs and assist in developing the business. This transaction was accounted for as a business combination, and the results of CCEAG's operations have been included in the Company's financial statements since February 2002. Prior to February 2002, our Company accounted for CCEAG under the equity method of accounting. As of December 31, 2002, our Company had an approximate 41 percent ownership interest in the outstanding shares of CCEAG. In return for control of CCEAG, pursuant to the CPL we guaranteed annual payments, in lieu of dividends by CCEAG, to all other CCEAG share owners. These guaranteed annual payments equal..76 euro for each CCEAG share outstanding. Additionally, all other CCEAG share
owners entered into either a put or a put/call option agreement with the Company, exercisable at the end of the term of the CPL at agreed prices. Our Company entered into either put or put/call agreements for shares representing an approximate 59 percent interest in CCEAG. The spread in the strike prices of the put and call options is approximately 3 percent.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of the date of the transaction, the Company concluded that the exercise of the put and/or call agreements was a virtual certainty based on the minimal differences in the strike prices. We concluded that either the holder of the put option would require the Company to purchase the shares at the agreed-upon put strike price, or the Company would exercise its call option and require the share owner to tender its shares at the agreed-upon call strike price. The holders of the puts or calls may exercise their rights at any time up to the December 31, 2006 expiration date. If these rights are exercised, the actual transfer of shares would not occur until the end of the term of the CPL. Coupled with the guaranteed payments in lieu of dividends for the term of the CPL, these instruments represented the financing vehicle for the transaction. As such, the Company determined that the economic substance of the transaction resulted in the acquisition of the remaining outstanding shares of CCEAG and required the Company to account for the transaction as a business combination. Furthermore, the terms of the CPL transferred control and all of the economic risks and rewards of CCEAG to the Company immediately.

The present value of the total amount likely to be paid by our Company to all other CCEAG share owners, including the put or put/call payments and the guaranteed annual payments in lieu of dividends, is approximately $823 million at September 30, 2003. This amount has increased from the initial liability of approximately $600 million due to the accretion of the discounted value to the ultimate maturity, as well as approximately $170 million of translation adjustment related to this liability. This liability is included in the caption Other Liabilities. The accretion of the discounted value to its ultimate maturity value is recorded in the caption Other Income (Loss) - Net, and this amount was approximately $13 million and $11 million, respectively, for the three months ended September 30, 2003 and September 30, 2002, and approximately $38 million and $27 million, respectively, for the nine months ended September 30, 2003 and September 30, 2002.

In July 2002, our Company and Danone Waters of North America, Inc. (DWNA) formed a new limited liability company, CCDA Waters, LLC (CCDA), for the production, marketing and distribution of DWNA's bottled spring and source water business in the United States. In forming CCDA, DWNA contributed assets of its retail bottled spring and source water business in the United States. These assets include five production facilities, a license for the use of the Dannon and Sparkletts brands, as well as ownership of several value brands. Our Company made a cash payment to acquire a controlling 51 percent equity interest in CCDA and is also providing marketing, distribution and management expertise. This transaction was accounted for as a business combination, and the consolidated results of CCDA's operations have been included in the Company's Condensed Consolidated Financial Statements since July 2002. This business combination expanded our water brands to include a national offering in all sectors of the water category with purified, spring and source waters. CCDA is included in our North America operating segment.

In January 2002, our Company and Coca-Cola Bottlers Philippines, Inc. (CCBPI) finalized the purchase of RFM Corp.'s (RFM) approximate 83 percent interest in Cosmos Bottling Corporation (CBC), a publicly traded Philippine beverage company. CBC is an established carbonated soft drink business in the Philippines and is included in our Asia operating segment. The original sale and purchase agreement with RFM was entered into in November 2001. As of the date of this sale and purchase agreement, the Company began supplying concentrate for this operation. The purchase of RFM's interest was finalized on January 3, 2002. In March 2002, a tender offer was completed with our Company and CCBPI acquiring all shares of the remaining minority share owners except for shares representing a one percent interest in CBC. This transaction was accounted for as a business combination, and the results of CBC's operations were included in the Company's Consolidated Financial Statements from January 2002 to March 2003.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
exchanged was approximately equal. Additionally, there was no impact on our cash flows related to this transaction.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE F - OPERATING SEGMENTS
- -----------------------------

The Company's operating structure includes the following operating segments: North America; Africa; Europe, Eurasia and Middle East; Latin America; Asia; and Corporate. North America includes the United States, Canada and Puerto Rico. Prior period amounts have been reclassified to conform to the current period presentation. Information about our Company's operations as of and for the three months ended September 30, 2003 and 2002, by operating segment, is as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>North America</th>
<th>Africa</th>
<th>Europe, Eurasia &amp; Middle East</th>
<th>Latin America</th>
<th>Asia</th>
<th>Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated</strong></td>
<td>&lt;S&gt;</td>
<td>&lt;C&gt;</td>
<td>&lt;C&gt;</td>
<td>&lt;C&gt;</td>
<td>&lt;C&gt;</td>
<td>&lt;C&gt;</td>
</tr>
<tr>
<td><strong>2003</strong></td>
<td>&lt;S&gt;</td>
<td>&lt;C&gt;</td>
<td>&lt;C&gt;</td>
<td>&lt;C&gt;</td>
<td>&lt;C&gt;</td>
<td>&lt;C&gt;</td>
</tr>
<tr>
<td>Net operating revenues</td>
<td>$1,707</td>
<td>$197</td>
<td>$1,803</td>
<td>$522</td>
<td>$1,382</td>
<td>$51</td>
</tr>
<tr>
<td>Operating income (1)</td>
<td>361</td>
<td>65</td>
<td>589</td>
<td>250</td>
<td>410</td>
<td>(224)</td>
</tr>
<tr>
<td>Income before income taxes and cumulative effect of accounting change (1) (2)</td>
<td>370</td>
<td>67</td>
<td>617</td>
<td>168</td>
<td>417</td>
<td>(141)</td>
</tr>
<tr>
<td>Identifiable operating assets</td>
<td>5,186</td>
<td>731</td>
<td>4,895</td>
<td>1,252</td>
<td>2,233</td>
<td>7,719</td>
</tr>
<tr>
<td>Investments</td>
<td>111</td>
<td>141</td>
<td>1,288</td>
<td>1,312</td>
<td>1,241</td>
<td>1,298</td>
</tr>
<tr>
<td><strong>2002</strong></td>
<td>&lt;S&gt;</td>
<td>&lt;C&gt;</td>
<td>&lt;C&gt;</td>
<td>&lt;C&gt;</td>
<td>&lt;C&gt;</td>
<td>&lt;C&gt;</td>
</tr>
<tr>
<td>Net operating revenues</td>
<td>$1,706</td>
<td>$164</td>
<td>$1,518</td>
<td>$487</td>
<td>$1,400</td>
<td>$47</td>
</tr>
<tr>
<td>Operating income</td>
<td>399</td>
<td>62</td>
<td>464</td>
<td>235</td>
<td>486</td>
<td>(196)</td>
</tr>
<tr>
<td>Income before income taxes and cumulative effect of accounting change</td>
<td>405</td>
<td>63</td>
<td>467</td>
<td>223</td>
<td>492</td>
<td>(155)</td>
</tr>
<tr>
<td>Identifiable operating assets</td>
<td>5,153</td>
<td>731</td>
<td>4,895</td>
<td>1,252</td>
<td>2,233</td>
<td>7,719</td>
</tr>
<tr>
<td>Investments</td>
<td>111</td>
<td>141</td>
<td>1,288</td>
<td>1,312</td>
<td>1,241</td>
<td>1,298</td>
</tr>
</tbody>
</table>

Intercompany transfers between operating segments are not material.

(1) Operating Income and Income Before Income Taxes and Cumulative Effect of Accounting Change for the three months ended September 30, 2003 were reduced by approximately $13 million for North America, approximately $1 million for Africa, approximately $23 million for Europe, Eurasia and Middle East, approximately $13 million for Latin America and approximately $5 million for Corporate as a result of other operating charges. Refer to Note G.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(2) Income Before Income Taxes and Cumulative Effect of Accounting Change for Latin America for the three months ended September 30, 2003 was reduced by $95 million primarily for a charge related to one of our equity method investees. Refer to Note I.

Information about our Company's operations for the nine months ended September 30, 2003 and 2002, by operating segment, is as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>North America</th>
<th>Africa</th>
<th>Europe, Eurasia &amp; Middle East</th>
<th>Latin America</th>
<th>Asia</th>
<th>Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net operating revenues</td>
<td>$ 4,856</td>
<td>$ 553</td>
<td>$ 4,901</td>
<td>$ 1,490</td>
<td>$ 3,912</td>
<td>$  139</td>
</tr>
<tr>
<td>$ 15,851</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>1,017</td>
<td>183</td>
<td>1,531</td>
<td>725</td>
<td>1,244</td>
<td>(571)</td>
</tr>
<tr>
<td>4,129</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income before income taxes and cumulative effect of accounting change</td>
<td>1,051</td>
<td>179</td>
<td>1,562</td>
<td>695</td>
<td>1,279</td>
<td>(395)</td>
</tr>
<tr>
<td>4,371</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net operating revenues</td>
<td>$ 4,712</td>
<td>$ 493</td>
<td>$ 3,993</td>
<td>$ 1,584</td>
<td>$ 3,858</td>
<td>$  129</td>
</tr>
<tr>
<td>$ 14,769</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>1,167</td>
<td>170</td>
<td>1,249</td>
<td>772</td>
<td>1,397</td>
<td>(587)</td>
</tr>
<tr>
<td>4,168</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income before income taxes and cumulative effect of accounting change</td>
<td>1,184</td>
<td>166</td>
<td>1,225</td>
<td>773</td>
<td>1,416</td>
<td>(538)</td>
</tr>
<tr>
<td>4,226</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Intercompany transfers between operating segments are not material.

(1) Operating Income and Income Before Income Taxes and Cumulative Effect of Accounting Change for the nine months ended September 30, 2003 were reduced by approximately $147 million for North America, approximately $1 million for Africa, approximately $92 million for Europe, Eurasia and Middle East, approximately $16 million for Latin America and approximately $28 million for Corporate as a result of other operating charges. Operating Income and Income Before Income Taxes and Cumulative Effect of Accounting Change for the nine months ended September 30, 2003 were increased by $52 million for Corporate as a result of the Company's receipt of a settlement related to a vitamin antitrust litigation matter. Refer to Note G.

(2) Income Before Income Taxes and Cumulative Effect of Accounting Change for Latin America for the nine months ended September 30, 2003 was reduced by $95 million primarily for a charge related to one of our equity method investees. Refer to Note I.

(3) Income Before Income Taxes and Cumulative Effect of Accounting Change for Latin America in 2002 was negatively impacted by a charge related to a write-down of investments in Latin America partially offset by the Company's share of a gain recorded by one of our investees in Latin America. Refer to Note G.
In the first quarter of 2003, the Company reached a settlement with certain defendants in a vitamin antitrust litigation matter. In that litigation, the Company alleged that certain vitamin manufacturers participated in a global conspiracy to fix the price of some vitamins, including vitamins used in the manufacture of some of the Company's products. During the first quarter of 2003, the Company received a settlement relating to this litigation of approximately $52 million on a pretax basis, or $0.01 per share on an after-tax basis. The amount was recorded as a reduction to Cost of Goods Sold.

During the first quarter of 2003, the Company initiated steps to streamline and simplify its operations, primarily in North America and Germany. In North America, the Company is integrating the operations of our three separate North American business units - Coca-Cola North America, The Minute Maid Company and Fountain. In Germany, CCEAG is taking steps to improve efficiency in sales, distribution and manufacturing. As described in Note D, under SFAS No. 146, a liability is accrued only when certain criteria are met. Of the Company's total streamlining initiatives, certain components of these initiatives have met these criteria as of September 30, 2003. The total cost expected to be incurred for these components of the streamlining initiatives that, as of September 30, 2003, meet the criteria described in Note D is approximately $329 million.

Employees separated from the Company as a result of these streamlining initiatives were offered severance or early retirement packages, as appropriate, which included both financial and non-financial components. The expenses recorded during the nine-month period ended September 30, 2003 included costs associated with involuntary terminations and other direct costs associated with implementing these initiatives. Other direct costs included the relocation of employees; contract termination costs; costs associated with the development, communication and administration of these initiatives; and asset write-offs. In the third quarter of 2003, the Company incurred total pretax expenses related to these streamlining initiatives of approximately $43 million, or $0.01 per share after tax. For the nine months ended September 30, 2003, the Company incurred total pretax expenses related to these streamlining initiatives of approximately $272 million, or $0.07 per share after tax. These expenses were recorded in Other Operating Charges. The table below provides more details related to these costs. As of September 30, 2003, approximately 1,600 associates had been separated pursuant to these streamlining initiatives.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Severance pay and benefits</td>
<td>$ 93</td>
<td>$ 20</td>
<td>$ (41)</td>
<td>$ (8)</td>
</tr>
<tr>
<td>Retirement related benefits</td>
<td>37</td>
<td>5</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Outside services - legal,</td>
<td>13</td>
<td>18</td>
<td>(19)</td>
<td>12</td>
</tr>
<tr>
<td>outplacement, consulting</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other direct costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ 147</td>
<td>$ 43</td>
<td>$ (67)</td>
<td>$ (8)</td>
</tr>
</tbody>
</table>

The table below summarizes the costs incurred to date, the balance of accrued streamlining expenses and the movement in that accrual as of and for the three months ended September 30, 2003 (in millions):

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Severance pay and benefits</td>
<td>$ 93</td>
<td>$ 20</td>
<td>$ (41)</td>
<td>$ (8)</td>
</tr>
<tr>
<td>Retirement related benefits</td>
<td>37</td>
<td>5</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Outside services - legal,</td>
<td>13</td>
<td>18</td>
<td>(19)</td>
<td>12</td>
</tr>
<tr>
<td>outplacement, consulting</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other direct costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ 147</td>
<td>$ 43</td>
<td>$ (67)</td>
<td>$ (8)</td>
</tr>
</tbody>
</table>
expenses and the movement in that accrual as of and for the nine months ended September 30, 2003 (in millions):

<table>
<thead>
<tr>
<th>Cost Summary</th>
<th>Total Costs to be incurred</th>
<th>Costs Incurred to date</th>
<th>Payments</th>
<th>Noncash Exchange and</th>
<th>Accrued Balance Sept. 30, 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severance pay and benefits</td>
<td>$197</td>
<td>$143</td>
<td>$(74)</td>
<td>$(5)</td>
<td>$64</td>
</tr>
<tr>
<td>Retirement related benefits</td>
<td>37</td>
<td>37</td>
<td></td>
<td></td>
<td>37</td>
</tr>
<tr>
<td>Outside services - legal, outplacement, consulting</td>
<td>23</td>
<td>22</td>
<td>(20)</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Other direct costs</td>
<td>50</td>
<td>48</td>
<td>(36)</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>$307</td>
<td>$250</td>
<td>$(130)</td>
<td>$(5)</td>
<td>$115</td>
</tr>
<tr>
<td>Asset impairments</td>
<td>22</td>
<td>22</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Costs Incurred</td>
<td>$329</td>
<td>$272</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The total amount of costs expected to be incurred for the components of the streamlining initiatives which have met the criteria described in SFAS No. 146 and the costs incurred to date for the nine months ended September 30, 2003 by operating segment is as follows (in millions):

<table>
<thead>
<tr>
<th>Operating Segment</th>
<th>Total Costs to be Incurred</th>
<th>Costs Incurred to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>$148</td>
<td>$147</td>
</tr>
<tr>
<td>Africa</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Europe, Eurasia and Middle East</td>
<td>132</td>
<td>92</td>
</tr>
<tr>
<td>Latin America</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Asia</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>Corporate</td>
<td>29</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>$329</td>
<td>$272</td>
</tr>
</tbody>
</table>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Our Company had direct and indirect ownership interests totaling approximately 18 percent in Cervejarias Kaiser S.A. (Kaiser S.A.). In March 2002, Kaiser S.A. sold its investment in Cervejarias Kaiser Brazil Ltda to Molson Inc. (Molson) for cash of approximately $485 million and shares of Molson valued at approximately $150 million. Our Company's pretax share of the gain related to this sale was approximately $43 million, of which approximately $21 million was recorded in the caption Equity Income (Loss) and approximately $22 million was recorded in the caption Other Income (Loss) - Net.

In the first quarter of 2002, our Company recorded a non-cash pretax charge of approximately $157 million (recorded in the caption Other Income (Loss) - Net) primarily related to the write-down of our investments in Latin America. This write-down reduced the carrying value of the investments in Latin America to fair value. The charge was primarily the result of the economic developments in Argentina during the first quarter of 2002, including the devaluation of the Argentine peso and the severity of the unfavorable economic outlook.

NOTE H - RESTRICTED STOCK, STOCK OPTIONS AND OTHER STOCK PLANS

Our Company currently sponsors stock option plans and restricted stock award plans. Prior to 2002, our Company accounted for those plans under the recognition and measurement provisions of APB Opinion No. 25, "Accounting for Stock Issued to Employees" (APB No. 25) and related interpretations. No stock-based employee compensation expense for stock options was reflected in Net Income for years prior to 2002, as all stock options granted under those plans had an exercise price equal to the fair market value of the underlying common stock on the date of grant. Effective January 1, 2002, our Company adopted the preferable fair value recognition provisions of SFAS No. 123. Under the modified prospective transition method selected by our Company as described in SFAS No. 148, compensation cost recognized for the three and nine months ended September 30, 2003 and 2002 is the same as that which would have been recognized had the
The impact of the adoption of the fair value method of accounting for stock-based compensation was an increase to stock-based compensation expense of approximately $104 million and approximately $95 million, respectively, for the three-month periods ended September 30, 2003 and September 30, 2002. The impact of this adoption was an increase to stock-based compensation expense of approximately $323 million and approximately $282 million, respectively, for the nine-month periods ended September 30, 2003 and September 30, 2002. This stock compensation expense was recorded in the caption Selling, General and Administrative Expenses. As a result of adopting SFAS No. 123 and SFAS No. 148, our results for the three months and nine months ended September 30, 2002 were restated to reflect the impact of the adoption of the fair value method under SFAS No. 123. For the quarter ended September 30, 2002, the impact of this restatement on Selling, General and Administrative Expenses was an increase of approximately $95 million; and the impact on Income Taxes was a decrease of approximately $25 million, resulting in a negative impact to Net Income of approximately $70 million. For the nine months ended September 30, 2002, the impact of this restatement on Selling, General and Administrative Expenses was an increase of approximately $282 million; and the impact on Income Taxes was a decrease of approximately $76 million, resulting in a negative impact to Net Income of approximately $206 million. The income per share impact of this restatement was a reduction of $0.03 per share and $0.08 per share, respectively, for the three months and nine months ended September 30, 2002. In accordance with the modified prospective method of adoption, results for years prior to 2002 have not been restated.

NOTE I - EQUITY INVESTEES
- -------------------------

Effective May 6, 2003, one of our Company's equity method investees, Coca-Cola FEMSA, S.A. de C.V. (Coca-Cola FEMSA) consummated a merger with another of the Company's equity method investees, Panamerican Beverages, Inc. (Panamco). Our Company received new Coca-Cola FEMSA shares in exchange for all Panamco shares previously held by the Company. Our Company's ownership interest in Coca-Cola FEMSA increased from 30 percent to 39.6 percent as a result of this merger. This exchange of shares was treated as a non-monetary exchange of similar productive assets, and no gain was recorded by our Company as a result of this merger.

In connection with the merger, Coca-Cola FEMSA management initiated steps to streamline and integrate the operations. This process includes the closing of various distribution centers and manufacturing plants. Furthermore, due to the challenging economic conditions and an uncertain political situation in Venezuela, certain intangible assets were determined to be impaired and written down to their fair market value. During the third quarter of 2003, our Company recorded a non-cash charge of $95 million primarily related to these matters. This charge is included in the line item Equity Income (Loss) - Net.

The Company and the major share owner of Coca-Cola FEMSA have an understanding which will permit this share owner to purchase from our Company an amount of Coca-Cola FEMSA shares sufficient for this share owner to regain a 51 percent ownership interest in Coca-Cola FEMSA. Pursuant to this understanding, which is in place until May 2006, this share owner would pay the higher of the prevailing market price per share at the time of the sale or the sum of approximately $2.22 per share plus the Company's carrying costs.

NOTE J - GAINS ON ISSUANCES OF STOCK BY EQUITY INVESTEES
- --------------------------------------------------------

For the quarter ended September 30, 2003, our Company recorded approximately $8 million for gains on issuances of stock by equity investees. These gains primarily related to the issuance by Coca-Cola Enterprises Inc. (Coca-Cola Enterprises) of common stock valued at an amount greater than the book value per share of our investment in Coca-Cola Enterprises. As a result, the issuance of these shares resulted in a one-time non-cash pretax gain for our Company. This transaction reduced our ownership interest in the total outstanding shares of Coca-Cola Enterprises common stock by less than 1 percent.

No gains or losses on issuances of stock by equity investees were recorded during 2002.
In the third quarter of 2003, the Company reduced its estimated full year 2003 effective income tax rate on operations to approximately 22 percent. As of June 30, 2003, the Company estimated the full year income tax rate on operations at approximately 24 percent. The impact of this change in effective tax rate related to income from operations was approximately $70 million (approximately $0.03 per share). This rate reduction was reflected in the third quarter 2003 income tax expense. The overall effective income tax rate, including the impact of this rate reduction, for the third quarter of 2003 was approximately 18 percent.

NOTE L - COMMITMENTS AND CONTINGENCIES
- --------------------------------------

In 2003, we have adopted the initial recognition and measurement provisions of Interpretation 45. Because we do not currently provide significant guarantees on a routine basis, there has been no material effect to our financial statements. The initial recognition and measurement provisions of this Interpretation are applicable on a prospective basis to guarantees issued or modified after December 31, 2002.

As of September 30, 2003, we were contingently liable for guarantees of indebtedness owed by third parties in the amount of approximately $493 million. These guarantees are related to third-party customers and bottlers and have arisen through the normal course of business. These guarantees have various terms, and none of these guarantees are individually significant. The amount represents the maximum potential future payments that we could be required to make under the guarantees; however, we do not consider it probable that we will be required to satisfy these guarantees.

Additionally, the Company is presently negotiating the extension of a $250 million stand-by line of credit to Coca-Cola FEMSA. This line of credit contains normal market terms and is subject to the execution of final agreements.

We believe our exposure to concentrations of credit risk is limited due to the diverse geographic areas covered by our operations.

The Company is also involved in various legal proceedings. Management believes that any liability to the Company that may arise as a result of currently pending legal proceedings, including those discussed below, will not have a material adverse effect on the financial condition of the Company taken as a whole.

During the period from 1970 to 1981, our Company owned Aqua-Chem, Inc. (Aqua-Chem). A division of Aqua-Chem manufactured certain boilers that contained gaskets that Aqua-Chem purchased from outside suppliers. Several years after our Company sold this entity, Aqua-Chem received its first lawsuit relating to asbestos, a component of some of the gaskets. Aqua-Chem has notified our Company that it believes we are obligated to them for certain costs and expenses associated with the litigation. Aqua-Chem has demanded that our Company reimburse it for approximately $10 million for out-of-pocket litigation-related expenses incurred over the last 18 years. Aqua-Chem has also demanded that the Company acknowledge a continuing obligation to Aqua-Chem for any future liabilities and expenses that are excluded from coverage under the applicable insurance or for which there is no insurance. Our Company disputes Aqua-Chem's claims, and we believe we have no obligation to Aqua-Chem for any of its past, present or future liabilities, costs or expenses. Furthermore, we believe we have substantial legal and factual defenses to Aqua-Chem's claims. The parties have entered into litigation to resolve this dispute. The Company believes Aqua-Chem has substantial insurance coverage to pay Aqua-Chem's asbestos claimants. An estimate of possible losses over time, if any, cannot be made at this time.

The Competition Authority of the European Commission made unannounced visits to the offices of the Company and our bottling partners in Austria, Belgium, Denmark, Germany and Great Britain several years ago. Similarly, the Spanish competition authorities made unannounced visits to our own offices and those of certain bottlers in Spain in 2000. The European Commission and the Spanish competition authorities continue their investigations into unspecified market practices in their respective jurisdictions. The Company believes we have substantial legal and factual defenses in these matters.

Additionally, at the time of divesting our interest in a consolidated entity, we sometimes agree to indemnify the buyer for specific liabilities related to the period we owned the entity. Management believes that any liability to the Company that may arise as a result of any such indemnification agreements will not have a material adverse effect on the financial condition of the Company taken as a whole.
Effective October 1, 2003, the Company and all of its bottling partners in Japan created a nationally integrated supply chain management company to centralize procurement, production and logistics operations for the entire Coca-Cola system in Japan. As a result of the creation of this supply chain management company in Japan, a portion of our Company's business has essentially been converted from a finished product business model to a concentrate business model. This will affect certain line items of our Company's income statement in the future but is not expected to impact our Company's underlying Operating Income.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

RESULTS OF OPERATIONS

BEVERAGE VOLUME
- -----------------
We measure our sales volume in two ways: (1) gallons and (2) unit cases of finished products. "Gallons" represent our primary business and measure the volume of concentrates, syrups, beverage bases, finished beverages and powders (in all cases, expressed in equivalent gallons of syrup) for all beverage products which are reportable as unit case volume. Most of our revenues are based on this measure of primarily wholesale activity, which consists mainly of our sales to bottlers and customers.

We also measure volume in unit cases. "Unit case" means a unit of measurement equal to 192 U.S. fluid ounces of finished beverage (24 eight-ounce servings). "Unit case volume" means the number of unit cases (or unit case equivalents) of Company trademark or licensed beverage products directly or indirectly sold by the Coca-Cola system to customers. Volume primarily consists of beverage products bearing Company trademarks. Also included in unit case volume are certain products licensed to our Company or owned by our bottling partners, for which our Company provides marketing support and derives profit from the sales. Such products licensed to our Company or owned by our bottling partners account for a minimal portion of total unit case volume. Although most of our Company's revenues are not based directly on unit case volume, we believe unit case volume is one of the measures of the underlying strength of the Coca-Cola system because it measures trends at the consumer level.

Third quarter and year-to-date 2003 unit case volume results are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003 versus 2002</td>
</tr>
<tr>
<td></td>
<td>Third Quarter</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Worldwide</td>
<td>4</td>
</tr>
<tr>
<td>International Operations - Total</td>
<td>5</td>
</tr>
<tr>
<td>Latin America</td>
<td>5</td>
</tr>
<tr>
<td>Europe, Eurasia and Middle East</td>
<td>9</td>
</tr>
<tr>
<td>Africa</td>
<td>5</td>
</tr>
<tr>
<td>Asia</td>
<td>1</td>
</tr>
<tr>
<td>North America Operations</td>
<td>1</td>
</tr>
</tbody>
</table>

RESULTS OF OPERATIONS (Continued)

Latin America
- -----------------
Strong growth in Mexico and improving trends in Argentina primarily led the Latin America volume increases for the third quarter of 2003 and for the first nine months of 2003 compared to the prior year periods. Partially offsetting these increases was a decrease in Brazil's unit case volume. The Coca-Cola system significantly increased prices in Brazil, resulting in decreased unit case volume.

Europe, Eurasia and Middle East
- -------------------------------
During the third quarter of 2003, the Company's unit case volume benefited from sound business fundamentals and innovation, strong marketing strategies and favorable weather trends, especially in key countries in Western Europe such as Spain, Great Britain, France and Belgium. The Central Europe, Eurasia and Middle
East Group generated strong growth throughout the region, specifically in the Italy and Alpine Division, Russia and the South East Europe Division.

In Germany, year-to-date 2003 unit case volume decreased 1 percent versus the comparable prior period. In the third quarter of 2003, Germany unit case volume increased 4 percent compared to the prior year third quarter. The year-to-date volume decrease reflects the implementation of a deposit law on non-returnable packages that created a difficult industry environment; however, the increase in the third quarter 2003 reflects a positive trend. We believe that the Coca-Cola system remains well positioned to take advantage of the move by German consumers back to returnable packaging.

Africa
- -----
Performance in South Africa, the Company's largest market in Africa, and results in Morocco and Algeria contributed significantly to the unit case volume growth in Africa for the third quarter of 2003 and year-to-date 2003. Morocco and Algeria benefited from improved bottler execution and marketing initiatives surrounding the family of Coca-Cola brands and Fanta. These results were partially offset by uncertain economic and political conditions in Zimbabwe.

Asia
- ----
Results during the third quarter of 2003 were led by growth in China and Thailand. Results during the first nine months of 2003 were led by growth in China, Australia, Thailand and India. Core carbonated soft drinks continued to drive growth across Asia, particularly in single-serve packages, along with strong performance of local brands such as Qoo. The results were partially offset by Japan. In Japan, unit case volume declined 6 percent in the third quarter of 2003 with cool and wet weather in July and August, followed by solid growth during the month of September.

25
RESULTS OF OPERATIONS (Continued)

In India, the beverage industry was impacted by false accusations that soft drinks contained high levels of pesticides. As a result, India's unit case volume declined 11 percent during the third quarter of 2003. This decline follows several consecutive quarters of strong volume growth. Following the accusations, the Company took proactive steps to provide facts to the Indian government and consumers, reassuring them as to the safety of the Company's products. Looking forward, even though unit case volume trends have stabilized over the past few weeks, the Company continues to monitor the situation closely.

North America
- -------------
Third quarter 2003 results and year-to-date 2003 results in the Retail Division benefited from strong performance from Vanilla Coke, diet Vanilla Coke, diet Coke, and the expansion of Fridge Pack availability. Further, the family of Sprite brands for year-to-date 2003 grew significantly led by the introduction of Sprite Remix. The Company has captured increased value from the entire water category by continuing to implement its three-tiered water strategy.

Overall
- -------
The Company is focused on continuing to broaden its family of brands. In particular, we are expanding and growing our noncarbonated offerings to provide more alternatives to consumers. The Company's unit case volume for 2003 as compared to 2002 has been favorably impacted by several strategic acquisitions and license agreements involving noncarbonated brands such as Evian and Danone waters in North America and Risco, a water brand in Mexico. The Company also entered into a long-term license agreement in June 2002 involving Seagram's mixers, a carbonated line of drinks. These brands and other acquired brands that have impacted volume growth for 2003 as compared to 2002, had annual volume in the year before we acquired them of approximately 450 million unit cases.

Gallon sales increased 4 percent and 3 percent, respectively, for the three-month and nine-month periods ended September 30, 2003, as compared to the same periods in 2002. The growth rates for gallon sales are not precisely in line with the growth rates for unit case volume for year-to-date 2003 due primarily to the timing of shipments. On a full-year basis, the Company expects the growth in gallons to be similar to the growth in unit case volume.

NET OPERATING REVENUES AND GROSS MARGIN
- ---------------------------------------
Net Operating Revenues were $5,662 million in the third quarter of 2003, compared to $5,322 million in the third quarter of 2002, an increase of $340 million or 6 percent. The following table indicates, on a percentage basis, the estimated impact of key factors resulting in significant increases (decreases) in Net Operating Revenues:
RESULTS OF OPERATIONS (Continued)

Three months ended September 30, 2003 vs. 2002
- -------------------------------------------------------------------------------
Increase in gallon shipments, including acquisitions 4%
Favorable impact of the weaker U.S. dollar 3
Structural changes 1
Price and product/geographic mix (2)
- -------------------------------------------------------------------------------
Total percentage increase 6%
===============================================================================

Net Operating Revenues were $15,851 million for the first nine months of 2003, compared to $14,769 million for the first nine months of 2002, an increase of $1,082 million or 7 percent. The following table indicates, on a percentage basis, the estimated impact of key factors resulting in significant increases in Net Operating Revenues:

Nine months ended September 30, 2003 vs. 2002
- -------------------------------------------------------------------------------
Increase in gallon shipments, including acquisitions 3%
Favorable impact of the weaker U.S. dollar 3
Structural changes 1
- -------------------------------------------------------------------------------
Total percentage increase 7%
===============================================================================

The increase in gallon shipments for the third quarter of 2003 includes the favorable impact of acquisitions, primarily the Risco water brand in Mexico. The increase in gallon shipments for year-to-date 2003 also includes the favorable impact of acquisitions, primarily the Danone and Evian water brands and Seagram's mixers. Structural changes had a positive impact on Net Operating Revenues in 2003 due primarily to the inclusion of one additional month of revenue from our German bottler, Coca-Cola Erfrischungsgetraenke AG (CCEAG). CCEAG was consolidated in February 2002, therefore, the first quarter of 2002 contained only two months of CCEAG revenue versus three months of CCEAG revenue included in the first quarter of 2003. This positive impact was partially offset by the deconsolidation of Cosmos Bottling Corporation (CBC) during the second quarter of 2003. Refer to Note E.

The structural change related to CCEAG impacted the Europe, Eurasia and Middle East operating segment and the structural change related to CBC impacted the Asia operating segment. The impact of acquisitions mentioned above was primarily related to the 2002 transactions involving the Danone and Evian water brands and Seagram's mixers which impacted the North America operating segment.

The impact of the weaker U.S. dollar mentioned above was driven primarily by the stronger euro that favorably impacted the Europe, Eurasia and Middle East operating segment and the stronger Japanese yen that favorably impacted the Asia operating segment, partially offset by generally weaker currencies negatively impacting the Latin America operating segment. For further discussion related to the impact of exchange and expected trends, refer to the heading "Exchange" elsewhere in this report.

The contribution to Net Operating Revenues from Company operations is as follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended September 30</th>
<th>Nine Months Ended September 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003</td>
<td>2002</td>
</tr>
<tr>
<td>Company Operations, Excluding Bottling Operations</td>
<td>$4,967</td>
<td>$4,684</td>
</tr>
<tr>
<td>Company-Owned Bottling Operations</td>
<td>695</td>
<td>638</td>
</tr>
<tr>
<td>Consolidated Net Operating Revenues</td>
<td>$5,662</td>
<td>$5,322</td>
</tr>
</tbody>
</table>

Our gross profit margin increased to 62.0 percent in the third quarter of 2003 from 60.9 percent in the third quarter of 2002. This increase was primarily the result of favorable product mix positively impacting CCEAG's gross margin.

Our gross profit margin decreased to 63.0 percent in the first nine months
of 2003 from 63.4 percent for the first nine months of 2002. This slight decrease was primarily the result of the inclusion of the higher revenue, lower margin Evian and Danone results in the first nine months of 2003, partially offset by the deconsolidation of CBC during the second quarter of 2003 and our receipt during the first quarter of 2003 of a settlement of approximately $52 million from certain defendants in a vitamin antitrust litigation. Refer to Note G.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, General and Administrative Expenses were $2,006 million in the third quarter of 2003, compared to $1,789 million in the third quarter of 2002, an increase of $217 million or 12 percent. The increase reflected increased stock-based compensation expense of approximately $9 million and the impact (approximately 3 percentage points) of a weaker U.S. dollar. The remainder of the increase primarily relates to increased marketing expenses. These increases were partially offset by effective management of operating expenses.

Selling, General and Administrative Expenses were $5,573 million in the first nine months of 2003, compared to $5,197 million in the first nine months of 2002, an increase of $376 million or 7 percent. The increase reflected increased stock-based compensation expense of approximately $41 million, increased expenses for structural changes (primarily impacted by one additional month of CCEAG expenses included in 2003) and acquisitions of approximately $100 million and the impact (approximately 3 percentage points) of a weaker U.S. dollar. These increases were partially offset by effective management of operating expenses.

RESULTS OF OPERATIONS (Continued)

OTHER OPERATING CHARGES

In the third quarter of 2003, the Company recorded charges of approximately $43 million, or $0.01 per share after tax, related to the streamlining initiatives in North America and Germany, announced during the first quarter of 2003. Of these charges, approximately $13 million impacted the North America operating segment, approximately $1 million impacted the Africa operating segment, approximately $23 million impacted the Europe, Eurasia and Middle East operating segment, approximately $1 million impacted the Latin America operating segment, and approximately $5 million impacted the Corporate segment.

For the first nine months of 2003, the Company recorded charges of approximately $272 million, or $0.07 per share after tax, related to the streamlining initiatives, primarily in North America and Germany. Of these charges, approximately $147 million impacted the North America operating segment, approximately $1 million impacted the Africa operating segment, approximately $92 million impacted the Europe, Eurasia and Middle East operating segment, approximately $4 million impacted the Latin America operating segment, and approximately $28 million impacted the Corporate operating segment. As of September 30, 2003, approximately 1,600 associates had been separated pursuant to these streamlining initiatives.

In North America, the Company is integrating the operations of our three separate North American business units – Coca-Cola North America, The Minute Maid Company and Fountain. In Germany, the German division office has been relocated to Berlin to more closely align with CCEAG, and CCEAG has taken steps to improve efficiency in sales, distribution and manufacturing.

These initiatives are expected to result in the separation of a total of approximately 2,800 associates in 2003, primarily in North America, Germany and Asia. Further, these initiatives are expected to result in a full-year 2003 charge to earnings of approximately $500 million on a pretax basis. Of this $500 million amount, $272 million has been recognized through September 30, 2003, and the remaining amount is expected to be recorded during the fourth quarter of 2003. This expected $500 million charge is composed of costs associated with involuntary terminations and other direct costs, including the relocation of employees; contract termination costs; costs associated with the development, communication and administration of these initiatives; and asset write-offs.

During the third quarter of 2003, management further reviewed all worldwide operations to improve our overall efficiency and effectiveness. In connection with this review, we increased the expected charge from approximately $400 million (as previously estimated) to approximately $500 million as noted above. This increase relates to the closing of a plant in the U.S. and other planned activities in the fourth quarter of 2003. The increase in the number of associates to be separated from the Company from approximately 1,900 (as previously estimated) to approximately 2,800 as noted above mainly relates to our Company-owned bottlers in Asia. As a result of the above initiatives, apart
from the charge to earnings, the

RESULTS OF OPERATIONS (Continued)

Company's financial results are expected to benefit by at least $50 million (pretax) in 2003 and at least $100 million (pretax) on an annualized basis beginning in 2004.

OPERATING INCOME AND OPERATING MARGIN
- -------------------------------------

Operating Income was $1,451 million in the third quarter of 2003, compared to $1,450 million in the third quarter of 2002, an increase of $1 million. Our consolidated operating margin for the third quarter of 2003 was 25.6 percent, compared to 27.2 percent for the comparable period in 2002. Operating Income for the third quarter of 2003 reflected the increase in gallon shipments, the effective management of operating expenses, and a favorable impact of a weaker U.S. dollar, partially offset by expenses related to the 2003 streamlining initiatives of approximately $43 million, increased stock-based compensation expense of approximately $9 million, and increased marketing expenses. The decrease in the Company's operating margin was due primarily to increased marketing expenses and the 2003 streamlining initiatives, partially offset by the effective management of operating expenses.

Operating Income was $4,129 million in the first nine months of 2003, compared to $4,168 million in the first nine months of 2002, a decrease of $39 million or 1 percent. Our consolidated operating margin for the first nine months of 2003 was 26.0 percent, compared to 28.2 percent for the comparable period in 2002. The decrease in Operating Income for the first nine months of 2003 reflected expenses related to the 2003 streamlining initiatives of approximately $272 million and increased stock-based compensation expense of approximately $41 million, partially offset by the increase in gallon shipments, the effective management of operating expenses, receipt of a $52 million settlement related to the vitamin litigation in the first quarter of 2003, and a favorable impact of a weaker U.S. dollar. The decrease in the Company's operating margin was due primarily to the expenses related to the 2003 streamlining initiatives and inclusion of the acquired lower-margin Evian and Danone results mentioned above, partially offset by the effective management of operating expenses. Generally, bottling operations and other finished products operations produce higher revenues but lower operating margins compared to concentrate and syrup operations.

INTEREST INCOME AND INTEREST EXPENSE
- ------------------------------------

Interest Income decreased to $37 million for the third quarter of 2003 from $46 million for the third quarter of 2002. This decrease was primarily due to lower interest rates earned on short-term investments. Nevertheless, the Company continues to benefit from cash invested in locations outside the United States earning interest at higher rates than could be obtained within the United States. Interest Expense decreased $10 million in the third quarter of 2003 relative to the comparable period in 2002, due mainly to lower interest rates for commercial paper debt.

Interest Income decreased to $138 million for the first nine months of 2003 from $156 million for the first nine months of 2002. This decrease was primarily due to lower interest rates earned on short-term investments. Interest Expense decreased $26 million in the first nine months of 2003 relative to the comparable period in 2002, due mainly to both a decrease in average commercial paper debt balances and lower interest rates for commercial paper debt.

EQUITY INCOME (LOSS) - NET
- --------------------------

Our Company's share of income from equity method investments for the third quarter of 2003 totaled $86 million, compared to $113 million in the third quarter of 2002, a decrease of $27 million or approximately 24 percent. This decrease was primarily because of a $95 million charge primarily related to a Latin American equity investee discussed below.

Our Company's share of income from equity method investments for the first nine months of 2003 totaled $325 million, compared to $350 million in the first
nine months of 2002, a decrease of $25 million or approximately 7 percent.

Equity income for the majority of our investees increased during the first nine months of 2003 due to the overall improving health of the Coca-Cola bottling system around the world. Again, our equity income for this period was negatively impacted by the $95 million charge primarily related to a Latin American equity investee. Equity income for the first nine months of 2002 benefited from our Company's share of the gain on the sale by Cervejarias Kaiser S.A. (Kaiser S.A.) of its interests in Brazil to Molson Inc. (refer to Note G). Approximately $21 million of the pretax gain from this sale by Kaiser S.A. was recorded in equity income with the remaining portion (approximately $22 million) recorded in Other Income (Loss) - Net.

Effective May 6, 2003, one of our Company's Latin American equity method investees, Coca-Cola FEMSA, S.A. de C.V. (Coca-Cola FEMSA) consummated a merger with another of the Company's Latin American equity method investees, Panamerican Beverages, Inc. (Panamco). Our Company received new Coca-Cola FEMSA shares in exchange for all Panamco shares previously held by the Company. Our Company's ownership interest in Coca-Cola FEMSA increased from 30 percent to 39.6 percent as a result of this merger. This exchange of shares was treated as a non-monetary exchange of similar productive assets, and no gain was recorded by our Company as a result of this merger.

In connection with the merger, Coca-Cola FEMSA management initiated steps to streamline and integrate the operations. This process includes the closing of various distribution centers and manufacturing plants. Furthermore, due to the challenging economic conditions and an uncertain political situation in Venezuela, certain intangible assets were determined to be impaired and written down to their fair market value. During the third quarter of 2003, our Company recorded a non-cash charge of $95 million primarily related to these matters. This charge is included in the line item Equity Income (Loss) - Net.

OTHER INCOME (LOSS) - NET

Other Income (Loss) - Net was a net loss of $42 million for the third quarter of 2003 compared to a net loss of $62 million for the third quarter of 2002, a difference of $20 million. A portion of this difference, approximately $7 million, is related to the net loss on currency exchange, primarily in Latin America and Africa in 2002. Other Income (Loss) - Net for the third quarter of 2003 was composed primarily of foreign currency exchange losses of approximately $17 million and the accretion of the discounted value of the CCEAG liability of approximately $13 million. Refer to Note E.

RESULTS OF OPERATIONS (Continued)

Other Income (Loss) - Net was a net loss of $99 million for the first nine months of 2003 compared to a net loss of $292 million for the first nine months of 2002, a difference of $193 million. A portion of this difference, approximately $59 million, is related to the net loss on currency exchange, primarily in Latin America, which was impacted by the significant devaluation of the Argentine peso, and in Africa, in 2002. Additionally, Other Income (Loss) - Net was impacted by two other items which were recorded during the first quarter of 2002. In the first quarter of 2002, our Company recorded a non-cash pretax charge of approximately $157 million primarily related to the write-down of our investments in Latin America. The charge was primarily the result of economic developments in Argentina during the first quarter of 2002, including the devaluation of the Argentine peso and the severity of the unfavorable economic outlook. In the first quarter of 2002, our Company also recorded in Other Income (Loss) - Net a $22 million pretax gain from the sale by Kaiser S.A. (refer to Note G). Other Income (Loss) - Net for the first nine months of 2003 was composed primarily of foreign currency exchange losses of approximately $51 million and the accretion of the discounted value of the CCEAG liability of approximately $38 million. Refer to Note E.

GAINS ON ISSUANCES OF STOCK BY EQUITY INVESTEES

For the quarter ended September 30, 2003, our Company recorded approximately $8 million for gains on issuances of stock by equity investees. These gains were primarily related to the issuance by Coca-Cola Enterprises Inc. (Coca-Cola Enterprises) of common stock valued at an amount greater than the book value per share of our investment in Coca-Cola Enterprises. As a result, the issuance of these shares resulted in a one-time non-cash pretax gain for our Company. This transaction reduced our ownership interest in the total outstanding shares of Coca-Cola Enterprises common stock by less than 1 percent. Refer to Note J.

No gains or losses on issuances of stock by equity investees were recorded during 2002.
Our effective tax rate was approximately 18 percent for the third quarter of 2003 compared to approximately 27 percent for the third quarter of 2002. During the third quarter of 2003, the Company's results benefited from a lower effective tax rate than previously indicated. In July, the Company estimated that its underlying effective tax rate would be approximately 24 percent for the full year 2003. The Company now anticipates that the underlying effective tax rate on operations for the full year 2003 will be approximately 22 percent because of the continued strong profit contributions from lower taxed locations where currencies are having a favorable impact. The decline in the tax rate resulted in a benefit to net income per share of approximately $0.03 per share in the third quarter of 2003.

The Company recorded income tax expense for the first nine months of 2003 based on the estimated effective tax rate for the full year 2003. To achieve this result, the Company recorded income tax expense at an underlying effective tax rate on operations of approximately 18 percent in the third quarter of 2003.

Our effective tax rate of approximately 22 percent for the nine months ended September 30, 2003 includes the following:

* The effective tax rate for the costs related to the streamlining initiatives was approximately 35 percent.
* The effective tax rate for the proceeds received related to the vitamin antitrust litigation matter was approximately 35 percent.
* The effective tax rate for the charge related to a Latin America equity investee was approximately 3 percent.
* The effective tax rate for all other pretax income was approximately 22 percent.

Our effective tax rate of approximately 28 percent for the nine months ended September 30, 2002 includes the following:

* The effective tax rate for our Company's share of the gain on the sale of Kaiser S.A. interests was approximately 33 percent.
* The effective tax rate for the write-down of our investments primarily in Latin America was approximately 4 percent.
* The effective tax rate for all other pretax income was approximately 27 percent.

For 2004 and future years, based on current tax laws, the Company's effective tax rate on operations is expected to be no more than 25.5 percent. Our effective tax rate reflects tax benefits derived from significant operations outside the United States which are taxed at lower rates than the U.S. statutory rates.

CUMULATIVE EFFECT OF ACCOUNTING CHANGE FOR SFAS NO. 142

The adoption of SFAS No. 142, "Goodwill and Other Intangible Assets," was a required change in accounting principle. The cumulative effect of adopting this standard as of January 1, 2002 resulted in a non-cash, after-tax decrease to net income of $367 million for Company operations and $559 million for the Company's proportionate share of its equity method investees in the first quarter of 2002. The adoption of this accounting standard resulted in a pretax reduction in amortization expense of approximately $60 million, and an increase in equity income of approximately $150 million for the year ended December 31, 2002.

RECENT DEVELOPMENTS

Beginning in the fourth quarter of 2003, the shift of certain products to a concentrate business model will result in a reduction of revenues and cost of goods sold, each in approximately the same amount, thus having no impact on the Company's gross profit or operating income. Net Operating Revenues and Cost of Goods Sold are both expected to decrease by approximately $1.0 billion on an annualized basis.
FINANCIAL CONDITION

NET CASH PROVIDED BY OPERATING ACTIVITIES

Net Cash Provided by Operating Activities in the first nine months of 2003 amounted to $4,121 million versus $3,405 million for the comparable period in 2002, an increase of $716 million or 21 percent. Increased profits in 2003 led to this increased cash flow in 2003 versus 2002. Collection by the Company in 2002 of approximately $280 million in connection with an Advance Pricing Agreement (APA) reached between the United States and Japan in 2000 impacted Net Change in Operating Assets and Liabilities for 2002. The APA established the level of royalties paid by Coca-Cola (Japan) Company Limited to our Company for the years 1993 through 2001. The effect of this item was partially offset by overall improved worldwide business operating results. Net Cash Provided by Operating Activities for 2003 and 2002 was also impacted by the funding of our primary qualified U.S. pension plan: approximately $165 million was funded in the first nine months of 2003, as compared to approximately $124 million that was funded in the first nine months of 2002. For additional information related to Other Operating Charges, refer to Note G. For additional information regarding the 2002 Cumulative Effect of Accounting Change, refer to the heading "Cumulative Effect of Accounting Change for SFAS No. 142."

INVESTING ACTIVITIES

Net Cash Used in Investing Activities totaled $806 million for the first nine months of 2003, compared to $731 million for the comparable period in 2002, an increase of $75 million. During the first nine months of 2003, cash outlays for investing activities included purchases of property, plant and equipment of $565 million, plus acquisitions and investments of approximately $306 million, including the acquisition of Truesdale Packaging Company LLC from Coca-Cola Enterprises Inc. for approximately $60 million (refer to Note E), and other acquisitions, primarily trademarks, of $246 million. Our Company currently estimates that purchases of property, plant and equipment will total less than $1 billion for 2003. During the first nine months of 2003, proceeds from disposals of investments and other assets of $54 million resulted primarily from the disposal of certain investments in short-term marketable equity securities and the disposal of a portion of the Company's investment in Piedmont Coca-Cola Bottling Partnership.

Net Cash Used in Investing Activities totaled $731 million for the first nine months of 2002. During the first nine months of 2002, cash outlays for investing activities included purchases of property, plant and equipment of approximately $582 million, plus acquisitions and investments of approximately $415 million primarily related to the acquisitions of our ownership interests in Cosmos Bottling Corporation and CCDA.

FINANCING ACTIVITIES

Our financing activities include net borrowings, dividend payments, share issuances and share repurchases. Net Cash Used in Financing Activities totaled $1,862 million for the first nine months of 2003 compared to Net Cash Used in Financing Activities of $1,912 million for the first nine months of 2002.

FINANCIAL CONDITION (Continued)

In the first nine months of 2003, the Company had issuances of debt of $1,121 million and payments of debt of $1,007 million. The issuances of debt primarily included approximately $515 million of issuances of commercial paper with maturities of less than 90 days and approximately $604 million in issuances of commercial paper with maturities of over 90 days. The payments of debt primarily included approximately $582 million, plus acquisitions and investments of approximately $415 million primarily related to the acquisitions of our ownership interests in Cosmos Bottling Corporation and CCDA.

For the comparable first nine months of 2002, the Company had issuances of debt of $1,402 million and payments of debt of $1,939 million. The issuances of debt primarily included approximately $636 million of issuances of commercial paper with maturities of 90 days and $750 million in issuances of long-term debt due June 1, 2005. The payments of debt primarily included $616 million primarily related to commercial paper with maturities over 90 days, and net payments of $1,275 million primarily related to commercial paper with maturities less than 90 days.

During the first nine months of 2003 and 2002, the Company repurchased common stock under the stock repurchase plan authorized by our Board of Directors in October 1996. During the first nine months of 2003, the Company repurchased approximately 21.5 million shares of common stock at an average cost of $42.48 per share under the 1996 plan. During the first nine months of 2002,
the Company repurchased approximately 9.3 million shares of common stock at an average cost of $49.79 per share under the 1996 plan. The Company currently estimates that its share repurchases will total approximately $1.5 billion during 2003, including the purchases during the first nine months of 2003 just described. As strong cash flows are expected to continue into the future, the Company currently expects to increase its 2004 share repurchase levels above the 2003 levels.

**FINANCIAL POSITION**

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Our balance sheet as of September 30, 2003, as compared to our balance sheet as of December 31, 2002, was impacted by the following:

* The increase in Cash and Cash Equivalents of $1,530 million was due primarily to increased cash flows from operations and the accumulation of cash for the quarterly dividend payments to be paid in the fourth quarter of 2003.
* The increase in Equity Method Investments, Coca-Cola FEMSA, S.A. de C.V. of $369 million and the decrease in Equity Method Investments, Other, Principally Bottling Companies of $478 million were primarily due to the merger of Coca-Cola FEMSA and Panamerican Beverages, Inc. Refer to Note I.
* The increase in Accounts Payable and Accrued Expenses of $971 million was primarily due to dividends payable accrued as of September 30, 2003, which will be paid during the fourth quarter of 2003.

**UPDATE TO APPLICATION OF CRITICAL ACCOUNTING POLICIES**

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In our 2002 Annual Report on Form 10-K, Part II, Item 7, under the heading "Application of Critical Accounting Policies," we discussed the recoverability of noncurrent assets, equity method and cost method investments and property, plant and equipment. We also discussed our assessment of impairment for goodwill, trademarks and other intangible assets. During the first nine months of 2003, the following events occurred that required us to assess the recoverability of these assets:

* The unstable situation in Iraq and the continued overall civil and political unrest in the Middle East are risks to our Company's business results and therefore, could impact the valuation of our assets in this region.
* Germany's operating results have been impacted by what our Company believes is a short-term disruption caused by the implementation of a deposit law on non-returnable packages. The change in the law on January 1, 2003 and subsequent developments resulted in major retailers delisting non-returnable packages. Furthermore, consumers have begun to shift their consumption back to returnable packages and to other beverage categories that were not impacted by the deposit law.

In the first nine months of 2003, the Company evaluated the impact that these events could have on our future business results and the carrying value of our investments and assets in these regions of the world. Currently, management believes these events will only have a temporary unfavorable impact on our operations and therefore, no asset impairment has resulted.

Challenging economic conditions and an uncertain political environment in Venezuela also negatively impacted our business. As discussed in Note I, during the third quarter of 2003 we recorded a charge to equity income primarily related to Coca-Cola FEMSA's business operations in Venezuela.

We plan to closely monitor the above matters and other conditions to evaluate any impact they might have on our assets and investments. We will re-assess these items in the fourth quarter of 2003.
Our international operations are subject to certain opportunities and risks, including currency fluctuations and government actions. We closely monitor our operations in each country and seek to adopt appropriate strategies that are responsive to changing economic and political environments and to fluctuations in foreign currencies.

We use approximately 50 functional currencies. Due to our global operations, weaknesses in some of these currencies are often offset by strengths in others. The U.S. dollar was approximately 5 percent weaker in the third quarter of 2003 compared to the third quarter of 2002, based on comparable weighted averages for our functional currencies. This does not include the effects of our hedging activities and, therefore, does not reflect the actual impact of fluctuations in exchange rates on our operating results. Our foreign currency management program mitigates over time a portion of the impact of exchange on net income and earnings per share. The effective impact of exchange to our Company after considering hedging activities was an increase to operating income of approximately 2 percent in the third quarter of 2003 compared to the third quarter of 2002, resulting from a strengthening euro partially offset by less attractive hedge rates on the Japanese yen and weakness in Latin American currencies. The effective impact of exchange to our Company after considering hedging activities was an increase to operating income of approximately 2 percent in the first nine months of 2003 compared to the first nine months of 2002. For the remainder of 2003, the Company expects exchange to have a slightly positive impact on its Operating Income.

The Company will continue to manage its foreign currency exposures to mitigate over time a portion of the impact of exchange on net income and earnings per share. Our Company conducts business in more than 200 countries around the world, and we manage foreign currency exposures through the portfolio effect of the basket of functional currencies in which we do business.

FORWARD-LOOKING STATEMENTS

Certain written and oral statements made by our Company and subsidiaries or with the approval of an authorized executive officer of our Company may constitute "forward-looking statements" as defined under the Private Securities Litigation Reform Act of 1995, including statements made in this report and other filings with the Securities and Exchange Commission. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will" and similar expressions identify forward-looking statements, which generally are not historical in nature. All statements which address operating performance, events or developments that we expect or anticipate will occur in the future - including statements relating to volume growth, share of sales and earnings per share growth and statements expressing general optimism about future operating results - are forward-looking statements. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our Company's historical experience and our present expectations or projections. As and when made, management believes that these forward-looking statements are reasonable. However, caution should be taken not to place undue reliance on any such forward-looking statements since such statements speak only as of the date when made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The following are some of the factors that could cause our Company's actual results to differ materially from the expected results described in or underlying our Company's forward-looking statements:

* Economic and political conditions, especially in international markets, including civil unrest, product boycotts, governmental changes and restrictions on the ability to transfer capital across borders. Without limiting the preceding sentence, the current unstable economic and political conditions and civil unrest in the Middle East, Venezuela, North Korea or elsewhere, the unstable situation in Iraq, or the continuation or escalation of terrorism, could have adverse impacts on our Company's business results or financial condition.

* Changes in the nonalcoholic beverages business environment. These include, without limitation, changes in consumer preferences, competitive product and pricing pressures and our ability to gain or maintain share of sales in the global market as a result of actions by competitors. Factors such as these could impact our earnings, share of sales and volume growth.
* Foreign currency rate fluctuations, interest rate fluctuations and other capital market conditions. Most of our exposures to capital markets, including foreign currency and interest rates, are managed on a consolidated basis, which allows us to net certain exposures and, thus, take advantage of any natural offsets. We use derivative financial instruments to reduce our net exposure to financial risks. There can be no assurance, however, that our financial risk management program will be successful in reducing capital market exposures.

* Adverse weather conditions, which could reduce demand for Company products.

* The effectiveness of our advertising, marketing and promotional programs.

* Fluctuations in the cost and availability of raw materials and the ability to maintain favorable supplier arrangements and relationships.

* Our ability to achieve earnings forecasts, which are generated based on projected volumes and sales of many product types, some of which are more profitable than others. There can be no assurance that we will achieve the projected level or mix of product sales.

* Changes in laws and regulations, including changes in accounting standards, taxation requirements (including tax rate changes, new tax laws and revised tax law interpretations), laws concerning food and beverages, competition laws and environmental laws and in domestic or foreign jurisdictions.

* Our ability to penetrate developing and emerging markets, which also depends on economic and political conditions, and how well we are able to acquire or form strategic business alliances with local bottlers and make necessary infrastructure enhancements to production facilities, distribution networks, sales equipment and technology. Moreover, the supply of products in developing markets must match the customers' demand for those products, and due to product, price and cultural differences, there can be no assurance of product acceptance in any particular market.

* The uncertainties of litigation, as well as other risks and uncertainties detailed from time to time in our Company's Securities and Exchange Commission filings.

The foregoing list of important factors is not exclusive.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have no material changes to the disclosure on this matter made in our Annual Report on Form 10-K for the year ended December 31, 2002.

Item 4. Controls and Procedures

The Company, under the supervision and with the participation of its management, including the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's "disclosure controls and procedures" (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the Exchange Act)) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely making known to them material information relating to the Company and the Company's consolidated subsidiaries required to be disclosed in the Company's reports filed or submitted under the Exchange Act. There has been no change in the Company's internal control over financial reporting during the quarter ended September 30, 2003 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
(a) Exhibits:


12  - Computation of Ratios of Earnings to Fixed Charges.

31.1 - Rule 13a-14(a)/15d-14(a) Certification, executed by Douglas N. Daft, Chairman, Board of Directors, and Chief Executive Officer of The Coca-Cola Company.

31.2 - Rule 13a-14(a)/15d-14(a) Certification, executed by Gary P. Fayard, Executive Vice President and Chief Financial Officer of The Coca-Cola Company.

32  - Certifications required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350), executed by Douglas N. Daft, Chairman, Board of Directors, and Chief Executive Officer of The Coca-Cola Company and by Gary P. Fayard, Executive Vice President and Chief Financial Officer of The Coca-Cola Company.

(b) Reports on Form 8-K:

(1) During the three months ended September 30, 2003, the Company filed a report on Form 8-K on July 11, 2003.

Item 5. Other Events and Regulation FD Disclosure. Item 7(c). Exhibits. Press release of the Company, regarding action taken by the United States Attorney's Office for the Northern District of Georgia.

(2) During the three months ended September 30, 2003, the Company filed a report on Form 8-K on July 17, 2003.


SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE COCA-COLA COMPANY
(REGISTRANT)

Date:  October 27, 2003  By: /s/ Connie D. McDaniel

Connie D. McDaniel
Vice President and Controller
(On behalf of the Registrant and as Chief Accounting Officer)

Exhibit Index

(a) Exhibits


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SHAREHOLDERS:

Section 1. PLACE, DATE AND TIME OF HOLDING ANNUAL MEETINGS. Annual meetings
of shareholders shall be held at such place, date and time as shall be
designated from time to time by the Board of Directors. In the absence of a
resolution adopted by the Board of Directors establishing such place, date and
time, the annual meeting shall be held at 1209 Orange Street, Wilmington,
Delaware, on the third Wednesday in April of each year at 9:00 A.M. (local
time).

Section 2. VOTING. Each outstanding share of common stock of the Company is
entitled to one vote on each matter submitted to a vote. Directors shall be
elected by plurality votes cast in the election for such directors. All other
action shall be authorized by a majority of the votes cast unless a greater vote
is required by the laws of Delaware. A shareholder may vote in person or by
proxy authorized by an instrument in writing or by a transmission permitted by
law filed in accordance with the procedures established for the meeting. Any
copy, facsimile telecommunication or other reliable reproduction of the writing
or transmission created pursuant to this section may be substituted or used in
lieu of the original writing or the transmission that could be used, provided
that such copy, facsimile telecommunication or other reproduction shall be a
complete reproduction of the entire original writing or transmission.

Section 3. QUORUM. The holders of a majority of the issued and outstanding
shares of the common stock of the Company, present in person or represented by
proxy, shall constitute a quorum at all meetings of shareholders.

Section 4. ADJOURNMENT OF MEETINGS. In the absence of a quorum or for any
other reason, the chairman of the meeting may adjourn the meeting from time to
time. If the adjournment is not for more than thirty days, the adjourned meeting
may be held without notice other than an announcement at the meeting. If the
adjournment is for more than thirty days, or if a new record date is fixed for
the adjourned meeting, a notice of the adjourned meeting shall be given to each
shareholder of record entitled to vote at such meeting. At any such adjourned
meeting at which a quorum is present, any business may be transacted which might
have been transacted at the meeting originally called.

Section 5. SPECIAL MEETINGS. Special meetings of the shareholders for any
purpose or purposes may be called by the Board of Directors, the Chairman of the
Board of Directors or the President. Special meetings shall be held at the
place, date and time fixed by the Secretary.

Section 6. NOTICE OF SHAREHOLDERS MEETING. Written notice, stating the
place, date, hour and purpose of the annual or special meeting shall be given by
the Secretary not less than ten nor more than sixty days before the date of the
meeting to each shareholder entitled to vote at such meeting.

Section 7. ORGANIZATION. The Chairman of the Board of Directors shall
preside at all meetings of shareholders. In the absence of, or in case of a
vacancy in the office of, the Chairman of the Board of Directors, the President,
or in his absence or in the event that the Board of Directors has not selected a
President, any Senior Executive Vice President, Executive Vice President, Senior
Vice President or Vice President in order of seniority as specified in this
sentence, and, within each classification of office in order of seniority in
time in that office, shall preside. The Secretary of the Company shall act as
secretary at all meetings of the shareholders and in the Secretary's absence,
the chairman of the meeting may appoint a secretary.

The Board of Directors of the Company shall be entitled to make such rules
or regulations for the conduct of meetings of shareholders as it shall deem
necessary, appropriate or convenient. Subject to such rules and regulations of
the Board of Directors, if any, the chairman of the meeting shall have the right
and the authority to prescribe such rules, regulations and procedures and to do
all such acts as, in the judgment of such chairman, are necessary, appropriate
or convenient for the proper conduct of the meeting, including, without
limitation, establishing (i) an agenda or order of business for the meeting,
(ii) rules and procedures for maintaining order at the meeting and the safety of
those present, (iii) limitations on participation in such meetings to shareholders of record of the Company and their duly authorized and constituted proxies, and such other persons as the chairman of the meeting shall permit, (iv) restrictions on entries to the meeting after the time affixed for the commencement thereof, (v) limitations on the time allotted to the questions or comments by participants and (vi) regulation of the opening and closing of the polls for balloting and matters which are to be voted on by ballot. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of shareholders shall not be required to be held in accordance with rules of parliamentary procedure.

Section 8. INSPECTORS OF ELECTION. All votes by ballot at any meeting of shareholders shall be conducted by such number of inspectors of election as are appointed for that purpose by either the Board of Directors or by the chairman of the meeting. The inspectors of election shall decide upon the qualifications of voters, count the votes and declare the results.

Section 9. RECORD DATE. The Board of Directors, in order to determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, shall fix in advance a record date which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action and in such case only such shareholders as shall be shareholders of record on the date so fixed, shall be entitled to such notice of or to vote at such meeting or any adjournment thereof, or entitled to express consent to such corporate action in writing without a meeting, or be entitled to receive payment of any such dividend or other distribution or allotment of any rights or be entitled to exercise any such rights in respect of stock or to take any such other lawful action, as the case may be, notwithstanding any transfer of any stock on the books of the Company after any such record date fixed as aforesaid.

Section 10. NOTICE OF SHAREHOLDER PROPOSALS. At any annual or special meeting of shareholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual or special meeting, business must be: (A) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (B) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (C) otherwise properly brought before the meeting by a shareholder. In order for business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary of the Company and such proposal must be a proper matter for shareholder action under the General Corporation Law of the State of Delaware. To be timely, a shareholder's notice must be delivered to or mailed and received at the principal executive offices of the Company not later than the close of business on the one hundred twentieth (120th) calendar day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event no annual meeting was held in the previous year or the date of the annual meeting has been changed by more than thirty (30) days notice by the shareholder to be timely must be so received not later than the close of business on the later of one hundred twenty (120) calendar days in advance of such annual meeting or ten (10) calendar days following the date on which public announcement of the date of the meeting is first made. A shareholder's notice to the Secretary shall set forth as to each matter the shareholder proposes to bring before the annual meeting: (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and address, as they appear on the Company's books, of the shareholder proposing such business, (iii) the class and number of shares of the Company which are beneficially owned by the shareholder, (iv) any material interest of the shareholder in such business, and (v) any other information that is required to be provided by the shareholder pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "1934 Act"), in his capacity as a proponent to a shareholder proposal. Notwithstanding the foregoing, in order to include information with respect to a shareholder proposal in the proxy statement and form of proxy for shareholders' meeting, shareholders must provide notice as required by the regulations promulgated under the 1934 Act. Notwithstanding anything in these By-Laws to the contrary, no business shall be conducted at any annual meeting except in accordance with the procedures set forth in this Section 10. The chairman of the meeting shall, if the facts warrant, determine and declare at the meeting that business was not properly brought before the meeting and in accordance with the provisions of this Section 10, and, if he should so determine, he shall so declare at the meeting that any
such business not properly brought before the meeting shall not be transacted.

Section 11. ELECTION OF DIRECTORS. Only persons who are nominated in accordance with the procedures set forth in this Section 11 shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the Company may be made (i) at an annual or special meeting of shareholders by or at the direction of the Board of Directors or (ii) at an annual meeting by any shareholder of the Company entitled to vote in the election of directors at the meeting who complies with the notice procedures set forth in this Section 11. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the Company in accordance with the provisions of Section 10. Such shareholder's notice shall set forth (i) as to each person, if any, whom the shareholder proposes to nominate for election or re-election as a director: (A) the name, age, business address and residence address of such person, (B) the principal occupation or employment of such person, (C) the class and number of shares of the Company which are beneficially owned by such person, (D) a description of all arrangements or understandings between the shareholder and each nominee or any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the shareholder, and (E) any other information relating to such person that is required to be disclosed in solicitations of proxies for elections of directors, or is otherwise required, in each case pursuant to Regulation 14A under the 1934 Act (including, without limitation, such person's written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected); and (ii) as to such shareholder giving notice, the information required to be provided pursuant to Section 10. At the request of the Board of Directors, any person nominated by a shareholder for election as a director shall furnish to the Secretary of the Company that information required to be set forth in the shareholder's notice of nomination which pertains to the nominee. No person shall be eligible for election as a director of the Company unless nominated in accordance with the procedures set forth in this Section 11. The chairman of the meeting shall, if the facts warrant, determine and declare at the meeting that nomination was not made in accordance with the procedures prescribed by these By-Laws, and if he should so determine, he shall so declare at the meeting, and the defective nomination shall be disregarded.

ARTICLE II
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DIRECTORS:
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Section 1. NUMBER AND TERM AND CLASSES OF DIRECTORS. The whole Board of Directors shall consist of not less than ten (10) nor more than twenty (20) members, the exact number to be set from time to time by the Board of Directors. No decrease in the number of directors shall shorten the term of any incumbent director. In absence of the Board of Directors setting the number of directors, the number shall be 20. The Directors shall be elected each year, at the annual meeting of shareholders, to hold office until the next annual meeting and until their successors shall be elected and qualified.

Section 2. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held at such times as the Board of Directors may determine from time to time.

Section 3. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors, the Secretary or by a majority of the directors by written request to the Secretary.

SECTION 4. NOTICE OF MEETINGS. The Secretary shall give notice of all meetings of the Board of Directors by mailing the notice at least three days before each meeting or by telegraphing or telephoning the directors not later than one day before the meeting. The notice shall state the time, date and place of the meeting, which shall be determined by the Chairman of the Board of Directors, or, in absence of the Chairman, by the Secretary of the Company, unless otherwise determined by the Board of Directors.

Section 5. QUORUM AND VOTING. A majority of the directors holding office shall constitute a quorum for the transaction of business. Except as otherwise specifically required by Delaware law or by the Certificate of Incorporation of the Company or by these By-Laws, any action required to be taken shall be authorized by a majority of the directors present at any meeting at which a quorum is present.
Section 6. GENERAL POWERS OF DIRECTORS. The business and affairs of the Company shall be managed under the direction of the Board of Directors.

Section 7. CHAIRMAN. At all meetings of the Board of Directors, the Chairman of the Board of Directors shall preside and in the absence of, or in the case of a vacancy in the office of, the Chairman of the Board of Directors, a chairman selected by the Chairman of the Board of Directors or, if he fails to do so, by the directors, shall preside.

Section 8. COMPENSATION OF DIRECTORS. Directors and members of any committee of the Board of Directors shall be entitled to such reasonable compensation and fees for their services as shall be fixed from time to time by resolution of the Board of Directors and shall also be entitled to reimbursement for any reasonable expenses incurred in attending meetings of the Board of Directors and any committee thereof, except that a Director who is an officer or employee of the Company shall receive no compensation or fees for serving as a Director or a committee member.

Section 9. QUALIFICATION OF DIRECTORS. Each person who shall attain the age of 74 shall not thereafter be eligible for nomination or renomination as a member of the Board of Directors.

Any director who was elected or reelected because he or she was an officer of the Company at the time of that election or the most recent reelection shall resign as a member of the Board of Directors simultaneously when he or she ceases to be an officer of the Company.

ARTICLE III

COMMITTEES OF THE BOARD OF DIRECTORS:

Section 1. COMMITTEES OF THE BOARD OF DIRECTORS. The Board of Directors shall designate an Audit Committee, a Compensation Committee and a Committee on Directors and Corporate Governance, and whatever other committees the Board of Directors deems advisable, each of which shall have and may exercise the powers and authority of the Board of Directors to the extent provided in the charters of each committee adopted by the Board of Directors in one or more resolutions.

The Chairman of the Board shall have the power and authority of a committee of the Board of Directors for purposes of taking any action which the Chairman of the Board is authorized to take under the provisions of this Article.

Section 2. ELECTION OF COMMITTEE MEMBERS. The members of each committee shall be elected by the Board of Directors and shall serve until the first meeting of the Board of Directors after the annual meeting of shareholders and until their successors are elected and qualified or until the members' earlier resignation or removal. The Board of Directors may designate the Chairman and Vice Chairman of each committee. Vacancies may be filled by the Board of Directors at any meeting.

The Chairman of the Board may designate one or more directors to serve as an alternate member or members at any committee meeting to replace any absent or disqualified member, such alternate or alternates to serve for that committee meeting only, and the Chairman of the Board may designate a committee member as acting chairman of that committee, in the absence of the elected committee chairman, to serve for that committee meeting only.

Section 3. PROCEDURE/QUORUM/NOTICE. The Committee Chairman, Vice Chairman or a majority of any committee may call a meeting of that committee. A quorum of any committee shall consist of a majority of its members unless otherwise provided by resolution of the Board of Directors. The majority vote of a quorum shall be required for the transaction of business. The secretary of the committee or the chairman of the committee shall give notice of all meetings of the committee by mailing the notice to the members of the committee at least three days before each meeting or by telegraphing or telephoning the members not later than one day before the meeting. The notice shall state the time, date and place of the meeting. Each committee shall fix its other rules of procedure.

ARTICLE IV

NOTICE AND WAIVER OF NOTICE:

Section 1. NOTICE. Any notice required to be given to shareholders or directors under these By-Laws, the Certificate of Incorporation or by law may be given by mailing the same, addressed to the person entitled thereto, at such
Section 2. WAIVER OF NOTICE. Whenever any notice is required to be given under these By-Laws, the Certificate of Incorporation or by law, a waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the shareholders, directors or a committee of directors need be specified in any written waiver of notice.

ARTICLE V

OFFICERS:

Section 1. OFFICERS OF THE COMPANY. The officers of the Company shall be selected by the Board of Directors and shall be a Chairman of the Board of Directors, one or more Vice Presidents, a Secretary and a Treasurer. The Board of Directors may elect a Vice Chairman, President and a Controller and one or more of the following: Senior Executive Vice President, Executive Vice President, Senior Vice President, Assistant Vice President, Assistant Secretary, Associate Treasurer, Assistant Treasurer, Associate Controller and Assistant Controller. Two or more offices may be held by the same person.

The Company may have a General Counsel who shall be appointed by the Board of Directors and shall have general supervision of all matters of a legal nature concerning the Company, unless the Board of Directors has also appointed a General Tax Counsel, in which event the General Tax Counsel shall have general supervision of all tax matters of a legal nature concerning the Company.

The Company may have a Chief Financial Officer who shall be appointed by the Board of Directors and shall have general supervision over the financial affairs of the Company. The Company may also have a Chief of Internal Audits who shall be appointed by the Board of Directors.

Section 2. ELECTION OF OFFICERS. At the first meeting of the Board of Directors after each annual meeting of shareholders, the Board of Directors shall elect the officers. From time to time the Board of Directors may elect other officers.

Section 3. TENURE OF OFFICE; REMOVAL. Each officer shall hold office until the first meeting of the Board of Directors after the annual meeting of shareholders following the officer's election and until the officer's successor is elected and qualified or until the officer's earlier resignation or removal. Each officer shall be subject to removal at any time, with or without cause, by the affirmative vote of a majority of the entire Board of Directors.

Section 4. CHAIRMAN OF THE BOARD OF DIRECTORS. The Chairman of the Board of Directors shall be the Chief Executive Officer of the Company and subject to the overall direction and supervision of the Board of Directors and Committees thereof shall be in general charge of the affairs of the Company; and shall consult and advise with the Board of Directors and committees thereof on the business and the affairs of the Company. The Chairman of the Board of Directors shall have the power to make and execute contracts on behalf of the Company and to delegate such power to others.

Section 5. PRESIDENT. The Board of Directors may select a President who shall have such powers and perform such duties as may be assigned by the Board of Directors or by the Chairman of the Board of Directors. In the absence or disability of the President his or her duties shall be performed by such Vice Presidents as the Chairman of the Board of Directors or the Board of Directors may designate. The President shall also have the power to make and execute contracts on the Company's behalf and to delegate such power to others.

Section 6. VICE PRESIDENTS. Each Senior Executive Vice President, Executive Vice President, Senior Vice President and Vice President shall have such powers and perform such duties as may be assigned to the officer by the Board of Directors or by the Chairman of the Board of Directors or the President.

Section 7. SECRETARY. The Secretary shall keep minutes of all meetings of the shareholders and of the Board of Directors, and shall keep, or cause to be kept,
kept, minutes of all meetings of Committees of the Board of Directors, except where such responsibility is otherwise fixed by the Board of Directors. The Secretary shall issue all notices for meetings of the shareholders and Board of Directors and shall have charge of and keep the seal of the Company and shall affix the seal attested by the Secretary's signature to such instruments as may properly require same. The Secretary shall cause to be kept such books and records as the Board of Directors, the Chairman of the Board of Directors or the President may require; and shall cause to be prepared, recorded, transferred, issued, sold, and canceled certificates of stock as required by the transactions of the Company and its shareholders. The Secretary shall attend to such correspondence and such other duties as may be incident to the office of the Secretary or assigned by the Board of Directors, the Chairman of the Board of Directors, or the President.

In the absence of the Secretary, an Assistant Secretary is authorized to assume the duties herein imposed upon the Secretary.

Section 8. TREASURER. The Treasurer shall perform all duties and acts incident to the position of Treasurer, shall have custody of the Company funds and securities, and shall deposit all money and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Company as may be authorized, taking proper vouchers for such disbursements, and shall render to the Board of Directors, whenever required, an account of all the transactions of the Treasurer and of the financial condition of the Company. The Treasurer shall vote all of the stock owned by the Company in any corporation and may delegate this power to others. The Treasurer shall perform such other duties as may be assigned to the Treasurer and shall report to the Chief Financial Officer or, in the absence of the Chief Financial Officer, to the Chairman of the Board of Directors.

In the absence of the Treasurer, an Assistant Treasurer is authorized to assume the duties herein imposed upon the Treasurer.

Section 9. CONTROLLER. The Board of Directors may select a Controller who shall keep or cause to be kept in the books of the Company provided for that purpose a true account of all transactions and of the assets and liabilities of the Company. The Controller shall prepare and submit to the Chief Financial Officer or, in the absence of the Chief Financial Officer to the Chairman of the Board of Directors, such financial statements and schedules as may be required to keep the Chief Financial Officer and the Chairman of the Board of Directors currently informed of the operations and financial condition of the Company, and perform such other duties as may be assigned by the Chief Financial Officer or the Chairman of the Board.

In the absence of the Controller, an Assistant Controller is authorized to assume the duties herein imposed upon the Controller.

Section 10. CHIEF OF INTERNAL AUDITS. The Board of Directors may select a Chief of Internal Audits, who shall cause to be performed, and have general supervision over, auditing activities of the financial transactions of the Company, including the coordination of such auditing activities with the independent accountants of the Company and who shall perform such other duties as may be assigned to him from time to time. The Chief of Internal Audits shall report to the Chief Financial Officer or, in the absence of the Chief Financial Officer, to the Chairman of the Board of Directors. From time to time at the request of the Audit Committee, the Chief of Internal Audits shall inform the Committee of the auditing activities of the Company.

Section 11. ASSISTANT VICE PRESIDENTS. The Company may have assistant vice presidents who shall be appointed by a committee whose membership shall include one or more executive officers of the Company (the "Committee"). Each such assistant vice president shall have such powers and shall perform such duties as may be assigned from time to time by the Committee, the Chairman of the Board of Directors, the President or any Vice President, and which are not inconsistent with the powers and duties granted and assigned by these By-Laws or the Board of Directors. Assistant vice presidents appointed by the Committee shall be subject to removal at any time, with or without cause, by the Committee. Annually the Committee shall report to the Board of Directors who it has appointed to serve as assistant vice presidents and their respective responsibilities.

ARTICLE VI
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RESIGNATIONS: FILLING OF VACANCIES:

Section 1. RESIGNATIONS. Any director, member of a committee, or officer may resign at any time. Such resignation shall be made in writing and shall take
effect at the time specified therein, and, if no time be specified, at the time of its receipt by the Chairman of the Board of Directors or the Secretary. The acceptance of a resignation shall not be necessary to make it effective.

Section 2. FILLING OF VACANCIES. If the office of any director becomes vacant, the directors in office, although less than a quorum, or, if the number of directors is increased, the directors in office, may elect any qualified person to fill such vacancy. In the case of a vacancy in the office of a director caused by an increase in the number of directors, the person so elected shall hold office until the next annual meeting of shareholders, or until his successor shall be elected and qualified. In the case of a vacancy in the office of a director resulting otherwise than from an increase in the number of directors, the person so elected to fill such vacancy shall hold office for the unexpired term of the director whose office became vacant. If the office of any officer becomes vacant, the Chairman of the Board of Directors may appoint any qualified person to fill such vacancy temporarily until the Board of Directors elects any qualified person for the unexpired portion of the term. Such person shall hold office for the unexpired term and until the officer's successor shall be duly elected and qualified or until the officer's earlier resignation or removal.

ARTICLE VII

Section 1. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS. The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a director, officer, employee, or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 2. EXPENSES. To the extent that a director, officer, employee or agent of the Company has been successful on the merits or otherwise, in whole or in part, in defense of any action, suit or proceeding referred to in Section 1 or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith. The entitlement to expenses under this Section 2 shall include any expenses incurred by a director, officer, employee or agent of the Company in connection with any action, suit or proceeding brought by such director, officer, employee or agent to enforce a right to indemnification or payment of expenses under this Article. If successful in whole or in part in any such action, suit or proceeding, or in any action, suit or proceeding brought by the Company to recover a payment of expenses pursuant to the terms of an
undertaking provided in accordance with Section 4, the director, officer, employee or agent also shall be entitled to be paid the expense of prosecuting or defending such action, suit or proceeding.

Section 3. PROCEDURE FOR RECEIVING INDEMNIFICATION. To receive indemnification under this By-Law, a director, officer, employee or agent of the Company shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to him and reasonably necessary to determine his entitlement to indemnification. Upon receipt by the Company of a written request for indemnification, a determination, if required by applicable law, with respect to a claimant’s request shall be made: (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, even though less than a quorum; or (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum; or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion; or (4) by the shareholders. The determination of a claimant's entitlement to indemnification shall be made within a reasonable time, and in any event within no more than 60 days, after receipt by the Company of a written request for indemnification together with the supporting documentation required by this Section. The burden of establishing that a claimant is not entitled to be indemnified under this Article or otherwise shall be on the Company.

Section 4. PAYMENT OF EXPENSES. Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceeding within 30 days after receipt by the Company of a statement requesting payment of such expenses. Such statement shall evidence the expenses incurred by the claimant and shall include an undertaking by or on behalf of the claimant to repay such expenses unless it shall ultimately be determined by final judicial decision from which there is no further right to appeal, that he is not entitled to be indemnified by the Company as authorized by this Article. The burden of establishing that a claimant is not entitled to payment of expenses under this Article or otherwise shall be on the Company. Any such payment shall not be deemed to be a loan or extension or arrangement of credit by or on behalf of the Company.

Section 5. PROVISIONS NON-EXCLUSIVE; SURVIVAL OF RIGHTS. The indemnification and payment of expenses provided by or granted pursuant to this Article shall not be deemed exclusive of any other rights to which those indemnified or those who receive payment of expenses may be entitled under any By-Law, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 6. INSURANCE. The Company shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Article.

Section 7. AUTHORITY TO ENTER INTO INDEMNIFICATION AGREEMENTS. The Company shall have the power to enter into contracts with any director, officer, employee or agent of the Company in furtherance of the provisions of this Article to provide for the payment of such amounts as may be appropriate, in the discretion of the Board of Directors, to effect indemnification and payment of expenses as provided in this Article.

Section 8. EFFECT OF AMENDMENT. Any amendment, repeal or modification of this Article shall not adversely affect any right or protection existing at the time of such amendment, repeal or modification in respect of any act or omission occurring prior to such amendment, repeal or modification.

Section 9. NO DUPLICATION OF PAYMENTS. The Company's obligation, if any, to indemnify or pay expenses to any person under this Article shall be reduced to the extent such person has otherwise received payment (under any insurance policy, indemnity clause, bylaw, agreement, vote or otherwise).
CAPITAL STOCK:
- ------------

Section 1. FORM AND EXECUTION OF CERTIFICATES. The certificates of shares of the capital stock of the Company shall be in such form as shall be approved by the Board of Directors. The certificates shall be signed by the Chairman of the Board of Directors or the President, or a Vice President, and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer. Each certificate of stock shall certify the number of shares owned by the shareholder in the Company.

A facsimile of the seal of the Company may be used in connection with the certificates of stock of the Company, and facsimile signatures of the officers named in this Section may be used in connection with said certificates. In the event any officer whose facsimile signature has been placed upon a certificate shall cease to be such officer before the certificate is issued, the certificate may be issued with the same effect as if such person was an officer at the date of issue.

Section 2. RECORD OWNERSHIPS. All certificates shall be numbered appropriately and the names of the owners, the number of shares and the date of issue shall be entered in the books of the Company. The Company shall be entitled to treat the holder of record of any share of stock as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim to or interest in any share on the part of any other person, whether or not it shall have express or other notice thereof, except as required by the laws of Delaware.

Section 3. TRANSFER OF SHARES. Upon surrender to the Company or to a transfer agent of the Company of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment, or authority to transfer, it shall be the duty of the Company, if it is satisfied that all provisions of law regarding transfers of shares have been duly complied with, to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 4. LOST, STOLEN OR DESTROYED STOCK CERTIFICATES. Any person claiming a stock certificate in lieu of one lost, stolen or destroyed shall give the Company an affidavit as to such person's ownership of the certificate and of the facts which go to prove that it was lost, stolen or destroyed. The person shall also,

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if required by the Board of Directors, give the Company a bond, sufficient to indemnify the Company against any claims that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate. Any Vice President or the Secretary or any Assistant Secretary of the Company is authorized to issue such duplicate certificates or to authorize any of the transfer agents and registrars to issue and register such duplicate certificates.

Section 5. REGULATIONS. The Board of Directors from time to time may make such rules and regulations as it may deem expedient concerning the issue, transfer and registration of shares.

Section 6. TRANSFER AGENT AND REGISTRAR. The Board of Directors may appoint such transfer agents and registrars of transfers as may be deemed necessary, and may require all stock certificates to bear the signature of either or both.

ARTICLE IX
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SEAL:
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Section 1. SEAL. The Board of Directors shall provide a suitable seal containing the name of the Company, the year of its creation, and the words, "CORPORATE SEAL, DELAWARE," or other appropriate words. The Secretary shall have custody of the seal.

ARTICLE X
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FISCAL YEAR:
- -------------

Section 1. FISCAL YEAR. The fiscal year of the Company shall be the calendar year.

ARTICLE XI
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AMENDMENTS:
- -----------
Section 1. DIRECTORS MAY AMEND BY-LAWS. The Board of Directors shall have the power to make, amend and repeal the By-Laws of the Company at any regular or special meeting of the Board of Directors.

Section 2. BY-LAWS SUBJECT TO AMENDMENT BY SHAREHOLDERS. All By-Laws shall be subject to amendment, alteration, or repeal by the shareholders entitled to vote at any annual meeting or at any special meeting.

ARTICLE XII
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EMERGENCY BY-LAWS:
- -----------------

Section 1. EMERGENCY BY-LAWS. This Article XII shall be operative during any emergency resulting from an attack on the United States or on a locality in which the Company conducts its business or customarily holds meetings of its Board of Directors or its stockholders, or during any nuclear or atomic disaster or during the existence of any catastrophe or other similar emergency condition, as a result of which a quorum of the Board of Directors or, if one has been constituted, the Executive Committee thereof cannot be readily convened (an "emergency"), notwithstanding any different or conflicting provision in the preceding Articles of these By-Laws or in the Certificate of Incorporation of the Company. To the extent not inconsistent with the provisions of this Article, the By-Laws provided in the preceding Articles and the provisions of the Certificate of Incorporation of the Company shall remain in effect during such emergency, and upon termination of such emergency, the provisions of this Article XII shall cease to be operative.

Section 2. MEETINGS. During any emergency, a meeting of the Board of Directors, or any committee thereof, may be called by any officer or director of the Company. Notice of the time and place of the meeting shall be given by any available means of communication by the person calling the meeting to such of the directors and/or Designated Officers, as defined in Section 3 hereof, as it may be feasible to reach. Such notice shall be given at such time in advance of the meeting as, in the judgment of the person calling the meeting, circumstances permit.

Section 3. QUORUM. At any meeting of the Board of Directors, or any committee thereof, called in accordance with Section 2 of this Article XII, the presence or participation of two directors, one director and a Designated Officer or two Designated Officers shall constitute a quorum for the transaction of business.

The Board of Directors or the committees thereof, as the case may be, shall, from time to time but in any event prior to such time or times as an emergency may have occurred, designate the officers of the Company in a numbered list (the "Designated Officers") who shall be deemed, in the order in which they appear on such list, directors of the Company for purposes of obtaining a quorum during an emergency, if a quorum of directors cannot otherwise be obtained.

Section 4. BY-LAWS. At any meeting called in accordance with Section 2 of this Article XII, the Board of Directors or the committees thereof, as the case may be, may modify, amend or add to the provisions of this Article XII so as to make any provision that may be practical or necessary for the circumstances of the emergency.

Section 5. LIABILITY. No officer, director or employee of the Company acting in accordance with the provisions of this Article XII shall be liable except for willful misconduct.

Section 6. REPEAL OR CHANGE. The provisions of this Article XII shall be subject to repeal or change by further action of the Board of Directors or by action of the shareholders, but no such repeal or change shall modify the provisions of Section 5 of this Article XII with regard to action taken prior to the time of such repeal or change.
THIS AMENDMENT to the Executive Medical Plan of The Coca-Cola Company (the "Plan") is adopted by the Plan Administrator.

W I T N E S S E T H:

WHEREAS, the Plan was previously amended by instrument dated April 15, 2003 in order to address the use and disclosure of protected health information; and

WHEREAS, Section 10 of the Plan provides that the Plan Administrator may amend the Plan at any time; and

WHEREAS, the Plan Administrator wishes to amend the Plan to clarify certain information that is not considered to be protected health information.

NOW, THEREFORE, the Plan Administrator hereby amends the Plan as follows:

Effective August 15, 2003, Section 12, which was incorporated into the Plan by Amendment Number One, shall be amended as follows:

1. Subsection 12.1 shall be amended by adding the following sentence to the end of the first paragraph:

"Notwithstanding any provision to the contrary, PHI shall not include enrollment/disenrollment information or summary health information disclosed to the Company by the Plan (or a business associate, health insurance issuer or HMO on behalf of the Plan)."

2. Subsection 12.2 shall be amended by adding the following sentence to the end of the paragraph:

"The Plan will disclose PHI to other entities without authorization from a participant or beneficiary if such disclosure is required by law."

3. Subsection 12.3 shall be amended to correct a typographical error by separating the inadvertently combined title and first sentence to read as follows:

"12.3 Conditions Relating to the Use and Disclosure of PHI by the Company. The Company agrees to the following conditions relating to the use and disclosure of PHI:"

4. Paragraph 12.3(f) shall be amended by inserting the word "with" between the phrases "... PHI in accordance" and "the amendment ..."

5. Subsection 12.4 shall be amended by (i) correcting the title to read "Establishment and Maintenance of Adequate Separation between the Company and Plan," (ii) changing the name "Ann Kroboth" to "Ann Cegielski," (iii) deleting the names "Sandy Lewis" and "Lisa Bremmer," and (iv) inserting the names "Beverly Friez," "Debra Davis," "Angela Coppola," "Linda Hodges," "Flo Lue" and "Miatta Wright."

IN WITNESS WHEREOF, the Plan Administrator has adopted this Amendment Number Two on the date shown below, but effective as of the date indicated above.

Plan Administrator

By:/s/ BARBARA S. GILBREATH

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BARBARA S. GILBREATH

Date: August 27, 2003  
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## COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES
(In millions except ratios)

<table>
<thead>
<tr>
<th>Nine Months Ended</th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>-------------------</td>
<td>------</td>
</tr>
<tr>
<td>EARNINGS:</td>
<td></td>
</tr>
<tr>
<td>Income before income taxes and changes in accounting principles</td>
<td>4,371</td>
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<tr>
<td>Fixed charges</td>
<td>159</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
<tr>
<td>Capitalized interest, net</td>
<td>(1)</td>
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<td>Equity income or loss, net of dividends</td>
<td>(246)</td>
</tr>
<tr>
<td>Adjusted earnings</td>
<td>4,283</td>
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<tr>
<td>FIXED CHARGES:</td>
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</tr>
<tr>
<td>Gross interest incurred</td>
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<tr>
<td>Interest portion of rent expense</td>
<td>28</td>
</tr>
<tr>
<td>Total fixed charges</td>
<td>159</td>
</tr>
<tr>
<td>Ratios of earnings to fixed charges</td>
<td>26.9</td>
</tr>
</tbody>
</table>

At September 30, 2003, our Company is contingently liable for guarantees of indebtedness owed by third parties in the amount of approximately $493 million. Fixed charges for these contingent liabilities have not been included in the computations of the above ratios as the amounts are immaterial and, in the opinion of management, it is not probable that our Company will be required to satisfy the guarantees.
CERTIFICATIONS

I, Douglas N. Daft, Chairman, Board of Directors, and Chief Executive Officer of The Coca-Cola Company, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Coca-Cola Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 27, 2003

/s/ Douglas N. Daft
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Douglas N. Daft
Chairman, Board of Directors, and
Chief Executive Officer
CERTIFICATIONS

I, Gary P. Fayard, Executive Vice President and Chief Financial Officer of The Coca-Cola Company, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Coca-Cola Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 27, 2003

/s/ Gary P. Fayard
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Gary P. Fayard
Executive Vice President and
Chief Financial Officer
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of The Coca-Cola Company (the "Company") on Form 10-Q for the period ended September 30, 2003 (the "Report"), I, Douglas N. Daft, Chairman, Board of Directors, and Chief Executive Officer of the Company and I, Gary P. Fayard, Executive Vice President and Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) to my knowledge, the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Douglas N. Daft
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Douglas N. Daft
Chairman, Board of Directors, and
Chief Executive Officer
October 27, 2003

/s/ Gary P. Fayard
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Gary P. Fayard
Executive Vice President and
Chief Financial Officer
October 27, 2003