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FORM 10-K  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1996  
OR  
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)  
FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NO. 1-2217

THE COCA-COLA COMPANY

(Exact name of Registrant as specified in its charter)

DELAWARE 58-0628465  
(State or other jurisdiction of (IRS Employer  
incorporation or organization) Identification No.)  
  
ONE COCA-COLA PLAZA 30313  
ATLANTA, GEORGIA (Zip Code)  
(Address of principal executive offices)  
  
REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (404) 676-2121

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:  
TITLE OF EACH CLASS NAME OF EACH EXCHANGE ON  
WHICH REGISTERED  
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COMMON STOCK, \$.25 PAR VALUE NEW YORK STOCK EXCHANGE

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL  
REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS  
AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST  
90 DAYS.

YES  NO

INDICATE BY CHECK MARK IF DISCLOSURE OF DELINQUENT FILERS  
PURSUANT TO ITEM 405 OF REGULATION S-K IS NOT CONTAINED HEREIN,  
AND WILL NOT BE CONTAINED, TO THE BEST OF REGISTRANT'S KNOWLEDGE,  
IN DEFINITIVE PROXY OR INFORMATION STATEMENTS INCORPORATED BY  
REFERENCE IN PART III OF THIS FORM 10-K OR ANY AMENDMENT TO THIS  
FORM 10-K.

THE AGGREGATE MARKET VALUE OF THE VOTING STOCK HELD BY NON-  
AFFILIATES OF THE REGISTRANT (ASSUMING FOR THESE PURPOSES, BUT  
WITHOUT CONCEDING, THAT ALL EXECUTIVE OFFICERS AND DIRECTORS ARE  
"AFFILIATES" OF THE REGISTRANT) AS OF FEBRUARY 21, 1997, (BASED  
ON THE CLOSING SALE PRICE AS REPORTED ON THE NEW YORK STOCK  
EXCHANGE ON SUCH DATE) WAS \$132,252,414,334.

THE NUMBER OF SHARES OUTSTANDING OF THE REGISTRANT'S COMMON STOCK  
AS OF FEBRUARY 28, 1997, WAS 2,479,662,119.

DOCUMENTS INCORPORATED BY REFERENCE

PORTIONS OF THE COMPANY'S ANNUAL REPORT TO SHARE OWNERS FOR THE  
YEAR ENDED DECEMBER 31, 1996, ARE INCORPORATED BY REFERENCE IN  
PARTS I, II AND IV.

PORTIONS OF THE COMPANY'S PROXY STATEMENT FOR THE ANNUAL MEETING  
OF SHARE OWNERS TO BE HELD ON APRIL 16, 1997, ARE INCORPORATED BY  
REFERENCE IN PART III.

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PART I

ITEM 1. BUSINESS

The Coca-Cola Company (the "Company" or the "Registrant") was  
incorporated in September 1919 under the laws of the State of  
Delaware and succeeded to the business of a Georgia corporation  
with the same name that had been organized in 1892. The Company  
is the largest manufacturer, distributor and marketer of soft  
drink concentrates and syrups in the world. Finished soft drink

products bearing the Company's trademarks, sold in the United States since 1886, are now sold in nearly 200 countries and include the leading soft drink products in most of these countries. The Company also is the world's largest distributor and marketer of juice and juice-drink products.

The business of the Company is nonalcoholic beverages -- principally soft drinks but also noncarbonated beverages, including juice and juice-drink products. As used in this report, the term "soft drinks" refers to nonalcoholic carbonated beverages containing flavorings and sweeteners, excluding flavored waters and carbonated or noncarbonated teas, coffees and sports drinks.

The Company's operating management structure consists of five geographic groups plus The Minute Maid Company. The geographic groups are the Africa Group; the Greater Europe Group; the Latin America Group; the Middle and Far East Group; and the North America Group. The Minute Maid Company (a division of the Company previously known as Coca-Cola Foods) produces, distributes and markets principally juice and juice-drink products.

Of the Company's consolidated net operating revenues and operating income for each of the past three years, excluding corporate operations, the percentage represented by geographic area (inclusive of The Minute Maid Company) is as follows:

|                           | Africa | Greater<br>Europe | Latin<br>America | Middle<br>and Far<br>East | North<br>America |
|---------------------------|--------|-------------------|------------------|---------------------------|------------------|
|                           | -----  | -----             | -----            | -----                     | -----            |
| Net Operating Revenues{1} |        |                   |                  |                           |                  |
| 1996                      | 2%     | 32%               | 11%              | 22%                       | 33%              |
| 1995                      | 3%     | 33%               | 11%              | 22%                       | 31%              |
| 1994                      | 3%     | 31%               | 12%              | 21%                       | 33%              |
| Operating Income{1}       |        |                   |                  |                           |                  |
| 1996                      | 3%     | 28%               | 18%              | 30%                       | 21%              |
| 1995                      | 4%     | 28%               | 18%              | 31%                       | 19%              |
| 1994                      | 4%     | 28%               | 17%              | 28%                       | 23%              |

The Company manufactures and sells soft drink and noncarbonated beverage concentrates and syrups, including fountain syrups, some finished beverages, and certain juice and juice-drink products. Syrups are composed of sweetener, water and flavoring concentrate. The concentrates and syrups for bottled and canned beverages are sold by the Company to authorized bottling and canning operations. The bottlers or canners of soft drink products either combine the syrup with carbonated water or combine the concentrate with sweetener, water and carbonated water to produce finished soft drinks. The finished soft drinks are packaged in authorized containers bearing the Company's trademarks -- cans, refillable and non-refillable glass and plastic bottles -- for sale to retailers or, in some cases, wholesalers. Fountain syrups are manufactured and sold by the Company, principally in the United States, to authorized fountain wholesalers and some fountain retailers. (Outside the United States, fountain syrups typically are manufactured by authorized bottlers from concentrates sold to them by the Company.) Authorized fountain wholesalers (including certain authorized bottlers) sell fountain syrups to

{1} See Note 16 to the Consolidated Financial Statements, on page 66 of the Company's Annual Report to Share Owners for the year ended December 31, 1996, incorporated herein by reference.

fountain retailers. The fountain retailers use dispensing equipment to mix the syrup with carbonated or still water and then sell finished soft drinks or noncarbonated beverages to consumers in cups and glasses. Finished beverages manufactured by the Company are sold by it to authorized bottlers or distributors, who in turn sell these products to retailers or, in some cases, wholesalers. Both directly and through a network of brokers, juice and juice-drink products are sold by the Company to retailers and wholesalers in North America and, to a limited extent, also distributed outside North America.

The Company's beverage products, including bottled and canned beverages produced by independent and Company-owned bottling and canning operations, as well as concentrates and syrups, include

Coca-Cola, Coca-Cola classic, caffeine free Coca-Cola, caffeine free Coca-Cola classic, diet Coke (sold under the trademark Coca-Cola light in many countries outside the United States), caffeine free diet Coke, Cherry Coke, diet Cherry Coke, Fanta brand soft drinks, Sprite, diet Sprite, Mr. PiBB, Mello Yello, TAB, Fresca, Barq's root beer and other flavors, Surge, POWERaDE, Fruitopia, Minute Maid flavors, Saryusaisai, Aquarius, Bonaqa and other products developed for specific countries, including Georgia brand ready-to-drink coffees, and numerous other brands. The Minute Maid Company, with operations primarily in the United States and Canada, produces, distributes and markets principally juice and juice-drink products, including Minute Maid brand products; Five Alive brand refreshment beverages; Bright & Early brand breakfast beverages; Bacardi brand tropical fruit mixers (manufactured and marketed under a license from Bacardi & Company Limited); and Hi-C brand ready-to-serve fruit drinks. Additionally, Coca-Cola Nestle Refreshments, the Company's joint venture with Nestle S.A., produces ready-to-drink teas and coffees in certain countries.

In 1996, concentrates and syrups for beverages bearing the trademark "Coca-Cola" or including the trademark "Coke" accounted for approximately 68% of the Company's total gallon shipments of beverage concentrates and syrups. (Physical units of concentrate have been converted to their equivalents in gallons of syrup in all cases in this report where reference is made to "gallons" or "gallon shipments" of beverage concentrates and syrups.)

In 1996, approximately 30% of the Company's total gallon shipments of beverage concentrates and syrups were in the United States. In 1996, the Company's principal markets outside the United States, based on gallon shipments of beverage concentrates and syrups, were Mexico, Brazil, Japan and Germany, which together accounted for approximately 27% of the Company's total gallon shipments.

In the United States, in 1996 the Company made approximately 64% of its total United States gallon shipments of beverage concentrates and syrups ("U.S. gallon shipments") to approximately 114 authorized bottler ownership groups in approximately 398 licensed territories. Those bottlers prepare and sell finished beverages bearing the Company's trademarks for the food store and vending machine distribution channels and for other distribution channels supplying home and on-premise consumption. The remaining 36% of 1996 U.S. gallon shipments was attributable to fountain syrups sold to fountain retailers and to approximately 816 authorized fountain wholesalers, some of whom are authorized bottlers. These fountain wholesalers in turn sell the syrup to restaurants and other fountain retailers. Coca-Cola Enterprises Inc. and its bottling subsidiaries and divisions accounted for approximately 43% of the Company's U.S. gallon shipments in 1996. The Company holds an ownership interest of approximately 45% in Coca-Cola Enterprises Inc., which is the world's largest bottler of beverages bearing the Company's trademarks ("Company Trademark Beverages").

In addition to conducting its own independent advertising and marketing activities, the Company may choose to provide promotional and marketing services and/or funds and consultation to its bottlers and to fountain and bottle/can retailers. Also on a discretionary basis, the Company may develop and introduce new products, packages and equipment to assist its bottlers, fountain syrup wholesalers and fountain beverage retailers.

The profitability of the Company's business outside the United States is subject to many factors, including governmental trade regulations and monetary policies, economic and political conditions in the countries in which such business is conducted and the risk of changes in currency exchange rates and regulations.

#### BOTTLER'S AGREEMENTS AND DISTRIBUTION AGREEMENTS

Separate contracts ("Bottler's Agreements") between the Company and each of its bottlers regarding the manufacture and sale of soft drinks, subject to specified terms and conditions and minor variations, generally authorize the bottler to prepare particular designated Company Trademark Beverages, to package the same in particular authorized containers, and to distribute and sell the same in (but generally only in) an identified territory. The bottler is obligated to purchase its entire requirement of concentrates or syrups for the designated Company Trademark Beverages from the Company or other authorized suppliers. The

Company typically agrees to refrain from selling or distributing or from authorizing third parties to sell or distribute the designated Company Trademark Beverages throughout the identified territory in the particular authorized containers; however, the Company typically reserves for itself or its designee the right (i) to prepare and package such beverages in such containers in the territory for sale outside the territory and (ii) to prepare, package, distribute and sell such beverages in the territory in any other manner or form.

The Bottler's Agreements between the Company and its authorized bottlers in the United States differ in certain respects from those in the nearly 200 other countries in which Company Trademark Beverages are sold. As hereinafter discussed, the principal differences involve the duration of the agreements; the inclusion or exclusion of canned beverage production rights; the inclusion or exclusion of authorizations to manufacture and distribute fountain syrups; in some cases, the degree of flexibility on the part of the Company to determine the pricing of syrups and concentrates; and the extent, if any, of the Company's obligation to provide marketing support.

OUTSIDE THE UNITED STATES. The Bottler's Agreements between the Company and its authorized bottlers outside the United States generally are of stated duration, subject in some cases to possible extensions or renewals of the term of the contract. Generally, these contracts are subject to termination by the Company following the occurrence of certain designated events, including defined events of default and certain changes in ownership or control of the bottler.

In certain parts of the world outside the United States, the Company has not granted canned beverage production rights to the bottlers. In such instances, the Company or its designee typically sells canned Company Trademark Beverages to the bottlers for sale and distribution throughout the designated territory under can distribution agreements, often on a non-exclusive basis. A majority of the Bottler's Agreements in force between the Company and bottlers outside the United States authorize the bottler to manufacture and distribute fountain syrups, usually on a non-exclusive basis.

The Company generally has complete flexibility to determine the price and other terms of sale of concentrates and syrups to bottlers outside the United States and, although in its discretion it may determine to do so, the Company typically has no obligation under such Bottler's Agreements to provide marketing support to the bottlers.

WITHIN THE UNITED STATES. In the United States, with certain very limited exceptions, the Company's Bottler's Agreements for cola-flavored beverages have no stated expiration date and the contracts for other flavors are of stated duration, subject to bottler renewal rights. The Bottler's Agreements in the United States are subject to termination by the Company for nonperformance or upon the occurrence of certain defined events of default which may vary from contract to contract. The hereinafter described "1987 Contract" is terminable by the Company upon the occurrence of certain events including: (1) the bottler's insolvency, dissolution, receivership or the like; (2) any disposition by the bottler or any of its subsidiaries of any voting securities of any bottler subsidiary without the consent of the Company; (3) any material breach of any obligation of the bottler under the 1987 Contract; or (4) except in the case of certain bottlers, if a person or affiliated group acquires or obtains any right to acquire beneficial ownership of more than 10% of any class or series of voting securities of the bottler without authorization by the Company.

Under the terms of the Bottler's Agreements, bottlers in the United States are authorized to manufacture and distribute Company Trademark Beverages in bottles and cans, but generally are not authorized to manufacture fountain syrups. Rather, the Company manufactures and sells fountain syrups to approximately 816 authorized wholesalers (including certain authorized bottlers) and some fountain retailers. The wholesalers in turn sell the

syrups to restaurants and other retailers. The wholesaler typically acts as such pursuant to a non-exclusive annual letter of appointment which neither restricts the pricing of fountain syrups by the Company nor the territory in which the wholesaler may resell in the United States.

In the United States, the newest form of Bottler's Agreement for cola-flavored soft drinks (the "1987 Contract") gives the Company complete flexibility to determine the price and other terms of sale of soft drink concentrates and syrups for cola-flavored Company Trademark Beverages ("Coca-Cola Trademark Beverages") and other Company Trademark Beverages. Bottlers operating under the 1987 Contract accounted for approximately 76% of the Company's total United States gallon shipments for bottled and canned beverages ("U.S. bottle/can gallon shipments") in 1996. Certain other forms of the U.S. Bottler's Agreement, entered into prior to 1987, provide for soft drink concentrates or syrups for certain Coca-Cola Trademark Beverages to be priced pursuant to a stated formula. The oldest such form of contract, applicable to bottlers accounting for approximately 1% of U.S. bottle/can gallon shipments in 1996, provides for a fixed price for Coca-Cola syrup used in bottles and cans, subject to quarterly adjustments to reflect changes in the quoted price of sugar. Bottlers accounting for the remaining approximately 23% of U.S. bottle/can gallon shipments in 1996 have contracts for certain Coca-Cola Trademark Beverages with pricing formulas generally providing for a baseline price that may be adjusted periodically by the Company, up to a maximum indexed ceiling price, and that is adjusted quarterly based upon changes in certain sugar or sweetener prices, as applicable.

Standard contracts with bottlers in the United States for the sale of concentrates and syrups for non-cola-flavored soft drinks in bottles and cans permit flexible pricing by the Company.

Under the 1987 Contract, the Company has no obligation to participate with bottlers in expenditures for advertising and marketing, but may, at its discretion, contribute toward such expenditures and undertake independent or cooperative advertising and marketing activities. Some U.S. Bottler's Agreements that pre-date the 1987 Contract impose certain marketing obligations on the Company with respect to certain Company Trademark Beverages.

#### SIGNIFICANT EQUITY INVESTMENTS AND COMPANY BOTTLING OPERATIONS

The Company has business relationships with three types of bottlers: independently owned bottlers, bottlers in which the Company has a noncontrolling ownership interest and bottlers in which the Company has a controlling ownership interest. Of these, independently owned bottlers produced and distributed approximately 40% of the Company's total worldwide unit case volume in 1996; cost or equity method investee bottlers in which the Company owns a noncontrolling ownership interest produced and distributed approximately 45% of such worldwide unit case volume; and controlled and consolidated bottling and fountain operations produced and distributed approximately 15% of such worldwide unit case volume. As used in this report, the term "unit case" means a unit of measurement equal to 192 U.S. fluid ounces of finished beverage (24 eight-ounce servings); and "unit case volume" of the Company, which refers to the number of unit cases sold by bottlers of Company Trademark Beverages to customers, includes Company products (excluding products distributed by The Minute Maid Company) reported as gallon shipments, and certain other key products owned by such bottlers.

The Company makes equity investments in selected bottling operations with the intention of maximizing the strength and efficiency of the Coca-Cola business system's production, distribution and marketing systems around the world. These investments often result in increases in unit case volume, net revenues and profits at the bottler level, which in turn generate increased gallon shipments for the Company's concentrate business. When this occurs, both the Company and the bottlers benefit from long-term growth in volume, cash flows and shareholder value.

The level of the Company's investment generally depends on the bottler's capital structure and its available resources at the time of the investment. In certain situations, it can further the Company's business interests to acquire a controlling interest in a bottling operation. Although not the Company's primary long-term business strategy, owning a controlling interest may compensate for limited local resources or facilitate improvements in customer relationships as the bottling operations are built or restructured. The Company acquired controlling

marketing expertise to newly acquired bottlers, the Company seeks to strengthen bottling territories.

In line with its long-term bottling strategy, the Company periodically considers options for reducing its ownership interest in a consolidated bottler. One such option is to sell the Company's interest in a consolidated bottling operation to one of the Company's noncontrolled equity investee bottlers. Another option for reducing the Company's ownership interest is to combine the Company's bottling interests with the bottling interests of others to form strategic business alliances. In both of these situations, the Company continues participating in the previously consolidated bottler's earnings through its portion of the equity investee's income.

Consistent with its strategy, in 1996 the Company sold its consolidated bottling and canning operations in France and Belgium to Coca-Cola Enterprises Inc. Also, during 1996 the Company sold a 33% interest in four Turkish bottling and distribution operations to Anadolu Endustri Holding A.S. ("Anadolu") and one of Anadolu's subsidiaries. Two subsidiaries of the Company, which continue to hold a controlling interest, entered into a joint venture agreement with Anadolu and its subsidiary to operate these four entities.

In 1996, a German anchor bottler, Coca-Cola Erfrischungsgetraenke A.G. ("CCEAG"), was established through the merger of the Company's previously wholly owned east German bottler with three other independent bottlers. As a result of the merger, the Company through a German subsidiary now owns a 45% interest in CCEAG.

Also in 1996, the Company combined its bottling interests in Venezuela with the Cisneros Group's bottling companies to form a new joint venture, Embotelladora Coca-Cola y Hit de Venezuela, S.A. ("ECHV"). A subsidiary of the Company owns a 50% interest in ECHV.

In cases where the Company's investments in bottlers represent noncontrolling interests, the Company's intention is to provide expertise and resources to strengthen those businesses. In particular, the Company seeks to improve sales and marketing programs, assist in the development of effective business and information systems and help establish appropriate capital structures. In 1996, the Company purchased interests in two Chilean bottling companies: a 17% interest in Embotelladoras Polar S.A. and a 6% interest in Embotelladora Andina S.A. which was further increased to approximately 11% in early 1997. In addition, in early 1997 the Company sold to Coca-Cola Enterprises Inc. the Company's unconsolidated 49% interest in Coca-Cola & Schweppes Beverages Ltd., the leading marketer of beverage products in Great Britain.

The Company designates certain bottling operations in which it has a noncontrolling ownership interest as "anchor bottlers" due to their level of responsibility and performance. Anchor bottlers, which include Coca-Cola Amatil Limited and Coca-Cola Enterprises Inc., are strongly committed to their own profitable growth which, in turn, helps the Company meet its strategic goals and furthers the interests of its worldwide production, distribution and marketing systems. Anchor bottlers tend to be large and geographically diverse with strong financial and management resources. In 1996, the Company's anchor bottlers produced and distributed approximately 30% of the Company's total worldwide unit case volume. Currently, eight companies are designated as anchor bottlers, providing the Company with strong partners on every major continent around the world.

The Company has substantial equity positions in approximately 43 unconsolidated bottling, canning and distribution operations for its products worldwide, including bottlers representing approximately 51% of the Company's total U.S. unit case volume in 1996. Of these, significant equity method investee bottlers include those hereinafter described.

COCA-COLA ENTERPRISES INC. ("COCA-COLA ENTERPRISES"). The Company's ownership interest in Coca-Cola Enterprises is approximately 45%. Coca-Cola Enterprises is the world's largest bottler of the Company's beverage products. Net sales of concentrates and syrups by the Company to Coca-Cola Enterprises were \$1.6 billion in 1996. Coca-Cola Enterprises also purchases high fructose corn syrup from the Company; however, related collections from Coca-Cola Enterprises and payments to suppliers are not included in the Company's consolidated statements of income. Coca-Cola Enterprises estimates that the territories in

which it markets beverage products to retailers (which include portions of 41 states, the District of Columbia, the U.S. Virgin Islands, Great Britain, the

Netherlands, France and Belgium) contain approximately 55% of the United States population, 100% of the populations of Great Britain, the Netherlands and Belgium and 98% of the population of France.

In 1996, approximately 67% of the unit case volume of Coca-Cola Enterprises (excluding products in post-mix (fountain) form) was Coca-Cola Trademark Beverages, approximately 24% of its unit case volume was other Company Trademark Beverages, and approximately 9% of its unit case volume was beverage products of other companies. Coca-Cola Enterprises' net sales of beverage products were approximately \$7.9 billion in 1996.

COCA-COLA AMATIL LIMITED ("COCA-COLA AMATIL"). In 1996, Coca-Cola Amatil issued approximately 46 million shares of common stock in exchange for approximately U.S.\$522 million. The issuance reduced the Company's ownership interest in Coca-Cola Amatil from approximately 39% to approximately 36%. Coca-Cola Amatil is the largest bottler of the Company's beverage products in Australia and also has bottling and distribution rights, through direct ownership or joint ventures, in New Zealand, Fiji, Austria, Hungary, Papua New Guinea, the Czech and Slovak Republics, Indonesia, Belarus, Slovenia, Ukraine, Poland, Switzerland, Romania, Bosnia-Herzegovina and Croatia. Coca-Cola Amatil estimates that the territories in which it markets beverage products contain approximately 99% of the population of Australia, 100% of the populations of New Zealand, Fiji, Austria, Switzerland, Poland, Hungary, Croatia, the Czech and Slovak Republics, Belarus, Slovenia and Ukraine, 83% of the population of Papua New Guinea, 97% of the population of Indonesia, 46% of the population of Romania and 74% of the population of Bosnia-Herzegovina. In 1996, Coca-Cola Amatil's net sales of beverage products were approximately U.S.\$2.9 billion.

In 1996, approximately 57% of the unit case volume of Coca-Cola Amatil was Coca-Cola Trademark Beverages, approximately 36% of its unit case volume was other Company Trademark Beverages, approximately 5% of its unit case volume was beverage products of Coca-Cola Amatil and approximately 2% of its unit case volume was beverage products of other companies.

COCA-COLA FEMSA, S.A. DE C.V. ("COCA-COLA FEMSA"). The Company owns a 30% economic interest in Coca-Cola FEMSA, a Mexican holding company with bottling subsidiaries in the Valley of Mexico, Mexico's southeastern region and Argentina. Coca-Cola FEMSA estimates that the territories in which it markets beverage products contain approximately 29% of the population of Mexico and 29% of the population of Argentina.

In 1996, Coca-Cola FEMSA's net sales of beverage products were approximately U.S.\$944 million. In 1996, approximately 78% of the unit case volume of Coca-Cola FEMSA was Coca-Cola Trademark Beverages, approximately 20% of its unit case volume was other Company Trademark Beverages, and approximately 2% of its unit case volume was beverage products of other companies.

COCA-COLA BOTTLERS PHILIPPINES, INC. ("CCBPI"). The Company owns a 30% interest in CCBPI, the only bottler authorized to manufacture and distribute beverage products of the Company in the Philippines. In 1996, CCBPI's net sales of beverage products were approximately U.S.\$896 million.

In 1996, approximately 73% of the unit case volume of CCBPI was Coca-Cola Trademark Beverages, approximately 19% of its unit case volume was other Company Trademark Beverages, and approximately 8% of its unit case volume was beverage products of other companies.

OTHER INTERESTS. Under the terms of the Coca-Cola Nestle Refreshments ("CCNR") joint venture involving the Company, Nestle S.A. and certain subsidiaries of Nestle S.A., the Company manages CCNR's ready-to-drink tea business and Nestle S.A. manages CCNR's ready-to-drink coffee business. The joint venture is applicable to ready-to-drink tea and coffee beverages in the United States and approximately 39 other countries.

During 1996, The Minute Maid Company entered into a joint venture agreement with Groupe Danone to produce, distribute and sell premium refrigerated ready-to-serve fruit juice products.

These products will be marketed by the joint venture in selected countries outside the United States and Canada, with an initial focus in Europe and Latin America. The Minute Maid Company has a 50% ownership interest in the joint venture.

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#### OTHER DEVELOPMENTS

During 1996, The Minute Maid Company sold two of its manufacturing facilities and entered into an agreement with the purchaser to provide processing and packaging services to the division.

#### SEASONALITY

Soft drink and noncarbonated beverage sales 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.

#### COMPETITION

The Company competes in the nonalcoholic beverages segment of the commercial beverages industry. That segment is highly competitive, consisting of numerous firms. These include firms that compete, like the Company, in multiple geographical areas as well as firms that are primarily local in operation. Competitive products include carbonates, packaged water, juices and nectars, fruit drinks and dilutables (including syrups and powdered drinks), sports and energy drinks, coffee and tea, still drinks and other beverages. Nonalcoholic beverages are sold to consumers in both ready-to-drink and not-ready-to-drink form.

Most of the Company's beverages business currently is in soft drinks, as that term is defined in this report. The soft drink business, which is part of the nonalcoholic beverages segment, is itself highly competitive. The Company is the leading seller of soft drink concentrates and syrups in the world. Numerous firms, however, compete in that business. These consist of a range of firms, from local to international, that compete against the Company in numerous geographical areas.

In many parts of the world in which the Company does business, demand for soft drinks is growing at the expense of other commercial beverages. Competitive factors with respect to the Company's business include pricing, advertising and sales promotion programs, product innovation, increased efficiency in production techniques, the introduction of new packaging, new vending and dispensing equipment and brand and trademark development and protection.

#### RAW MATERIALS

The principal raw material used by the Company's business in the United States is high fructose corn syrup, a form of sugar, which is available from numerous domestic sources and is historically subject to fluctuations in its market price. The principal raw material used by the Company's business outside the United States is sucrose. The Company has a specialized sweetener procurement staff and has not experienced any difficulties in obtaining its requirements. In the United States and certain other countries, the Company has authorized the use of high fructose corn syrup in syrup for Coca-Cola and other Company Trademark Beverages for use in both fountain syrup and finished beverages in bottles and cans.

Generally, raw materials utilized by the Company in its business are readily available from numerous sources. However, aspartame, which is usually used alone or in combination with either saccharin or acesulfame potassium in the Company's low-calorie soft drink products, is currently purchased by the Company primarily from The NutraSweet Kelco Company, a subsidiary of Monsanto Company, and from Holland Sweetener. Acesulfame potassium is currently purchased from Hoechst Aktiengesellschaft.

With regard to juice and juice-drink products, the citrus industry is subject to the variability of weather conditions, in particular the possibility of freezes in central Florida, which may result in higher prices and lower consumer demand for orange juice throughout the industry. Due to the Company's long-standing relationship with a supplier of high-quality Brazilian orange juice concentrate, the supply of juice available that meets the Company's standards is normally adequate to meet



demand.

#### PATENTS, TRADE SECRETS, TRADEMARKS AND COPYRIGHTS

The Company is the owner of numerous patents, copyrights and trade secrets, as well as substantial know-how and technology (herein collectively referred to as "technology"), which relate to its products and the processes for their production, the packages used for its products, the design and operation of various processes and equipment used in its business and certain quality assurance and financial software. Some of the technology is licensed to suppliers and other parties. The Company's soft drink and other beverage formulae are among the important trade secrets of the Company.

The Company owns numerous trademarks which are very important to its business. Depending upon the jurisdiction, trademarks are valid as long as they are in use and/or their registrations are properly maintained and they have not been found to have become generic. Registrations of trademarks can generally be renewed indefinitely as long as the trademarks are in use. The majority of the Company's trademark license agreements are included in the Company's bottler agreements. The Company has registered and licenses the right to use its trademarks in conjunction with certain merchandise other than soft drinks.

#### GOVERNMENTAL REGULATION

The production, distribution and sale in the United States of many of the Company's products are subject to the Federal Food, Drug and Cosmetic Act; the Occupational Safety and Health Act; the Lanham Act; various environmental statutes; and various other federal, state and local statutes regulating the production, transportation, sale, safety, advertising, labeling and ingredients of such products.

A California law requires that any person who exposes another to a carcinogen or a reproductive toxicant must provide a warning to that effect. Because the law does not define quantitative thresholds below which a warning is not required, virtually all food manufacturers are confronted with the possibility of having to provide warnings on their food products due to the presence of trace amounts of defined substances. Regulations implementing the law exempt manufacturers from providing the required warning if it can be demonstrated that the defined substances occur naturally in the product or are present in municipal water used to manufacture the product. The Company has assessed the impact of the law and its implementing regulations on its soft drink products and other products and has concluded that none of its products currently requires a warning under the law. The Company cannot predict whether, or to what extent, food industry efforts to minimize the law's impact on foods will succeed; nor can the Company predict what impact, either in terms of direct costs or diminished sales, imposition of the law will have.

Bottlers of the Company's beverage products presently offer non-refillable containers in all areas of the United States and Canada. Many such bottlers also offer refillable containers, although overall U.S. sales in refillable containers are relatively limited. Measures have been enacted in various localities and states which require that a deposit be charged for certain non-refillable beverage containers. The precise requirements imposed by these measures vary. Deposit proposals have been introduced in other states and localities and in Congress, and the Company anticipates that similar legislation may be introduced in the future at both the state and the federal level.

All of the Company's facilities in the United States are subject to federal, state and local environmental laws and regulations. Compliance with these provisions has not had, and the Company does not expect such compliance to have, any material adverse effect upon the Company's capital expenditures, net income or competitive position.

#### EMPLOYEES

As of December 31, 1996, the Company and its subsidiaries employed approximately 26,000 persons, down from 32,000 in 1995, due primarily to divestitures of juice processing plants in Florida and certain Company-owned bottling operations in Europe and Latin America. Approximately 9,000 of these employees are located in the United States. The Company, through its divisions

and subsidiaries, has entered into numerous collective bargaining agreements, and the Company has no reason to believe it will not be able to renegotiate any such

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agreements on satisfactory terms. The Company believes that its relations with its employees are generally satisfactory.

#### FINANCIAL INFORMATION ON GEOGRAPHIC AREAS

For financial information on operations in geographic areas, see page 66 of the Annual Report to Share Owners for the year ended December 31, 1996, which is incorporated herein by reference.

#### ITEM 2. PROPERTIES

The Company's worldwide headquarters is located on a 40-acre office complex in Atlanta, Georgia. The complex includes the approximately 480,000 square foot headquarters building, the approximately 731,000 square foot Coca-Cola USA building and, in addition, an approximately 232,000 square foot office building. Also located in the complex are several other buildings, including the technical and engineering facilities, learning center and the Company's Reception Center. The Company leases approximately 259,000 square feet of office space at Ten Peachtree Place, Atlanta, Georgia, owned by a joint venture of which an indirect subsidiary of the Company is a partner. The Company and its subsidiaries and divisions have facilities for administrative operations, manufacturing, processing, packaging, packing, storage and warehousing throughout the United States.

The Company owns and operates 36 principal beverage concentrate and/or syrup manufacturing plants throughout the world. The Company currently owns or holds a majority interest in 33 operations with 31 principal beverage bottling and canning plants located outside the United States.

The Minute Maid Company, whose business headquarters is located in Houston, Texas, occupies its own office building, which contains approximately 330,000 square feet. The Minute Maid Company operates nine production facilities throughout the United States and Canada and utilizes a system of contract packers to produce and distribute certain products in areas where The Minute Maid Company does not have its own manufacturing centers or during periods when it experiences manufacturing overflow.

The Company directly or through wholly owned subsidiaries owns or leases additional real estate throughout the world, including a wholly owned office and retail building at 711 Fifth Avenue in New York, New York. This real estate is used as office space by the Company or, in the case of some owned property, leased to others.

Management believes that the facilities for the production of its products are suitable and adequate for the business conducted therein, that they are being appropriately utilized in line with past experience and that they have sufficient production capacity for their present intended purposes. The extent of utilization of such facilities varies based upon the seasonal demand for product. While it is not possible to measure with any degree of certainty or uniformity the productive capacity and extent of utilization of these facilities, management believes that additional production can be obtained at the existing facilities by the addition of personnel and capital equipment and, in some facilities, the addition of shifts of personnel or expansion of such facilities. The Company continuously reviews its anticipated requirements for facilities and, on the basis of that review, may from time to time acquire additional facilities and/or dispose of existing facilities.

#### ITEM 3. LEGAL PROCEEDINGS

In May 1993, the Company discovered that its Carolina, Puerto Rico plant was unintentionally discharging, without a permit, process wastewater to a stormwater sewer which ultimately discharged to a surface waterbody. The Company immediately remedied the unintentional discharge and reported it to appropriate environmental agencies. The plant was sold in 1994; however, the Company has agreed to retain any potential legal liability resulting from the unintentional discharge. The statutory maximum penalty which could be sought against the Company is in excess of \$100,000.

On February 26, 1992, suit was brought against the Company in Texas state court by The Seven-Up Company, a competitor of the Company. An amended complaint was filed by The Seven-Up Company on February 8, 1994.

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The suit alleges that the Company is attempting to dominate the lemon-lime segment of the soft drink industry by tortious acts designed to induce certain independent bottlers of the Company's products to terminate existing contractual relationships with the plaintiff pursuant to which such bottlers bottle and distribute the plaintiff's lemon-lime soft drink products. As amended, the complaint alleges that Coca-Cola/Seven-Up bottlers in several different territories, including Nacogdoches, Texas; Oklahoma City, Oklahoma; Fargo, North Dakota; Shreveport, Louisiana; Elkins, West Virginia; Salem, New Hampshire; Fayetteville, Arkansas; Pine Bluff, Arkansas and Vicksburg, Mississippi, were illegally induced into initiating Sprite distribution and discontinuing Seven-Up distribution. The Company is accused of using several different purportedly improper tactics to bring about those bottler decisions, including false and misleading statements by the Company about the plaintiff's past, present and future business operations, improper financial advancements and various forms of alleged coercion.

The complaint seeks unspecified money damages for (1) alleged tortious interference with the plaintiff's contractual relations, (2) alleged intentional tortious conduct to injure plaintiff, (3) alleged disparagement of the plaintiff and its business, and (4) alleged false and injurious statements harmful to plaintiff's interests. The complaint also seeks an injunction prohibiting future allegedly tortious conduct by the Company and seeks an award of punitive damages in the amount of at least \$500 million. In 1993, the Company filed a counterclaim against The Seven-Up Company in the matter alleging that The Seven-Up Company has tortiously interfered with the Company's efforts to obtain distribution of its lemon-lime soft drink, Sprite, through bottlers of Coca-Cola.

On July 22, 1992, The Seven-Up Company filed a related suit in federal court in Texas alleging that the facts and circumstances giving rise to the state court suit (described above) also constitute a violation of the federal Lanham Act which, *inter alia*, proscribes false advertisement and disparagement of a competitor's goods and services. The suit sought injunctive relief, treble damages and attorneys' fees. In October 1994, the federal Lanham Act suit was tried and resulted in a jury verdict in favor of The Seven-Up Company on certain of its claims. The jury awarded The Seven-Up Company a total of \$2.53 million in damages. In December 1994, the federal court entered an order setting aside that damage award and awarded judgment in favor of the Company notwithstanding the verdict. The Seven-Up Company appealed that judgment.

Shortly after the federal court's ruling, the Company asked the state court to dismiss all of the plaintiff's remaining claims in that case based upon the judgment entered in the federal case. On February 14, 1995, the state court granted that motion and dismissed all of The Seven-Up Company's remaining claims. The Seven-Up Company appealed that ruling as well.

On July 8, 1996, the U.S. Court of Appeals for the Fifth Circuit affirmed the federal trial court's decision granting the Company's motion for judgment in its favor notwithstanding the jury's verdict for The Seven-Up Company.

On August 28, 1996, the Texas Court of Appeals affirmed the summary judgment that the trial court had granted in the Company's favor dismissing all of The Seven-Up Company's state claims as barred by the doctrine of *res judicata*. On September 12, 1996, The Seven-Up Company filed a motion for a rehearing of this decision, which was denied by the Texas Court of Appeals on October 23, 1996. On November 22, 1996, The Seven-Up Company filed an application for writ of error with the Texas Supreme Court. The Company's papers in opposition to the granting of the writ of error were filed on December 16, 1996.

On April 22, 1994, Deborah A. Heller, et al., individually and as a class representative, filed a class action lawsuit against the Company and other sellers of diet beverages in the Supreme Court of the State of New York, County of Kings, which alleged that the plaintiff and other members of the purported class had been defrauded by the defendants by reason of their failure to

advise consumers that the sweetness level of diet beverages sweetened with aspartame degrades over time. The initial complaint, which asserted claims based upon common law fraud and violation of New York state consumer protection statutes, did not indicate a specific damage amount in its prayer for damages. On July 27, 1994, plaintiffs filed an amended complaint adding several individually-named plaintiffs and a claim for unjust enrichment. On September 23, 1994, the Company filed a motion to dismiss plaintiffs' amended complaint in its entirety. On November 7, 1994, plaintiffs filed a motion for summary judgment seeking from the Company damages of at least \$1.187 billion based upon its sales of such diet beverages during the period from

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April 1988 through December 1993. The New York law upon which plaintiffs' claims are based allows the Court, at its discretion, to increase up to three times any damages it awards.

On April 4, 1995, the Court granted defendants' motion to dismiss the complaint, ruling that the Federal Food and Drug Administration has primary jurisdiction over the issue raised by plaintiffs; and that, in any event, plaintiffs had failed to state a cause of action under any of the various fraud, misrepresentation and/or consumer protection counts of their complaint. The Court also held that plaintiffs had no unjust enrichment claim. Plaintiffs' cross motions for class action certification and partial summary judgment were deemed moot in light of the Court's other rulings and were not formally ruled upon. Plaintiffs thereafter filed a notice of appeal and also asked the Court to reconsider its earlier opinion. The latter request was denied by the Court on October 31, 1995. On August 12, 1996, the Appellate Division of the New York Supreme Court affirmed the ruling of the lower court in favor of the Company and other defendants. Plaintiffs thereafter filed a motion for leave to appeal to the New York Court of Appeals, which motion was opposed by the defendants. On November 26, 1996, the New York Court of Appeals denied plaintiffs' motion, thereby ending this litigation.

On January 30, 1997, the Brazilian Federal Revenue Service issued Notices of Assessment to Recofarma Industrias do Amazonas Ltda. ("Recofarma"), an indirect wholly owned subsidiary of the Company, for the period from January 1, 1992 to February 28, 1994. The assessments allege that Recofarma should have paid a Brazilian excise tax on intra-company transfers of product manufactured at its Manaus plant to its warehouse in Rio de Janeiro. Assessments of tax, interest and penalties total approximately \$530 million as of the assessment date and accrue interest from such date. The transfer of product from the plant to the warehouse, which was discontinued in February 1994, was the subject of a favorable advance ruling issued by the Federal Revenue Service on September 24, 1990. In the Company's opinion, the ruling has continuing effect and Recofarma's operations conformed with the ruling. The Company intends to timely contest the assessments through the Brazilian Federal Revenue Service administrative appeals process.

The Company is involved in various other legal proceedings. The Company believes that any liability to the Company which may arise as a result of these proceedings, including the proceedings specifically discussed above, will not have a material adverse effect on the financial condition of the Company and its subsidiaries taken as a whole.

#### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

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#### ITEM X. EXECUTIVE OFFICERS OF THE COMPANY

The following are the executive officers of the Company:

Roberto C. Goizueta, 65, is Chief Executive Officer and Chairman of the Board of Directors of the Company. In August 1980, Mr. Goizueta was elected Chief Executive Officer and Chairman of the Board effective March 1981, at which time he assumed these positions.

M. Douglas Ivester, 49, is President and Chief Operating Officer and a Director of the Company. In January 1985, Mr. Ivester was elected Senior Vice President and Chief Financial Officer of the Company and served in that capacity until June

1989, when he was appointed President of the European Community Group of the International Business Sector. He was appointed President of Coca-Cola USA in August 1990, and was appointed President of the North America Business Sector in September 1991. He served in the latter capacity until April 1993 when he was elected Executive Vice President of the Company and Principal Operating Officer/North America. Mr. Ivester was elected to his current positions in July 1994.

James E. Chestnut, 46, is Senior Vice President and Chief Financial Officer of the Company. Mr. Chestnut joined the Company in 1972 in London. In 1984, he was named Finance Manager for the Philippine Region in Manila and, in 1987, Manager of International Treasury Services, Pacific Group, in Atlanta. He was named Finance Manager for the North Pacific Division of the International Business Sector in 1989 before being elected Vice President and Controller of the Company in 1993. He was elected to his present position in July 1994.

Jack L. Stahl, 43, is Senior Vice President of the Company and President of the North America Group. In March 1985, Mr. Stahl was named Manager, Planning and Business Development and was appointed Assistant Vice President in April 1985. He was elected Vice President and Controller in February 1988 and served in that capacity until he was elected Senior Vice President and Chief Financial Officer in June 1989. He was appointed to his present position in July 1994.

E. Neville Isdell, 53, is Senior Vice President of the Company and President of the Greater Europe Group. Mr. Isdell became President of the Company's Central European Division in July 1985 and was elected Senior Vice President of the Company and appointed President of the Northeast Europe/Africa Group effective in January 1989. Effective January 1993 he became President of the Northeast Europe/Middle East Group of the International Business Sector. He was appointed to his present position in January 1995.

Douglas N. Daft, 53, is Senior Vice President of the Company and President of the Middle and Far East Group. In November 1984, Mr. Daft was appointed President of Coca-Cola Central Pacific Ltd. In October 1987, he was appointed Senior Vice President of the Pacific Group of the International Business Sector. In January 1989, he was named President of Coca-Cola (Japan) Company, Limited and President of the North Pacific Division of the International Business Sector. Effective 1991 he was elected Senior Vice President of the Company and named President of the Pacific Group of the International Business Sector. He was appointed to his current position, effective January 1995.

Carl Ware, 53, is Senior Vice President of the Company and President of the Africa Group. In 1979, Mr. Ware was appointed Vice President, Special Markets, Coca-Cola USA. In March 1982, he was appointed Vice President, Urban Affairs, of the Company. He was elected Senior Vice President and Director, Corporate External Affairs in 1986 and became Deputy Group President of the Northeast Europe/Africa Group of the International Business Sector in July 1991, a position he held until he was named to his current position, effective January 1993.

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Timothy J. Haas, 50, is Senior Vice President of the Company and President of the Latin America Group. Mr. Haas was appointed Vice President, Sales, of Coca-Cola Foods in 1983 and Senior Vice President, Sales, of Coca-Cola Foods in 1985. In March 1991, he was appointed President and Chief Executive Officer of Coca-Cola Foods. In April 1991, he was elected Vice President of the Company. In 1995, he was named Executive Vice President of the Latin America Group and served in that capacity until he was appointed President of the Latin America Group, effective January 1, 1997. He was elected Senior Vice President in February 1997.

Ralph H. Cooper, 57, is Senior Vice President of the Company and President and Chief Executive Officer of The Minute Maid Company, formerly known as Coca-Cola Foods. Mr. Cooper was appointed Senior Vice President of the Europe and Africa Group in July 1984 and was named Senior Vice President of Coca-Cola International and President of the Northwest European Division in January 1989. He was elected Senior Vice President of the Company and President of the European

Community Group of the International Soft Drink Business Sector in August 1990. In January 1995, he was named Executive Vice President of Coca-Cola Foods and served in that capacity until he was appointed President and Chief Executive Officer in July 1995.

Joseph R. Gladden, Jr., 54, is Senior Vice President and General Counsel of the Company. In October 1985, Mr. Gladden was elected Vice President. He was named Deputy General Counsel in October 1987 and served in that capacity until he was elected Vice President and General Counsel in April 1990. He was elected Senior Vice President in April 1991.

Sergio Zyman, 51, is Senior Vice President of the Company and Chief Marketing Officer. Mr. Zyman first joined the Company in 1979 and later served as Senior Vice President of Marketing for Coca-Cola USA until 1986. After a seven year absence from the Company, during which he acted as consultant to different companies through Sergio Zyman & Co. and Core Strategy Group, he returned to assume his current position in August 1993.

Earl T. Leonard, Jr., 60, is Senior Vice President of the Company with responsibility for Corporate Affairs. Mr. Leonard was elected to his current position in April 1983.

Anton Amon, 53, is Senior Vice President of the Company and Manager of the Company's Product Integrity Division. Dr. Amon was named Senior Vice President of Coca-Cola USA in 1983. In 1988, he joined Coca-Cola Enterprises as Vice President, Operations. In September 1989, Dr. Amon returned to the Company as director, Corporate Quality Assurance. He was elected Vice President in October 1989. He became Manager, Product Integrity Division, in January 1992 and was elected to his current position in July 1992.

George Gourlay, 55, is Senior Vice President of the Company and Manager of the Technical Operations Division. Mr. Gourlay was named Manager, Corporate Concentrate Operations in 1986, named Assistant Vice President in 1988, and was elected Vice President in 1989. Mr. Gourlay became head of the Technical Operations Division in January 1992 and was elected to his current position in July 1992.

All executive officers serve at the pleasure of the Board of Directors.

There is no family relationship between any of the executive officers of the Company.

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## PART II

### ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED SHARE-OWNER MATTERS

"Financial Review Incorporating Management's Discussion and Analysis" on pages 39 through 47, "Selected Financial Data" for the years 1995 and 1996 on page 48, "Stock Prices" on page 69 and "Common Stock" and "Dividends," under the heading "Share-Owner Information" on page 72 of the Company's Annual Report to Share Owners for the year ended December 31, 1996, are incorporated herein by reference.

During the fiscal year ended December 31, 1996, no equity securities of the Registrant were sold by the Registrant which were not registered under the Securities Act of 1933, as amended.

### ITEM 6. SELECTED FINANCIAL DATA

"Selected Financial Data" for the years 1992 through 1996, on pages 48 and 49 of the Company's Annual Report to Share Owners for the year ended December 31, 1996, is incorporated herein by reference.

### ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

"Financial Review Incorporating Management's Discussion and Analysis" on pages 39 through 47 of the Company's Annual Report to Share Owners for the year ended December 31, 1996, is incorporated herein by reference.

### ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following consolidated financial statements of the Registrant and its subsidiaries, included in the Company's Annual Report to Share Owners for the year ended December 31, 1996, are incorporated herein by reference:

Consolidated Balance Sheets -- December 31, 1996 and 1995.

Consolidated Statements of Income -- Years ended December 31, 1996, 1995 and 1994.

Consolidated Statements of Cash Flows -- Years ended December 31, 1996, 1995 and 1994.

Consolidated Statements of Share-Owners' Equity -- Years ended December 31, 1996, 1995 and 1994.

Notes to Consolidated Financial Statements.

Report of Independent Auditors.

"Quarterly Data (Unaudited)" on page 69 of the Company's Annual Report to Share Owners for the year ended December 31, 1996, is incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

For information on Directors of the Registrant, the subsections under the heading "Election of Directors" entitled "Board of Directors" and "Recommendation of the Board of Directors Concerning the Election of Directors" on pages 2 through 5 of the Company's Proxy Statement for the Annual Meeting of Share Owners to be held April 16, 1997, is incorporated herein by reference. See Item X in Part I hereof for information regarding executive officers of the Registrant.

ITEM 11. EXECUTIVE COMPENSATION

The subsection under the heading "Election of Directors" entitled "Committees of the Board of Directors; Meetings and Compensation of Directors" on pages 8 and 9 and the portion of the section entitled "Executive Compensation" set forth on pages 10 through 17 of the Company's Proxy Statement for the Annual Meeting of Share Owners to be held April 16, 1997, are incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The subsections under the heading "Election of Directors" entitled "Ownership of Equity Securities in the Company" and "Principal Share Owners" on pages 6 through 8, and the subsection under the heading "Certain Investee Companies" entitled "Ownership of Securities in Coca-Cola Enterprises and Coca-Cola Beverages" on pages 24 and 25 of the Company's Proxy Statement for the Annual Meeting of Share Owners to be held April 16, 1997, are incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The subsections under the heading "Election of Directors" entitled "Committees of the Board of Directors; Meetings and Compensation of Directors" and "Certain Transactions" on pages 8 through 10, the subsection under the heading "Executive Compensation" entitled "Compensation Committee Interlocks and Insider Participation" on page 23 and the subsection under the heading "Certain Investee Companies" entitled "Certain Transactions with Investee Companies" on pages 23 and 24 of the Company's Proxy Statement for the Annual Meeting of Share Owners to be held April 16, 1997, are incorporated herein by reference.

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PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULE AND REPORTS ON

## (a) 1. Financial Statements

The following consolidated financial statements of The Coca-Cola Company and subsidiaries, included in the Registrant's Annual Report to Share Owners for the year ended December 31, 1996, are incorporated by reference in Part II, Item 8:

Consolidated Balance Sheets -- December 31, 1996 and 1995.

Consolidated Statements of Income -- Years ended December 31, 1996, 1995 and 1994.

Consolidated Statements of Cash Flows -- Years ended December 31, 1996, 1995 and 1994.

Consolidated Statements of Share-Owners' Equity -- Years ended December 31, 1996, 1995 and 1994.

Notes to Consolidated Financial Statements.

Report of Independent Auditors.

2. The following consolidated financial statement schedule of The Coca-Cola Company and subsidiaries is included in Item 14(d):

Schedule II -- Valuation and Qualifying Accounts.

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and, therefore, have been omitted.

3. Exhibits

EXHIBIT NO.

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- 3.1 Certificate of Incorporation of the Registrant, including Amendment of Certificate of Incorporation, effective May 1, 1996 -- incorporated herein by reference to Exhibit 3 of the Registrant's Form 10-Q Quarterly Report for the quarter ended March 31, 1996. (With regard to applicable cross references in this report, the Company's Current, Quarterly and Annual Reports are filed with the Securities and Exchange Commission under File No. 1-2217.)
- 3.2 By-Laws of the Registrant, as amended and restated through October 17, 1996 -- incorporated herein by reference to Exhibit 3 of the Registrant's Form 10-Q Quarterly Report for the quarter ended September 30, 1996.
- 4.1 The Registrant agrees to furnish to the Securities and Exchange Commission, upon request, a copy of any instrument defining the rights of holders of long-term debt of the Registrant and all of its consolidated subsidiaries and unconsolidated subsidiaries for which financial statements are required to be filed with the Securities and Exchange Commission.
- 10.1 Long Term Performance Incentive Plan of the Registrant, as amended November 23, 1988 -- incorporated herein by reference to Exhibit 10.1 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1995.\*
- 10.2 The Key Executive Retirement Plan of the Registrant, as amended -- incorporated herein by reference to Exhibit 10.2 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1995.\*
- 10.3 Supplemental Disability Plan of the Registrant, as amended -- incorporated herein by reference to Exhibit 10.3 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1991.\*

EXHIBIT NO.

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- 10.4 Annual Performance Incentive Plan of the Registrant, as amended -- incorporated herein by reference to Exhibit 10.4 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1995.\*
- 10.5 Agreement, dated February 28, 1983, between the Registrant and Roberto C. Goizueta -- incorporated herein by reference to Exhibit 10.5 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1994.\*
- 10.6 Amendment, dated February 10, 1984, to the Agreement dated February 28, 1983, between the Registrant and Roberto C. Goizueta -- incorporated herein by reference to Exhibit 10.6 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1994.\*
- 10.7 1983 Stock Option Plan of the Registrant, as amended -- incorporated herein by reference to Exhibit 10.8 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1991.\*
- 10.8.1 1987 Stock Option Plan of the Registrant, as amended through October 17, 1996.\*
- 10.8.2 Resolutions, dated October 17, 1996, adopted by the Compensation Committee of the Board of Directors of the Registrant.\*
- 10.8.3 Resolutions, dated October 17, 1996, adopted by the Stock Option Subcommittee of the Compensation Committee of the Board of Directors of the Registrant.\*
- 10.9.1 1991 Stock Option Plan of the Registrant, as amended through October 17, 1996.\*
- 10.9.2 Resolutions, dated October 17, 1996, adopted by the Compensation Committee of the Board of Directors of the Registrant.\*
- 10.9.3 Resolutions, dated October 17, 1996, adopted by the Stock Option Subcommittee of the Compensation Committee of the Board of Directors of the Registrant.\*
- 10.10 1983 Restricted Stock Award Plan of the Registrant, as amended -- incorporated herein by reference to Exhibit 10.11 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1991.\*
- 10.11.1 1989 Restricted Stock Award Plan of the Registrant, as amended through October 17, 1996.\*
- 10.11.2 Resolutions, dated October 17, 1996, adopted by the Restricted Stock Subcommittee of the Compensation Committee of the Board of Directors of the Registrant.\*
- 10.12 Performance Unit Agreement, dated December 19, 1985, between the Registrant and Roberto C. Goizueta, as amended -- incorporated herein by reference to Exhibit 10.12 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1995.\*
- 10.13 Compensation Deferral & Investment Program, as amended, including Amendment Number Four dated November 28, 1995 -- incorporated herein by reference to Exhibit 10.13 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1995.\*
- 10.14 Restricted Stock Agreement, dated August 4, 1982, between the Registrant and Roberto C. Goizueta, as amended -- incorporated herein by reference to Exhibit 10.14 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1995.\*
- 10.15 Incentive Unit Agreement, dated November 29, 1988, between the Registrant and Roberto C. Goizueta, as amended -- incorporated herein by reference to Exhibit 10.15 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1995.\*
- 10.16 Special Medical Insurance Plan of the Registrant, as amended -- incorporated herein by reference to Exhibit 10.16 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1995.\*
- 10.17.1 Supplemental Benefit Plan of the Registrant, as amended --

- incorporated herein by reference to Exhibit 10.17 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1993.\*

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EXHIBIT NO.

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- 10.17.2 Amendment Number Five to the Supplemental Benefit Plan of the Registrant.\*
- 10.18 Retirement Plan for the Board of Directors of Registrant, as amended -- incorporated herein by reference to Exhibit 10.22 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1991.\*
- 10.19 Deferral Plan for the Board of Directors of Registrant -- incorporated herein by reference to Exhibit 10.23 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1992.\*
- 10.20 Deferred Compensation Agreement for Officers or Key Executives of the Registrant -- incorporated herein by reference to Exhibit 10.20 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1993.\*
- 10.21 Long Term Performance Incentive Plan of the Registrant, as amended February 16, 1994 -- incorporated herein by reference to Exhibit 10.21 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1993.\*
- 10.22 Executive Performance Incentive Plan, as amended -- incorporated herein by reference to Exhibit 10.22 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1994.\*
- 10.23 Letter Agreement, dated May 3, 1994, between the Registrant and Sergio S. Zyman -- incorporated herein by reference to Exhibit 10 of the Registrant's Form 10-Q Quarterly Report for the quarter ended March 31, 1994.\*
- 10.24 Form of United States Master Bottle Contract, as amended, between the Company and Coca-Cola Enterprises Inc. ("Coca-Cola Enterprises") or its subsidiaries -- incorporated herein by reference to Exhibit 10.24 of Coca-Cola Enterprises' Annual Report on Form 10-K for the fiscal year ended December 30, 1988 (File No. 01-09300).
- 10.25 Letter Agreement dated March 15, 1989, between the Registrant and Coca-Cola Enterprises regarding the United States Master Bottle Contracts, as amended by letter agreement dated December 18, 1991 -- incorporated herein by reference to Exhibit 10.23 of Coca-Cola Enterprises' Annual Report on Form 10-K for the fiscal year ended December 31, 1991 (File No. 01-09300).
- 12.1 Computation of Ratios of Earnings to Fixed Charges for the years ended December 31, 1996, 1995, 1994, 1993 and 1992.
- 13.1 Portions of the Registrant's 1996 Annual Report to Share Owners expressly incorporated by reference herein: Pages 39-67, 69, 72 and 73 (definitions of "Dividend Payout Ratio," "Economic Profit," "Free Cash Flow," "Net Debt and Net Capital," "Return on Capital," "Return on Common Equity," "Total Capital" and "Total Market Value of Common Stock").
- 21.1 List of subsidiaries of the Registrant as of December 31, 1996.
- 23.1 Consent of Independent Auditors.
- 24.1 Powers of Attorney of Officers and Directors signing this report.
- 27.1 Financial Data Schedule for the year ended December 31, 1996, submitted to the Securities and Exchange Commission in electronic format.
- 99.1 Cautionary Statement Relative to Forward-Looking Statements.

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\* Management contracts and compensatory plans and arrangements

required to be filed as exhibits to this form pursuant to Item 14(c) of this report.

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- (b) Reports on Form 8-K.  
The Registrant did not file any reports on Form 8-K during the last quarter of the period covered by this report.
- (c) Exhibits -- The response to this portion of Item 14 is submitted as a separate section of this report.
- (d) Financial Statement Schedule -- The response to this portion of Item 14 is submitted as a separate section of this report.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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)

By: /s/ ROBERTO C. GOIZUETA  
-----  
Roberto C. Goizueta  
Chairman, Board of Directors,  
Chief Executive Officer  
and a Director

Date: March 11, 1997

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ ROBERTO C. GOIZUETA  
-----  
Roberto C. Goizueta  
Chairman, Board of Directors,  
Chief Executive Officer and  
a Director  
(Principal Executive Officer)

March 11, 1997

/s/ JAMES E. CHESTNUT  
-----  
James E. Chestnut  
Senior Vice President and Chief  
Financial Officer  
(Principal Financial Officer)

March 11, 1997

/s/ GARY P. FAYARD  
-----  
Gary P. Fayard  
Vice President and Controller  
(Principal Accounting Officer)

March 11, 1997

\*  
-----  
Herbert A. Allen  
Director

March 11, 1997

\*  
-----  
Ronald W. Allen  
Director

\*  
-----  
Cathleen P. Black  
Director

March 11, 1997

\*  
-----  
Warren E. Buffett  
Director

March 11, 1997

\*  
-----  
Charles W. Duncan, Jr.  
Director

March 11, 1997

\*  
-----  
M. Douglas Ivester  
Director

March 11, 1997

\*  
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Susan B. King  
Director

March 11, 1997

March 11, 1997

20

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Donald F. McHenry  
Director

\*

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James D. Robinson III  
Director

March 11, 1997

March 11, 1997

\*

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Sam Nunn  
Director

\*

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Peter V. Ueberroth  
Director

March 11, 1997

March 11, 1997

\*

-----

Paul F. Oreffice  
Director

\*

-----

James B. Williams  
Director

March 11, 1997

March 11, 1997

\* By: /s/ CAROL C. HAYES  
Carol C. Hayes  
Attorney-in-fact

March 11, 1997

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ANNUAL REPORT ON FORM 10-K

ITEM 14 (d)

FINANCIAL STATEMENT SCHEDULE  
YEAR ENDED DECEMBER 31, 1996  
THE COCA-COLA COMPANY AND SUBSIDIARIES

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS

THE COCA-COLA COMPANY AND SUBSIDIARIES  
Year ended December 31, 1996  
(in millions)

<TABLE>  
<CAPTION>

| COL. A  | COL. B                               | COL. C                                     | COL. D                                 | COL. E                 |                                |
|---|--------------------------------------|--|--|------------------------|--------------------------------|
|   |                                      | Additions                                  |  |                        |                                |
| Description   | Balance at<br>Beginning of<br>Period | (1)<br>Charged to<br>Costs and<br>Expenses | (2)<br>Charged<br>to Other<br>Accounts | Deductions<br>(Note 1) | Balance<br>at End<br>of Period |
| -----   | -----                                | -----                                      | -----                                  | -----                  | -----                          |
| <S>   | <C>                                  | <C>  | <C>                                    | <C>                    | <C>                            |
| RESERVES DEDUCTED IN THE<br>BALANCE SHEET FROM THE<br>ASSETS TO WHICH THEY<br>APPLY |                                      |  |  |                        |                                |
| Allowance for losses on:  |                                      |  |  |                        |                                |
| Trade accounts receivable..   | \$ 34                                | \$ 9                                       | \$ -                                   | \$ 13                  | \$ 30                          |
| Miscellaneous investments<br>and other assets.....                                  | 55                                   | 287  | -                                      | 3                      | 339                            |
| Deferred tax assets.....  | 42                                   | -  | -                                      | 24                     | 18                             |
|   | ----                                 | ----                                       | ----                                   | ----                   | ----                           |
|   | \$ 131                               | \$ 296                                     | \$ -                                   | \$ 40                  | \$ 387                         |
|   | ====                                 | ====                                       | ===                                    | ===                    | ====                           |

</TABLE>

Note 1 - The amounts shown in Column D consist of the following:

<TABLE>  
<CAPTION>

|   | Trade<br>Accounts<br>Receivable | Miscellaneous<br>Investments<br>and Other Assets | Deferred<br>Tax<br>Assets | Total |
|---|---------------------------------|--|---------------------------|-------|
| <S>                                     | <C>                             | <C>  | <C>                       | <C>   |
| Charge off of uncollectible accounts... | \$ 6                            | \$ -   | \$ -                      | \$ 6  |
| Foreign exchange adjustments.....       | 1                               | -  | -                         | 1     |
| Other transactions.....                 | 6                               | 3  | 24                        | 33    |
|   | ---                             | ---  | ---                       | ---   |
|   | \$ 13                           | \$ 3   | \$ 24                     | \$ 40 |
|   | ===                             | ===  | ===                       | ===   |

</TABLE>

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SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS

THE COCA-COLA COMPANY AND SUBSIDIARIES  
Year ended December 31, 1995  
(in millions)

<TABLE>  
<CAPTION>

| COL. A  | COL. B                               | COL. C                                     | COL. D                                 | COL. E                 |                                |
|---|--------------------------------------|--|--|------------------------|--------------------------------|
| Additions   |                                      |  |  |                        |                                |
| Description   | Balance at<br>Beginning of<br>Period | (1)<br>Charged to<br>Costs and<br>Expenses | (2)<br>Charged<br>to Other<br>Accounts | Deductions<br>(Note 1) | Balance<br>at End<br>of Period |
| <S>   | <C>                                  | <C>  | <C>                                    | <C>                    | <C>                            |
| RESERVES DEDUCTED IN THE<br>BALANCE SHEET FROM THE<br>ASSETS TO WHICH THEY<br>APPLY |                                      |  |  |                        |                                |
| Allowance for losses on:  |                                      |  |  |                        |                                |
| Trade accounts receivable..   | \$ 33                                | \$ 15                                      | \$ -                                   | \$ 14                  | \$ 34                          |
| Miscellaneous investments and<br>other assets.....                                  | 79                                   | 5  | -                                      | 29                     | 55                             |
| Deferred tax assets.....  | 46                                   | 15   | -                                      | 19                     | 42                             |
|   | ---                                  | ---  | ---                                    | ---                    | ---                            |
|   | \$ 158                               | \$ 35                                      | \$ -                                   | \$ 62                  | \$ 131                         |
|   | =====                                | ===  | ===                                    | ===                    | =====                          |

</TABLE>

Note 1 - The amounts shown in Column D consist of the following:

<TABLE>  
<CAPTION>

|   | Trade<br>Accounts<br>Receivable | Miscellaneous<br>Investments<br>and Other Assets | Deferred<br>Tax<br>Assets | Total |
|---|---------------------------------|--|---------------------------|-------|
| <S>                                     | <C>                             | <C>  | <C>                       | <C>   |
| Charge off of uncollectible accounts... | \$ 13                           | \$ 6   | \$ -                      | \$ 19 |
| Foreign exchange adjustments.....       | (1)                             | -  | -                         | (1)   |
| Other transactions.....                 | 2                               | 23   | 19                        | 44    |
|   | ---                             | ---  | ---                       | ---   |
|   | \$ 14                           | \$ 29  | \$ 19                     | \$ 62 |
|   | =====                           | ===  | ===                       | ===== |

</TABLE>

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SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS

THE COCA-COLA COMPANY AND SUBSIDIARIES  
Year ended December 31, 1994  
(in millions)

<TABLE>  
<CAPTION>

| COL. A | COL. B | COL. C | COL. D | COL. E |
|--------|--------|--------|--------|--------|
|--------|--------|--------|--------|--------|

| Description   | Additions                            |  |  | Deductions<br>(Note 1) | Balance<br>at End<br>of Period |
|---|--------------------------------------|--|--|------------------------|--------------------------------|
|   | Balance at<br>Beginning of<br>Period | (1)<br>Charged to<br>Costs and<br>Expenses | (2)<br>Charged<br>to Other<br>Accounts |                        |                                |
| <S>   | <C>                                  | <C>  | <C>                                    | <C>                    | <C>                            |
| RESERVES DEDUCTED IN THE<br>BALANCE SHEET FROM THE<br>ASSETS TO WHICH THEY<br>APPLY |                                      |  |  |                        |                                |
| Allowance for losses on:  |                                      |  |  |                        |                                |
| Trade accounts receivable..   | \$ 39                                | \$ 12                                      | \$ -                                   | \$ 18                  | \$ 33                          |
| Miscellaneous investments and<br>other assets.....                                  | 71                                   | 27   | -                                      | 19                     | 79                             |
| Deferred tax assets.....  | 75                                   | -  | -                                      | 29                     | 46                             |
|   | ----                                 | ----                                       | ----                                   | ----                   | ----                           |
|   | \$ 185                               | \$ 39                                      | \$ -                                   | \$ 66                  | \$ 158                         |
|   | =====                                | =====                                      | =====                                  | =====                  | =====                          |

</TABLE>

Note 1 - The amounts shown in Column D consist of the following:

|  | Trade<br>Accounts<br>Receivable | Miscellaneous<br>Investments<br>and Other Assets | Deferred<br>Tax<br>Assets | Total |
|--|---------------------------------|--|---------------------------|-------|
| <S>                                    | <C>                             | <C>  | <C>                       | <C>   |
| Charge off of uncollectible accounts.. | \$ 15                           | \$ -   | \$ -                      | \$ 15 |
| Foreign exchange adjustments.....      | (1)                             | -  | -                         | (1)   |
| Other transactions.....                | 4                               | 19   | 29                        | 52    |
|  | ----                            | ----   | ----                      | ----  |
|  | \$ 18                           | \$ 19  | \$ 29                     | \$ 66 |
|  | =====                           | =====  | =====                     | ===== |

</TABLE>

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EXHIBIT INDEX

DESCRIPTION

EXHIBIT NO.

- 
- 3.1 Certificate of Incorporation of the Registrant, including Amendment of Certificate of Incorporation, effective May 1, 1996 -- incorporated herein by reference to Exhibit 3 of the Registrant's Form 10-Q Quarterly Report for the quarter ended March 31, 1996. (With regard to applicable cross references in this report, the Company's Current, Quarterly and Annual Reports are filed with the Securities and Exchange Commission under File No. 1-2217.)
  - 3.2 By-Laws of the Registrant, as amended and restated through October 17, 1996 -- incorporated herein by reference to Exhibit 3 of the Registrant's Form 10-Q Quarterly Report for the quarter ended September 30, 1996.
  - 4.1 The Registrant agrees to furnish to the Securities and Exchange Commission, upon request, a copy of any instrument defining the rights of holders of long-term debt of the Registrant and all of its consolidated subsidiaries and unconsolidated subsidiaries for which financial statements are required to be filed with the Securities and Exchange Commission.
  - 10.1 Long Term Performance Incentive Plan of the Registrant, as amended November 23, 1988 -- incorporated herein by reference to Exhibit 10.1 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1995.\*
  - 10.2 The Key Executive Retirement Plan of the Registrant, as amended -- incorporated herein by reference to Exhibit 10.2 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1995.\*
  - 10.3 Supplemental Disability Plan of the Registrant, as amended -- incorporated herein by reference to Exhibit 10.3 of the Registrant's Form 10-K Annual Report for

the year ended December 31, 1991.\*

- 10.4 Annual Performance Incentive Plan of the Registrant, as amended -- incorporated herein by reference to Exhibit 10.4 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1995.\*
- 10.5 Agreement, dated February 28, 1983, between the Registrant and Roberto C. Goizueta -- incorporated herein by reference to Exhibit 10.5 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1994.\*
- 10.6 Amendment, dated February 10, 1984, to the Agreement dated February 28, 1983, between the Registrant and Roberto C. Goizueta -- incorporated herein by reference to Exhibit 10.6 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1994.\*

EXHIBIT NO.

- -----

- 10.7 1983 Stock Option Plan of the Registrant, as amended -- incorporated herein by reference to Exhibit 10.8 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1991.\*
- 10.8.1 1987 Stock Option Plan of the Registrant, as amended through October 17, 1996.\*
- 10.8.2 Resolutions, dated October 17, 1996, adopted by the Compensation Committee of the Board of Directors of the Registrant.\*
- 10.8.3 Resolutions, dated October 17, 1996, adopted by the Stock Option Subcommittee of the Compensation Committee of the Board of Directors of the Registrant.\*
- 10.9.1 1991 Stock Option Plan of the Registrant, as amended through October 17, 1996.\*
- 10.9.2 Resolutions, dated October 17, 1996, adopted by the Compensation Committee of the Board of Directors of the Registrant.\*
- 10.9.3 Resolutions, dated October 17, 1996, adopted by the Stock Option Subcommittee of the Compensation Committee of the Board of Directors of the Registrant.\*
- 10.10 1983 Restricted Stock Award Plan of the Registrant, as amended -- incorporated herein by reference to Exhibit 10.11 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1991.\*
- 10.11.1 1989 Restricted Stock Award Plan of the Registrant, as amended through October 17, 1996.\*
- 10.11.2 Resolutions, dated October 17, 1996, adopted by the Restricted Stock Subcommittee of the Compensation Committee of the Board of Directors of the Registrant.\*
- 10.12 Performance Unit Agreement, dated December 19, 1985, between the Registrant and Roberto C. Goizueta, as amended -- incorporated herein by reference to Exhibit 10.12 of the Registrant's Form 10-K Annual Report for
- 10.13 Compensation Deferral & Investment Program, as amended, including Amendment Number Four dated November 28, 1995 -- incorporated herein by reference to Exhibit 10.13 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1995.\*
- 10.14 Restricted Stock Agreement, dated August 4, 1982, between the Registrant and Roberto C. Goizueta, as amended -- incorporated herein by reference to Exhibit 10.14 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1995.\*

EXHIBIT NO.

- -----

- 10.15 Incentive Unit Agreement, dated November 29, 1988, between the Registrant and Roberto C. Goizueta, as amended -- incorporated herein by reference to Exhibit 10.15 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1995.\*
- 10.16 Special Medical Insurance Plan of the Registrant, as amended -- incorporated herein by reference to Exhibit 10.16 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1995.\*
- 10.17.1 Supplemental Benefit Plan of the Registrant, as amended -- incorporated herein by reference to Exhibit 10.17 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1993.\*
- 10.17.2 Amendment Number Five to the Supplemental Benefit Plan of the Registrant.\*
- 10.18 Retirement Plan for the Board of Directors of Registrant, as amended -- incorporated herein by reference to Exhibit 10.22 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1991.\*
- 10.19 Deferral Plan for the Board of Directors of Registrant -- incorporated herein by reference to Exhibit 10.23 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1992.\*
- 10.20 Deferred Compensation Agreement for Officers or Key Executives of the Registrant -- incorporated herein by reference to Exhibit 10.20 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1993.\*
- 10.21 Long Term Performance Incentive Plan of the Registrant, as amended February 16, 1994 -- incorporated herein by reference to Exhibit 10.21 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1993.\*
- 10.22 Executive Performance Incentive Plan, as amended -- incorporated herein by reference to Exhibit 10.22 of the Registrant's Form 10-K Annual Report for the year ended December 31, 1994.\*
- 10.23 Letter Agreement, dated May 3, 1994, between the Registrant and Sergio S. Zyman -- incorporated herein by reference to Exhibit 10 of the Registrant's Form 10-Q Quarterly Report for the quarter ended March 31, 1994.\*
- 10.24 Form of United States Master Bottle Contract, as amended, between the Company and Coca-Cola Enterprises Inc. ("Coca-Cola Enterprises") or its subsidiaries -- incorporated herein by reference to Exhibit 10.24 of Coca-Cola Enterprises' Annual Report on Form 10-K for the fiscal year ended December 30, 1988 (File No. 01-09300).

EXHIBIT NO.

- - - - -

- 10.25 Letter Agreement dated March 15, 1989, between the Registrant and Coca-Cola Enterprises regarding the United States Master Bottle Contracts, as amended by letter agreement dated December 18, 1991 -- incorporated herein by reference to Exhibit 10.23 of Coca-Cola Enterprises' Annual Report on Form 10-K for the fiscal year ended December 31, 1991 (File No. 01-09300).
- 12.1 Computation of Ratios of Earnings to Fixed Charges for the years ended December 31, 1996, 1995, 1994, 1993 and 1992.
- 13.1 Portions of the Registrant's 1996 Annual Report to Share Owners expressly incorporated by reference herein: Pages 39-67, 69, 72 and 73 (definitions of "Dividend Payout Ratio," "Economic Profit," "Free Cash Flow," "Net Debt and Net Capital," "Return on Capital," "Return on Common Equity," "Total Capital" and "Total Market Value of Common Stock").



- 21.1 List of subsidiaries of the Registrant as of December 31, 1996.
- 23.1 Consent of Independent Auditors.
- 24.1 Powers of Attorney of Officers and Directors signing this report.
- 27.1 Financial Data Schedule for the year ended December 31, 1996, submitted to the Securities and Exchange Commission in electronic format.
- 99.1 Cautionary Statement Relative to Forward-Looking Statements.

- -----  
\* Management contracts and compensatory plans and arrangements required to be filed as exhibits to this form pursuant to Item 14(c) of this report.

THE COCA-COLA COMPANY  
1987 STOCK OPTION PLAN  
as amended through October 17, 1996

## SECTION 1. PURPOSE

The purpose of the 1987 Stock Option Plan of The Coca-Cola Company (the "Plan") is to advance the interest of The Coca-Cola Company (the "Company") and its Affiliates (as defined in Section 4 hereof) by encouraging and enabling the acquisition of a financial interest in the Company by officers and other key employees. In addition, the Plan is intended to aid the Company and its Affiliates in attracting and retaining key employees, to stimulate the efforts of such employees and to strengthen their desire to remain in the employ of the Company and its Affiliates.

The Company may grant stock options which constitute "incentive stock options" ("ISOs") within the meaning of Section 422A of the Internal Revenue Code of 1954, as amended (the "Code"), or stock options which do not constitute ISOs ("NSOs") (ISOs and NSOs being hereinafter collectively referred to as "Options"). The Company may also grant cash amounts ("Cash Awards") in connection with certain NSOs and may grant certain officers of the Company stock appreciation rights ("Rights") for use in connection with Options or with other stock options granted by the Company.

## SECTION 2. ADMINISTRATION

The Plan shall be administered by a committee (the "Committee") appointed by the Board of Directors of the Company (the "Board") or in accordance with Section 7, Article III of the By-Laws of the Company (as amended through October 17, 1996) from among its members. Unless and until its members are not qualified to serve on the Committee pursuant to the provisions of the Plan, the Compensation Committee of the Board shall function as the Committee. Eligibility requirements for members of the Committee shall comply with Rule 16b-3 promulgated pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or any successor rule or regulation. No person, other than members of the Committee, shall have any discretion concerning decisions regarding the Plan. Members of the Committee shall be members of the Board who are not eligible to participate under the Plan and who have not been eligible to participate in the Plan for at least one (1) year prior to the time at which they become members of the Committee. The Committee shall determine the key employees of the Company and its Affiliates (including officers, whether or not they are directors) to whom, and the time or times at which, Options, Cash Awards and Rights will be granted, the number of shares to be subject to each Option, the duration of each Option or Right, the time or times within which the Option or Right may be exercised, the cancellation of the Option, Cash Award or Right (with the consent of the holder thereof) and the other conditions of the grant of the Option, Cash Award or Right. The provisions and conditions of the grants of Options, Cash Awards and Rights need not be the same with respect to each optionee or with respect to each Option, each Cash Award or each Right.

The Committee may, subject to the provisions of the Plan, establish such rules and regulations as it deems necessary or advisable for the proper administration of the Plan, and may make determinations and may take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or other action made or taken pursuant to the Plan, including interpretation of the Plan and the specific conditions and provisions of the Options, Cash Awards and Rights granted hereunder by the Committee shall be final and conclusive for all purposes and upon all persons including, but without limitation, the Company, its Affiliates, the Committee, the Board, officers and the affected employees of the Company and/or its Affiliates and their respective successors in interest.

### SECTION 3. STOCK

The stock to be issued, transferred and/or sold under the Plan shall be shares of Common Stock, \$.25 par value, of the Company (the "Stock"). The Stock shall be made available from authorized and unissued Common Stock of the Company or from the Company's treasury shares. Pursuant to Section 13 of the Plan, no additional Options or Rights may be granted under the Plan after April 15, 1992. The number of shares subject to existing Options or Rights granted prior to such date are subject to adjustment in accordance with Section 12 hereof. Stock subject to any unexercised portion of an Option or Right which expires or is cancelled, surrendered or terminated for any reason may again be subject to Options and/or Rights granted under the Plan. Upon surrender of an Option or a stock option granted under any other plan heretofore or hereafter adopted by the Company and the exercise of a Right, the number of shares of Stock subject to the surrendered Option or stock option shall be charged against the maximum number of shares of Stock issuable or transferable under the Plan or the stock option plan pursuant to which the surrendered Option or stock option was granted, and such number of shares of Stock shall not be issuable or transferable under such Plan or plan in the future. The surrender of any stock option issued other than pursuant to a stock option plan pursuant to the exercise of a Right shall not result in a charge against the maximum number of shares issuable or transferable under the Plan or any other stock option plan.

### SECTION 4. ELIGIBILITY

Options, Cash Awards and Rights may be granted to employees of the Company and its Affiliates. The term "Affiliates" shall mean any corporation or other business organization in which the Company owns, directly or indirectly, 25 percent or more of the voting stock or capital at the time of the granting of such Option or Right; provided, however, that no ISO may be granted to any employee of an Affiliate which is not a corporation or to any employee of an Affiliate which is not at least 50 percent owned, directly or indirectly, by the Company. No employee shall be granted the right to acquire pursuant to Options granted under the Plan more than 5 percent of the aggregate number of shares of Stock issuable under the Plan.

### SECTION 5. AWARDS OF OPTIONS

Except as otherwise specifically provided herein, Options granted pursuant to the Plan shall be subject to the following terms and conditions:

(a) OPTION PRICE. The option price shall be 100 percent of the fair market value of the Stock on the date of grant. The fair market value of a share of Stock shall be the average of the high and low market prices at which a share of Stock shall have been sold on the date of grant, or on the next preceding trading day if such date was not a trading date, as reported on the New York Stock Exchange Composite Transactions listing.

(b) PAYMENT. The option price shall be paid in full at the time of exercise. No shares shall be issued or transferred until full payment has been received therefor. Payment may be in cash or, with the prior approval of and upon conditions established by the Committee, by delivery of shares of Stock owned by the optionee. Cash payment for the shares purchased under and NSO may be offset by the amount of any Cash Award approved by the Committee. If payment is made by the delivery of shares of Stock, the value of the shares delivered shall be computed on the basis of the average of the high and low market prices at which a share of Stock shall have been sold on the date the optionee elects to deliver shares of Stock upon exercise of an Option, or on the next preceding trading day if such date was not a trading day, as reported on the New York Stock Exchange Composite Transactions listing.

(c) DURATION OF OPTIONS. The duration of Options shall be determined by the Committee, but in no event shall the duration of an Option exceed ten (10) years from the date of its grant.

(d) OTHER TERMS AND CONDITIONS. Options may contain such other provisions, not inconsistent with the provisions of the Plan, as the Committee shall determine appropriate from time to time; provided, however, that, except in the event of a "Change in Control", death or disability of the optionee or "Retirement", as defined in Section 10, no Option shall be exercisable in whole or in part for a period of twelve (12) months from the date on which the Option is granted, and subject to the provisions of Section 10 hereof, thereafter the ratio of the number of shares for which any such Option is exercisable through any given date may not exceed the ratio of the number of months (a fraction thereof counting as a full month) between the date on which the Option is granted and such given date to a period of thirty-six (36) months (or such lesser period as determined by the Committee in its discretion). The grant of an Option and/or Right to any employee shall not affect in any way the right of the Company and any Affiliate to terminate the employment of the holder thereof.

(e) ISOS. The Committee, with respect to each grant of an Option to an optionee, shall determine whether such Option shall be an ISO, and, upon determining that an Option shall be an ISO, shall designate it as such in the written instrument evidencing such Option. If the written instrument evidencing an Option does not contain a designation that it is an ISO, it shall not be an ISO.

The aggregate fair market value (determined in each instance on the date on which an ISO is granted) of the Stock with respect to which ISOs are first exercisable by any optionee in any calendar year shall not exceed \$100,000 for such optionee. If any subsidiary or Affiliate of the Company shall adopt a stock option plan under which options constituting incentive stock options (as defined in Section 422A(b) of the Code) may be granted, the fair market value of the Stock on which any such incentive stock options are granted and the times at which such incentive stock options will first become exercisable shall be taken into account in determining the maximum amount of ISOs which may be granted to the optionee in any calendar year.

#### SECTION 6. AWARDS OF RIGHTS

The Committee may, at any time and in its discretion, grant to any officer of the Company who is awarded or who holds an outstanding Option or any other outstanding stock option granted by the Company the right to surrender such Option (to the extent any Option or such other stock option is otherwise exercisable) and to receive from the Company an amount equal to the excess, if any, of the fair market value of the Stock with respect to which such Option is surrendered on the date of such surrender over the option price of the Option or other stock option surrendered. No ISO may be surrendered in connection with the exercise of a Right unless the fair market value of the Stock subject to the ISO is greater than the option price for such Stock. Payment by the Company of the amount receivable upon any exercise of a Right may be made by the delivery of Stock or cash or any combination of Stock and cash, as determined in the sole discretion of the Committee from time to time. No fractional shares shall be used. The Committee may provide for the elimination of fractional shares of Stock without adjustment or for the payment of the value of such fractional shares in cash. Shares of Stock of the Company delivered to the optionee upon the exercise of a Right and the surrender of the Option or stock option shall be valued at the fair market value of a share of Stock on the date the right is exercised and the Option or stock option is surrendered. The Committee may limit the period or periods during which the Rights may be exercised and may provide such other terms and conditions (which need not be the same with respect to each optionee) under which a Right may be granted and/or exercised. A Right may be exercised only as long as the related Option or stock option is exercisable; provided, however, that no Right may be exercised and cash paid in partial or complete satisfaction thereof during the first six (6) months exercised following the date of grant of the Right and related Option. In no event may a Right be exercised more than ten (10) years after the date of the grant of the Right and the related Option or stock option. The fair market value of a share of Stock shall be the average of the high and low market prices at which a share of Stock shall have been sold on the date the Option or the

stock option is surrendered or on the next preceding trading day, if such date is not a trading day, as reported on the New York Stock Exchange Composite Transactions listing.

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#### SECTION 7. CASH AWARDS

The Committee may, at any time and in its discretion, grant to any employee who is granted an NSO the right to receive, at such times and in such amounts as determined by the Committee in its discretion, a cash amount ("Cash Award") which is intended to reimburse the employee for all or a portion of the Federal, state and local income taxes imposed upon such employee as a consequence of the exercise of an NSO and the receipt of a Cash Award.

#### SECTION 8. REPLACEMENT AND EXTENSION OF THE TERMS OF OPTIONS, CASH AWARDS AND RELATED RIGHTS

The Committee from time to time may permit an optionee under Plan or any other stock option plan heretofore or hereafter adopted by the Company to surrender for cancellation any unexercised outstanding stock option and related Right and receive from the Company in exchange an Option for such number of shares of Stock as may be designated by the Committee. Such optionees also may be granted related Rights or Cash Awards as provided in Sections 6 and 7. In addition, the Committee may extend the duration of any NSO and/or Right for a period not to exceed one (1) year, subject to the provisions of paragraph 5(c), without changing the option price and on such other terms and conditions as the Committee may deem advisable.

#### SECTION 9. NONTRANSFERABILITY OF OPTION AND RIGHT

No Option or Right granted pursuant to the Plan shall be transferable otherwise than by will or by the laws of descent and distribution. During the lifetime of an optionee, the Option and Right shall be exercisable only by the optionee personally or by the optionee's legal representative.

#### SECTION 10. EFFECT OF TERMINATION OF EMPLOYMENT, DEATH, RETIREMENT OR A CHANGE IN CONTROL

(a) If an optionee's employment with the Company and/or its Affiliates shall be terminated for any reason, except death, disability or Retirement, as hereinafter defined, to the extent the Option was exercisable by the optionee at the date of such termination of employment, the optionee shall be entitled to exercise the Option for the period of six (6) months from the date of such termination of employment unless the Option, by its terms, expires prior thereto, except as provided in paragraph (b) of this Section 10.

(b) If an optionee shall die or become disabled while an employee of the Company or any Affiliate or within six (6) months from the date of termination of employment with the Company or any Affiliate but prior to the expiration of the Option, the executor or administrator of the optionee's estate or a transferee of the Option pursuant to Section 9 or the disabled employee shall have the right to exercise the Option, and the right to exercise the Option shall terminate upon the earliest of (i) the expiration of twelve (12) months from the date of such termination of employment, (ii) the expiration of twelve (12) months from the date of the optionee's death or disability, or (iii) as otherwise provided by the terms of the Option. As used in the Plan, the term "disabled" shall have the meaning set forth in the Company's Long Term Disability Income Plan.

(c) If an optionee's employment with the Company and/or its Affiliates shall be terminated by reason of death, disability or Retirement, all Options held by the optionee shall become exercisable. Death or disability of the optionee occurring after termination of employment with the Company and/or its Affiliates shall not cause any Options to become exercisable. The optionee shall be entitled to exercise exercisable Option or Options for the period of six (6) months from the date of Retirement or, in the case of such death or disability, in accordance with the terms of Section 10(b) hereof, unless any such Option, by its terms, expires prior thereto. "Retirement", as used herein, shall mean an employee's termination of employment on a date which

is on or after the earliest date on which such employee would be eligible for an immediately payable benefit pursuant to (i) for those employees eligible for participation in the Company's Supplemental Retirement Plan, the terms of that Plan and (ii) for all other employees, the

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terms of the Employees Retirement Plan (the "ERP") assuming such employee were eligible to participate in the ERP.

(d) All Options held by an optionee shall become exercisable upon the occurrence of a Change in Control. A "Change in Control" shall mean a change in control of a nature that would be required to be reported in response to item 6(e) of Schedule 14A of Regulation 14A promulgated under the Exchange Act as in effect on November 15, 1988, provided that such a change in control shall be deemed to have occurred at such time as (i) any "person" (as that term is used in Sections 13(d) and 14(d)(2) of the Exchange Act), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) directly or indirectly, of securities representing 20% or more of the combined voting power for election of directors of the then outstanding securities of the Company or any successor of the Company; (ii) during any period of two consecutive years or less, individuals who at the beginning of such period constituted the Board of Directors of the Company cease, for any reason, to constitute at least a majority of the Board of Directors, unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period; (iii) the shareholders of the Company approve any merger or consolidation as a result of which the Stock shall be changed, converted or exchanged (other than a merger with a wholly-owned subsidiary of the Company) or any liquidation of the Company or any sale or other disposition of 50% or more of the assets or earning power of the Company; or (iv) the shareholders of the Company approve any merger or consolidation to which the Company is a party as a result of which the persons who were shareholders of the Company immediately prior to the effective date of the merger or consolidation shall have beneficial ownership of less than 50% of the combined voting power for election of directors of the surviving corporation following the effective date of such merger or consolidation; provided, however, that no Change in Control shall be deemed to have occurred if, prior to such time as a Change in Control would otherwise be deemed to have occurred, the Board of Directors determines otherwise.

(e) Whether military or other government eleemosynary service or other leave of absence will constitute termination of employment shall be determined in each case by the Committee in its sole discretion.

#### SECTION 11. RIGHTS AS A SHAREHOLDER

An optionee or a transferee of an optionee pursuant to Section 9 shall have no right as a stockholder with respect to any Stock covered by an Option or receivable upon the exercise of an Option or Right until the optionee or transferee shall have become the holder of record of such Stock, and no adjustments shall be made for dividends in cash or other property or other distributions or rights in respect to such Stock for which the record date is prior to the date on which the optionee or transferee shall have in fact become the holder of record of the share of Stock acquired pursuant to the Option or Right.

#### SECTION 12. ADJUSTMENT IN THE NUMBER OF SHARES AND IN OPTION PRICE

In the event there is any change in the shares of Stock through the declaration of stock dividends, or stock splits or through recapitalization or merger or consolidation or combination of shares or otherwise, the Committee or the Board shall make such adjustment, if any, as it may deem appropriate in the number of shares of Stock available for Options and Rights as well as the number of shares of Stock subject to any outstanding Option or Right and the option price thereof. Any such adjustment may provide for the elimination of any fractional shares which might otherwise become subject to any Option or Right without payment therefor.

SECTION 13. AMENDMENTS, MODIFICATIONS AND TERMINATION OF THE PLAN

The Board or the Committee may terminate the Plan, in whole or in part, may suspend the Plan, in whole or in part, from time to time and may amend the Plan from time to time, including the adoption of amendments deemed necessary or desirable to qualify the Options, Cash Awards and/or Rights under the laws of various countries (including tax laws) and under rules and regulations promulgated by the Securities and Exchange Commission with respect to employees who are subject to the provisions of

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Section 16 of the Exchange Act, or to correct any defect or supply an omission or reconcile any inconsistency in the Plan or in any Option or Right granted thereunder, without the approval of the stockholders of the Company; provided, however, that no action shall be taken without the approval of the stockholders of the Company to increase the number of shares of Stock on which Options and Rights may be granted, or change the manner of determining the option price or change the manner of determining the amount payable upon exercise of a Right, or increase the maximum duration of an Option, or change the class of employees eligible to participate, or withdraw administration from the Committee, or permit any person while a member of the Committee to be eligible to receive or hold an Option or Right granted under the Plan.

No amendment or termination or modification of the Plan shall in any manner affect any Option, Cash Award or Right theretofore granted without the consent of the optionee, except that the Committee may amend or modify the Plan in a manner that does affect Options, Cash Awards or Rights theretofore granted upon a finding by the Committee that such amendment or modification is in the best interest of holders of outstanding Options, Cash Awards or Rights affected thereby. The Plan shall terminate five (5) years after the date of approval of the Plan by stockholders of the Company unless earlier terminated by the Board or by the Committee.

SECTION 14. GOVERNING LAW

The Plan and all determinations made and actions taken pursuant thereto shall be governed by the laws of the State of Georgia and construed in accordance therewith.

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COMPENSATION COMMITTEE  
Atlanta, Georgia  
October 17, 1996

Resolutions amending conditions for the exercise of  
stock appreciation rights for cash under the Company's stock  
option plans

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WHEREAS, this Committee, as permitted by the 1991 Stock Option  
Plan, as amended to and through the date hereof (the "1991  
Plan"), may grant stock appreciation rights to certain key  
employees of the Company, and stock appreciation rights have been  
heretofore granted under the 1991 Plan and the 1987 Stock Option  
Plan of the Company, as amended to and through the date hereof  
(the "1987 Plan"); and

WHEREAS, the 1991 Plan and the 1987 Plan provide that this  
Committee must determine whether the settlements of stock  
appreciation rights are to be made for cash or for shares of  
stock of The Coca-Cola Company ("Stock") or for any combination  
of cash or Stock;

NOW, THEREFORE, BE IT RESOLVED, that all settlements of stock  
appreciation rights heretofore and hereafter granted shall be  
made solely in Stock with no adjustment for fractional shares  
unless this Committee has already provided or hereafter otherwise  
provides with respect to the specific stock appreciation rights;  
and

FURTHER RESOLVED, that the foregoing shall supersede all prior  
resolutions adopted by this Committee regarding the procedure for  
exercise of stock appreciation rights for cash under the 1991  
Plan and the 1987 Plan, which resolutions shall be of no force  
and effect from and after the date hereof; and

FURTHER RESOLVED, that the Secretary of this Committee may  
implement such procedures as she may deem necessary or convenient  
to carry out the intent of this action of this Committee.



STOCK OPTION SUBCOMMITTEE  
Atlanta, Georgia  
October 17, 1996

Resolutions approving payment upon exercise of stock options granted under the Stock Option Plans of The Coca-Cola Company in cash or by delivery of shares of Company stock owned by the optionee

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WHEREAS, this Committee, as permitted by the 1991 Stock Option Plan, as amended to and through the date hereof (the "1991 Plan"), may grant stock options to certain key employees of the Company, and options have been heretofore granted under the 1991 Plan and the 1987 Stock Option Plan of the Company, as amended to and through the date hereof (the "1987 Plan"); and

WHEREAS, the 1991 Plan and the 1987 Plan provide that this Committee may determine whether the exercises of such stock options shall be made in cash or by the delivery of shares of stock of The Coca-Cola Company owned by the optionee;

NOW, THEREFORE, BE IT RESOLVED, that until otherwise determined by this Committee under the 1987 Plan or the 1991 Plan, respectively, all exercises of stock options heretofore and hereafter granted from either the 1991 Plan or the 1987 Plan shall be made in cash or by delivery of shares of stock of The Coca-Cola Company ("Stock") owned by the optionee, the value of the shares delivered shall be computed on the basis of the average of the high and low market prices at which a share of Stock shall have been sold on the day the optionee elects to deliver shares of Stock upon exercise of an option, or the next preceding trading day if such date was not a trading day, as reported on the New York Stock Exchange Composite Transaction listing; and

FURTHER RESOLVED, that the Secretary of this Committee may implement such procedures as she may deem necessary or convenient to carry out the intent of this action of this Committee.

STOCK OPTION SUBCOMMITTEE  
Atlanta, Georgia  
October 17, 1996

Resolutions authorizing withholding for tax liabilities in connection with exercises of stock options and stock appreciation rights by delivery of or withholding of shares of common stock under the Stock Option Plans of the Company

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RESOLVED, that holders of nonstatutory options and/or stock appreciation rights for stock granted pursuant to the terms of the 1991 Stock Option Plan of the Company or the 1987 Stock Option Plan of the Company may elect to deliver already-owned shares of Company common stock or to have shares of Company common stock withheld from the shares which would have been delivered upon exercise of such option or stock appreciation right for stock in order to satisfy the Federal, state and local tax liabilities arising from the transaction, subject to the right of this Committee to rescind its advance approval and to disapprove any election;

FURTHER RESOLVED, that permission to so satisfy tax liabilities shall be subject to the following conditions: (i) optionees or holders of stock appreciation rights for stock electing to satisfy tax liabilities as described above must make an irrevocable election in writing to do so on or before the date as of which the amount of tax to be withheld is determined, and (ii) the election is subject to the right of this Committee to rescind approval as described above; and

FURTHER RESOLVED, that the Secretary of this Committee may implement such procedures as she may deem necessary or convenient to carry out the intent of this action of this Committee.



THE COCA-COLA COMPANY  
1991 STOCK OPTION PLAN  
as amended through October 17, 1996

SECTION 1. PURPOSE

The purpose of the 1991 Stock Option Plan of The Coca-Cola Company (the "Plan") is to advance the interest of The Coca-Cola Company (the "Company") and its Affiliates (as defined in Section 4 hereof) by encouraging and enabling the acquisition of a financial interest in the Company by officers and other key employees of the Company or its Affiliates. In addition, the Plan is intended to aid the Company and its Affiliates in attracting and retaining key employees, to stimulate the efforts of such employees and to strengthen their desire to remain in the employ of the Company and its Affiliates.

The Company may grant stock options which constitute "incentive stock options" ("ISOs") within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), or stock options which do not constitute ISOs ("NSOs") (ISOs and NSOs being hereinafter collectively referred to as "Options"). The Company may grant certain officers of the Company stock appreciation rights ("Rights") for use in connection with Options or with other stock options granted by the Company.

Section 2. ADMINISTRATION

The Plan shall be administered by a committee (the "Committee") appointed by the Board of Directors of the Company (the "Board") or in accordance with Section 7, Article III of the By-Laws of the Company (as amended through October 17, 1996) from among its members. Unless and until its members are not qualified to serve on the Committee pursuant to the provisions of the Plan, the Compensation Committee of the Board shall function as the Committee. Eligibility requirements for members of the Committee shall comply with Rule 16b-3 promulgated pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), or any successor rule or regulation. No person, other than members of the Committee, shall have any discretion concerning decisions regarding the Plan. The Committee shall determine the key employees of the Company and its Affiliates (including officers, whether or not they are directors) to whom, and the time or times at which, Options and Rights will be granted, the number of shares to be subject to each Option, the duration of each Option or Right, the time or times within which the Option or Right may be exercised, the cancellation of the Option or Right (with the consent of the holder thereof) and the other conditions of the grant of the Option or Right at grant or while outstanding pursuant to the terms of the Plan. The provisions and conditions of the Options and Rights need not be the same with respect to each optionee or with respect to each Option or each Right.

The Committee may, subject to the provisions of the Plan, establish such rules and regulations as it deems necessary or advisable for the proper administration of the Plan, and may make determinations and may take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or other action made or taken pursuant to the Plan, including interpretation of the Plan and the specific conditions and provisions of the Options and Rights granted hereunder by the Committee shall be final and conclusive for all purposes and upon all persons including, but without limitation, the Company, its Affiliates, the Committee, the Board, officers and the affected employees of the Company and/or its Affiliates and their respective successors in interest.

Section 3. STOCK

The stock to be issued, transferred and/or sold under the Plan shall be shares of Common Stock, \$.25 par value, of the Company (the "Stock"). The Stock shall be made available from authorized and unissued Common Stock of the Company or from the Company's treasury shares. The total number of

shares of Stock that may be issued or transferred under the Plan pursuant to Options and Rights granted thereunder may not exceed 59,551,338 shares (subject to adjustment as described below).

This number represents the number of shares originally authorized in the Plan, adjusted for a 2-for-1 stock split which occurred on May 1, 1992 and subsequently for a 2-for-1 stock split which occurred on May 1, 1996 in accordance with Section 10, less the number of shares already issued or subject to outstanding Options or Rights issued pursuant to the Plan as of October 1, 1996. Such number of shares shall be subject to adjustment in accordance with Section 10 hereof and this Section 3. Stock subject to any unexercised portion of an Option or Right which expires or is cancelled, surrendered or terminated for any reason may again be subject to Options and/or Rights granted under the Plan. Upon surrender of an Option or stock option granted under any other plan heretofore or hereafter adopted by the Company and the exercise of a Right, the number of shares of Stock subject to the surrendered Option or stock option shall be charged against the maximum number of shares of Stock issuable or transferable under the Plan or the stock option plan pursuant to which the surrendered Option or stock option was granted, and such number of shares of Stock shall not be issuable or transferable under such Plan or plan in the future. The surrender of any stock option issued other than pursuant to a stock option plan pursuant to the exercise of a Right shall not result in a charge against the maximum number of shares issuable or transferable under the Plan or any other stock option plan.

#### Section 4. ELIGIBILITY

Options and Rights may be granted to employees of the Company and its Affiliates. The term "Affiliates" shall mean any corporation or other business organization in which the Company owns, directly or indirectly, 25% or more of the voting stock or capital at the time of the granting of such Option or Right; provided, however, that no ISO may be granted to any employee of an Affiliate which is not a corporation or to any employee of an Affiliate which is not at least 50% owned, directly or indirectly, by the Company. Any ISOs held by an optionee of an Affiliate which ceases to be 50% owned will become NSOs three (3) months after the date that the Company's ownership of the Affiliate falls below 50%. If ownership falls below 25% an optionee will be considered terminated for purposes of Section 8 on the date that the Company's ownership of the Affiliate falls below 25%. No employee shall be granted the right to acquire pursuant to Options granted under the Plan more than 15% of the aggregate number of shares of Stock originally authorized under the Plan, as adjusted pursuant to Section 10 hereof.

#### Section 5. AWARDS OF OPTIONS

Except as otherwise specifically provided herein, Options granted pursuant to the Plan shall be subject to the following terms and conditions:

(a) OPTION PRICE. The option price shall be 100% of the fair market value of the Stock on the date of grant. The fair market value of a share of Stock shall be the average of the high and low market prices at which a share of Stock shall have been sold on the date of grant, or on the next preceding trading day if such date was not a trading date, as reported on the New York Stock Exchange Composite Transactions listing.

(b) PAYMENT. The option price shall be paid in full at the time of exercise. No shares shall be issued or transferred until full payment has been received therefor. Payment may be in cash or, with the prior approval of and upon conditions established by the Committee, by delivery of shares of Stock owned by the optionee. The optionee, if a U.S. taxpayer, may elect to satisfy Federal, state and local income tax liabilities due by reason of the exercise by the withholding or tendering of shares of Stock. If payment or satisfaction of such tax liabilities is made by the delivery of shares of Stock, the value of the shares delivered (or withheld in the case of tax withholding for U.S. taxpayers) shall be computed on the basis of the average of the high and low market prices at which a share of Stock shall have been sold on the date the optionee elects to deliver shares of Stock upon exercise of an Option, or tenders shares of Stock or has shares of Stock withheld in the case of tax withholding, or on the next preceding trading day if such date

was not a trading day, as reported on the New York Stock Exchange Composite Transactions listing.

(c) DURATION OF OPTIONS. The duration of Options shall be

determined by the Committee, but in no event shall the duration of an Option exceed ten (10) years from the date of its grant.

(d) OTHER TERMS AND CONDITIONS. Options may contain such other provisions, not inconsistent with the provisions of the Plan, as the Committee shall determine appropriate from time to time; provided, however, that, except in the event of a "Change in Control", death or disability of the optionee or "Retirement", as defined in Section 8, no Option shall be exercisable in whole or in part for a period of twelve (12) months from the date on which the Option is granted, and, subject to the provisions of Section 8 hereof, thereafter the ratio of the number of shares for which any such Option is exercisable through any given date may not exceed the ratio of the number of months between the date on which the Option is granted and such given date to a period of thirty-six (36) months (or such lesser period as may be then or later determined by the Committee in its discretion). The grant of an Option and/or Right to any employee shall not affect in any way the right of the Company and any Affiliate to terminate the employment of the holder thereof.

(e) ISOS. The Committee, with respect to each grant of an Option to an optionee, shall determine whether such Option shall be an ISO, and, upon determining that an Option shall be an ISO, shall designate it as such in the written instrument evidencing such Option. If the written instrument evidencing an Option does not contain a designation that it is an ISO, it shall not be an ISO.

The aggregate fair market value (determined in each instance on the date on which an ISO is granted) of the Stock with respect to which ISOs are first exercisable by any optionee in any calendar year shall not exceed \$100,000 for such optionee. If any subsidiary or Affiliate of the Company shall adopt a stock option plan under which options constituting incentive stock options (as defined in Section 422(b) of the Code) may be granted, the fair market value of the Stock on which any such incentive stock options are granted and the times at which such incentive stock options will first become exercisable shall be taken into account in determining the maximum amount of ISOs which may be granted to the optionee in any calendar year.

#### Section 6. AWARDS OF RIGHTS

The Committee may, at any time and in its discretion, grant to any officer of the Company who is awarded or who holds an outstanding Option or any other outstanding stock option granted by the Company the right to surrender such Option (to the extent any Option or such other stock option is otherwise exercisable) and to receive from the Company an amount equal to the excess, if any, of the fair market value of the Stock with respect to which such Option is surrendered on the date of such surrender over the option price of the Option or other stock option surrendered. No ISO may be surrendered in connection with the exercise of a Right unless the fair market value of the Stock subject to the ISO is greater than the option price for such Stock. Payment by the Company of the amount receivable upon any exercise of a Right may be made by the delivery of Stock or cash or any combination of Stock and cash, as determined in the sole discretion of the Committee from time to time. No fractional shares shall be used. The Committee may provide for the elimination of fractional shares of Stock without adjustment or for the payment of the value of such fractional shares in cash. Shares of Stock of the Company delivered to the optionee upon the exercise of a Right and the surrender of the Option or stock option shall be valued at the fair market value of a share of Stock on the date the right is exercised and the Option or stock option is surrendered. The Committee may limit the period or periods during which the Rights may be exercised and may provide such other terms and conditions (which need not be the same with respect to each optionee) under which a Right may be granted and/or exercised. A Right may be exercised only as long as the related Option or stock option is exercisable; provided,

however, that no Right may be exercised and cash paid in partial or complete satisfaction thereof during the first six (6) months following the date of grant of the Right and related Option. In no event may a Right be exercised more than ten (10) years after the date of the grant of the Right and the related Option or stock option. The fair market value of a share of Stock shall be the average of the high and low market prices at which a share

of Stock shall have been sold on the date the Option or the stock option is surrendered or on the next preceding trading day, if such date is not a trading day, as reported on the New York Stock Exchange Composite Transactions listing.

Section 7. NONTRANSFERABILITY OF OPTION AND RIGHT

No Option or Right granted pursuant to the Plan shall be transferable otherwise than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code. During the lifetime of an optionee, the Option and Right shall be exercisable only by the optionee personally or by the optionee's legal representative.

Section 8. EFFECT OF TERMINATION OF EMPLOYMENT, DEATH, RETIREMENT OR A CHANGE IN CONTROL

(a) ACCELERATION. If an optionee's employment with the Company and/or its Affiliates shall be terminated by reason of death, disability or Retirement or in the event of a Change in Control, all Options held by the optionee shall become exercisable. Death or disability of the optionee occurring after termination of employment with the Company and/or its Affiliates shall not cause any Options to become exercisable. As used in the Plan, the term "disabled" shall have the meaning set forth in the Company's Long Term Disability Income Plan. "Retirement", as used herein, shall mean an employee's termination of employment on a date which is on or after the earliest date on which such employee would be eligible for an immediately payable benefit pursuant to (i) for those employees eligible for participation in the Company's Supplemental Retirement Plan, the terms of that Plan and (ii) for all other employees, the terms of the Employee Retirement Plan (the "ERP") assuming such employee were eligible to participate in the ERP. "Retire" shall mean to enter Retirement.

A "Change in Control" shall mean a change in control of a nature that would be required to be reported in response to item (6e) of Schedule 14A of Regulation 14A promulgated under the 1934 Act as in effect on November 15, 1988, provided that such a change in control shall be deemed to have occurred at such time as (i) any "person" (as that term is used in Sections 13(d) and 14(d)(2) of the 1934 Act), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act) directly or indirectly, of securities representing 20% or more of the combined voting power for election of directors of the then outstanding securities of the Company or any successor of the Company; (ii) during any period of two (2) consecutive years or less, individuals who at the beginning of such period constituted the Board of Directors of the Company cease, for any reason, to constitute at least a majority of the Board of Directors, unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period; (iii) the shareholders of the Company approve any merger or consolidation as a result of which the Stock shall be changed, converted or exchanged (other than a merger with a wholly owned subsidiary of the Company) or any liquidation of the Company or any sale or other disposition of 50% or more of the assets or earning power of the Company; or (iv) the shareholders of the Company approve any merger or consolidation to which the Company is a party as a result of which the persons who were shareholders of the Company immediately prior to the effective date of the merger or consolidation shall have beneficial ownership of less than 50% of the combined voting power for election of directors of the surviving corporation following the effective date of such merger or consolidation; provided, however, that no Change in Control shall be deemed to have occurred if, prior to such times as a Change in Control would otherwise be deemed to have occurred, the Board of Directors determines otherwise.

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(b) EXERCISE PERIOD. If an optionee's employment with the Company and/or its Affiliates shall be terminated for any reason, except death, disability or Retirement to the extent the Option was exercisable by the optionee at the date of such termination of employment, the optionee shall be entitled to exercise the Option for the period of six (6) months from the date of such termination of employment unless the Option by its terms expires prior thereto, except as otherwise provided herein.

If an optionee shall become disabled while an employee of the Company or any Affiliate or within six (6) months after the date of termination of employment with the Company or any Affiliate but prior to the expiration of the Option, or if an optionee shall

Retire, the retired optionee, the transferee of the Option pursuant to Section 7 or the disabled employee shall have the right to exercise the Option, and the right to exercise the Option shall terminate as provided by the terms of the Option. If an optionee shall die while an employee of the Company or any Affiliate or within six (6) months from the date of termination of employment with the Company or any Affiliate but prior to the expiration of the Option, the executor or administrator of the optionee's estate or a transferee of the Option pursuant to Section 7 shall have the right to exercise the Option, and the right to exercise the Option shall terminate upon the earliest of (i) the expiration of twelve (12) months from the date of such termination of employment, (ii) the expiration of twelve (12) months from the date of the optionee's death, or (iii) as otherwise provided by the terms of the Option. The occurrence of a Change in Control shall have no effect on the duration of the exercise period.

Whether military or other government or eleemosynary service or other leave of absence will constitute termination of employment shall be determined in each case by the Committee in its sole discretion.

Notwithstanding the foregoing termination provisions, the Committee may, in its sole discretion, establish different terms and conditions pertaining to the effect of an Optionee's termination on the expiration or exercisability of newly granted options or (with the consent of the affected Optionee) outstanding options. However, no Option or Right can have a term of more than ten years.

#### Section 9. NO RIGHTS AS A SHAREHOLDER

An optionee or a transferee of an optionee pursuant to Section 7 shall have no right as a shareholder with respect to any Stock covered by an Option or receivable upon the exercise of an Option or Right until the optionee or transferee shall have become the holder of record of such Stock, and no adjustments shall be made for dividends in cash or other property or other distributions or rights in respect to such Stock for which the record date is prior to the date on which the optionee or transferee shall have in fact become the holder of record of the share of Stock acquired pursuant to the Option or Right.

#### Section 10. ADJUSTMENT IN THE NUMBER OF SHARES AND IN OPTION PRICE

In the event there is any change in the shares of Stock through the declaration of stock dividends, or stock splits or through recapitalization or merger or consolidation or combination of shares or spin-offs or otherwise, the Committee or the Board shall make such adjustment, if any, as it may deem appropriate in the number of shares of Stock available for Options and Rights as well as the number of shares of Stock subject to any outstanding Option or Right and the option price thereof. Any such adjustment may provide for the elimination of any fractional shares which might otherwise become subject to any Option or Right without payment therefor.

#### Section 11. AMENDMENTS, MODIFICATIONS AND TERMINATION OF THE PLAN

The Board or the Committee may terminate the Plan, in whole or in part, may suspend the Plan, in whole or in part, from time to time and may amend the Plan from time to time, including the adoption of amendments deemed necessary or desirable to qualify the Options and/or Rights under the laws of

various countries (including tax laws) and under rules and regulations promulgated by the Securities and Exchange Commission with respect to employees who are subject to the provisions of Section 16 of the 1934 Act, or to correct any defect or supply an omission or reconcile any inconsistency in the Plan or in any Option or Right granted thereunder, or for any other purpose or to any effect permitted by applicable laws and regulations, without the approval of the shareholders of the Company. However, in no event may additional shares of Stock be allocated to the Plan or any outstanding option be repriced or replaced without shareholder approval. Without limiting the foregoing, the Board of Directors or the Committee may make amendments applicable or inapplicable only to participants who are subject to Section 16 of the 1934 Act.

No amendment or termination or modification of the Plan shall in any manner affect any Option or Right theretofore granted without the consent of the optionee, except that the Committee may amend or modify the Plan in a manner that does affect Options or Rights theretofore granted upon a finding by the Committee that such amendment or modification is in the best interest of holders of outstanding Options or Rights affected thereby. Grants may be made until April 19, 2001. The Plan shall terminate when there are no longer Rights or Options outstanding under the Plan unless earlier terminated by the Board or by the Committee.

Section 12. GOVERNING LAW

The Plan and all determinations made and actions taken pursuant thereto shall be governed by the laws of the State of Georgia and construed in accordance therewith.



COMPENSATION COMMITTEE

Atlanta, Georgia  
October 17, 1996

Resolutions amending conditions for the exercise of stock appreciation rights for cash under the Company's stock option plans

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WHEREAS, this Committee, as permitted by the 1991 Stock Option Plan, as amended to and through the date hereof (the "1991 Plan"), may grant stock appreciation rights to certain key employees of the Company, and stock appreciation rights have been heretofore granted under the 1991 Plan and the 1987 Stock Option Plan of the Company, as amended to and through the date hereof (the "1987 Plan"); and

WHEREAS, the 1991 Plan and the 1987 Plan provide that this Committee must determine whether the settlements of stock appreciation rights are to be made for cash or for shares of stock of The Coca-Cola Company ("Stock") or for any combination of cash or Stock;

NOW, THEREFORE, BE IT RESOLVED, that all settlements of stock appreciation rights heretofore and hereafter granted shall be made solely in Stock with no adjustment for fractional shares unless this Committee has already provided or hereafter otherwise provides with respect to the specific stock appreciation rights; and

FURTHER RESOLVED, that the foregoing shall supersede all prior resolutions adopted by this Committee regarding the procedure for exercise of stock appreciation rights for cash under the 1991 Plan and the 1987 Plan, which resolutions shall be of no force and effect from and after the date hereof; and

FURTHER RESOLVED, that the Secretary of this Committee may implement such procedures as she may deem necessary or convenient to carry out the intent of this action of this Committee.

STOCK OPTION SUBCOMMITTEE

Atlanta, Georgia  
October 17, 1996

Resolutions approving payment upon exercise of stock options granted under the Stock Option Plans of The Coca-Cola Company in cash or by delivery of shares of Company stock owned by the optionee

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WHEREAS, this Committee, as permitted by the 1991 Stock Option Plan, as amended to and through the date hereof (the "1991 Plan"), may grant stock options to certain key employees of the Company, and options have been heretofore granted under the 1991 Plan and the 1987 Stock Option Plan of the Company, as amended to and through the date hereof (the "1987 Plan"); and

WHEREAS, the 1991 Plan and the 1987 Plan provide that this Committee may determine whether the exercises of such stock options shall be made in cash or by the delivery of shares of stock of The Coca-Cola Company owned by the optionee;

NOW, THEREFORE, BE IT RESOLVED, that until otherwise determined by this Committee under the 1987 Plan or the 1991 Plan, respectively, all exercises of stock options heretofore and hereafter granted from either the 1991 Plan or the 1987 Plan shall be made in cash or by delivery of shares of stock of The Coca-Cola Company ("Stock") owned by the optionee, the value of the shares delivered shall be computed on the basis of the average of the high and low market prices at which a share of Stock shall have been sold on the day the optionee elects to deliver shares of Stock upon exercise of an option, or the next preceding trading day if such date was not a trading day, as reported on the New York Stock Exchange Composite Transaction listing; and

FURTHER RESOLVED, that the Secretary of this Committee may implement such procedures as she may deem necessary or convenient to carry out the intent of this action of this Committee.

STOCK OPTION SUBCOMMITTEE

Atlanta, Georgia  
October 17, 1996

Resolutions authorizing withholding for tax liabilities in connection with exercises of stock options and stock appreciation rights by delivery of or withholding of shares of common stock under the Stock Option Plans of the Company

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RESOLVED, that holders of nonstatutory options and/or stock appreciation rights for stock granted pursuant to the terms of the 1991 Stock Option Plan of the Company or the 1987 Stock Option Plan of the Company may elect to deliver already-owned shares of Company common stock or to have shares of Company common stock withheld from the shares which would have been delivered upon exercise of such option or stock appreciation right for stock in order to satisfy the Federal, state and local tax liabilities arising from the transaction, subject to the right of this Committee to rescind its advance approval and to disapprove any election;

FURTHER RESOLVED, that permission to so satisfy tax liabilities shall be subject to the following conditions: (i) optionees or holders of stock appreciation rights for stock electing to satisfy tax liabilities as described above must make an irrevocable election in writing to do so on or before the date as of which the amount of tax to be withheld is determined, and (ii) the election is subject to the right of this Committee to rescind approval as described above; and

FURTHER RESOLVED, that the Secretary of this Committee may implement such procedures as she may deem necessary or convenient to carry out the intent of this action of this Committee.



## THE COCA-COLA COMPANY

1989 RESTRICTED STOCK AWARD PLAN  
(As amended through October 17, 1996)

## SECTION 1. PURPOSE

The purpose of the 1989 Restricted Stock Award Plan of The Coca-Cola Company (the "Plan") is to advance the interest of The Coca-Cola Company (the "Company") and its Affiliates (as defined in Section 4 hereof), by encouraging and enabling the acquisition of a financial interest in the Company by officers and other key employees through grants of restricted shares of Company Common Stock (the "Awards", or singly, an "Award"). The Plan is intended to aid the Company and its Affiliates in retaining officers and key employees, to stimulate the efforts of such employees and to strengthen their desire to remain in the employ of the Company and its Affiliates. In addition, the Plan may also aid in attracting officers and key employees who will become eligible to participate in the Plan after a reasonable period of employment by the Company or its Affiliates.

## SECTION 2. ADMINISTRATION

The Plan shall be administered by a committee (the "Committee") appointed by the Board of Directors of the Company (the "Board") or in accordance with Section 7, Article III of the By-Laws of the Company (as amended through October 17, 1996) from among its members and shall be comprised of not less than three (3) members of the Board. Unless and until its members are not qualified to serve on the Committee pursuant to the provisions of the Plan, the Compensation Committee shall be members of the Board who are not eligible to participate in the Plan for at least one year prior to the time they become members of the Committee. Eligibility requirements for members of the Committee shall comply with Rule 16b-3 promulgated pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act") or any successor rule or regulation. The Committee shall determine the officers and key employees of the Company and its Affiliates (including officers, whether or not they are directors) to whom, and the time or times at which, Awards will be granted, the number of shares to be awarded, the time or times within which the Awards may be subject to forfeiture, and all other conditions of the Award. The provisions of the Awards need not be the same with respect to each recipient.

The Committee is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary or advisable for the proper administration of the Plan and to take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each action made or taken pursuant to the Plan, including interpretation of the Plan and the Awards granted hereunder by the Committee, shall be final and conclusive for all purposes and upon all persons, including, without limitation, the Company and its Affiliates, the Committee, the Board, the Officers and the affected employees of the Company and/or its Affiliates and their respective successors in interest.

## SECTION 3. STOCK

The stock to be issued under the Plan pursuant to Awards shall be shares of Common Stock, \$.25 par value, of the Company (the "Stock"). The Stock shall be made available from treasury or authorized and unissued shares of Common Stock of the Company. The total number of shares of Stock that may be issued pursuant to Awards under the Plan may not exceed 32,914,000 shares (subject to adjustment in accordance with Section 8), which number represents the number of shares originally authorized in the Plan, adjusted for 2-for-1 stock splits which occurred on May 1,

1990, May 1, 1992 and May 1, 1996, less the number of shares already issued pursuant to the Plan as of October 1, 1996. Shares of Stock previously granted pursuant to Awards, but which are forfeited pursuant to Section 5, below, shall be available for future Awards.

## SECTION 4. ELIGIBILITY

Awards may be granted to officers and key employees of the Company and its Affiliates who have been employed by the Company

or an Affiliate for a reasonable period of time determined by the Committee. The term "Affiliate" shall mean any corporation or other business organization in which the Company owns, directly or indirectly, 25 percent or more of the voting stock or capital at the time of the granting of such Award. No employee shall acquire pursuant to Awards granted under the Plan more than twenty (20) percent of the aggregate number of shares of Stock issuable pursuant to Awards under the Plan.

#### SECTION 5. AWARDS

Except as otherwise specifically provided in the grant of an Award, Awards shall be granted solely for services rendered to the Company or any Affiliate by the employee prior to the date of the grant and shall be subject to the following terms and conditions:

(a) The Stock subject to an Award shall be forfeited to the Company if the employment of the employee by the Company or Affiliate terminates for any reason (including, but not limited to, termination by the Company, with or without cause) other than death, "Retirement", as hereinafter defined, provided that such Retirement occurs at least five (5) years from the date of grant of an Award and also provided that the employee has attained the age of 62, or disability (within the meaning of Section 22(e)(3) of the Internal Revenue Code of 1986, as amended), prior to a "Change in Control" of the Company as hereinafter defined. "Retirement", as used herein, shall mean an employee's voluntarily leaving the employ of the Company or an Affiliate on a date which is on or after the earliest date on which such employee would be eligible for an immediately payable benefit pursuant to (i) for those employees eligible for participation in the Company's Supplemental Retirement Plan, the terms of that Plan and (ii) for all other employees, the terms of the Employees Retirement Plan (the "ERP") assuming such employees were eligible to participate in the ERP.

(b) If at any time the recipient Retires on a date which is at least five (5) years from the date of grant of an Award and on or after the date on which the employee has attained the age of 62, dies or becomes disabled, or in the event of a "Change in Control" of the Company, as hereinafter defined, prior to such Retirement, death or disability, such recipient shall be entitled to retain the number of shares subject to the Award. A "Change in Control" shall mean a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Exchange Act as in effect on November 15, 1988, provided that such a change in control shall be deemed to have occurred at such time as (i) any "person" (as that term is used in Sections 13(d) and 14(d)(2) of the Exchange Act), is or becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act) directly or indirectly, of securities representing 20% or more of the combined voting power for election of directors of the then outstanding securities of the Company or any successor of the Company; (ii) during any period of two consecutive years or less, individuals who at the beginning of such period constituted the Board of Directors of the Company cease, for any reason, to constitute at least a majority of the Board of Directors, unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period; (iii) the shareholders of the Company approve any merger or consolidation as a result of which the Common Stock shall be changed, converted or exchanged (other than a merger with a wholly-owned subsidiary of the Company) or any liquidation of the Company or any sale or other disposition of 50% or more of the assets or earning power of the

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Company; or (iv) the shareholders of the Company approve any merger or consolidation to which the Company is a party as a result of which the persons who were shareholders of the Company immediately prior to the effective date of the merger or consolidation shall have beneficial ownership of less than 50% of the combined voting power for election of directors of the surviving corporation following the effective date of such merger or consolidation; provided, however, that no Change in Control shall be deemed to have occurred if, prior to such time as a Change in Control would otherwise be deemed to have occurred, the Board of Directors determines otherwise.

(c) Awards may contain such other provisions, not inconsistent with the provisions of the Plan, as the Committee shall determine appropriate from time to time.

SECTION 6. NONTRANSFERABILITY OF AWARDS

Shares of Stock subject to Awards shall not be transferable and shall not be sold, exchanged, transferred, pledged, hypothecated or otherwise disposed of at any time prior to the first to occur of Retirement on a date which is at least five (5) years from the date of grant of an Award and on or after the date on which the employee has attained the age of 62, death or disability of the recipient of an Award or a Change in Control.

SECTION 7. RIGHTS AS A STOCKHOLDER

An employee who receives an Award shall have rights as a stockholder with respect to Stock covered by such Award to receive dividends in cash or other property or other distributions or rights in respect to such Stock and to vote such Stock as the record owner thereof.

SECTION 8. ADJUSTMENT IN THE NUMBER OF SHARES AWARDED

In the event there is any change in the Stock through the declaration of stock dividends, through stock splits or through recapitalization or merger or consolidation or combination of shares or otherwise, the Committee or the Board shall make such adjustment, if any, as it may deem appropriate in the number of shares of Stock thereafter available for Awards.

SECTION 9. TAXES

(a) If any employee properly elects, within thirty (30) days of the date on which an Award is granted, to include in gross income for federal income tax purposes an amount equal to the fair market value (on the date of grant of the Award) of the Stock subject to the Award, such employee shall make arrangements satisfactory to the Committee to pay to the Company in the year of such Award, any federal, state or local taxes required to be withheld with respect to such shares. If such employee shall fail to make such tax payments as are required, the Company and its Affiliates shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to the employee any federal, state or local taxes of any kind required by law to be withheld with respect to the Stock subject to such Award.

(b) Each employee who does not make the election described in paragraph (a) of this Section shall, no later than the date as of which the restrictions referred to in Section 5 and such other restrictions as may have been imposed as a condition of the Award, shall lapse, pay to the Company, or make arrangements satisfactory to the Committee regarding payment of any federal, state or local taxes of any kind required by law to be withheld with respect to the Stock subject to such Award, and the Company and its Affiliates shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to the employee any federal, state, or local taxes of any kind required by law to be withheld with respect to the Stock subject to such Award.

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SECTION 10. RESTRICTIVE LEGEND AND STOCK POWER

Each certificate evidencing Stock subject to Awards shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to such award. Any attempt to dispose of Stock in contravention of such terms, conditions, and restrictions shall be ineffective. The Committee may adopt rules which provide that the certificates evidencing such shares may be held in custody by a bank or other institution, or that the Company may itself hold such shares in custody until the restrictions thereon shall have lapsed and may require, as a condition of any Award, that the recipient shall have delivered a stock power endorsed in blank relating to the Stock covered by such Award.

SECTION 11. AMENDMENTS, MODIFICATIONS AND TERMINATION OF PLAN

The Board or the Committee may terminate the Plan, in whole or in part, may suspend the Plan, in whole or in part from time to time, and may amend the Plan from time to time, including the adoption of amendments deemed necessary or desirable to qualify the Awards under the laws of various states (including tax laws) and under rules and regulations promulgated by the Securities and Exchange Commission with respect to employees who are subject to

the provisions of Section 16 of the Exchange Act, or to correct any defect or supply an omission or reconcile any inconsistency in the Plan or in any Award granted thereunder, without the approval of the stock holders of the Company; provided, however, that no action shall be taken without the approval of the stockholders of the Company which may increase the number of shares of Stock available for Awards or withdraw administration from the Committee, or permit any person while a member of the Committee to be eligible to receive an Award. Without limiting the foregoing, the Board of Directors or the Committee may make amendments applicable or inapplicable only to participants who are subject to Section 16 of the Exchange Act. No amendment or termination or modification of the Plan shall in any manner affect Awards therefore granted without the consent of the employee unless the Committee has made a determination that an amendment or modification is in the best interest of all persons to whom Awards have theretofore been granted. The Board or the Committee may modify or remove restrictions contained in Sections 5 and 6 on an Award or the Awards as a whole which have been previously granted upon a determination that such action is in the best interest of the Company. The Plan shall terminate when (a) all Awards authorized under the Plan have been granted and (b) all shares of Stock subject to Awards under the Plan have been issued and are no longer subject to forfeiture under the terms hereof unless earlier terminated by the Board or the Committee.

SECTION 12. GOVERNING LAW

The Plan and all determinations made and actions taken pursuant thereto shall be governed by the laws of the State of Georgia and construed in accordance therewith.

RESTRICTED STOCK SUBCOMMITTEE

Atlanta, Georgia  
October 17, 1996

Resolutions authorizing withholding for tax liabilities  
by delivery of or withholding of shares of common stock under the  
1989 Restricted Stock Award Plan

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RESOLVED, that holders of awards pursuant to the terms of the  
1989 Restricted Stock Award Plan may elect to deliver already-  
owned shares of Company common stock or to have shares of Company  
common stock withheld from the shares which would have been  
delivered upon the lapse of restrictions upon such awards in  
order to satisfy the Federal, state and local tax liabilities  
arising from the transactions, subject to the right of this  
Committee to rescind its advance approval and to disapprove any  
election; and

FURTHER RESOLVED, that permission to so satisfy tax liabilities  
shall be subject to the following conditions: (i) recipients of  
awards electing to satisfy tax liabilities as described above  
must make an irrevocable election in writing to do so on or  
before the date as of which the amount of tax to be withheld is  
determined, and (ii) the election is subject to the right of this  
Committee to rescind approval as described above; and

FURTHER RESOLVED, that the Secretary of this Committee may  
implement such procedures as she may deem necessary or convenient  
to carry out the intent of this action of this Committee.



AMENDMENT NUMBER FIVE  
TO THE COCA-COLA COMPANY  
SUPPLEMENTAL BENEFIT PLAN

WHEREAS, pursuant to Section 7.5 of The Coca-Cola Company Supplemental Benefit Plan (the "Plan"), the Supplemental Benefit Plan Committee (the "Committee") has the authority to amend the Plan; and

WHEREAS, the Committee wishes to amend the Plan for the purpose of clarifying the eligibility provisions;

NOW THEREFORE, the Plan hereby is amended as follows:

1.

Effective January 1, 1989, Section 2.9 of the Plan is amended by adding the following language immediately after the last word thereof:

"An individual shall be treated as employed by an Employer under this Plan for any period only if (i) he or she is actually classified during such period by the Employer on its payroll, personnel and benefits system as an employee, and (ii) he or she is paid for services rendered during such period through the payroll system, as distinguished from the accounts payable department of the Employer. No other individual shall be treated as employed by an Employer under this Plan for any period, regardless of his or her status during such period as an employee under common law or under any statute."

2.

Effective January 1, 1989, Section 4.1 of the Plan is amended by capitalizing the word "employee" the first time it appears in said section.

Except as specifically amended hereby, the Plan shall remain in full force and effect as prior to this Amendment Number Five.

SUPPLEMENTAL  
RETIREMENT PLAN  
COMMITTEE

By: /s/ C. Ron Cheeley  
Chairman

Date: 2/27/97

ATTEST:

/s/ William J. Wortman  
Secretary

## EXHIBIT 12.1

&lt;TABLE&gt;

THE COCA-COLA COMPANY AND SUBSIDIARIES  
 COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES  
 (IN MILLIONS EXCEPT RATIOS)

&lt;CAPTION&gt;

|  | Year Ended December 31, |          |          |          |          |
|--|-------------------------|----------|----------|----------|----------|
|  | 1996                    | 1995     | 1994     | 1993     | 1992     |
| <S>  | <C>                     | <C>      | <C>      | <C>      | <C>      |
| <b>Earnings:</b>   |                         |          |          |          |          |
| Income from continuing operations<br>before income taxes and changes<br>in accounting principles | \$ 4,596                | \$ 4,328 | \$ 3,728 | \$ 3,185 | \$ 2,746 |
| Fixed charges  | 324                     | 318      | 236      | 213      | 207      |
| Less: Capitalized interest, net  | (7)                     | (9)      | (5)      | (16)     | (10)     |
| Equity income, net of dividends  | (89)                    | (25)     | (4)      | (35)     | (30)     |
| Adjusted earnings  | \$ 4,824                | \$ 4,612 | \$ 3,955 | \$ 3,347 | \$ 2,913 |
| <b>Fixed charges:</b>  |                         |          |          |          |          |
| Gross interest incurred  | \$ 293                  | \$ 281   | \$ 204   | \$ 184   | \$ 181   |
| Interest portion of rent expense   | 31                      | 37       | 32       | 29       | 26       |
| Total fixed charges  | \$ 324                  | \$ 318   | \$ 236   | \$ 213   | \$ 207   |
| Ratios of earnings to fixed charges  | 14.9                    | 14.5     | 16.8     | 15.7     | 14.1     |

The Company is contingently liable for guarantees of indebtedness owed by third parties in the amount of \$274 million, of which \$34 million related to independent bottling licensees. Fixed charges for these contingent liabilities have not been included in the computation of the above ratios as the amounts are immaterial and, in the opinion of Management, it is not probable that the Company will be required to satisfy the guarantees.

&lt;/TABLE&gt;

## THE COCA-COLA COMPANY AND SUBSIDIARIES

## FINANCIAL REVIEW INCORPORATING MANAGEMENT'S DISCUSSION AND ANALYSIS

We exist for one reason: to maximize share-owner value over time. To fulfill this mission, The Coca-Cola Company and its subsidiaries (our Company) have developed a comprehensive business strategy focused on four key objectives: (1) increasing volume, (2) expanding our share of beverage sales worldwide, (3) maximizing our long-term cash flows and (4) improving economic profit and creating economic value added. We achieve these objectives by strategically investing in the high-return beverages business and by optimizing our cost of capital through appropriate financial policies.

## INVESTMENTS

With a global business system that operates in nearly 200 countries and generates superior cash flows, our Company is uniquely positioned to capitalize on profitable new investment opportunities. Our criterion for investment is simple: We seek to invest in opportunities that enhance our existing operations and offer cash returns that exceed our long-term after-tax weighted-average cost of capital, estimated to be approximately 11 percent.

Because it consistently generates high returns on capital, our business is a particularly attractive investment for us. In developing and emerging markets, where increasing the penetration of our beverage products is our primary goal, we dedicate the bulk of our investments to infrastructure enhancements: production facilities, distribution networks, sales equipment and technology. We make these investments by acquiring or forming strategic business alliances with local bottlers and by matching local expertise with our experience and focus. In highly developed markets, where our primary goal is to make our products the beverages consumers prefer, we dedicate the bulk of our expenditures to marketing activities.

Currently, 55 percent of the world's population lives in markets where the average person consumes fewer than 10 servings of our beverages per year, offering high-potential growth opportunities for our Company and our bottlers. In fact, the emerging markets of China, India, Indonesia and Russia combined represent approximately 44 percent of the world's population, but, on a combined basis, the average per capita consumption of our products in these markets is approximately 1 percent of the United States' level. As a result, we are investing aggressively to ensure our products are pervasive, preferred and offer the best price relative to value.

Our investment strategy focuses primarily on the four fundamental drivers of our business: bottling operations, capital expenditures, marketing activities and people.

## BOTTLING OPERATIONS

We continue our well-established strategy of strengthening our distribution system by investing in, and subsequently reselling, ownership positions in bottling operations. This strategy provides our Company with yet another value stream resulting from the gains on the sale of these investments. The other value streams from which we benefit are those provided by our core concentrate business and our consolidated bottling operations, as well as our participation in the earnings of bottlers in which we remain an equity investor.

We have business relationships with three types of bottlers - independently owned bottlers, bottlers in which we have a noncontrolling ownership interest and bottlers in which we have a controlling ownership interest. Independently owned bottlers are bottlers in which we have no ownership interest. These bottlers produced and distributed approximately 40 percent of our 1996 worldwide unit case volume. The other bottlers represent businesses in which we have invested. In 1996, bottlers in which we own a noncontrolling ownership interest produced and distributed an additional 45 percent of our total worldwide unit case volume. Controlled and consolidated bottling and fountain operations produced and distributed approximately 15 percent of total worldwide unit case volume for Company products.

We invest heavily in certain bottling operations to maximize the strength and efficiency of our production, distribution and marketing systems around the world. These investments often result in increases in unit case volume, net revenues and profits at the bottler level, which in turn generate increased gallon shipments for our concentrate business. As a result, both our Company and the bottlers benefit from long-term growth in volume, cash flows and share-owner value.

The level of our investment generally depends on the bottler's capital structure and its available resources at the time of our investment. In certain situations, it can be advantageous to acquire a

controlling interest in a bottling operation. Although not our primary long-term business strategy, owning a controlling interest allows us to compensate for limited local resources or facilitate improvements in customer relationships while building or restructuring the bottling operations. Bottling businesses typically generate lower margins on revenue than our concentrate business. However, the acquisition and consolidation of a bottler increases revenues and generally increases operating profits on a per-gallon basis. We acquired controlling interests in certain bottling operations in Italy in 1996 and 1995, as well as in Venezuela in 1995. By providing capital and marketing expertise to newly acquired bottlers, we intend to strengthen our bottling territories.

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THE COCA-COLA COMPANY AND SUBSIDIARIES

FINANCIAL REVIEW INCORPORATING MANAGEMENT'S DISCUSSION AND ANALYSIS

In line with our long-term bottling strategy, we periodically consider options for reducing our ownership interest in a consolidated bottler. One such option is to sell our interest in a consolidated bottling operation to one of our equity investee bottlers. Another option for reducing our ownership interest is to combine our bottling interests with the bottling interests of others to form strategic business alliances. In both of these situations, we continue participating in the previously consolidated bottler's earnings through our portion of the equity investee's income.

Consistent with our strategy, we sold our consolidated bottling and canning operations in France and Belgium to our major bottler headquartered in the United States, Coca-Cola Enterprises Inc. (Coca-Cola Enterprises) in 1996.

In 1996, we formed a strategic business alliance in Germany, Coca-Cola Erfrischungsgetraenke AG (CCEAG), through the merger of our previously wholly owned east German bottler with three independent bottlers. This new bottler is expected to build a stronger bottler structure in Germany, establishing the framework for future profitable growth and future acquisitions in that region. As a result of the merger, we now have a 45 percent interest in CCEAG.

Also in 1996, we combined our bottling interests in Venezuela with the Cisneros Group's bottling companies to form a new joint venture, Embotelladora Coca-Cola y Hit de Venezuela, S.A. (Coca-Cola y Hit). Coca-Cola y Hit is the leader in the Venezuelan beverage business.

During 1995, we sold our controlling interests in certain bottling operations in Poland, Croatia and Romania to Coca-Cola Amatil Limited (Coca-Cola Amatil), a bottler headquartered in Australia.

As stated earlier, our investments in a bottler can represent either a noncontrolling or a controlling interest. Through noncontrolling investments in bottling companies, we provide expertise and resources to strengthen those businesses. Specifically, we help improve sales and marketing programs, assist in the development of effective business and information systems and help establish appropriate capital structures. In 1996, we purchased interests in two Chilean bottling companies: a 17 percent interest in Embotelladoras Polar S.A. and a 6 percent interest in Embotelladora Andina S.A. Also, we sold our 49 percent interest in Coca-Cola & Schweppes Beverages Ltd., a bottler in the United Kingdom, to Coca-Cola Enterprises in early 1997.

We designate certain bottling operations in which we have a noncontrolling ownership interest as "anchor bottlers" due to their level of responsibility and performance. Anchor bottlers, which include Coca-Cola Amatil and Coca-Cola Enterprises, are strongly committed to their own profitable growth which, in turn, helps us meet our strategic goals and furthers the interests of our worldwide production, distribution and marketing systems. Anchor bottlers tend to be large and geographically diverse with strong financial and management resources. In 1996, our anchor bottlers produced and distributed approximately 30 percent of our total worldwide unit case volume. Currently, eight companies are designated as anchor bottlers, giving us strong partners on every major continent around the world.

In 1996, CCEAG was designated an anchor bottler, our first anchor bottler headquartered in Europe. In 1995, we increased our economic interest in Panamerican Beverages, Inc. (Panamerican Beverages) from 7 to 13 percent and designated it as an anchor bottler. Panamerican Beverages owns bottling operations in Mexico, Brazil, Colombia and Costa Rica. Also in 1995, we contributed assets to a new joint venture, Coca-Cola Sabco (Proprietary) Limited (Coca-Cola Sabco), also an anchor bottler, in return for a 16 percent economic interest and notes receivable. Coca-Cola Sabco continues to strengthen our distribution system in south and east Africa.

In line with our established investment strategy, our bottling investments have been profitable over time. For bottling investments

which are accounted for by the equity method, we measure the profitability of our bottling investments in two ways - equity income and the excess of the fair values over the carrying values of our investments. Equity income represents our share of the net earnings of our investee companies that are accounted for by the equity method, and it is included in our consolidated income. In 1996, equity income, primarily from our investments in unconsolidated bottling companies, reached \$211 million, a 25 percent increase from 1995. The following table illustrates the excess of the calculated fair values, based on quoted closing prices of publicly traded shares, over our Company's carrying values for selected equity method investees (in millions):

| December 31,                        | Fair Value | Carrying Value | Excess   |
|-------------------------------------|------------|----------------|----------|
| -----                               |            |                |          |
| 1996                                |            |                |          |
| Coca-Cola Enterprises Inc.          | \$ 2,731   | \$ 547         | \$ 2,184 |
| Coca-Cola Amatil Limited            | 2,109      | 881            | 1,228    |
| Coca-Cola FEMSA, S.A. de C.V.       | 411        | 90             | 321      |
| Coca-Cola Beverages Ltd.            | 219        | 15             | 204      |
| Coca-Cola Bottling Co. Consolidated | 134        | 85             | 49       |
| -----                               |            |                |          |
|                                     |            |                | \$ 3,986 |
| =====                               |            |                |          |

The excess of the calculated fair values over the carrying values for our investments illustrates the significant increase in the value of our investments. Although this excess value for equity method investees is not reflected in our consolidated results of operations or financial position, it represents a true economic benefit to us.

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THE COCA-COLA COMPANY AND SUBSIDIARIES

#### FINANCIAL REVIEW INCORPORATING MANAGEMENT'S DISCUSSION AND ANALYSIS

##### CAPITAL EXPENDITURES

Capital expenditures for property, plant and equipment and the percentage distribution by geographic area for 1996, 1995 and 1994 are as follows (in millions):

| Year Ended December 31, | 1996   | 1995   | 1994   |
|-------------------------|--------|--------|--------|
| -----                   |        |        |        |
| Capital expenditures    | \$ 990 | \$ 937 | \$ 878 |
| -----                   |        |        |        |
| North America           | 27%    | 31%    | 29%    |
| Africa                  | 3%     | 2%     | 3%     |
| Greater Europe          | 38%    | 41%    | 37%    |
| Latin America           | 8%     | 9%     | 15%    |
| Middle & Far East       | 12%    | 9%     | 6%     |
| Corporate               | 12%    | 8%     | 10%    |
| =====                   |        |        |        |

In 1996, we launched a strategic business initiative called "Project Infinity" to integrate business systems across our global enterprise over the next seven years. Project Infinity will require significant capital expenditures over the next several years. We anticipate Project Infinity will enhance our competitiveness as it will supply immediate, detailed information about the marketplace to our management, associates and bottlers worldwide, providing better and faster decision-making capabilities about operations, marketing and finance.

##### MARKETING ACTIVITIES

In addition to investments in bottling and distribution infrastructure, we also make significant expenditures in support of our trademarks. We define marketing as anything we do to create consumer demand for our brands. We are intently focused on continually finding new ways to build value into all of our brands. Marketing spending aimed at building the value of our brands enhances consumer awareness and builds consumer preference, which results in volume growth and increases in per capita consumption of our products and our share of worldwide beverage sales.

We build consumer awareness and product appeal for our trademarks using integrated marketing programs. These programs include activities such as advertising, point-of-sale merchandising and product sampling. Each of these activities contributes to building consumer awareness and product preference.

Through our bottling investments and strategic alliances with other bottlers of our products, we are able to develop and implement integrated marketing programs on a global basis. In developing a global strategy for a Company trademark, we perform product and packaging research, establish brand positioning, develop precise

consumer communications and seek consumer feedback. Examples of recent successes with our global brand strategies include our Coca-Cola contour bottle, our Sprite "dimpled" bottle and the Coca-Cola classic campaign, "For the Fans."

During 1996, our partnership with the Centennial Olympic Games and our presentation of the Olympic Torch Relay added value to our brands. During the year, we executed Olympic-themed programs in more than 135 countries around the world, building brand recognition, product appeal and consumer awareness for our products. In addition, we have extended our sponsorship of the Olympic Movement through 2008.

As part of our ongoing efforts to maximize the impact of our advertising expenditures, we assign specific brands to individual advertising agencies. This approach enables us to enhance each brand's global positioning, increase accountability and use the Company's marketing expenditures more efficiently and effectively.

During 1996, our Company's direct marketing expenses, which include consumer marketing activities, increased 12 percent to \$4.3 billion.

#### PEOPLE

Our success depends on having people who can identify and act on the vast opportunities that exist for our business. This means building a culture among our people in which learning and innovation dominate our business lives. To support this effort in 1996, we formed the Coca-Cola Learning Consortium, a group dedicated to working with the management of our entire system to make learning a core capability. The Learning Consortium will build the culture, systems and processes our people need to develop the knowledge and skills to discover and act upon opportunities better and faster than ever.

#### FINANCIAL STRATEGIES

We use several strategies to optimize our cost of capital, which is a key component of our ability to maximize share-owner value.

#### DEBT FINANCING

We maintain debt levels considered prudent based on our cash flow, interest coverage and percentage of debt to total capital. We use debt financing to lower our overall cost of capital, which increases our return on share-owners' equity.

Our capital structure and financial policies have earned long-term credit ratings of "AA" from Standard & Poor's and "Aa3" from Moody's, and the highest credit ratings available for our commercial paper programs.

Our global presence and strong capital position afford us easy access to key financial markets around the world, enabling us to raise funds with a low effective cost. This posture, coupled with the active management of our mix of short-term and long-term debt, results in a lower overall cost of borrowing. Our debt management policies, in conjunction with our share repurchase programs and investment activity, typically result in current liabilities exceeding current assets.

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#### THE COCA-COLA COMPANY AND SUBSIDIARIES

#### FINANCIAL REVIEW INCORPORATING MANAGEMENT'S DISCUSSION AND ANALYSIS

In managing our use of debt capital, we consider the following financial measurements and ratios:

| Year Ended December 31,            | 1996   | 1995   | 1994   |
|------------------------------------|--------|--------|--------|
| Net debt (in billions)             | \$ 2.8 | \$ 2.6 | \$ 1.8 |
| Net debt-to-net capital            | 31%    | 32%    | 26%    |
| Free cash flow to net debt         | 85%    | 82%    | 120%   |
| Interest coverage                  | 17x    | 16x    | 19x    |
| Ratio of earnings to fixed charges | 14.9x  | 14.5x  | 16.8x  |

Net debt is net of cash, cash equivalents and marketable securities in excess of operating requirements and net of temporary bottling investments.

#### FINANCIAL RISK MANAGEMENT

Most of our foreign currency exposures are managed on a consolidated basis, which allows us to net certain exposures and, thus, take advantage of any natural offsets. With approximately 80 percent of our 1996 operating income generated outside the United States, weakness in one particular currency is often offset by strengths in others. We use derivative financial instruments to reduce our net exposure to financial risks.

We use forward exchange contracts to adjust the currency mix of our recorded assets and liabilities, which further reduce our exposure to adverse fluctuations in exchange rates. In addition, we enter into

forward exchange and swap contracts and purchase options to hedge both firmly committed and anticipated transactions, as appropriate, and net investments in certain international operations.

Our derivative financial instruments are straight-forward instruments with liquid markets. We use primarily liquid spot, forward, option and swap contracts. We do not enter into derivative financial instruments for trading purposes. As a matter of policy, all of our derivative positions are used to reduce risk by hedging an underlying economic exposure. This policy mitigates certain risks such as changes in currency, interest rates and other market factors, including commodities, on a matched basis. Under this strategy, gains or losses on hedging transactions are offset by gains or losses on the underlying exposures being hedged.

#### SHARE REPURCHASES

Our confidence in the long-term growth potential of our business is demonstrated by our continued and consistent use of share repurchase programs. In July 1992, our Board of Directors authorized a plan to repurchase up to 200 million shares of our Company's common stock through the year 2000. In 1996, we repurchased 32 million shares under the July 1992 plan at a total cost of approximately \$1.5 billion. Through 1996, we had repurchased 167 million shares under the July 1992 plan.

On October 17, 1996, our Board of Directors authorized a new share repurchase program for 206 million additional shares through the year 2006. Over the next 10 years, this plan, combined with the remaining shares under the 1992 plan, authorizes the repurchase of approximately an additional 10 percent of our outstanding shares.

Since the inception of our initial share repurchase program in 1984 through our current program as of December 31, 1996, our Company has repurchased 998 million shares, representing 30 percent of the shares outstanding as of January 1, 1984, at an average price per share of \$10.29.

#### DIVIDEND POLICY

Because of our historically strong earnings growth, our Board of Directors has increased our cash dividend per common share by an average annual compound growth rate of 14 percent since December 31, 1986. Our annual common stock dividend was \$.50 per share, \$.44 per share and \$.39 per share in 1996, 1995 and 1994, respectively. At its February 1997 meeting, our Board of Directors again increased our quarterly dividend per share to \$.14, equivalent to a full-year dividend of \$.56 in 1997, our 35th consecutive annual increase.

In 1996, our dividend payout ratio was approximately 36 percent of our net income. To free up additional cash for reinvestment in our high-return beverages business, our Board of Directors intends to gradually reduce our dividend payout ratio to 30 percent over time.

#### STOCK SPLIT

In April 1996, our share owners approved an increase in the authorized common stock of our Company from 2.8 billion shares to 5.6 billion shares and a two-for-one stock split. The stated par value of each share remained at \$.25 per share. All share data included in our Annual Report has been restated for periods prior to the stock split.

#### PERFORMANCE TOOLS

Economic profit and economic value added provide a framework for measuring the impact of value-oriented actions. We define economic profit as income from continuing operations after taxes, excluding interest, in excess of a computed capital charge for average operating capital employed. In 1996, we modified the calculation of economic profit to include both gains and losses on transactions relating to our bottling investments. As modified, economic profit now includes all of our identified value streams. Economic value added represents the growth in economic profit from year to year. To assure that our management team is clearly focused on the key drivers of our business, economic value added and economic profit are used in determining annual incentive awards and long-term incentive awards for most eligible employees.

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THE COCA-COLA COMPANY AND SUBSIDIARIES

#### FINANCIAL REVIEW INCORPORATING MANAGEMENT'S DISCUSSION AND ANALYSIS

Over the last five years, as we have continued to strengthen our bottling system, economic profit has increased at an average annual compound rate of 20 percent. Over the same period, our Company's stock price has increased at an average annual compound rate of 21 percent. Over time, increases in our economic profit have correlated closely with increases in our Company's stock price. For this reason, we intend to continue focusing on the growth of economic profit.

During 1996, we began implementing a new tool to help us improve our performance - value-based management (VBM). VBM does not replace the economic value added concept; rather, it is a tool to manage

economic profit. It requires us to think about creating value - in everything we do, every day. By focusing on value, we develop better strategies that help us create more value for our share owners.

VBM is a way of thinking, a process for planning and executing and a set of tools for understanding what creates value and what destroys it. It provides a set of fundamental principles that allows us to manage for increased value. With VBM, we determine how best to maximize value creation, not just in our business overall, but in every area of our business. We believe that a clear focus on the components of economic profit and on the driver of those components - VBM - is critical to our ability to maximize share-owner value over time.

#### TOTAL RETURN TO SHARE OWNERS

Share owners of our Company have received an excellent return on their investment over the past decade. A \$100 investment in our Company's common stock on December 31, 1986, together with reinvested dividends, was worth approximately \$1,337 on December 31, 1996, an average annual compound return of 30 percent.

#### MANAGEMENT'S DISCUSSION AND ANALYSIS

##### OUR BUSINESS

We are the largest manufacturer, distributor and marketer of soft drink beverage concentrates and syrups in the world. We manufacture beverage concentrates and syrups and, in certain instances, finished beverages, which we sell to bottling and canning operations, authorized fountain wholesalers and some fountain retailers. In addition, we have substantial ownership interests in numerous bottling and canning operations. We are also the world's largest distributor and marketer of juice and juice-drink products.

We own more than 160 brands, including soft drinks and noncarbonated beverages such as sports drinks, juice drinks, milk products, water products, teas and coffees.

##### VOLUME

We measure our sales volume in two ways: (1) gallon shipments of concentrates and syrups and (2) unit cases of finished product. Gallon shipments represent our primary business and measure the volume of concentrates and syrups we sell to our bottling system. Most of our revenues are based on this measure of "wholesale" activity. We also measure volume in unit cases, which represent the amount of finished product our bottling system sells to retail customers. We believe unit case volume more accurately measures the underlying strength of our business system because it measures trends at the retail level. Fountain syrups sold directly to our customers are included in both measures.

In 1996, our worldwide unit case volume increased 8 percent, on top of an 8 percent increase in 1995. Our business system sold 13.7 billion unit cases in 1996, an increase of 1 billion unit cases over 1995. Our 1996 results are the product of years of methodically investing not only in marketing, but also in our worldwide infrastructure including bottlers, capital, information systems and people.

##### OPERATIONS

###### NET OPERATING REVENUES AND GROSS MARGIN

On a consolidated basis, our net revenues grew 3 percent and our gross profit grew 7 percent in 1996. The increase in revenues reflects an increase in gallon shipments and selective price increases offset by a stronger U.S. dollar and the disposition of our previously consolidated bottling and canning operations in France, Belgium and east Germany. Our gross profit margin increased to 64 percent in 1996 from 61 percent in 1995, primarily due to the sale of our east German, French and Belgian bottling and canning operations, which shifted a greater proportion of our revenues to our higher margin concentrate business, and favorable results from changes in our product mix. Additionally, gross margins improved in 1996 due to favorable price variances in raw materials, such as packaging, at our consolidated bottlers.

On a consolidated basis, our net revenues and gross profit each grew 11 percent in 1995. The increase in revenues reflects gallon shipment increases, selective price increases and continued expansion of our bottling and canning operations. Our gross margin declined to 61 percent in 1995 from 62 percent in 1994, primarily due to higher costs for materials such as sweeteners and packaging.

###### SELLING, ADMINISTRATIVE AND GENERAL EXPENSES

Selling expenses were \$5,891 million in 1996, \$5,399 million in 1995 and \$4,931 million in 1994. The increases in 1996 and 1995 were primarily due to higher marketing expenditures in support of our Company's volume growth.



Administrative and general expenses were \$2,002 million in 1996, \$1,653 million in 1995 and \$1,445 million in 1994. The increase in 1996 reflects certain nonrecurring provisions. In the third quarter of 1996, we made a series of decisions that resulted in provisions of approximately \$276 million in administrative and general expenses related to our plans for strengthening our worldwide system. Of this \$276 million, approximately \$130 million related to the streamlining of our operations, primarily in Greater Europe and Latin America. Our management has taken actions to consolidate certain manufacturing operations and, as a result, recorded charges to recognize the impairment of certain manufacturing assets and to recognize the estimated losses on the disposal of other assets. The remainder of this \$276 million provision related to actions taken by The Minute Maid Company (formerly known as Coca-Cola Foods). During the third quarter of 1996, The Minute Maid Company entered into two significant agreements with independent parties: (i) a strategic supply alliance with Sucocitrico Cutrale Ltda., the world's largest grower and processor of oranges, and (ii) a joint venture agreement with Groupe Danone to produce, distribute and sell premium refrigerated juices outside of the United States and Canada. With these agreements, we intend to increase The Minute Maid Company's focus on managing its brands while seeking arrangements to lower its overall manufacturing costs. In connection with these actions, we recorded \$146 million in third quarter provisions, comprised primarily of impairment charges to certain production facilities and reserves for losses on the disposal of other production facilities.

Also in the third quarter of 1996, we launched a strategic initiative, Project Infinity, to redesign and enhance our information systems and communications capabilities. In connection with this initiative, we recorded an \$80 million impairment charge in administrative and general expenses to recognize Project Infinity's impact on existing information systems. Also in the third quarter of 1996, we recorded a charge in administrative and general expenses as a result of our decision to contribute \$28.5 million to the corpus of The Coca-Cola Foundation, a not-for-profit charitable organization.

The increase in administrative and general expenses in 1995 was due to higher expenses related to employee benefits and a nonrecurring provision of \$86 million to increase efficiencies in the Company's operations in North America and Europe.

Administrative and general expenses, as a percentage of net operating revenues, were approximately 11 percent in 1996 and 9 percent in 1995 and 1994.

#### OPERATING INCOME AND OPERATING MARGIN

On a consolidated basis, our operating income decreased 3 percent in 1996, following an 11 percent increase in 1995. The decrease in 1996 was principally due to the disposition of our French and Belgian bottling and canning operations and the recording of several nonrecurring provisions as discussed previously. In addition, to strengthen our already efficient worldwide bottler system where possible, we encouraged certain bottlers to reduce their concentrate inventory levels by curtailing concentrate shipments to their locations. Reducing concentrate inventory levels freed up cash in the bottling system, allowing for further investment in sales-generating equipment and production capacity expansion. This curtailment of concentrate shipments decreased operating income by an estimated \$290 million. Our consolidated operating margin was 21 percent in 1996 and 22 percent in 1995.

#### MARGIN ANALYSIS

[bar chart]

|   | 1996   | 1995   | 1994   |
|---|--------|--------|--------|
| Net Operating Revenues<br>(in billions) | \$18.5 | \$18.0 | \$16.2 |
| Gross Margin                            | 64%    | 61%    | 62%    |
| Operating Margin                        | 21%    | 22%    | 22%    |

In 1996, our interest income decreased 3 percent, due primarily to lower average short-term investments and lower average interest rates in Latin America. Interest expense increased 5 percent in 1996, due to higher average debt balances.

In 1995, our interest income increased 35 percent as a result of higher average interest rates outside of the United States. Interest expense increased 37 percent in 1995, reflecting higher commercial paper balances.

#### EQUITY INCOME

Equity income increased 25 percent to \$211 million in 1996, due primarily to stronger operating performances by Coca-Cola Enterprises, Coca-Cola Beverages Ltd. and The Coca-Cola Bottling Company of New York, Inc.

Equity income increased 26 percent to \$169 million in 1995, due primarily to improved results at Coca-Cola FEMSA, Coca-Cola Nestle Refreshments, Coca-Cola Bottlers Philippines, Inc. and Coca-Cola Beverages Ltd.

#### OTHER INCOME (DEDUCTIONS)-NET

In 1996, other income (deductions)-net increased \$1 million, and includes gains recorded on the sale of our bottling and canning operations in France and Belgium, as well as gains on other bottling transactions.

In 1995, other income (deductions)-net increased \$111 million, and includes gains recorded on the sale of bottling operations in Poland, Croatia and Romania.

#### GAINS ON ISSUANCES OF STOCK BY EQUITY INVESTEES

In 1996, Coca-Cola Amatil issued approximately 46 million shares in exchange for approximately \$522 million. This issuance reduced our ownership percentage in Coca-Cola Amatil from approximately 39 percent to approximately 36 percent and resulted in a noncash pretax gain to our Company of approximately \$130 million.

Also in 1996, Coca-Cola Erfrischungsgetraenke G.m.b.H. (CCEG), our wholly owned east German bottler, issued new shares to effect a merger with three independent German bottling operations. The shares were valued at approximately \$925 million, based upon the fair values of the assets of the three acquired bottling companies. Approximately 24.4 million shares were issued, resulting in a noncash pretax gain of approximately \$283 million to our Company. We own a 45 percent interest in the resulting anchor bottler Coca-Cola Erfrischungsgetraenke AG (CCEAG).

In 1996, Coca-Cola FEMSA de Buenos Aires, S.A. issued approximately 19 million shares to Coca-Cola FEMSA, S.A. de C.V. This issuance reduced our ownership in Coca-Cola FEMSA de Buenos Aires, S.A. from 49 percent to approximately 32 percent. We recognized a noncash pretax gain of approximately \$18 million as a result of this transaction. In a subsequent transaction, our ownership in Coca-Cola FEMSA de Buenos Aires, S.A. was reduced to 25 percent.

In the third quarter of 1995, Coca-Cola Amatil completed a public offering in Australia of approximately 97 million shares of common stock. In connection with the offering, our ownership in Coca-Cola Amatil was reduced to approximately 40 percent. We recognized a noncash pretax gain of approximately \$74 million as a result of this transaction.

#### INCOME TAXES

In the third quarter of 1996, our Company reached an agreement in principle with the U.S. Internal Revenue Service (IRS), settling certain U.S.-related income tax matters, including issues in litigation related to our operations in Puerto Rico, dating back to 1981 and extending through 1995. This settlement resulted in a one-time reduction of \$320 million to our 1996 income tax expense as a result of a reversal of previously accrued income tax liabilities and reduced our effective tax rate to 24.0 percent in 1996 from 31.0 percent in 1995 and 31.5 percent in 1994. Excluding the favorable impact of the settlement with the IRS, our 1996 effective tax rate would have been 31.0 percent. Our effective tax rate reflects tax benefits derived from having significant operations outside the United States, which are taxed at rates lower than the U.S. statutory rate of 35 percent.

#### INCOME PER SHARE

Accelerated by our Company's share repurchase program, our net income per share grew 19 percent in 1996 and 1995 and 18 percent in 1994.

#### LIQUIDITY AND CAPITAL RESOURCES

We believe our ability to generate cash from operations in excess of our capital reinvestment and dividend requirements is one of our fundamental financial strengths. We anticipate that our operating activities in 1997 will continue to provide us with sufficient cash flows to capitalize on opportunities for business expansion and to meet all of our financial commitments.

#### FREE CASH FLOW

Free cash flow is the cash remaining from operations after we have satisfied our business reinvestment opportunities. We focus on increasing free cash flow to achieve our primary objective, maximizing share-owner value over time. We use free cash flow, along with borrowings, to pay dividends and make share repurchases.

THE COCA-COLA COMPANY AND SUBSIDIARIES

FINANCIAL REVIEW INCORPORATING MANAGEMENT'S DISCUSSION AND ANALYSIS

The consolidated statements of our cash flows are summarized as follows (in millions):

| Year Ended December 31,           | 1996     | 1995     | 1994     |
|-----------------------------------|----------|----------|----------|
| -----                             |          |          |          |
| Cash flows provided by (used in): |          |          |          |
| Operations                        | \$ 3,463 | \$ 3,328 | \$ 3,361 |
| Investment activities             | (1,050)  | (1,226)  | (1,215)  |
| -----                             |          |          |          |
| FREE CASH FLOW                    | 2,413    | 2,102    | 2,146    |
| Cash flows provided by (used in): |          |          |          |
| Financing                         |          |          |          |
| Share repurchases                 | (1,521)  | (1,796)  | (1,192)  |
| Other financing activities        | (581)    | (482)    | (600)    |
| Exchange                          | (45)     | (43)     | 34       |
| -----                             |          |          |          |
| Increase (decrease) in cash       | \$ 266   | \$ (219) | \$ 388   |
| =====                             |          |          |          |

Cash provided by operations amounted to \$3.5 billion, a 4 percent increase from 1995. This increase reflects the continued growth of our business and includes the cash effect of significant items recorded in 1996. These items have been previously discussed in Management's Discussion and Analysis on pages 43 through 45. In 1995, cash provided by operations amounted to \$3.3 billion, a 1 percent decrease from 1994. This 1995 decrease primarily resulted from increases in accounts receivable and inventories related to the increase in our net revenues, and an increase in prepaid expenses and other assets.

In 1996, net cash used in investment activities decreased from 1995, primarily due to the increase in proceeds from the disposals of investments and other assets including the disposition of our bottling and canning operations in France and Belgium. The increase in proceeds from disposals was partially offset by significant acquisitions and investments, including our investment in Coca-Cola y Hit.

As compared to 1994, net cash used in investment activities increased slightly in 1995, primarily attributable to an increase in purchases of property, plant and equipment, offset by an increase in proceeds from disposals of investments and other assets. Specifically, during 1995, we sold our interests in bottling operations in Poland, Croatia and Romania.

FINANCING ACTIVITIES

Our financing activities include net borrowings, dividend payments and share repurchases. Net cash used in financing activities totaled \$2.1 billion in 1996, \$2.3 billion in 1995 and \$1.8 billion in 1994. Cash used to purchase common stock for treasury was \$1.5 billion in 1996 versus \$1.8 billion in 1995. The change between 1995 and 1994 was due, in part, to net borrowings of debt.

Commercial paper is our primary source of short-term financing. On December 31, 1996, we had \$3.2 billion outstanding in commercial paper borrowings. In addition, we had \$1.1 billion in lines of credit and other short-term credit facilities available, under which \$0.2 billion was outstanding. The 1996 and 1995 increases in loans and notes payable were primarily attributable to additional commercial paper borrowings resulting from the management of our short-term and long-term debt mix.

EXCHANGE

Our international operations are subject to certain opportunities and risks, including currency fluctuations and government actions. We monitor our operations in each country closely so that we can respond to changing economic and political environments quickly and decisively, and take full advantage of changing foreign currencies and interest rates.

We use approximately 50 functional currencies. In 1996, 1995 and 1994, the weighted-average exchange rates for certain key foreign currencies strengthened (weakened) against the U.S. dollar as follows:

| Year Ended December 31, | 1996 | 1995 | 1994 |
|-------------------------|------|------|------|
| -----                   |      |      |      |
| Key currencies          | (9)% | Even | 2%   |
| -----                   |      |      |      |
| Australian dollar       | 6%   | 1%   | 9%   |
| British pound           | Even | 3%   | 2%   |
| Canadian dollar         | Even | Even | (5)% |

|              |       |       |      |
|--------------|-------|-------|------|
| French franc | (4)%  | 13%   | (1)% |
| German mark  | (6)%  | 13%   | 2%   |
| Japanese yen | (15)% | 9%    | 9%   |
| Mexican peso | (17)% | (46)% | (8)% |

These percentages do not reflect the impact of fluctuations in exchange on our operating results, as our foreign currency management program mitigates a portion of such exchange risks. In addition, due to our global operations, weaknesses in some currencies are often offset by strengths in others.

The change in our foreign currency translation adjustment in 1996 was due primarily to the revaluation of net assets located in countries where the local currency significantly weakened versus the U.S. dollar. Exchange gains (losses)-net amounted to \$3 million in 1996, \$(21) million in 1995 and \$(25) million in 1994, and were recorded in other income (deductions)-net. Exchange gains (losses)-net includes the remeasurement of certain currencies into functional currencies and the costs of hedging certain transaction and balance sheet exposures.

Additional information concerning our hedging activities is presented on pages 59 through 61.

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THE COCA-COLA COMPANY AND SUBSIDIARIES

## FINANCIAL REVIEW INCORPORATING MANAGEMENT'S DISCUSSION AND ANALYSIS

### FINANCIAL POSITION

The 1996 decrease in our accounts receivable, inventories, property, plant and equipment, goodwill, and accounts payable and accrued expenses is due primarily to the disposition of our previously consolidated bottling and canning operations in France and Belgium and the deconsolidation of our previously consolidated east German bottler. In 1996, our equity method investments increased primarily due to our investments in CCEAG and Coca-Cola y Hit. The 1996 increase in cost method investments includes our investment in Embotelladoras Polar S.A., Embotelladora Andina S.A., Panamerican Beverages and noncash adjustments increasing our investments to fair value. The decrease in accrued income taxes is directly attributable to our 1996 settlement with the IRS, whereby \$320 million of previously accrued income tax liabilities was reversed against current year income tax expense.

The 1995 increase in cost method investments included an increased investment in Panamerican Beverages. In 1995, goodwill and other intangible assets increased as a result of our acquisitions during the year, including Barq's, Inc., and certain fountain syrup manufacturing operations.

### IMPACT OF INFLATION AND CHANGING PRICES

Inflation is a factor that affects the way we operate in many markets around the world. In general, we are able to increase prices to counteract the effects of increasing costs and to generate sufficient cash flows to maintain our productive capability.

### OUTLOOK

As a global business that generates the majority of its operating income outside the United States, our Company is uniquely positioned to benefit from operating in a variety of currencies, as downturns in any one region are often offset by upturns in others. Additionally, we have various operational initiatives available to offset the unfavorable impact of such events.

While we cannot predict the future, we believe our opportunities for sustained, profitable growth are considerable, not only in the developing population centers of the world, but also in our oldest, most established markets, including the United States. We firmly believe the strength of our brands, our global presence, our strong financial condition and the skills of our people give us the flexibility to capitalize on these growth opportunities as we continue to pursue our goal of increasing share-owner value.

### ADDITIONAL INFORMATION

For additional information about our operations, cash flows, liquidity and capital resources, please refer to the information on pages 50 through 68 of this report. Additional information concerning our operations in geographic areas is presented on page 66.

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THE COCA-COLA COMPANY AND SUBSIDIARIES

SELECTED FINANCIAL DATA  
 <TABLE>  
 <CAPTION>

| (In millions except per share data{1}, ratios and growth rates)                            | Compound Growth Rates |          | Year Ended December 31, |          |          |          |
|--|-----------------------|----------|-------------------------|----------|----------|----------|
|  | 5 Years               | 10 Years | 1996                    | 1995     | 1994{3}  | 1993{4}  |
| <S>  | <C>                   | <C>      | <C>                     | <C>      | <C>      | <C>      |
| <b>SUMMARY OF OPERATIONS</b>   |                       |          |                         |          |          |          |
| Net operating revenues   | 9.9%                  | 10.3%    | \$ 18,546               | \$18,018 | \$16,181 | \$13,963 |
| Cost of goods sold   | 7.7%                  | 6.9%     | 6,738                   | 6,940    | 6,168    | 5,160    |
| Gross profit   | 11.3%                 | 12.9%    | 11,808                  | 11,078   | 10,013   | 8,803    |
| Selling, administrative and general expenses   | 11.3%                 | 11.6%    | 7,893                   | 7,052    | 6,376    | 5,704    |
| Operating income   | 11.1%                 | 15.9%    | 3,915                   | 4,026    | 3,637    | 3,099    |
| Interest income  |                       |          | 238                     | 245      | 181      | 144      |
| Interest expense   |                       |          | 286                     | 272      | 199      | 168      |
| Equity income  |                       |          | 211                     | 169      | 134      | 91       |
| Other income (deductions)-net  |                       |          | 87                      | 86       | (25)     | 7        |
| Gains on issuances of stock by equity investees  |                       |          | 431                     | 74       | -        | 12       |
| Income from continuing operations before income taxes and changes in accounting principles | 14.0%                 | 13.5%    | 4,596                   | 4,328    | 3,728    | 3,185    |
| Income taxes   | 7.6%                  | 8.9%     | 1,104                   | 1,342    | 1,174    | 997      |
| Income from continuing operations before changes in accounting principles                  | 16.6%                 | 15.5%    | \$ 3,492                | \$ 2,986 | \$ 2,554 | \$ 2,188 |
| Net income   | 16.6%                 | 14.1%    | \$ 3,492                | \$ 2,986 | \$ 2,554 | \$ 2,176 |
| Preferred stock dividends  |                       |          | -                       | -        | -        | -        |
| Net income available to common share owners  | 16.6%                 | 14.1%    | \$ 3,492                | \$ 2,986 | \$ 2,554 | \$ 2,176 |
| Average common shares outstanding{1}   |                       |          | 2,494                   | 2,525    | 2,580    | 2,603    |
| <b>PER COMMON SHARE DATA{1}</b>  |                       |          |                         |          |          |          |
| Income from continuing operations before changes in accounting principles                  | 18.1%                 | 17.9%    | \$ 1.40                 | \$ 1.18  | \$ .99   | \$ .84   |
| Net income   | 18.1%                 | 16.7%    | 1.40                    | 1.18     | .99      | .84      |
| Cash dividends   | 15.8%                 | 14.4%    | .50                     | .44      | .39      | .34      |
| Market price on December 31  | 21.3%                 | 27.3%    | 52.63                   | 37.13    | 25.75    | 22.31    |
| TOTAL MARKET VALUE OF COMMON STOCK{2}  | 19.6%                 | 24.6%    | \$130,575               | \$92,983 | \$65,711 | \$57,905 |
| <b>BALANCE SHEET DATA</b>  |                       |          |                         |          |          |          |
| Cash, cash equivalents and current marketable securities                                   |                       |          | \$ 1,658                | \$ 1,315 | \$ 1,531 | \$ 1,078 |
| Property, plant and equipment-net  |                       |          | 3,550                   | 4,336    | 4,080    | 3,729    |
| Depreciation   |                       |          | 442                     | 421      | 382      | 333      |
| Capital expenditures   |                       |          | 990                     | 937      | 878      | 800      |
| Total assets   |                       |          | 16,161                  | 15,041   | 13,873   | 12,021   |
| Long-term debt   |                       |          | 1,116                   | 1,141    | 1,426    | 1,428    |
| Total debt   |                       |          | 4,513                   | 4,064    | 3,509    | 3,100    |
| Share-owners' equity   |                       |          | 6,156                   | 5,392    | 5,235    | 4,584    |
| Total capital{2}   |                       |          | 10,669                  | 9,456    | 8,744    | 7,684    |
| <b>OTHER KEY FINANCIAL MEASURES{2}</b>   |                       |          |                         |          |          |          |
| Total debt-to-total capital  |                       |          | 42.3%                   | 43.0%    | 40.1%    | 40.3%    |
| Net debt-to-net capital  |                       |          | 31.4%                   | 32.2%    | 25.5%    | 29.0%    |
| Return on common equity  |                       |          | 60.5%                   | 56.2%    | 52.0%    | 51.7%    |
| Return on capital  |                       |          | 36.7%                   | 34.9%    | 32.7%    | 31.2%    |
| Dividend payout ratio  |                       |          | 35.7%                   | 37.2%    | 39.4%    | 40.6%    |
| Economic profit{7}   |                       |          | \$ 2,718                | \$ 2,291 | \$ 1,896 | \$ 1,549 |
| Free cash flow   |                       |          | \$ 2,413                | \$ 2,102 | \$ 2,146 | \$ 1,623 |

{1} Adjusted for a two-for-one stock split in 1996.

{2} See Glossary on page 73.

{3} In 1994, we adopted SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities."

{4} In 1993, we adopted SFAS No. 112, "Employers' Accounting for Postemployment Benefits."  
 {5} In 1992, we adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions."

</TABLE>

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 THE COCA-COLA COMPANY AND SUBSIDIARIES

SELECTED FINANCIAL DATA

<TABLE>

<CAPTION>

| (In millions except per share data{1}, ratios and growth rates)                            | Year Ended December 31, |          |          |             |          |          |          |
|--|-------------------------|----------|----------|-------------|----------|----------|----------|
|  | 1992{5,6}               | 1991{6}  | 1990{6}  | 1989{6}     | 1988     | 1987     | 1986     |
|  | <C>                     | <C>      | <C>      | <C>         | <C>      | <C>      | <C>      |
| <b>SUMMARY OF OPERATIONS</b>   |                         |          |          |             |          |          |          |
| Net operating revenues   | \$13,074                | \$11,572 | \$10,236 | \$ 8,622    | \$ 8,065 | \$ 7,658 | \$ 6,977 |
| Cost of goods sold   | 5,055                   | 4,649    | 4,208    | 3,548       | 3,429    | 3,633    | 3,454    |
| Gross profit   | 8,019                   | 6,923    | 6,028    | 5,074       | 4,636    | 4,025    | 3,523    |
| Selling, administrative and general expenses   | 5,272                   | 4,614    | 4,078    | 3,327       | 3,033    | 2,673    | 2,624    |
| Operating income   | 2,747                   | 2,309    | 1,950    | 1,747       | 1,603    | 1,352    | 899      |
| Interest income  | 164                     | 175      | 170      | 205         | 199      | 232      | 154      |
| Interest expense   | 171                     | 192      | 231      | 308         | 230      | 297      | 208      |
| Equity income  | 65                      | 40       | 110      | 75          | 92       | 64       | 45       |
| Other income (deductions)-net  | (59)                    | 51       | 15       | 45          | (38)     | (28)     | 33       |
| Gains on issuances of stock by equity investees  | -                       | -        | -        | -           | -        | 40       | 375      |
| Income from continuing operations before income taxes and changes in accounting principles | 2,746                   | 2,383    | 2,014    | 1,764       | 1,626    | 1,363    | 1,298    |
| Income taxes   | 863                     | 765      | 632      | 553         | 537      | 496      | 471      |
| Income from continuing operations before changes in accounting principles                  | \$ 1,883                | \$ 1,618 | \$ 1,382 | \$ 1,211    | \$ 1,089 | \$ 867   | \$ 827   |
| Net income   | \$ 1,664                | \$ 1,618 | \$ 1,382 | \$ 1,537    | \$ 1,045 | \$ 916   | \$ 934   |
| Preferred stock dividends  | -                       | 1        | 18       | 21          | 7        | -        | -        |
| Net income available to common share owners  | \$ 1,664                | \$ 1,617 | \$ 1,364 | \$ 1,516{8} | \$ 1,038 | \$ 916   | \$ 934   |
| Average common shares outstanding{1}   | 2,634                   | 2,666    | 2,674    | 2,768       | 2,917    | 3,019    | 3,095    |
| <b>PER COMMON SHARE DATA{1}</b>  |                         |          |          |             |          |          |          |
| Income from continuing operations before changes in accounting principles                  | \$ .72                  | \$ .61   | \$ .51   | \$ .43      | \$ .37   | \$ .29   | \$ .27   |
| Net income   | .63                     | .61      | .51      | .55{8}      | .36      | .30      | .30      |
| Cash dividends   | .28                     | .24      | .20      | .17         | .15      | .14      | .13      |
| Market price on December 31  | 20.94                   | 20.06    | 11.63    | 9.66        | 5.58     | 4.77     | 4.72     |
| <b>TOTAL MARKET VALUE OF COMMON STOCK{2}</b>   |                         |          |          |             |          |          |          |
|  | \$54,728                | \$53,325 | \$31,073 | \$26,034    | \$15,834 | \$14,198 | \$14,534 |
| <b>BALANCE SHEET DATA</b>  |                         |          |          |             |          |          |          |
| Cash, cash equivalents and current marketable securities                                   | \$ 1,063                | \$ 1,117 | \$ 1,492 | \$ 1,182    | \$ 1,231 | \$ 1,489 | \$ 895   |
| Property, plant and equipment-net  | 3,526                   | 2,890    | 2,386    | 2,021       | 1,759    | 1,602    | 1,538    |
| Depreciation   | 310                     | 254      | 236      | 181         | 167      | 152      | 151      |
| Capital expenditures   | 1,083                   | 792      | 593      | 462         | 387      | 304      | 346      |
| Total assets   | 11,052                  | 10,189   | 9,245    | 8,249       | 7,451    | 8,606    | 7,675    |
| Long-term debt   | 1,120                   | 985      | 536      | 549         | 761      | 909      | 996      |
| Total debt   | 3,207                   | 2,288    | 2,537    | 1,980       | 2,124    | 2,995    | 1,848    |
| Share-owners' equity   | 3,888                   | 4,239    | 3,662    | 3,299       | 3,345    | 3,187    | 3,479    |
| Total capital{2}   | 7,095                   | 6,527    | 6,199    | 5,279       | 5,469    | 6,182    | 5,327    |

| OTHER KEY FINANCIAL MEASURES(2) |          |          |        |          |          |          |        |
|---------------------------------|----------|----------|--------|----------|----------|----------|--------|
| Total debt-to-total capital     | 45.2%    | 35.1%    | 40.9%  | 37.5%    | 38.8%    | 48.4%    | 34.7%  |
| Net debt-to-net capital         | 33.1%    | 24.1%    | 24.6%  | 15.6%    | 21.1%    | 21.1%    | 15.4%  |
| Return on common equity         | 46.4%    | 41.3%    | 41.4%  | 39.4%    | 34.7%    | 26.0%    | 25.7%  |
| Return on capital               | 29.4%    | 27.5%    | 26.8%  | 26.5%    | 21.3%    | 18.3%    | 20.1%  |
| Dividend payout ratio           | 44.3%    | 39.5%    | 39.2%  | 31.0%{8} | 42.1%    | 46.0%    | 43.1%  |
| Economic profit{7}              | \$ 1,300 | \$ 1,073 | \$ 920 | \$ 859   | \$ 717   | \$ 530   | \$ 594 |
| Free cash flow                  | \$ 873   | \$ 960   | \$ 844 | \$ 1,664 | \$ 1,517 | \$ 1,023 | \$ 186 |

{6} In 1992, we adopted SFAS No. 109, "Accounting for Income Taxes," by restating financial statements beginning in 1989.

{7} The calculation of economic profit has been modified and amounts prior to 1996 have been restated.

{8} Net income available to common share owners in 1989 included after-tax gains of \$604 million (\$.22 per common share) from the sales of our equity interest in Columbia Pictures Entertainment, Inc. and our bottled water business, and the transition effect of \$265 million related to the change in accounting for income taxes. Excluding these nonrecurring items, our dividend payout ratio in 1989 was 39.9 percent.

</TABLE>

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THE COCA-COLA COMPANY AND SUBSIDIARIES

<TABLE>

CONSOLIDATED BALANCE SHEETS

<CAPTION>

December 31, 1996 1995

(In millions except share data)

ASSETS

| <S>  | <C>       | <C>       |
|--|-----------|-----------|
| CURRENT  |           |           |
| Cash and cash equivalents  | \$ 1,433  | \$ 1,167  |
| Marketable securities  | 225       | 148       |
| -----  | 1,658     | 1,315     |
| Trade accounts receivable, less allowances<br>of \$30 in 1996 and \$34 in 1995 | 1,641     | 1,695     |
| Inventories  | 952       | 1,117     |
| Prepaid expenses and other assets  | 1,659     | 1,323     |
| -----  | 5,910     | 5,450     |
| INVESTMENTS AND OTHER ASSETS   |           |           |
| Equity method investments  |           |           |
| Coca-Cola Enterprises Inc.   | 547       | 556       |
| Coca-Cola Amatil Limited   | 881       | 682       |
| Other, principally bottling companies  | 2,004     | 1,157     |
| Cost method investments, principally<br>bottling companies                     | 737       | 319       |
| Marketable securities and other assets   | 1,779     | 1,597     |
| -----  | 5,948     | 4,311     |
| PROPERTY, PLANT AND EQUIPMENT  |           |           |
| Land   | 204       | 233       |
| Buildings and improvements   | 1,528     | 1,944     |
| Machinery and equipment  | 3,649     | 4,135     |
| Containers   | 200       | 345       |
| -----  | 5,581     | 6,657     |
| Less allowances for depreciation   | 2,031     | 2,321     |
| -----  | 3,550     | 4,336     |
| GOODWILL AND OTHER INTANGIBLE ASSETS   |           |           |
|  | 753       | 944       |
| -----  | \$ 16,161 | \$ 15,041 |

</TABLE>

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THE COCA-COLA COMPANY AND SUBSIDIARIES

<TABLE>

CONSOLIDATED BALANCE SHEETS

| <CAPTION><br>December 31,   | 1996      | 1995      |
|---|-----------|-----------|
| -----   |           |           |
| (In millions except share data)   |           |           |
|   |           |           |
| LIABILITIES AND SHARE-OWNERS' EQUITY  |           |           |
| <S>   | <C>       | <C>       |
|   |           |           |
| CURRENT   |           |           |
| Accounts payable and accrued expenses   | \$ 2,972  | \$ 3,103  |
| Loans and notes payable   | 3,388     | 2,371     |
| Current maturities of long-term debt  | 9         | 552       |
| Accrued income taxes  | 1,037     | 1,322     |
| -----   |           |           |
| TOTAL CURRENT LIABILITIES   | 7,406     | 7,348     |
| -----   |           |           |
| LONG-TERM DEBT  | 1,116     | 1,141     |
| -----   |           |           |
| OTHER LIABILITIES   | 1,182     | 966       |
| -----   |           |           |
| DEFERRED INCOME TAXES   | 301       | 194       |
| -----   |           |           |
|   |           |           |
| SHARE-OWNERS' EQUITY  |           |           |
| Common stock, \$.25 par value   |           |           |
| Authorized: 5,600,000,000 shares  |           |           |
| Issued: 3,432,956,518 shares in 1996;   |           |           |
| 3,423,678,994 shares in 1995  | 858       | 856       |
| Capital surplus   | 1,058     | 863       |
| Reinvested earnings   | 15,127    | 12,882    |
| Unearned compensation related to outstanding<br>restricted stock                            | (61)      | (68)      |
| Foreign currency translation adjustment   | (662)     | (424)     |
| Unrealized gain on securities available for sale  | 156       | 82        |
| -----   |           |           |
|   | 16,476    | 14,191    |
|   |           |           |
| Less treasury stock, at cost<br>(951,963,574 shares in 1996;<br>919,081,326 shares in 1995) | 10,320    | 8,799     |
| -----   |           |           |
|   | 6,156     | 5,392     |
| -----   |           |           |
|   | \$ 16,161 | \$ 15,041 |
| =====   |           |           |

See Notes to Consolidated Financial Statements.

</TABLE>

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THE COCA-COLA COMPANY AND SUBSIDIARIES

<TABLE>  
CONSOLIDATED STATEMENTS OF INCOME

| <CAPTION><br>Year Ended December 31,            | 1996      | 1995      | 1994      |
|---|-----------|-----------|-----------|
| -----   |           |           |           |
| (In millions except per share data)             |           |           |           |
|   |           |           |           |
| <S>   | <C>       | <C>       | <C>       |
| NET OPERATING REVENUES                          | \$ 18,546 | \$ 18,018 | \$ 16,181 |
| Cost of goods sold                              | 6,738     | 6,940     | 6,168     |
| -----   |           |           |           |
| GROSS PROFIT                                    | 11,808    | 11,078    | 10,013    |
| Selling, administrative and general expenses    | 7,893     | 7,052     | 6,376     |
| -----   |           |           |           |
| OPERATING INCOME                                | 3,915     | 4,026     | 3,637     |
| Interest income                                 | 238       | 245       | 181       |
| Interest expense                                | 286       | 272       | 199       |
| Equity income                                   | 211       | 169       | 134       |
| Other income (deductions)-net                   | 87        | 86        | (25)      |
| Gains on issuances of stock by equity investees | 431       | 74        | -         |
| -----   |           |           |           |
| INCOME BEFORE INCOME TAXES                      | 4,596     | 4,328     | 3,728     |
| Income taxes                                    | 1,104     | 1,342     | 1,174     |
| -----   |           |           |           |
| NET INCOME                                      | \$ 3,492  | \$ 2,986  | \$ 2,554  |
| =====   |           |           |           |
|   |           |           |           |
| NET INCOME PER SHARE                            | \$ 1.40   | \$ 1.18   | \$ .99    |



|                            |       |       |       |
|----------------------------|-------|-------|-------|
| AVERAGE SHARES OUTSTANDING | 2,494 | 2,525 | 2,580 |
|----------------------------|-------|-------|-------|

See Notes to Consolidated Financial Statements.

</TABLE>

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THE COCA-COLA COMPANY AND SUBSIDIARIES

<TABLE>

CONSOLIDATED STATEMENTS OF CASH FLOWS

<CAPTION>

| Year Ended December 31,                                      | 1996     | 1995     | 1994     |
|--|----------|----------|----------|
| (In millions)  |          |          |          |
| <S>  | <C>      | <C>      | <C>      |
| <b>OPERATING ACTIVITIES</b>                                  |          |          |          |
| Net income   | \$ 3,492 | \$ 2,986 | \$ 2,554 |
| Depreciation and amortization                                | 479      | 454      | 411      |
| Deferred income taxes  | (145)    | 157      | 58       |
| Equity income, net of dividends                              | (89)     | (25)     | (4)      |
| Foreign currency adjustments                                 | (60)     | (23)     | (6)      |
| Gains on issuances of stock by equity investees              | (431)    | (74)     | -        |
| Other noncash items  | 181      | 45       | 41       |
| Net change in operating assets and liabilities               | 36       | (192)    | 307      |
| Net cash provided by operating activities                    | 3,463    | 3,328    | 3,361    |
| <b>INVESTING ACTIVITIES</b>                                  |          |          |          |
| Acquisitions and investments, principally bottling companies | (645)    | (338)    | (311)    |
| Purchases of investments and other assets                    | (623)    | (403)    | (379)    |
| Proceeds from disposals of investments and other assets      | 1,302    | 580      | 299      |
| Purchases of property, plant and equipment                   | (990)    | (937)    | (878)    |
| Proceeds from disposals of property, plant and equipment     | 81       | 44       | 109      |
| Other investing activities                                   | (175)    | (172)    | (55)     |
| Net cash used in investing activities                        | (1,050)  | (1,226)  | (1,215)  |
| Net cash provided by operations after reinvestment           | 2,413    | 2,102    | 2,146    |
| <b>FINANCING ACTIVITIES</b>                                  |          |          |          |
| Issuances of debt  | 1,122    | 754      | 491      |
| Payments of debt   | (580)    | (212)    | (154)    |
| Issuances of stock   | 124      | 86       | 69       |
| Purchases of stock for treasury                              | (1,521)  | (1,796)  | (1,192)  |
| Dividends  | (1,247)  | (1,110)  | (1,006)  |
| Net cash used in financing activities                        | (2,102)  | (2,278)  | (1,792)  |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | (45)     | (43)     | 34       |
| CASH AND CASH EQUIVALENTS                                    |          |          |          |
| Net increase (decrease) during the year                      | 266      | (219)    | 388      |
| Balance at beginning of year                                 | 1,167    | 1,386    | 998      |
| Balance at end of year                                       | \$ 1,433 | \$ 1,167 | \$ 1,386 |

See Notes to Consolidated Financial Statements.

</TABLE>

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THE COCA-COLA COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHARE-OWNERS' EQUITY

<TABLE>

<CAPTION>

| Three Years Ended | Number of Common Shares | Common Stock | Capital Surplus | Reinvested Earnings | Outstanding Restricted Stock | Foreign Currency Translation | Unrealized Gain on Securities |
|-------------------|-------------------------|--------------|-----------------|---------------------|------------------------------|------------------------------|-------------------------------|
| December 31, 1996 | Outstanding{1}          | Stock{1}     | Surplus{1}      | Earnings            | Stock                        | Translation                  | Securities                    |

Stock

| <S>  | <C>     | <C>   | <C>    | <C>      | <C>    | <C>     | <C>      |
|--|---------|-------|--------|----------|--------|---------|----------|
| <C>  |         |       |        |          |        |         |          |
| (In millions except per share data){1}   |         |       |        |          |        |         |          |
| BALANCE DECEMBER 31, 1993<br>(5,881)   | 2,595   | \$852 | \$ 660 | \$ 9,458 | \$(85) | \$(420) | \$ -- \$ |
| Transition effect of change<br>in accounting for certain<br>debt and marketable equity<br>securities, net<br>of deferred taxes | --      | --    | --     | --       | --     | --      | 60       |
| Stock issued to employees<br>exercising stock options  | 8       | 2     | 67     | --       | --     | --      | --       |
| Tax benefit from employees'<br>stock option and<br>restricted stock plans  | --      | --    | 17     | --       | --     | --      | --       |
| Stock issued under<br>restricted stock plans,<br>less amortization of \$13   | --      | --    | 2      | --       | 11     | --      | --       |
| Translation adjustments  | --      | --    | --     | --       | --     | 148     | --       |
| Net change in unrealized<br>gain on securities,<br>net of deferred taxes   | --      | --    | --     | --       | --     | --      | (12)     |
| Purchases of stock for<br>treasury<br>(1,192)  | (51){2} | --    | --     | --       | --     | --      | --       |
| Net income   | --      | --    | --     | 2,554    | --     | --      | --       |
| Dividends (per share-\$.39)  | --      | --    | --     | (1,006)  | --     | --      | --       |
| BALANCE DECEMBER 31, 1994<br>(7,073)   | 2,552   | 854   | 746    | 11,006   | (74)   | (272)   | 48       |
| Stock issued to employees<br>exercising stock options  | 8       | 2     | 84     | --       | --     | --      | --       |
| Tax benefit from employees'<br>stock option and<br>restricted stock plans  | --      | --    | 26     | --       | --     | --      | --       |
| Stock issued under<br>restricted stock plans,<br>less amortization of \$12   | --      | --    | 7      | --       | 6      | --      | --       |
| Translation adjustments  | --      | --    | --     | --       | --     | (152)   | --       |
| Net change in unrealized<br>gain on securities,<br>net of deferred taxes   | --      | --    | --     | --       | --     | --      | 34       |
| Purchases of stock for<br>treasury<br>(1,796)  | (58){2} | --    | --     | --       | --     | --      | --       |
| Treasury stock issued<br>in connection with<br>an acquisition<br>70  | 3       | --    | --     | --       | --     | --      | --       |
| Net income   | --      | --    | --     | 2,986    | --     | --      | --       |
| Dividends (per share-\$.44)  | --      | --    | --     | (1,110)  | --     | --      | --       |
| BALANCE DECEMBER 31, 1995<br>(8,799)   | 2,505   | 856   | 863    | 12,882   | (68)   | (424)   | 82       |
| Stock issued to employees<br>exercising stock options  | 9       | 2     | 122    | --       | --     | --      | --       |
| Tax benefit from employees'<br>stock option and<br>restricted stock plans  | --      | --    | 63     | --       | --     | --      | --       |
| Stock issued under<br>restricted stock plans,<br>less amortization of \$15   | --      | --    | 10     | --       | 7      | --      | --       |

|  |       |     |       |         |          |         |          |       |
|--|-------|-----|-------|---------|----------|---------|----------|-------|
| --   |       |     |       |         |          |         |          |       |
| Translation adjustments  | --    |     | --    | --      | --       | --      | (238)    | --    |
| --   |       |     |       |         |          |         |          |       |
| Net change in unrealized gain on securities, net of deferred taxes | --    |     | --    | --      | --       | --      | --       | 74    |
| --   |       |     |       |         |          |         |          |       |
| Purchases of stock for treasury (1,521)                            | (33)  | {2} |       | --      | --       | --      | --       | --    |
| Net income   | --    |     | --    | --      | 3,492    | --      | --       | --    |
| --   |       |     |       |         |          |         |          |       |
| Dividends (per share-\$0.50)                                       | --    |     | --    | --      | (1,247)  | --      | --       | --    |
| --   |       |     |       |         |          |         |          |       |
| ----- -----  |       |     |       |         |          |         |          |       |
| BALANCE DECEMBER 31, 1996  | 2,481 |     | \$858 | \$1,058 | \$15,127 | \$ (61) | \$ (662) | \$156 |
| \$ (10,320)  |       |     |       |         |          |         |          |       |
| =====  |       |     |       |         |          |         |          |       |

{1} Adjusted for a two-for-one stock split in 1996.

{2} Common stock purchased from employees exercising stock options numbered 881 thousand, 561 thousand and 416 thousand

shares for the years ending December 31, 1996, 1995 and 1994, respectively.

See Notes to Consolidated Financial Statements.

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THE COCA-COLA COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

The Coca-Cola Company and subsidiaries (our Company) is predominantly a manufacturer, marketer and distributor of soft drink and noncarbonated beverage concentrates and syrups. Operating in nearly 200 countries worldwide, we primarily sell our concentrates and syrups to bottling and canning operations, fountain wholesalers and fountain retailers. We have significant markets for our products in all of the world's geographic regions. We record revenue when title passes to our customers.

BASIS OF PRESENTATION

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year presentation.

CONSOLIDATION

Our consolidated financial statements include the accounts of The Coca-Cola Company and all subsidiaries except where control is temporary or does not rest with our Company. Our investments in companies in which we have the ability to exercise significant influence over operating and financial policies are accounted for by the equity method. Accordingly, our Company's share of the net earnings of these companies is included in consolidated net income. Our investments in other companies are carried at cost or fair value, as appropriate. All significant intercompany accounts and transactions are eliminated upon consolidation.

ISSUANCES OF STOCK BY EQUITY INVESTEES

When one of our equity investees sells additional shares to third parties, our percentage ownership interest in the investee decreases. In the event the selling price per share is more or less than our average carrying amount per share, we recognize a noncash gain or loss on the issuance. This noncash gain or loss, net of any deferred taxes, is recognized in our net income in the period the change of ownership interest occurs.

ADVERTISING COSTS

Our Company generally expenses production costs of print, radio and television advertisements as of the first date the advertisements take place. Advertising expenses included in selling, administrative and general expenses were \$1,437 million in 1996, \$1,292 million in 1995 and \$1,114 million in 1994. As of December 31, 1996 and 1995, advertising costs of approximately \$247 million and \$299 million, respectively, were recorded primarily in prepaid expenses and other assets in our accompanying balance sheets.

NET INCOME PER SHARE

Net income per share is computed by dividing net income by the weighted-average number of shares outstanding.

On April 17, 1996, our share owners approved an increase in the authorized common stock of our Company from 2.8 billion to 5.6 billion shares and a two-for-one stock split. The stated par value of each share remained at \$.25 per share. Our financial statements have been restated to reflect these changes.

#### CASH EQUIVALENTS

Marketable securities that are highly liquid and have maturities of three months or less at the date of purchase are classified as cash equivalents.

#### INVENTORIES

Inventories consist primarily of raw materials and supplies and are valued at the lower of cost or market. In general, cost is determined on the basis of average cost or first-in, first-out methods.

#### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost and are depreciated principally by the straight-line method over the estimated useful lives of the assets.

#### GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets are stated on the basis of cost and are amortized, principally on a straight-line basis, over the estimated future periods to be benefited (not exceeding 40 years). Goodwill and other intangible assets are periodically reviewed for impairment based on an assessment of future operations to ensure that they are appropriately valued. Accumulated amortization was approximately \$86 million and \$117 million on December 31, 1996 and 1995, respectively.

#### USE OF ESTIMATES

In conformity with generally accepted accounting principles, the preparation of our financial statements requires our management to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. Although these estimates are based on our knowledge of current events and actions we may undertake in the future, they may ultimately differ from actual results.

#### NEW ACCOUNTING STANDARDS

We adopted Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS 123), in 1996. Under the provisions of SFAS 123, companies can elect to account for stock-based compensation plans using a fair-value based method or continue measuring compensation expense for those plans using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25) and related Interpretations. We have elected to continue using the intrinsic value method to account for our stock-based compensation plans. SFAS 123 requires companies electing to continue using the intrinsic value method to make certain pro forma disclosures (see Note 11).

Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" (SFAS 121), was adopted as of January 1, 1996. SFAS 121 standardized the accounting practices for the recognition

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THE COCA-COLA COMPANY AND SUBSIDIARIES

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

and measurement of impairment losses on certain long-lived assets. The adoption of SFAS 121 was not material to our results of operations or financial position. However, the provisions of SFAS 121 required certain charges, historically recorded by our Company in other income (deductions)-net, to be included in operating income.

#### 2. BOTTLING INVESTMENTS

##### COCA-COLA ENTERPRISES INC.

Coca-Cola Enterprises is the largest soft drink bottler in the world. Our Company owns approximately 45 percent of the outstanding common stock of Coca-Cola Enterprises, and accordingly we account for our investment by the equity method of accounting. On December 31, 1996, the excess of our equity in the underlying net assets of Coca-Cola Enterprises over our investment was approximately \$150 million, which is primarily being amortized on a straight-line basis over 40 years. A summary of financial information for Coca-Cola Enterprises is as follows (in millions):

| December 31,           | 1996      | 1995     |
|------------------------|-----------|----------|
| Current assets         | \$ 1,319  | \$ 982   |
| Noncurrent assets      | 9,915     | 8,082    |
| Total assets           | \$ 11,234 | \$ 9,064 |
| Current liabilities    | \$ 1,390  | \$ 859   |
| Noncurrent liabilities | 8,294     | 6,770    |
| Total liabilities      | \$ 9,684  | \$ 7,629 |
| Share-owners' equity   | \$ 1,550  | \$ 1,435 |

|                           |        |        |
|---------------------------|--------|--------|
| Company equity investment | \$ 547 | \$ 556 |
|---------------------------|--------|--------|

| Year Ended December 31,                     | 1996     | 1995     | 1994     |
|---|----------|----------|----------|
| Net operating revenues                      | \$ 7,921 | \$ 6,773 | \$ 6,011 |
| Cost of goods sold                          | 4,896    | 4,267    | 3,703    |
| Gross profit                                | \$ 3,025 | \$ 2,506 | \$ 2,308 |
| Operating income                            | \$ 545   | \$ 468   | \$ 440   |
| Cash operating profit{1}                    | \$ 1,172 | \$ 997   | \$ 901   |
| Net income                                  | \$ 114   | \$ 82    | \$ 69    |
| Net income available to common share owners | \$ 106   | \$ 80    | \$ 67    |
| Company equity income                       | \$ 53    | \$ 35    | \$ 30    |

Our net concentrate/syrup sales to Coca-Cola Enterprises were \$1.6 billion in 1996, \$1.3 billion in 1995 and \$1.2 billion in 1994. Coca-Cola Enterprises purchases sweeteners through our Company; however, related collections from Coca-Cola Enterprises and payments to suppliers are not included in our consolidated statements of income. These transactions amounted to \$247 million in 1996, \$242 million in 1995 and \$254 million in 1994. We also provide certain administrative and other services to Coca-Cola Enterprises under negotiated fee arrangements.

Our direct support for certain marketing activities of Coca-Cola Enterprises and participation with them in cooperative advertising and other marketing programs amounted to approximately \$448 million in 1996, \$343 million in 1995 and \$319 million in 1994. Additionally, in 1996 and 1995, we committed approximately \$120 million and \$55 million, respectively, to Coca-Cola Enterprises under a Company program that encourages bottlers to invest in building and supporting beverage infrastructure.

If valued at the December 31, 1996, quoted closing price of publicly traded Coca-Cola Enterprises shares, the calculated value of our investment in Coca-Cola Enterprises would have exceeded its carrying value by approximately \$2.2 billion.

#### COCA-COLA AMATIL LIMITED

We own approximately 36 percent of Coca-Cola Amatil, an Australian-based bottler of our products that operates in 17 countries. Accordingly, we account for our investment in Coca-Cola Amatil by the equity method. On December 31, 1996, the excess of our investment over our equity in the underlying net assets of Coca-Cola Amatil was approximately \$137 million, which we are amortizing on a straight-line basis over 40 years. A summary of financial information for Coca-Cola Amatil is as follows (in millions):

| December 31,              | 1996     | 1995     |
|---------------------------|----------|----------|
| Current assets            | \$ 1,847 | \$ 1,129 |
| Noncurrent assets         | 2,913    | 2,310    |
| Total assets              | \$ 4,760 | \$ 3,439 |
| Current liabilities       | \$ 1,247 | \$ 1,077 |
| Noncurrent liabilities    | 1,445    | 881      |
| Total liabilities         | \$ 2,692 | \$ 1,958 |
| Share-owners' equity      | \$ 2,068 | \$ 1,481 |
| Company equity investment | \$ 881   | \$ 682   |

| Year Ended December 31,  | 1996     | 1995     | 1994     |
|--------------------------|----------|----------|----------|
| Net operating revenues   | \$ 2,905 | \$ 2,193 | \$ 1,670 |
| Cost of goods sold       | 1,737    | 1,311    | 981      |
| Gross profit             | \$ 1,168 | \$ 882   | \$ 689   |
| Operating income         | \$ 215   | \$ 214   | \$ 156   |
| Cash operating profit{1} | \$ 384   | \$ 329   | \$ 247   |

|                       |       |       |       |
|-----------------------|-------|-------|-------|
| Net income            | \$ 80 | \$ 75 | \$ 68 |
| Company equity income | \$ 27 | \$ 28 | \$ 28 |

Our net concentrate sales to Coca-Cola Amatil were approximately \$450 million in 1996, \$340 million in 1995 and \$270 million in 1994. We also participate in various marketing, promotional and other activities with Coca-Cola Amatil.

If valued at the December 31, 1996, quoted closing price of publicly traded Coca-Cola Amatil shares, the calculated value of our investment in Coca-Cola Amatil would have exceeded its carrying value by approximately \$1.2 billion.

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OTHER EQUITY INVESTMENTS

Operating results include our proportionate share of income from our equity investments since the respective dates of those investments. A summary of financial information for our equity investments in the aggregate, other than Coca-Cola Enterprises and Coca-Cola Amatil, is as follows (in millions):

| December 31,              | 1996      | 1995     |  |
|---------------------------|-----------|----------|--|
| Current assets            | \$ 2,792  | \$ 1,889 |  |
| Noncurrent assets         | 8,783     | 5,006    |  |
| Total assets              | \$ 11,575 | \$ 6,895 |  |
| Current liabilities       | \$ 2,758  | \$ 1,933 |  |
| Noncurrent liabilities    | 4,849     | 2,555    |  |
| Total liabilities         | \$ 7,607  | \$ 4,488 |  |
| Share-owners' equity      | \$ 3,968  | \$ 2,407 |  |
| Company equity investment | \$ 2,004  | \$ 1,157 |  |

  

| Year Ended December 31,  | 1996      | 1995     | 1994     |
|--------------------------|-----------|----------|----------|
| Net operating revenues   | \$ 11,640 | \$ 9,370 | \$ 7,998 |
| Cost of goods sold       | 8,028     | 6,335    | 5,416    |
| Gross profit             | \$ 3,612  | \$ 3,035 | \$ 2,582 |
| Operating income         | \$ 835    | \$ 632   | \$ 633   |
| Cash operating profit{1} | \$ 1,268  | \$ 1,079 | \$ 875   |
| Net income               | \$ 366    | \$ 280   | \$ 255   |
| Company equity income    | \$ 131    | \$ 106   | \$ 76    |

Equity investments include certain non-bottling investees.

{1} Cash operating profit is defined as operating income plus depreciation expense, amortization expense and other noncash operating expenses.

Net sales to equity investees other than Coca-Cola Enterprises and Coca-Cola Amatil were \$1.5 billion in 1996, \$1.2 billion in 1995 and \$1.0 billion in 1994. Our Company also participates in various marketing, promotional and other activities with these investees, the majority of which are located outside the United States.

In July 1996, we sold our interests in our French and Belgian bottling and canning operations to Coca-Cola Enterprises in return for cash consideration of approximately \$936 million. Also in 1996, we contributed cash and our Venezuelan bottling interests to a new joint venture, Embotelladora Coca-Cola y Hit de Venezuela, S.A., in exchange for a 50 percent ownership interest. Accordingly, we account for our investment by the equity method.

During 1995, our finance subsidiary invested \$160 million in The Coca-Cola Bottling Company of New York, Inc. (CCNY), in return for redeemable preferred stock. As of December 31, 1996, we held a 49 percent voting and economic interest in CCNY. Accordingly, we account for our investment in CCNY by the equity method.

If valued at the December 31, 1996, quoted closing prices of

shares actively traded on stock markets, the calculated value of our equity investments in publicly traded bottlers other than Coca-Cola Enterprises and Coca-Cola Amatil would have exceeded our carrying value by approximately \$574 million.

### 3. ISSUANCES OF STOCK BY EQUITY INVESTEES

In the third quarter of 1996, our previously wholly owned subsidiary, Coca-Cola Erfrischungsgetraenke G.m.b.H. (CCEG), issued approximately 24.4 million shares of common stock as part of a merger with three independent German bottlers of our products. The shares were valued at approximately \$925 million, based upon the fair values of the assets of the three acquired bottling companies. In connection with CCEG's issuance of shares, a new corporation was established, Coca-Cola Erfrischungsgetraenke AG (CCEAG), and our ownership was reduced to 45 percent of the resulting corporation. As a result, we will account for our related investment by the equity method of accounting, prospectively from the transaction date. This transaction resulted in a noncash pretax gain of \$283 million to our Company. Our German subsidiary has provided deferred taxes of approximately \$171 million related to this gain.

Also in the third quarter of 1996, Coca-Cola Amatil issued approximately 46 million shares in exchange for approximately \$522 million. This issuance reduced our Company's ownership percentage in Coca-Cola Amatil from approximately 39 percent to approximately 36 percent. This transaction resulted in a noncash pretax gain of \$130 million to our Company. We have provided deferred taxes of approximately \$47 million on this gain.

In 1996, Coca-Cola FEMSA de Buenos Aires, S.A. issued approximately 19 million shares to Coca-Cola FEMSA, S.A. de C.V. This issuance reduced our ownership in Coca-Cola FEMSA de Buenos Aires, S.A. from 49 percent to approximately 32 percent. We recognized a noncash pretax gain of approximately \$18 million as a result of this transaction. In a subsequent transaction, our ownership in Coca-Cola FEMSA de Buenos Aires, S.A. was reduced to 25 percent.

In the third quarter of 1995, Coca-Cola Amatil completed a public offering in Australia of approximately 97 million shares of common stock. In connection with the offering, our ownership interest in Coca-Cola Amatil was diluted to approximately 40 percent. This transaction resulted in a noncash pretax gain of \$74 million. We provided deferred taxes of approximately \$27 million on this gain.

### 4. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following (in millions):

| December 31,                                   | 1996     | 1995     |
|--|----------|----------|
| -----  | -----    | -----    |
| Accrued marketing                              | \$ 510   | \$ 492   |
| Container deposits                             | 64       | 130      |
| Accrued compensation                           | 169      | 198      |
| Sales, payroll and other taxes                 | 174      | 209      |
| Accounts payable and<br>other accrued expenses | 2,055    | 2,074    |
| -----  | -----    | -----    |
|  | \$ 2,972 | \$ 3,103 |
| =====  | =====    | =====    |

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THE COCA-COLA COMPANY AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### 5. SHORT-TERM BORROWINGS AND CREDIT ARRANGEMENTS

Loans and notes payable consist primarily of commercial paper issued in the United States. On December 31, 1996, we had \$3.2 billion outstanding in commercial paper borrowings. In addition, we had \$1.1 billion in lines of credit and other short-term credit facilities available, under which \$0.2 billion was outstanding. Our weighted-average interest rates for commercial paper were approximately 5.6 and 5.7 percent on December 31, 1996 and 1995, respectively.

These facilities are subject to normal banking terms and conditions. Some of the financial arrangements require compensating balances, none of which are presently significant to our Company.

#### 6. LONG-TERM DEBT

Long-term debt consists of the following (in millions):

| December 31,                       | 1996  | 1995   |
|------------------------------------|-------|--------|
| -----                              | ----- | -----  |
| 7 3/4% U.S. dollar notes due 1996  | \$ -  | \$ 250 |
| 5 3/4% Japanese yen notes due 1996 | -     | 292    |

|                                      |     |     |
|--------------------------------------|-----|-----|
| 5 3/4% German mark notes due 1998{1} | 161 | 175 |
| 7 7/8% U.S. dollar notes due 1998    | 250 | 250 |
| 6% U.S. dollar notes due 2000        | 251 | 252 |
| 6 5/8% U.S. dollar notes due 2002    | 150 | 149 |
| 6% U.S. dollar notes due 2003        | 150 | 150 |
| 7 3/8% U.S. dollar notes due 2093    | 116 | 116 |
| Other, due 1997 to 2013              | 47  | 59  |

|                      |         |         |
|----------------------|---------|---------|
|                      | 1,125   | 1,693   |
| Less current portion | 9       | 552     |
|                      | \$1,116 | \$1,141 |

{1} Portions of these notes have been swapped for liabilities denominated in other currencies.

After giving effect to interest rate management instruments (see Note 8), the principal amount of our long-term debt that had fixed and variable interest rates, respectively, was \$261 million and \$864 million on December 31, 1996, and \$1,017 million and \$676 million on December 31, 1995. The weighted-average interest rate on our Company's long-term debt was 5.9 and 6.5 percent on December 31, 1996 and 1995, respectively. Interest paid was approximately \$315 million, \$275 million and \$197 million in 1996, 1995 and 1994, respectively.

Maturities of long-term debt for the five years succeeding December 31, 1996, are as follows (in millions):

|      |       |      |       |      |
|------|-------|------|-------|------|
| 1997 | 1998  | 1999 | 2000  | 2001 |
| \$9  | \$422 | \$16 | \$257 | \$2  |

The above notes include various restrictions, none of which is presently significant to our Company.

#### 7. FINANCIAL INSTRUMENTS

##### FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts reflected in our consolidated balance sheets for cash, cash equivalents, marketable equity securities, investments, receivables, loans and notes payable and long-term debt approximate their respective fair values. Fair values are based primarily on quoted prices for those or similar instruments. A comparison of the carrying value and fair value of our hedging instruments is included in Note 8.

##### CERTAIN DEBT AND MARKETABLE EQUITY SECURITIES

Investments in debt and marketable equity securities, other than investments accounted for by the equity method, are categorized as either trading, available-for-sale or held-to-maturity. On December 31, 1996 and 1995, we had no trading securities. Securities categorized as available-for-sale are stated at fair value, with unrealized gains and losses, net of deferred income taxes, reported in share-owners' equity. Debt securities categorized as held-to-maturity are stated at amortized cost.

On December 31, 1996 and 1995, available-for-sale and held-to-maturity securities consisted of the following (in millions):

| December 31,                        | Cost   | Gross Unrealized Gains | Gross Unrealized Losses | Estimated Fair Value |
|-------------------------------------|--------|------------------------|-------------------------|----------------------|
| 1996                                |        |                        |                         |                      |
| Available-for-sale securities       |        |                        |                         |                      |
| Equity securities                   | \$ 377 | \$ 259                 | \$ (2)                  | \$ 634               |
| Collateralized mortgage obligations | 145    | -                      | (5)                     | 140                  |
| Other debt securities               | 24     | -                      | (1)                     | 23                   |
|                                     | \$ 546 | \$ 259                 | \$ (8)                  | \$ 797               |

##### Held-to-maturity securities

|                         |          |      |        |          |
|-------------------------|----------|------|--------|----------|
| Bank and corporate debt | \$ 1,550 | \$ - | \$ (9) | \$ 1,541 |
| Other debt securities   | 58       | -    | -      | 58       |
|                         | \$ 1,608 | \$ - | \$ (9) | \$ 1,599 |



THE COCA-COLA COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

| December 31,                        | Cost   | Gross<br>Unrealized<br>Gains | Gross<br>Unrealized<br>Losses | Estimated<br>Fair<br>Value |
|-------------------------------------|--------|------------------------------|-------------------------------|----------------------------|
| 1995                                |        |                              |                               |                            |
| Available-for-sale securities       |        |                              |                               |                            |
| Equity securities                   | \$ 128 | \$ 151                       | \$ (2)                        | \$ 277                     |
| Collateralized mortgage obligations | 147    | -                            | (5)                           | 142                        |
| Other debt securities               | 26     | -                            | -                             | 26                         |
|                                     | \$ 301 | \$ 151                       | \$ (7)                        | \$ 445                     |

|                             |          |      |      |          |
|-----------------------------|----------|------|------|----------|
| Held-to-maturity securities |          |      |      |          |
| Bank and corporate debt     | \$ 1,333 | \$ - | \$ - | \$ 1,333 |
| Other debt securities       | 40       | -    | -    | 40       |
|                             | \$ 1,373 | \$ - | \$ - | \$ 1,373 |

On December 31, 1996 and 1995, these investments were included in the following captions on our consolidated balance sheets (in millions):

| December 31,  | Available-for-Sale<br>Securities | Held-to-Maturity<br>Securities |
|---|----------------------------------|--------------------------------|
| 1996  |                                  |                                |
| Cash and cash equivalents                               | \$ -                             | \$ 1,208                       |
| Current marketable securities                           | 68                               | 157                            |
| Cost method investments, principally bottling companies | 584                              | -                              |
| Marketable securities and other assets                  | 145                              | 243                            |
|   | \$ 797                           | \$ 1,608                       |

|   |        |          |
|---|--------|----------|
| 1995  |        |          |
| Cash and cash equivalents                               | \$ -   | \$ 900   |
| Current marketable securities                           | 74     | 74       |
| Cost method investments, principally bottling companies | 222    | -        |
| Marketable securities and other assets                  | 149    | 399      |
|   | \$ 445 | \$ 1,373 |

The contractual maturities of these investments as of December 31, 1996, were as follows (in millions):

|                                     | Available-for-Sale<br>Securities |               | Held-to-Maturity<br>Securities |               |
|-------------------------------------|----------------------------------|---------------|--------------------------------|---------------|
|                                     | Cost                             | Fair<br>Value | Amortized<br>Cost              | Fair<br>Value |
| 1997                                | \$ 21                            | \$ 20         | \$ 1,365                       | \$ 1,365      |
| 1998-2001                           | 3                                | 3             | 223                            | 214           |
| After 2001                          | -                                | -             | 20                             | 20            |
| Collateralized mortgage obligations | 145                              | 140           | -                              | -             |
| Equity securities                   | 377                              | 634           | -                              | -             |
|                                     | \$ 546                           | \$ 797        | \$ 1,608                       | \$ 1,599      |

=====

For the years ended December 31, 1996 and 1995, gross realized gains and losses on sales of available-for-sale securities were not material. The cost of securities sold is based on the specific identification method.

#### 8. HEDGING TRANSACTIONS AND DERIVATIVE FINANCIAL INSTRUMENTS

Our Company employs derivative financial instruments primarily to reduce our exposure to adverse fluctuations in interest rates, foreign exchange rates, commodity prices and other market risks. These financial instruments, when entered into, are designated as hedges of underlying exposures. Because of the high correlation between the hedging instrument and the underlying exposure being hedged, fluctuations in the value of the instruments are generally offset by changes in the value of the underlying exposures. We effectively monitor the use of these derivative financial instruments through the use of objective measurement systems, well-defined market and credit risk limits and timely reports to senior management according to prescribed guidelines. Virtually all of our derivatives are "over-the-counter" instruments.

The estimated fair values of derivatives used to hedge or modify our risks fluctuate over time. These fair value amounts should not be viewed in isolation, but rather in relation to the fair values of the underlying hedged transactions and investments, and the overall reduction in our exposure to adverse fluctuations in interest rates, foreign exchange rates, commodity prices and other market risks.

The notional amounts of the derivative financial instruments do not necessarily represent amounts exchanged by the parties and, therefore, are not a direct measure of our exposure through our use of derivatives. The amounts exchanged are calculated by reference to the notional amounts and by other terms of the derivatives, such as interest rates, exchange rates or other financial indices.

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#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

We have established strict counterparty credit guidelines and only enter into transactions with financial institutions of investment grade or better. Counterparty exposures are monitored daily and any downgrade in credit rating receives immediate review. If a downgrade in the credit rating of a counterparty were to occur, we have provisions requiring collateral in the form of U.S. government securities for transactions with maturities in excess of three years. To mitigate pre-settlement risk, minimum credit standards become more stringent as the duration of the derivative financial instrument increases. To minimize the concentration of credit risk, we enter into derivative transactions with a portfolio of financial institutions. As a result, we consider the risk of counterparty default to be minimal.

#### INTEREST RATE MANAGEMENT

Our management has implemented a policy to maintain our percentage of fixed and variable rate debt within certain parameters. We enter into interest rate swap agreements that maintain the fixed/variable mix within these defined parameters. These contracts had maturities ranging from one to seven years on December 31, 1996. Variable rates are predominantly linked to LIBOR (London Interbank Offered Rate). Any differences paid or received on interest rate swap agreements are recognized as adjustments to interest expense over the life of each swap, thereby adjusting the effective interest rate on the underlying obligation.

Additionally, our Company enters into interest rate cap agreements that entitle us to receive from a financial institution the amount, if any, by which our interest payments on our variable rate debt exceed pre-specified interest rates through 1997. Premiums paid for interest rate cap agreements are included in prepaid expenses and other assets and are amortized to interest expense over the terms of the respective agreements. Payments received pursuant to the interest rate cap agreements, if any, are recognized as an adjustment to the interest expense on the underlying debt instruments.

#### FOREIGN CURRENCY MANAGEMENT

The purpose of our foreign currency hedging activities is to reduce the risk that our eventual dollar net cash inflows resulting from sales outside the United States will be adversely affected by changes in exchange rates.

We enter into forward exchange contracts and purchase currency options (principally European currencies and Japanese yen) to hedge firm sale commitments denominated in foreign currencies. We also purchase currency options (principally European currencies and Japanese yen) to hedge certain anticipated sales. Premiums paid and realized gains and losses, including those on terminated contracts, if

any, are included in prepaid expenses and other assets. These are recognized in income along with unrealized gains and losses, in the same period the hedged transactions are realized. Approximately \$17 million and \$27 million of realized losses on settled contracts entered into as hedges of firmly committed transactions that have not yet occurred were deferred on December 31, 1996 and 1995, respectively. Deferred gains/losses from hedging anticipated transactions were not material on December 31, 1996 or 1995. In the unlikely event that the underlying transaction terminates or becomes improbable, the deferred gains or losses on the associated derivative will be recorded in our income statement.

Gains and losses on derivative financial instruments that are designated and effective as hedges of net investments in international operations are included in share-owners' equity as a foreign currency translation adjustment.

The following table presents the aggregate notional principal amounts, carrying values, fair values and maturities of our derivative financial instruments outstanding on December 31, 1996 and 1995 (in millions):

| December 31,                | Notional<br>Principal<br>Amounts | Carrying<br>Values | Fair<br>Values | Maturity  |
|-----------------------------|----------------------------------|--------------------|----------------|-----------|
| -----                       |                                  |                    |                |           |
| 1996                        |                                  |                    |                |           |
| Interest rate management    |                                  |                    |                |           |
| Swap agreements             |                                  |                    |                |           |
| Assets                      | \$ 893                           | \$ 5               | \$ 13          | 1997-2003 |
| Liabilities                 | 25                               | -                  | 1              | 2002      |
| Interest rate caps          |                                  |                    |                |           |
| Assets                      | 400                              | 1                  | -              | 1997      |
| Foreign currency management |                                  |                    |                |           |
| Forward contracts           |                                  |                    |                |           |
| Assets                      | 5                                | 1                  | (2)            | 1997      |
| Liabilities                 | 2,541                            | (53)               | (42)           | 1997-1998 |
| Swap agreements             |                                  |                    |                |           |
| Assets                      | 398                              | 18                 | 12             | 1997-1998 |
| Liabilities                 | 1,086                            | (12)               | (114)          | 1997-2002 |
| Purchased options           |                                  |                    |                |           |
| Assets                      | 1,873                            | 42                 | 89             | 1997      |
| Other                       |                                  |                    |                |           |
| Assets                      | 537                              | 67                 | 33             | 1997      |
| -----                       |                                  |                    |                |           |
|                             | \$ 7,758                         | \$ 69              | \$ (10)        |           |
| =====                       |                                  |                    |                |           |

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

| December 31,                | Notional<br>Principal<br>Amounts | Carrying<br>Values | Fair<br>Values | Maturity  |
|-----------------------------|----------------------------------|--------------------|----------------|-----------|
| -----                       |                                  |                    |                |           |
| 1995                        |                                  |                    |                |           |
| Interest rate management    |                                  |                    |                |           |
| Swap agreements             |                                  |                    |                |           |
| Assets                      | \$ 705                           | \$ 4               | \$ 30          | 1997-2003 |
| Liabilities                 | 62                               | -                  | (2)            | 2000-2002 |
| Interest rate caps          |                                  |                    |                |           |
| Assets                      | 400                              | 2                  | -              | 1997      |
| Foreign currency management |                                  |                    |                |           |
| Forward contracts           |                                  |                    |                |           |
| Assets                      | 1,927                            | 25                 | 36             | 1996      |
| Liabilities                 | 554                              | (17)               | (15)           | 1996-1997 |
| Swap agreements             |                                  |                    |                |           |
| Assets                      | 390                              | 17                 | 11             | 1996-2000 |
| Liabilities                 | 1,686                            | (46)               | (262)          | 1996-2002 |
| Purchased options           |                                  |                    |                |           |

|              |          |       |          |      |
|--------------|----------|-------|----------|------|
| Assets       | 1,823    | 62    | 90       | 1996 |
| Other Assets | 327      | 7     | 5        | 1996 |
| -----        |          |       |          |      |
|              | \$ 7,874 | \$ 54 | \$ (107) |      |
| =====        |          |       |          |      |

Maturities of derivative financial instruments held on December 31, 1996, are as follows (in millions):

|          |        |        |           |
|----------|--------|--------|-----------|
| 1997     | 1998   | 1999   | 2000-2003 |
| -----    | -----  | -----  | -----     |
| \$ 6,037 | \$ 622 | \$ 204 | \$ 895    |
| =====    |        |        |           |

#### 9. COMMITMENTS AND CONTINGENCIES

On December 31, 1996, we were contingently liable for guarantees of indebtedness owed by third parties in the amount of \$274 million, of which \$34 million related to independent bottling licensees.

The Mitsubishi Bank Limited has provided a yen denominated guarantee for the equivalent of \$269 million in support of a suspension of enforcement of a tax assessment levied by the Japanese tax authorities. We have agreed to indemnify Mitsubishi if amounts are paid pursuant to this guarantee. This matter is being reviewed by the tax authorities of the United States and Japan under the tax treaty signed by the two nations to prevent double taxation. Any additional income tax payable to Japan should be offset by income tax credits in the United States and would not adversely affect earnings.

Through our finance subsidiary, we have agreed to issue up to \$50 million in letters of credit on CCNY's behalf, of which \$21 million was committed on December 31, 1996.

We do not consider it probable that we will be required to satisfy these guarantees or indemnification agreements. The fair value of these contingent liabilities is immaterial to our consolidated financial statements.

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

Additionally, under certain circumstances, we have committed to make future investments in bottling companies. However, we do not consider any of these commitments to be individually significant.

#### 10. NET CHANGE IN OPERATING ASSETS AND LIABILITIES

The changes in operating assets and liabilities, net of effects of acquisitions and divestitures of businesses and unrealized exchange gains/losses, are as follows (in millions):

|   |          |          |          |
|---|----------|----------|----------|
| Year Ended December 31,                           | 1996     | 1995     | 1994     |
| -----   | -----    | -----    | -----    |
| Increase in trade accounts receivable             | \$ (230) | \$ (255) | \$ (169) |
| (Increase) decrease in inventories                | (33)     | (80)     | 43       |
| Increase in prepaid expenses and other assets     | (65)     | (160)    | (95)     |
| Increase in accounts payable and accrued expenses | 361      | 214      | 197      |
| Increase (decrease) in accrued taxes              | (208)    | 26       | 200      |
| Increase in other liabilities                     | 211      | 63       | 131      |
| -----   | -----    | -----    | -----    |
|   | \$ 36    | \$ (192) | \$ 307   |
| =====   |          |          |          |

#### 11. RESTRICTED STOCK, STOCK OPTIONS AND OTHER STOCK PLANS

Our Company sponsors restricted stock award plans, stock option plans, Incentive Unit Agreements and Performance Unit Agreements. Our Company applies APB Opinion No. 25 and related Interpretations in accounting for our plans. Accordingly, for our stock option plans, no compensation cost has been recognized. The compensation cost that has been charged against income for our restricted stock award plans was \$63 million in 1996 and \$45 million in 1995. For our Incentive Unit Agreements and Performance Unit Agreements, the charge against income was \$90 million in 1996 and \$64 million in 1995. Had compensation cost for the stock option plans been determined based on the fair value at the grant dates for awards under the plans, consistent with the alternative method set forth under SFAS 123, our Company's net income and net income per share would have been reduced.

The pro forma amounts are indicated below (in millions, except per share amounts):

| Year Ended December 31, | 1996     | 1995     |
|-------------------------|----------|----------|
| -----                   |          |          |
| Net income              |          |          |
| As reported             | \$ 3,492 | \$ 2,986 |
| Pro forma               | \$ 3,412 | \$ 2,933 |
| Net income per share    |          |          |
| As reported             | \$ 1.40  | \$ 1.18  |
| Pro forma               | \$ 1.37  | \$ 1.16  |
| =====                   |          |          |

Under the amended 1989 Restricted Stock Award Plan and the amended 1983 Restricted Stock Award Plan (the Restricted Stock Award Plans), 40 million and 24 million shares of restricted common stock, respectively, may be granted to certain officers and key employees of our Company.

On December 31, 1996, 34 million shares were available for grant under the Restricted Stock Award Plans. In 1996 and 1995, 210,000 and 190,000 shares of restricted stock were granted at \$48.88 and \$35.63, respectively. Participants are entitled to vote and receive dividends on the shares, and under the 1983 Restricted Stock Award Plan, participants are reimbursed by our Company for income taxes imposed on the award, but not for taxes generated by the reimbursement payment. The shares are subject to certain transfer restrictions and may be forfeited if a participant leaves our Company for reasons other than retirement, disability or death, absent a change in control of our Company.

Under our 1991 Stock Option Plan (the Option Plan), a maximum of 120 million shares of our common stock was approved to be issued or transferred to certain officers and employees pursuant to stock options and stock appreciation rights granted under the Option Plan. The stock appreciation rights permit the holder, upon surrendering all or part of the related stock option, to receive cash, common stock or a combination thereof, in an amount up to 100 percent of the difference between the market price and the option price. Options to purchase common stock under the Option Plan have been granted to Company employees at fair market value at the date of grant. Generally, stock options become exercisable over a three-year vesting period and expire 10 years from the date of grant.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in 1996 and 1995, respectively: dividend yields of 1.0 and 1.3 percent; expected volatility of 18.3 and 20.1 percent; risk-free interest rates of 6.2 and 5.9 percent; and expected lives of four years for both years. The weighted-average fair value of options granted was \$11.43 and \$8.13 for the years ended December 31, 1996 and 1995, respectively.

A summary of stock option activity under all plans is as follows (shares in millions):

<TABLE>  
<CAPTION>

|                   | 1996   |                                 | 1995   |                                 | 1994   |                                 |
|-------------------|--------|---------------------------------|--------|---------------------------------|--------|---------------------------------|
|                   | Shares | Weighted-Average Exercise Price | Shares | Weighted-Average Exercise Price | Shares | Weighted-Average Exercise Price |
| -----             |        |                                 |        |                                 |        |                                 |
| <S>               | <C>    | <C>                             | <C>    | <C>                             | <C>    | <C>                             |
| Outstanding on    |        |                                 |        |                                 |        |                                 |
| January 1,        | 74     | \$ 20.74                        | 65     | \$ 15.53                        | 60     | \$ 12.38                        |
| Granted           | 14     | 48.86                           | 18     | 34.88                           | 14     | 25.35                           |
| Exercised         | (9)    | 13.72                           | (8)    | 10.63                           | (8)    | 7.81                            |
| Forfeited/Expired | (1)    | 31.62                           | (1)    | 24.84                           | (1)    | 20.95                           |
| -----             |        |                                 |        |                                 |        |                                 |
| Outstanding on    |        |                                 |        |                                 |        |                                 |
| December 31,      | 78     | \$ 26.50                        | 74     | \$ 20.74                        | 65     | \$ 15.53                        |
| =====             |        |                                 |        |                                 |        |                                 |
| Exercisable on    |        |                                 |        |                                 |        |                                 |
| December 31,      | 51     | \$ 18.69                        | 45     | \$ 14.22                        | 43     | \$ 11.31                        |
| =====             |        |                                 |        |                                 |        |                                 |
| Shares Available  |        |                                 |        |                                 |        |                                 |
| on December 31,   |        |                                 |        |                                 |        |                                 |
| for options that  |        |                                 |        |                                 |        |                                 |
| may be granted    | 46     |                                 | 59     |                                 | 76     |                                 |
| =====             |        |                                 |        |                                 |        |                                 |

</TABLE>

The following table summarizes information about stock options at December 31,

1996 (shares in millions):

<TABLE>  
<CAPTION>

| Range of Exercise Prices | Outstanding Stock Options |   |                                 | Exercisable Stock Options |                                 |
|--------------------------|---------------------------|---|---------------------------------|---------------------------|---------------------------------|
|                          | Shares                    | Weighted-Average Remaining Contractual Life | Weighted-Average Exercise Price | Shares                    | Weighted-Average Exercise Price |
| <S>                      | <C>                       | <C>   | <C>                             | <C>                       | <C>                             |
| \$ 3.00 to \$ 10.00      | 16                        | 2.2 years                                   | \$ 6.74                         | 16                        | \$ 6.74                         |
| \$ 10.01 to \$ 20.00     | 5                         | 4.5 years                                   | \$ 14.44                        | 5                         | \$ 14.44                        |
| \$ 20.01 to \$ 30.00     | 28                        | 7.1 years                                   | \$ 23.60                        | 24                        | \$ 23.16                        |
| \$ 30.01 to \$ 40.00     | 15                        | 8.8 years                                   | \$ 35.63                        | 6                         | \$ 35.63                        |
| \$ 40.01 to \$ 50.00     | 14                        | 9.8 years                                   | \$ 48.86                        | -                         | -                               |
| \$ 3.00 to \$ 50.00      | 78                        | 6.8 years                                   | \$ 26.50                        | 51                        | \$ 18.69                        |

</TABLE>

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THE COCA-COLA COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In 1988, our Company entered into Incentive Unit Agreements whereby, subject to certain conditions, certain officers were given the right to receive cash awards based on the market value of 2.4 million shares of our common stock at the measurement dates. Under the Incentive Unit Agreements, the employee is reimbursed by our Company for income taxes imposed when the value of the units is paid, but not for taxes generated by the reimbursement payment. At December 31, 1996 and 1995, approximately 1.6 million units were outstanding.

In 1985, we entered into Performance Unit Agreements, whereby certain officers were given the right to receive cash awards based on the difference in the market value of approximately 4.4 million shares of our common stock at the measurement dates and the base price of \$2.58, the market value as of January 2, 1985. At December 31, 1996 and 1995, approximately 2.9 million units were outstanding.

12. PENSION AND OTHER POSTRETIREMENT BENEFITS

Our Company sponsors and/or contributes to pension plans covering substantially all U.S. employees and certain employees in international locations. The benefits are primarily based on years of service and the employees' compensation for certain periods during the last years of employment. We generally fund pension costs currently, subject to regulatory funding limitations. We also sponsor nonqualified, unfunded defined benefit plans for certain officers and other employees. In addition, our Company and its subsidiaries have various pension plans and other forms of postretirement arrangements outside the United States.

Total pension expense for all benefit plans, including defined benefit plans, amounted to approximately \$85 million in 1996, \$81 million in 1995 and \$73 million in 1994. Net periodic pension cost for our defined benefit plans consists of the following (in millions):

| Year Ended December 31,                        | 1996  | 1995  | 1994  |
|--|-------|-------|-------|
| Service cost-benefits earned during the period | \$ 48 | \$ 43 | \$ 46 |
| Interest cost on projected benefit obligation  | 91    | 89    | 78    |
| Actual return on plan assets                   | (169) | (211) | (25)  |
| Net amortization and deferral                  | 103   | 145   | (39)  |
| Net periodic pension cost                      | \$ 73 | \$ 66 | \$ 60 |

The funded status of our defined benefit plans is as follows (in millions):

| December 31,                                   | Assets Exceed Accumulated Benefits |      | Accumulated Benefits Exceed Assets |      |
|--|------------------------------------|------|------------------------------------|------|
|  | 1996                               | 1995 | 1996                               | 1995 |
| Actuarial present value of benefit obligations |                                    |      |                                    |      |
| Vested benefit                                 |                                    |      |                                    |      |

|  |        |        |          |          |
|--|--------|--------|----------|----------|
| obligation   | \$ 704 | \$ 731 | \$ 343   | \$ 286   |
| Accumulated benefit obligation   | \$ 768 | \$ 790 | \$ 384   | \$ 316   |
| Projected benefit obligation   | \$ 890 | \$ 919 | \$ 485   | \$ 394   |
| Plan assets at fair value{1}   | 1,126  | 1,044  | 156      | 112      |
| Plan assets in excess of (less than) projected benefit obligation            | 236    | 125    | (329)    | (282)    |
| Unrecognized net (asset) liability at transition                             | (39)   | (44)   | 36       | 41       |
| Unrecognized prior service cost  | 33     | 38     | 16       | 25       |
| Unrecognized net (gain) loss   | (191)  | (84)   | 104      | 54       |
| Adjustment required to recognize minimum liability                           | -      | -      | (66)     | (60)     |
| Accrued pension asset (liability) included in the consolidated balance sheet | \$ 39  | \$ 35  | \$ (239) | \$ (222) |

{1} Primarily listed stocks, bonds and government securities.

The assumptions used in computing the preceding information are as follows:

| Year Ended December 31,                      | 1996   | 1995   | 1994   |
|--|--------|--------|--------|
| Discount rates                               | 7 1/4% | 7%     | 7 1/2% |
| Rates of increase in compensation levels     | 4 3/4% | 4 3/4% | 5%     |
| Expected long-term rates of return on assets | 8 1/2% | 8 1/2% | 8 1/4% |

Our Company has plans providing postretirement health care and life insurance benefits to substantially all U.S. employees and certain employees in international locations who retire with a minimum of five years of service. Net periodic cost for our postretirement health care and life insurance benefits consists of the following (in millions):

| Year Ended December 31, | 1996  | 1995  | 1994  |
|-------------------------|-------|-------|-------|
| Service cost            | \$ 12 | \$ 12 | \$ 12 |
| Interest cost           | 20    | 23    | 21    |
| Other                   | (3)   | (2)   | (1)   |
|                         | \$ 29 | \$ 33 | \$ 32 |

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THE COCA-COLA COMPANY AND SUBSIDIARIES

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In addition, we contribute to a Voluntary Employees' Beneficiary Association trust that will be used to partially fund health care benefits for future retirees. Generally, we fund benefits to the extent contributions are tax-deductible, which under current legislation is limited. In general, retiree health benefits are paid as covered expenses are incurred.

The funded status of our postretirement health care and life insurance plans is as follows (in millions):

| December 31,                                    | 1996   | 1995   |
|---|--------|--------|
| Accumulated postretirement benefit obligations: |        |        |
| Retirees  | \$ 114 | \$ 122 |
| Fully eligible active plan participants         | 35     | 40     |
| Other active plan participants                  | 130    | 141    |
| Total benefit obligation                        | 279    | 303    |
| Plan assets at fair value{1}                    | 41     | 42     |
| Plan assets less than benefit obligation        | (238)  | (261)  |

|   |          |          |
|---|----------|----------|
| Unrecognized prior service cost   | 5        | (3)      |
| Unrecognized net gain   | (57)     | (9)      |
| -----   |          |          |
| Accrued postretirement benefit liability included in the consolidated balance sheet | \$ (290) | \$ (273) |
| =====   |          |          |
| {1} Consists of corporate bonds, government securities and short-term investments.  |          |          |

The assumptions used in computing the preceding information are as follows:

|  |        |        |        |
|--|--------|--------|--------|
| Year Ended December 31,                  | 1996   | 1995   | 1994   |
| -----                                    |        |        |        |
| Discount rate                            | 7 3/4% | 7 1/4% | 8 1/4% |
| Rates of increase in compensation levels | 5%     | 4 3/4% | 5 1/4% |
| =====                                    |        |        |        |

The rate of increase in the per capita costs of covered health care benefits is assumed to be 7 3/4 percent in 1997, decreasing gradually to 5 1/4 percent by the year 2003. Increasing the assumed health care cost trend rate by one percentage point would increase the accumulated postretirement benefit obligation as of December 31, 1996, by approximately \$33 million and increase the net periodic post-retirement benefit cost by approximately \$5 million in 1996.

### 13. INCOME TAXES

Income before income taxes consists of the following (in millions):

|                         |          |          |          |
|-------------------------|----------|----------|----------|
| Year Ended December 31, | 1996     | 1995     | 1994     |
| -----                   |          |          |          |
| United States           | \$ 1,168 | \$ 1,270 | \$ 1,214 |
| International           | 3,428    | 3,058    | 2,514    |
| -----                   |          |          |          |
|                         | \$ 4,596 | \$ 4,328 | \$ 3,728 |
| =====                   |          |          |          |

Income tax expense (benefit) consists of the following (in millions):

|                         |               |               |               |          |
|-------------------------|---------------|---------------|---------------|----------|
| Year Ended December 31, | United States | State & Local | International | Total    |
| -----                   |               |               |               |          |
| 1996                    |               |               |               |          |
| Current                 | \$ 256        | \$ 79         | \$ 914        | \$ 1,249 |
| Deferred                | (264)         | (29)          | 148           | (145)    |
| 1995                    |               |               |               |          |
| Current                 | \$ 204        | \$ 41         | \$ 940        | \$ 1,185 |
| Deferred                | 80            | 10            | 67            | 157      |
| 1994                    |               |               |               |          |
| Current                 | \$ 299        | \$ 38         | \$ 779        | \$ 1,116 |
| Deferred                | 24            | 5             | 29            | 58       |
| =====                   |               |               |               |          |

We made income tax payments of approximately \$1,242 million, \$1,000 million and \$785 million in 1996, 1995 and 1994, respectively.

A reconciliation of the statutory U.S. federal rate and effective rates is as follows:

|   |       |       |       |
|---|-------|-------|-------|
| Year Ended December 31,   | 1996  | 1995  | 1994  |
| -----   |       |       |       |
| Statutory U.S. federal rate   | 35.0% | 35.0% | 35.0% |
| State income taxes-net of federal benefit   | 1.0   | 1.0   | 1.0   |
| Earnings in jurisdictions taxed at rates different from the statutory U.S. federal rate | (3.3) | (3.9) | (4.3) |
| Equity income   | (1.7) | (1.7) | (1.1) |
| Tax settlement  | (7.0) | -     | -     |
| Other-net   | -     | .6    | .9    |
| -----   |       |       |       |
|   | 24.0% | 31.0% | 31.5% |
| =====   |       |       |       |

In 1996, we reached an agreement in principle with the U.S. Internal Revenue Service (IRS) settling certain U.S.-related income tax matters. The agreement included issues in litigation involving our operations in Puerto Rico, dating back to the 1981 tax year and extending through 1995. This agreement resulted in a one-time reduction of \$320 million to our 1996 income tax expense as a result of reversing previously accrued contingent income tax liabilities.

Our effective tax rate reflects the favorable U.S. tax treatment of manufacturing facilities in Puerto Rico that operate under a



negotiated exemption grant that expires December 31, 2009. Changes to U.S. tax law enacted in 1993 limit the utilization of the favorable tax treatment of operations in Puerto Rico. Our effective tax rate also reflects the tax benefit derived from having significant operations outside the United States that are taxed at rates lower than the U.S. statutory rate of 35 percent. Our 1996 effective tax rate would have been 31 percent, excluding the favorable impact of the settlement with the IRS.

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THE COCA-COLA COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Appropriate U.S. and international taxes have been provided for earnings of subsidiary companies that are expected to be remitted to the parent company. Exclusive of amounts that would result in little or no tax if remitted, the cumulative amount of unremitted earnings from our international subsidiaries that is expected to be indefinitely reinvested is approximately \$542 million on December 31, 1996. The taxes that would be paid upon remittance of these indefinitely reinvested earnings are approximately \$190 million, based on current tax laws.

The tax effects of temporary differences and carryforwards that give rise to significant portions of deferred tax assets and liabilities consist of the following (in millions):

| December 31,                          | 1996   | 1995    |
|---------------------------------------|--------|---------|
| -----                                 |        |         |
| Deferred tax assets:                  |        |         |
| Benefit plans                         | \$ 414 | \$ 369  |
| Liabilities and reserves              | 164    | 178     |
| Net operating loss carryforwards      | 130    | 97      |
| Other                                 | 88     | 151     |
| -----                                 |        |         |
| Gross deferred tax assets             | 796    | 795     |
| Valuation allowance                   | (18)   | (42)    |
| -----                                 |        |         |
|                                       | \$ 778 | \$ 753  |
| =====                                 |        |         |
| Deferred tax liabilities:             |        |         |
| Property, plant and equipment         | \$ 200 | \$ 414  |
| Equity investments                    | 369    | 170     |
| Intangible assets                     | 74     | 89      |
| Other                                 | 33     | 205     |
| -----                                 |        |         |
|                                       | \$ 676 | \$ 878  |
| =====                                 |        |         |
| Net deferred tax asset (liability){1} | \$ 102 | \$(125) |
| =====                                 |        |         |

{1} Deferred tax assets of \$403 million and \$69 million have been included in the consolidated balance sheet caption "marketable securities and other assets" at December 31, 1996 and 1995, respectively.

On December 31, 1996, we had \$261 million of operating loss carryforwards available to reduce future taxable income of certain international subsidiaries. Loss carryforwards of \$17 million must be utilized within the next 5 years; \$244 million can be utilized over an indefinite period. A valuation allowance has been provided for a portion of the deferred tax assets related to these loss carryforwards.

14. NONRECURRING ITEMS

In the third quarter of 1996, we made a series of decisions that resulted in provisions of approximately \$276 million in selling, administrative and general expenses related to our plans for strengthening our worldwide system. Of this \$276 million, approximately \$130 million related to the streamlining of our operations, primarily in Greater Europe and Latin America. Our management has taken actions to consolidate certain manufacturing operations and, as a result, recorded charges to recognize the impairment of certain manufacturing assets and to recognize the estimated losses on the disposal of other assets. The remainder of this \$276 million provision related to actions taken by The Minute Maid Company (formerly known as Coca-Cola Foods). During the third quarter of 1996, The Minute Maid Company entered into two significant agreements with independent parties: (i) a strategic supply alliance with Sucocitrico Cutrale Ltda., the world's largest grower and processor of oranges, and (ii) a joint venture agreement with Groupe Danone to produce, distribute and sell premium refrigerated juices outside of the United States and Canada. With these agreements, we

intend to increase The Minute Maid Company's focus on managing its brands while seeking arrangements to lower its overall manufacturing costs. In connection with these actions, we recorded \$146 million in third quarter provisions, comprised primarily of impairment charges to certain production facilities and reserves for losses on the disposal of other production facilities.

Also in the third quarter of 1996, we launched a strategic initiative, Project Infinity, to redesign and enhance our information systems and communications capabilities. In connection with this initiative, we recorded an \$80 million impairment charge in administrative and general expenses to recognize Project Infinity's impact on existing information systems.

Based upon management's commitment to certain strategic actions during the third quarter of 1996, these impairment charges were recorded to reduce the carrying value of identified assets to fair value. Fair values were derived using a variety of methodologies, including cash flow analysis, estimates of sales proceeds and independent appraisals.

Also in the third quarter of 1996, we recorded a charge in administrative and general expenses as a result of our decision to contribute \$28.5 million to the corpus of The Coca-Cola Foundation, a not-for-profit charitable organization.

During 1995, selling, administrative and general expenses included provisions of \$86 million to increase efficiencies in our operations in North America and Europe.

#### 15. SUBSEQUENT EVENT

In 1996, we executed an agreement to sell our 49 percent interest in Coca-Cola & Schweppes Beverages Ltd. to Coca-Cola Enterprises. This transaction closed in early 1997 and resulted in gross proceeds to our Company of approximately U.S. \$1 billion, and an after-tax gain of approximately \$.08 per share.

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THE COCA-COLA COMPANY AND SUBSIDIARIES

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<TABLE>

#### 16. OPERATIONS IN GEOGRAPHIC AREAS

Information about the Company's operations by geographic area is as follows (in millions):

<CAPTION>

|  | North<br>America | Africa | Greater<br>Europe | Latin<br>America | Middle &<br>Far East | Corporate |     |
|--|------------------|--------|-------------------|------------------|----------------------|-----------|-----|
| Consolidated                                 |                  |        |                   |                  |                      |           |     |
| <S>  | <C>              | <C>    | <C>               | <C>              | <C>                  | <C>       | <C> |
| 1996   |                  |        |                   |                  |                      |           |     |
| Net operating revenues                       | \$6,050          | \$476  | \$5,947           | \$1,991          | \$4,035              | \$ 47     |     |
| \$18,546                                     |                  |        |                   |                  |                      |           |     |
| Operating income                             | 949{2}           | 118{2} | 1,277{2}          | 815{2}           | 1,358{2}             | (602){2}  |     |
| 3,915  |                  |        |                   |                  |                      |           |     |
| Identifiable operating assets                | 3,814            | 326    | 2,896             | 1,405            | 1,463                | 2,088{1}  |     |
| 11,992                                       |                  |        |                   |                  |                      |           |     |
| Equity income                                |                  |        |                   |                  |                      | 211       |     |
| 211  |                  |        |                   |                  |                      |           |     |
| Investments (principally bottling companies) |                  |        |                   |                  |                      | 4,169     |     |
| 4,169  |                  |        |                   |                  |                      |           |     |
| Capital expenditures                         | 261              | 32     | 379               | 79               | 121                  | 118       |     |
| 990  |                  |        |                   |                  |                      |           |     |
| Depreciation and amortization                | 157              | 8      | 176               | 37               | 25                   | 76        |     |
| 479  |                  |        |                   |                  |                      |           |     |
| =====  |                  |        |                   |                  |                      |           |     |
| 1995   |                  |        |                   |                  |                      |           |     |
| Net operating revenues                       | \$5,513          | \$595  | \$5,999           | \$1,920          | \$3,936              | \$ 55     |     |
| \$18,018                                     |                  |        |                   |                  |                      |           |     |
| Operating income                             | 856{3}           | 205    | 1,256{3}          | 798              | 1,394                | (483)     |     |
| 4,026  |                  |        |                   |                  |                      |           |     |
| Identifiable operating assets                | 3,478            | 348    | 4,301             | 1,294            | 1,445                | 1,461{1}  |     |
| 12,327                                       |                  |        |                   |                  |                      |           |     |
| Equity income                                |                  |        |                   |                  |                      | 169       |     |
| 169  |                  |        |                   |                  |                      |           |     |
| Investments (principally bottling companies) |                  |        |                   |                  |                      | 2,714     |     |
| 2,714  |                  |        |                   |                  |                      |           |     |
| Capital expenditures                         | 286              | 19     | 383               | 87               | 85                   | 77        |     |
| 937  |                  |        |                   |                  |                      |           |     |
| Depreciation and amortization                | 148              | 8      | 180               | 31               | 21                   | 66        |     |
| 454  |                  |        |                   |                  |                      |           |     |
| =====  |                  |        |                   |                  |                      |           |     |

|  |         |       |         |         |         |          |
|--|---------|-------|---------|---------|---------|----------|
| 1994   |         |       |         |         |         |          |
| Net operating revenues                       | \$5,327 | \$522 | \$5,029 | \$1,928 | \$3,333 | \$ 42    |
| \$16,181                                     |         |       |         |         |         |          |
| Operating income                             | 915     | 174   | 1,129   | 710     | 1,150   | (441)    |
| 3,637  |         |       |         |         |         |          |
| Identifiable operating assets                | 3,085   | 356   | 3,959   | 1,164   | 1,343   | 1,456{1} |
| 11,363                                       |         |       |         |         |         |          |
| Equity income                                |         |       |         |         |         | 134      |
| 134  |         |       |         |         |         |          |
| Investments (principally bottling companies) |         |       |         |         |         | 2,510    |
| 2,510  |         |       |         |         |         |          |
| Capital expenditures                         | 253     | 27    | 330     | 129     | 50      | 89       |
| 878  |         |       |         |         |         |          |
| Depreciation and amortization                | 130     | 6     | 160     | 36      | 19      | 60       |
| 411  |         |       |         |         |         |          |

Intercompany transfers between geographic areas are not material.  
North America includes only the United States and Canada.  
Prior year amounts have been reclassified to conform to the current year presentation.

- {1} Corporate identifiable operating assets are composed principally of marketable securities, finance subsidiary receivables and fixed assets.  
{2} Operating income for North America, Africa, Greater Europe, Latin America and the Middle & Far East was reduced by \$153 million, \$7 million, \$66 million, \$32 million and \$18 million, respectively, for provisions related to management's strategic plans to strengthen our worldwide system. Corporate operating income was reduced by \$80 million for Project Infinity's impairment impact to existing systems and by \$28.5 million for our decision to contribute to the corpus of The Coca-Cola Foundation.  
{3} Operating income for North America and Greater Europe was reduced by \$61 million and \$25 million, respectively, for provisions to increase efficiencies.

</TABLE>

|                               |         |         |         |          |  |
|-------------------------------|---------|---------|---------|----------|--|
| <TABLE>                       |         |         |         |          |  |
| <CAPTION>                     |         |         |         |          |  |
| Compound Average Growth Rates | North   | Greater | Latin   | Middle & |  |
| Ending 1996                   | America | Europe  | America | Far East |  |
| Consolidated                  |         |         |         |          |  |

|                        |     |     |     |     |     |
|------------------------|-----|-----|-----|-----|-----|
| <S>                    | <C> | <C> | <C> | <C> | <C> |
| <C>                    |     |     |     |     |     |
| Net operating revenues |     |     |     |     |     |
| 5 years                | 6%  | 18% | 10% | 13% | 14% |
| 10%                    |     |     |     |     |     |
| 10 years               | 6%  | 11% | 15% | 14% | 11% |
| 10%                    |     |     |     |     |     |

|                  |     |     |     |     |     |
|------------------|-----|-----|-----|-----|-----|
| Operating income |     |     |     |     |     |
| 5 years          | 9%  | 2%  | 8%  | 15% | 13% |
| 11%              |     |     |     |     |     |
| 10 years         | 12% | 19% | 15% | 19% | 15% |
| 16%              |     |     |     |     |     |

</TABLE>

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THE COCA-COLA COMPANY AND SUBSIDIARIES

NET OPERATING REVENUES BY GEOGRAPHIC AREA{1}

[bar chart]

|                         |      |      |      |
|-------------------------|------|------|------|
| Year Ended December 31, | 1996 | 1995 | 1994 |
| Middle & Far East       | 22%  | 22%  | 21%  |
| Latin America           | 11%  | 11%  | 12%  |
| Greater Europe          | 32%  | 33%  | 31%  |
| Africa                  | 2%   | 3%   | 3%   |
| North America           | 33%  | 31%  | 33%  |

OPERATING INCOME BY GEOGRAPHIC AREA{1}

[bar chart]

|                         |      |      |      |
|-------------------------|------|------|------|
| Year Ended December 31, | 1996 | 1995 | 1994 |
|-------------------------|------|------|------|

|                   |     |     |     |
|-------------------|-----|-----|-----|
| Middle & Far East | 30% | 31% | 28% |
| Latin America     | 18% | 18% | 17% |
| Greater Europe    | 28% | 28% | 28% |
| Africa            | 3%  | 4%  | 4%  |
| North America     | 21% | 19% | 23% |

{1} Charts and percentages are calculated exclusive of corporate operations.

REPORT OF INDEPENDENT AUDITORS

BOARD OF DIRECTORS AND SHARE OWNERS  
THE COCA-COLA COMPANY

We have audited the accompanying consolidated balance sheets of The Coca-Cola Company and subsidiaries as of December 31, 1996 and 1995, and the related consolidated statements of income, share-owners' equity, and cash flows for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Coca-Cola Company and subsidiaries at December 31, 1996 and 1995, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

Atlanta, Georgia  
January 24, 1997

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THE COCA-COLA COMPANY AND SUBSIDIARIES

<TABLE>

QUARTERLY DATA (UNAUDITED)

(In millions except per share data)

<CAPTION>

| Year Ended December 31, | First<br>Quarter | Second<br>Quarter | Third<br>Quarter | Fourth<br>Quarter | Full<br>Year |
|-------------------------|------------------|-------------------|------------------|-------------------|--------------|
| <S>                     | <C>              | <C>               | <C>              | <C>               | <C>          |
| 1996                    |                  |                   |                  |                   |              |
| Net operating revenues  | \$4,194          | \$5,253           | \$4,656          | \$4,443           | \$18,546     |
| Gross profit            | 2,664            | 3,347             | 2,842            | 2,955             | 11,808       |
| Net income              | 713              | 1,050             | 967              | 762               | 3,492        |
| Net income per share    | .28              | .42               | .39              | .31               | 1.40         |
| 1995                    |                  |                   |                  |                   |              |
| Net operating revenues  | \$3,854          | \$4,936           | \$4,895          | \$4,333           | \$18,018     |
| Gross profit            | 2,409            | 3,060             | 2,946            | 2,663             | 11,078       |
| Net income              | 638              | 898               | 802              | 648               | 2,986        |
| Net income per share    | .25              | .35               | .32              | .26               | 1.18         |

</TABLE>

The third quarter of 1996 includes a noncash gain from a tax settlement with the IRS for \$320 million (\$.13 per share after income taxes), an impairment charge to recognize Project Infinity's impact on existing information systems of \$80 million (\$.02 per share after income taxes), a charge for our decision to contribute \$28.5 million (\$.01 per share after income taxes) to the corpus of The Coca-Cola Foundation, a not-for-profit charitable organization and provisions

related to management's strategic plans to strengthen our worldwide system of \$276 million (\$.07 per share after income taxes). In addition, the third quarter of 1996 includes noncash gains on the issuance of stock by Coca-Cola Amatil of \$130 million (\$.03 per share after income taxes) and CCEAG of \$283 million (\$.04 per share after income taxes).

The third quarter of 1995 includes provisions to increase efficiencies of \$86 million (\$.02 per share after income taxes) and a noncash gain recognized on the issuance of stock by Coca-Cola Amatil of \$74 million (\$.02 per share after income taxes).

#### STOCK PRICES

Below are the New York Stock Exchange high, low and closing prices of The Coca-Cola Company's stock for each quarter of 1996 and 1995, adjusted for the 1996 two-for-one stock split.

<TABLE>  
<CAPTION>

|       | First<br>Quarter | Second<br>Quarter | Third<br>Quarter | Fourth<br>Quarter |
|-------|------------------|-------------------|------------------|-------------------|
| ----- |                  |                   |                  |                   |
| <S>   | <C>              | <C>               | <C>              | <C>               |
| 1996  |                  |                   |                  |                   |
| High  | \$ 42.69         | \$ 49.50          | \$ 53.88         | \$ 54.25          |
| Low   | 36.06            | 39.13             | 44.25            | 46.88             |
| Close | 41.38            | 49.00             | 50.88            | 52.63             |
| ===== |                  |                   |                  |                   |
| 1995  |                  |                   |                  |                   |
| High  | \$ 29.69         | \$ 33.00          | \$ 35.31         | \$ 40.19          |
| Low   | 24.38            | 28.06             | 31.31            | 34.19             |
| Close | 28.19            | 31.88             | 34.50            | 37.13             |
| ===== |                  |                   |                  |                   |

</TABLE>

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#### SHARE-OWNER INFORMATION

##### CORPORATE OFFICES

The Coca-Cola Company  
One Coca-Cola Plaza  
Atlanta, Georgia 30313

##### COMMON STOCK

Ticker symbol: KO  
The Coca-Cola Company is one of 30 companies in the Dow Jones Industrial Average.  
Share owners of record at year end: 311,983  
Shares outstanding at year end: 2.48 billion

##### STOCK EXCHANGES

###### INSIDE THE UNITED STATES:

Common stock listed and traded: New York Stock Exchange, the principal market for our common stock.  
Common stock traded: Boston, Cincinnati, Chicago, Pacific and Philadelphia stock exchanges.

###### OUTSIDE THE UNITED STATES:

Common stock listed and traded: The German exchange in Frankfurt and the Swiss exchange in Switzerland.

##### DIVIDENDS

At its February 1997 meeting, our Board increased our quarterly dividend to 14 cents per share, equivalent to an annual dividend of 56 cents per share. The Company has increased dividends each of the last 35 years.

The Coca-Cola Company normally pays dividends four times a year, usually on April 1, July 1, October 1 and December 15. The Company has paid 303 consecutive quarterly dividends, beginning in 1920.

##### DIVIDEND AND CASH INVESTMENT PLAN

The Dividend and Cash Investment Plan permits share owners of record to reinvest dividends from Company stock in shares of The Coca-Cola Company. The Plan provides a convenient, economical and systematic method of acquiring additional shares of our common stock. All share owners of record are eligible to participate. Share owners also may purchase Company stock through voluntary cash investments of up to \$60,000 per year.

All brokerage commissions associated with participation in the Plan are paid by the Company.

The Plan's administrator, First Chicago Trust Company of New York, purchases stock for voluntary cash investments beginning the first business day of each month, except in December when purchases begin on the 15th; dividend reinvestment purchases begin on April 1, July 1, October 1 and December 15.

If your shares are held in street name by your broker and you are interested in participating in the Dividend and Cash Investment Plan, you may have your broker transfer the shares to First Chicago Trust Company of New York electronically.

At year end, 65 percent of the Company's share owners of record were participants in the Plan. In 1996, share owners invested \$35 million in dividends and \$150 million in cash in the Plan.

#### ANNUAL MEETING OF SHARE OWNERS

April 16, 1997, 9 a.m. local time  
The Playhouse Theatre  
Du Pont Building  
10th and Market Streets  
Wilmington, Delaware

#### INSTITUTIONAL INVESTOR INQUIRIES

(404) 676-5766

#### SHARE-OWNER ACCOUNT ASSISTANCE

For address changes, dividend checks, direct deposit of dividends, account consolidation, registration changes, lost stock certificates, stock holdings and the Dividend and Cash Investment Plan, please contact:

Registrar and Transfer Agent  
First Chicago Trust Company of New York  
P.O. Box 2500  
Jersey City, NJ 07303-2500  
Toll-free: (888) COKESHR (265-3747)  
For hearing impaired: (201) 222-4955  
E-mail: fctc@delphi.com  
Internet: <http://www.fctc.com>

#### INFORMATION RESOURCES

##### PUBLICATIONS

THE COMPANY'S ANNUAL AND INTERIM REPORTS, PROXY STATEMENT, FORM 10-K AND FORM 10-Q REPORTS ARE AVAILABLE FREE OF CHARGE FROM OUR INDUSTRY & CONSUMER AFFAIRS DEPARTMENT AT THE COMPANY'S CORPORATE ADDRESS, LISTED ABOVE. Also available are "Our Mission and Our Commitment," "The Coca-Cola Company and the Environment" and "The Chronicle of Coca-Cola Since 1886."

##### INTERNET SITE

Our site (<http://www.cocacola.com>) offers information about our Company, as well as periodic marketing features.

##### HOTLINE

The Company's hotline, (800) INVSTKO (468-7856), offers taped highlights from the most recent quarter and may be used to request the most recent quarterly results news release.

##### AUDIO ANNUAL REPORT

An audiocassette version of this report is available without charge as a service to the visually impaired. To receive a copy, please contact our Industry & Consumer Affairs Department at (800) 571-2653.

##### DUPLICATE MAILINGS

If you are receiving duplicate or unwanted copies of our publications, please contact the First Chicago Trust Company of New York at the numbers listed above.

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GLOSSARY

[Following are certain definitions extracted from page 73:]

**DIVIDEND PAYOUT RATIO:** Calculated by dividing cash dividends on common stock by net income available to common share owners.

**ECONOMIC PROFIT:** Income from continuing operations, after taxes, excluding interest, in excess of a computed capital charge for average operating capital employed.

**FREE CASH FLOW:** Cash provided by operations less cash used in investing activities. The Company uses free cash flow along with borrowings to pay dividends and make share repurchases.

**NET DEBT AND NET CAPITAL:** Debt and capital in excess of cash, cash equivalents and marketable securities not required for operations and

temporary bottling investments.

RETURN ON CAPITAL: Calculated by dividing income from continuing operations -- before changes in accounting principles, adjusted for interest expense -- by average total capital.

RETURN ON COMMON EQUITY: Calculated by dividing income from continuing operations -- before changes in accounting principles, less preferred stock dividends -- by average common share-owners' equity.

TOTAL CAPITAL: Equals share-owners' equity plus interest-bearing debt.

TOTAL MARKET VALUE OF COMMON STOCK: Stock price at year end multiplied by the number of shares outstanding at year end.

&lt;TABLE&gt;

SUBSIDIARIES OF THE COCA-COLA COMPANY  
AS OF DECEMBER 31, 1996

&lt;CAPTION&gt;

|   | Organized<br>Under<br>Laws of:<br>----- | Percentages<br>of Voting<br>Power<br>----- |
|---|---|--|
| <S>   | <C>                                     | <C>  |
| The Coca-Cola Company   | Delaware                                |  |
| Subsidiaries consolidated, except as noted:                           |   |  |
| Barq's, Inc.  | Mississippi                             | 100  |
| Bottling Investments Corporation                                      | Delaware                                | 100  |
| ACCBC Holding Company   | Georgia                                 | 100  |
| Caribbean International Sales Corporation, Inc.                       | Nevada                                  | 100  |
| Caribbean Refrescos, Inc.   | Delaware                                | 100  |
| Carolina Coca-Cola Bottling Investments, Inc.                         | Delaware                                | 100  |
| Coca-Cola Financial Corporation                                       | Delaware                                | 100  |
| Coca-Cola Interamerican Corporation                                   | Delaware                                | 100  |
| Montevideo Refrescos, S.A.  | Uruguay                                 | 55.53                                      |
| Coca-Cola Overseas Parent Limited                                     | Delaware                                | 100  |
| Coca-Cola Holdings (Overseas) Limited                                 | Delaware and<br>Australia               | 100  |
| Coca-Cola South Asia Holdings, Inc.                                   | Delaware                                | 100  |
| Coca-Cola (Thailand) Limited  | Thailand                                | 100  |
| CTI Holdings, Inc.  | Delaware                                | 100  |
| 55th & 5th Avenue Corporation   | New York                                | 100  |
| The Coca-Cola Export Corporation                                      | Delaware                                | 100  |
| Amalgamated Beverage Canners (Pty) Ltd.                               | South Africa                            | 51.55                                      |
| Atlantic Industries   | Cayman Islands                          | 100  |
| Ansan Ankara Gida Mesrubat ve Meyva Sulari Sanayii<br>ve Ticaret A.S. | Turkey                                  | 66.63                                      |
| Coca-Cola Bevande Italia S.r.l.                                       | Italy                                   | 100  |
| Azienda Bevande di Gaglianico-ABEG-S.r.l.                             | Italy                                   | 100  |
| Societa Bevande Meridionale-SOBEM S.r.l.                              | Italy                                   | 100  |
| Maksan Manisa Mesrubat Kutulama Sanayi A.S.                           | Turkey                                  | 66.66                                      |
| Barlan, Inc.  | Delaware                                | 100  |
| Varoise de Concentres S.A.  | France                                  | 100  |
| Coca-Cola G.m.b.H.  | Germany                                 | 100  |
| Coca-Cola Rhein-Ruhr G.m.b.H.   | Germany                                 | 100  |
| Societa Imbottigliamento Bevande Roma-SIBER-S.p.A.                    | Italy                                   | 100  |
| Beverage Products, Ltd.   | Delaware                                | 100  |
| Coca-Cola de Argentina S.A.   | Argentina                               | 100  |
| Coca-Cola de Chile, S.A.  | Chile                                   | 100  |
| Coca-Cola Ges.m.b.H.  | Austria                                 | 100  |
| Coca-Cola Industrias Ltda.  | Brazil                                  | 100  |
| Recofarma Industria do Amazonas Ltda.                                 | Brazil                                  | 100  |
| Coca-Cola Ltd.  | Canada                                  | 100  |
| The Minute Maid Company Canada Inc.                                   | Canada                                  | 100  |
| Coca-Cola (Japan) Company, Limited                                    | Japan                                   | 100  |
| Coca-Cola Korea Company, Limited                                      | Korea                                   | 100  |
| Coca-Cola Nigeria Limited   | Nigeria                                 | 100  |
| Coca-Cola Southern Africa (Pty) Limited                               | South Africa                            | 100  |
| Conco Limited   | Cayman Islands                          | 100  |

&lt;/TABLE&gt;

-1-

&lt;TABLE&gt;

SUBSIDIARIES OF THE COCA-COLA COMPANY  
AS OF DECEMBER 31, 1996

&lt;CAPTION&gt;

continued from page 1

|   | Organized<br>Under<br>Laws of:<br>----- | Percentages<br>of Voting<br>Power<br>----- |
|---|---|--|
| <S>   | <C>                                     | <C>  |
| International Beverages   | Ireland                                 | 100  |
| Coca-Cola Refreshments Moscow   | Russia                                  | 100  |
| Minute Maid SA  | Switzerland                             | 100  |
| Refreshment Product Services, Inc.                                      | Delaware                                | 100  |
| Coca-Cola de Colombia, S.A.   | Colombia                                | 100  |
| Coca-Cola Holdings (Nederland) B.V.                                     | Netherlands                             | 100  |
| Coca-Cola Holdings (United Kingdom) Limited                             | England and<br>Wales                    | 100  |
| The Inmex Corporation   | Florida                                 | 100  |
| Servicios Integrados de Administracion<br>y Alta Gerencia, S.A. de C.V. | Mexico                                  | 100  |

Other subsidiaries whose combined size is not significant:



Fourteen domestic wholly owned subsidiaries consolidated  
Ninety-five foreign wholly owned subsidiaries consolidated  
Fifteen foreign majority-owned subsidiaries consolidated

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</TABLE>

EXHIBIT 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report on Form 10-K of The Coca-Cola Company of our report dated January 24, 1997, included in the 1996 Annual Report to Share Owners of The Coca-Cola Company.

Our audits also included the financial statement schedule of The Coca-Cola Company listed in Item 14(a). This schedule is the responsibility of The Coca-Cola Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in the registration statements and related prospectuses of The Coca-Cola Company listed below of our report dated January 24, 1997 with respect to the consolidated financial statements of The Coca-Cola Company incorporated herein by reference, and our report included in the preceding paragraph with respect to the financial statement schedule included in this Annual Report on Form 10-K for the year ended December 31, 1996:

1. Registration Statement Number 2-58584 on Form S-8
2. Registration Statement Number 2-79973 on Form S-3
3. Registration Statement Number 2-88085 on Form S-8
4. Registration Statement Number 2-98787 on Form S-3
5. Registration Statement Number 33-21529 on Form S-8
6. Registration Statement Number 33-21530 on Form S-3
7. Registration Statement Number 33-26251 on Form S-8
8. Registration Statement Number 33-39840 on Form S-8
9. Registration Statement Number 33-45763 on Form S-3
10. Registration Statement Number 33-50743 on Form S-3
11. Registration Statement Number 33-61531 on Form S-3

ERNST & YOUNG LLP

Atlanta, Georgia  
March 10, 1997

## POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS THAT I, ROBERTO C. GOIZUETA, Chairman of the Board, Chief Executive Officer and a Director of The Coca-Cola Company (the "Company"), do hereby appoint M. DOUGLAS IVESTER, President, Chief Operating Officer and a Director of the Company, JAMES E. CHESTNUT, Senior Vice President and Chief Financial Officer of the Company, JOSEPH R. GLADDEN, JR., Senior Vice President and General Counsel of the Company, SUSAN E. SHAW, Secretary of the Company, and CAROL C. HAYES, Assistant Secretary of the Company, or any one of them, my true and lawful attorneys-in-fact for me and in my name for the purpose of executing on my behalf in any and all capacities the Company's Annual Report for the year ended December 31, 1996 on Form 10-K, or any amendment or supplement thereto, and causing such Annual Report or any such amendment or supplement to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of February 1997.

/s/Roberto C. Goizueta  
Chairman of the Board,  
Chief Executive Officer and  
Director  
The Coca-Cola Company

## POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS THAT I, JAMES E. CHESTNUT, Senior Vice President and Chief Financial Officer of The Coca-Cola Company (the "Company"), do hereby appoint ROBERTO C. GOIZUETA, Chairman of the Board, Chief Executive Officer and a Director of the Company, M. DOUGLAS IVESTER, President, Chief Operating Officer and a Director of the Company, JOSEPH R. GLADDEN, JR., Senior Vice President and General Counsel of the Company, SUSAN E. SHAW, Secretary of the Company, and CAROL C. HAYES, Assistant Secretary of the Company, or any one of them, my true and lawful attorneys-in-fact for me and in my name for the purpose of executing on my behalf in any and all capacities the Company's Annual Report for the year ended December 31, 1996 on Form 10-K, or any amendment or supplement thereto, and causing such Annual Report or any such amendment or supplement to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of February 1997.

/s/James E. Chestnut  
Senior Vice President  
and Chief Financial Officer  
The Coca-Cola Company

## POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS THAT I, GARY P. FAYARD, Vice President and Controller of The Coca-Cola Company (the "Company"), do hereby appoint ROBERTO C. GOIZUETA, Chairman of the Board, Chief Executive Officer and a Director of the Company, M. DOUGLAS IVESTER, President, Chief Operating Officer and a Director of the Company, JAMES E. CHESTNUT, Senior Vice President and Chief Financial Officer of the Company, JOSEPH R. GLADDEN, JR., Senior Vice President and General Counsel of the Company, SUSAN E. SHAW, Secretary of the Company, and CAROL C. HAYES, Assistant Secretary of the Company, or any one of them, my true and lawful attorneys-in-fact for me and in my name for the purpose of executing on my behalf in any and all capacities the Company's Annual Report for the year ended December 31, 1996 on Form 10-K, or any amendment or supplement thereto, and causing such Annual Report or any such amendment or supplement to be filed with

the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of February 1997.

/s/Gary P. Fayard  
Vice President and Controller  
The Coca-Cola Company

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS THAT I, HERBERT A. ALLEN, a Director of The Coca-Cola Company (the "Company"), do hereby appoint ROBERTO C. GOIZUETA, Chairman of the Board, Chief Executive Officer and a Director of the Company, M. DOUGLAS IVESTER, President, Chief Operating Officer and a Director of the Company, JAMES E. CHESTNUT, Senior Vice President and Chief Financial Officer of the Company, JOSEPH R. GLADDEN, JR., Senior Vice President and General Counsel of the Company, SUSAN E. SHAW, Secretary of the Company, and CAROL C. HAYES, Assistant Secretary of the Company, or any one of them, my true and lawful attorneys-in-fact for me and in my name for the purpose of executing on my behalf in any and all capacities the Company's Annual Report for the year ended December 31, 1996 on Form 10-K, or any amendment or supplement thereto, and causing such Annual Report or any such amendment or supplement to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of February 1997.

/s/Herbert A. Allen  
Director  
The Coca-Cola Company

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS THAT I, RONALD W. ALLEN, a Director of The Coca-Cola Company (the "Company"), do hereby appoint ROBERTO C. GOIZUETA, Chairman of the Board, Chief Executive Officer and a Director of the Company, M. DOUGLAS IVESTER, President, Chief Operating Officer and a Director of the Company, JAMES E. CHESTNUT, Senior Vice President and Chief Financial Officer of the Company, JOSEPH R. GLADDEN, JR., Senior Vice President and General Counsel of the Company, SUSAN E. SHAW, Secretary of the Company, and CAROL C. HAYES, Assistant Secretary of the Company, or any one of them, my true and lawful attorneys-in-fact for me and in my name for the purpose of executing on my behalf in any and all capacities the Company's Annual Report for the year ended December 31, 1996 on Form 10-K, or any amendment or supplement thereto, and causing such Annual Report or any such amendment or supplement to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of February 1997.

/s/Ronald W. Allen  
Director  
The Coca-Cola Company

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS THAT I, CATHLEEN P. BLACK, a Director of The Coca-Cola Company (the "Company"), do hereby appoint ROBERTO C. GOIZUETA, Chairman of the Board, Chief Executive Officer and a Director of the Company, M. DOUGLAS IVESTER, President, Chief Operating Officer and a Director of the Company, JAMES E. CHESTNUT, Senior Vice President and Chief Financial Officer of the Company, JOSEPH R. GLADDEN, JR., Senior Vice President and General Counsel of the

Company, SUSAN E. SHAW, Secretary of the Company, and CAROL C. HAYES, Assistant Secretary of the Company, or any one of them, my true and lawful attorneys-in-fact for me and in my name for the purpose of executing on my behalf in any and all capacities the Company's Annual Report for the year ended December 31, 1996 on Form 10-K, or any amendment or supplement thereto, and causing such Annual Report or any such amendment or supplement to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of February 1997.

/s/Cathleen P. Black  
Director  
The Coca-Cola Company

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS THAT I, WARREN E. BUFFETT, a Director of The Coca-Cola Company (the "Company"), do hereby appoint ROBERTO C. GOIZUETA, Chairman of the Board, Chief Executive Officer and a Director of the Company, M. DOUGLAS IVESTER, President, Chief Operating Officer and a Director of the Company, JAMES E. CHESTNUT, Senior Vice President and Chief Financial Officer of the Company, JOSEPH R. GLADDEN, JR., Senior Vice President and General Counsel of the Company, SUSAN E. SHAW, Secretary of the Company, and CAROL C. HAYES, Assistant Secretary of the Company, or any one of them, my true and lawful attorneys-in-fact for me and in my name for the purpose of executing on my behalf in any and all capacities the Company's Annual Report for the year ended December 31, 1996 on Form 10-K, or any amendment or supplement thereto, and causing such Annual Report or any such amendment or supplement to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of February 1997.

/s/Warren E. Buffett  
Director  
The Coca-Cola Company

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS THAT I, CHARLES W. DUNCAN, JR., a Director of The Coca-Cola Company (the "Company"), do hereby appoint ROBERTO C. GOIZUETA, Chairman of the Board, Chief Executive Officer and a Director of the Company, M. DOUGLAS IVESTER, President, Chief Operating Officer and a Director of the Company, JAMES E. CHESTNUT, Senior Vice President and Chief Financial Officer of the Company, JOSEPH R. GLADDEN, JR., Senior Vice President and General Counsel of the Company, SUSAN E. SHAW, Secretary of the Company, and CAROL C. HAYES, Assistant Secretary of the Company, or any one of them, my true and lawful attorneys-in-fact for me and in my name for the purpose of executing on my behalf in any and all capacities the Company's Annual Report for the year ended December 31, 1996 on Form 10-K, or any amendment or supplement thereto, and causing such Annual Report or any such amendment or supplement to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of February 1997.

/s/Charles W. Duncan, Jr.  
Director  
The Coca-Cola Company

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS THAT I, M. DOUGLAS IVESTER,

President, Chief Operating Officer and a Director of The Coca-Cola Company (the "Company"), do hereby appoint ROBERTO C. GOIZUETA, Chairman of the Board, Chief Executive Officer and a Director of the Company, JAMES E. CHESTNUT, Senior Vice President and Chief Financial Officer of the Company, JOSEPH R. GLADDEN, JR., Senior Vice President and General Counsel of the Company, SUSAN E. SHAW, Secretary of the Company, and CAROL C. HAYES, Assistant Secretary of the Company, or any one of them, my true and lawful attorneys-in-fact for me and in my name for the purpose of executing on my behalf in any and all capacities the Company's Annual Report for the year ended December 31, 1996 on Form 10-K, or any amendment or supplement thereto, and causing such Annual Report or any such amendment or supplement to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of February 1997.

/s/M. Douglas Ivester  
President, Chief Operating Officer  
and Director  
The Coca-Cola Company

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS THAT I, SUSAN B. KING, a Director of The Coca-Cola Company (the "Company"), do hereby appoint ROBERTO C. GOIZUETA, Chairman of the Board, Chief Executive Officer and a Director of the Company, M. DOUGLAS IVESTER, President, Chief Operating Officer and a Director of the Company, JAMES E. CHESTNUT, Senior Vice President and Chief Financial Officer of the Company, JOSEPH R. GLADDEN, JR., Senior Vice President and General Counsel of the Company, SUSAN E. SHAW, Secretary of the Company, and CAROL C. HAYES, Assistant Secretary of the Company, or any one of them, my true and lawful attorneys-in-fact for me and in my name for the purpose of executing on my behalf in any and all capacities the Company's Annual Report for the year ended December 31, 1996 on Form 10-K, or any amendment or supplement thereto, and causing such Annual Report or any such amendment or supplement to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of February 1997.

/s/Susan B. King  
Director  
The Coca-Cola Company

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS THAT I, DONALD F. MCHENRY, a Director of The Coca-Cola Company (the "Company"), do hereby appoint ROBERTO C. GOIZUETA, Chairman of the Board, Chief Executive Officer and a Director of the Company, M. DOUGLAS IVESTER, President, Chief Operating Officer and a Director of the Company, JAMES E. CHESTNUT, Senior Vice President and Chief Financial Officer of the Company, JOSEPH R. GLADDEN, JR., Senior Vice President and General Counsel of the Company, SUSAN E. SHAW, Secretary of the Company, and CAROL C. HAYES, Assistant Secretary of the Company, or any one of them, my true and lawful attorneys-in-fact for me and in my name for the purpose of executing on my behalf in any and all capacities the Company's Annual Report for the year ended December 31, 1996 on Form 10-K, or any amendment or supplement thereto, and causing such Annual Report or any such amendment or supplement to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of February 1997.

/s/Donald F. McHenry  
Director  
The Coca-Cola Company

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS THAT I, SAM NUNN, a Director of The Coca-Cola Company (the "Company"), do hereby appoint ROBERTO C. GOIZUETA, Chairman of the Board, Chief Executive Officer and a Director of the Company, M. DOUGLAS IVESTER, President, Chief Operating Officer and a Director of the Company, JAMES E. CHESTNUT, Senior Vice President and Chief Financial Officer of the Company, JOSEPH R. GLADDEN, JR., Senior Vice President and General Counsel of the Company, SUSAN E. SHAW, Secretary of the Company, and CAROL C. HAYES, Assistant Secretary of the Company, or any one of them, my true and lawful attorneys-in-fact for me and in my name for the purpose of executing on my behalf in any and all capacities the Company's Annual Report for the year ended December 31, 1996 on Form 10-K, or any amendment or supplement thereto, and causing such Annual Report or any such amendment or supplement to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of February 1997.

/s/Sam Nunn  
Director  
The Coca-Cola Company

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS THAT I, PAUL F. OREFFICE, a Director of The Coca-Cola Company (the "Company"), do hereby appoint ROBERTO C. GOIZUETA, Chairman of the Board, Chief Executive Officer and a Director of the Company, M. DOUGLAS IVESTER, President, Chief Operating Officer and a Director of the Company, JAMES E. CHESTNUT, Senior Vice President and Chief Financial Officer of the Company, JOSEPH R. GLADDEN, JR., Senior Vice President and General Counsel of the Company, SUSAN E. SHAW, Secretary of the Company, and CAROL C. HAYES, Assistant Secretary of the Company, or any one of them, my true and lawful attorneys-in-fact for me and in my name for the purpose of executing on my behalf in any and all capacities the Company's Annual Report for the year ended December 31, 1996 on Form 10-K, or any amendment or supplement thereto, and causing such Annual Report or any such amendment or supplement to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of February 1997.

/s/Paul F. Oreffice  
Director  
The Coca-Cola Company

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS THAT I, JAMES D. ROBINSON III, a Director of The Coca-Cola Company (the "Company"), do hereby appoint ROBERTO C. GOIZUETA, Chairman of the Board, Chief Executive Officer and a Director of the Company, M. DOUGLAS IVESTER, President, Chief Operating Officer and a Director of the Company, JAMES E. CHESTNUT, Senior Vice President and Chief Financial Officer of the Company, JOSEPH R. GLADDEN, JR., Senior Vice President and General Counsel of the Company, SUSAN E. SHAW, Secretary of the Company, and CAROL C. HAYES, Assistant Secretary of the Company, or any one of them, my true and lawful attorneys-in-fact for me and in my name for the purpose of executing on my behalf in any and all capacities the Company's Annual Report for the year ended December 31, 1996 on Form 10-K, or any amendment or supplement thereto, and causing such Annual

Report or any such amendment or supplement to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of February 1997.

/s/James D. Robinson III  
Director  
The Coca-Cola Company

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS THAT I, PETER V. UEBERROTH, a Director of The Coca-Cola Company (the "Company"), do hereby appoint ROBERTO C. GOIZUETA, Chairman of the Board, Chief Executive Officer and a Director of the Company, M. DOUGLAS IVESTER, President, Chief Operating Officer and a Director of the Company, JAMES E. CHESTNUT, Senior Vice President and Chief Financial Officer of the Company, JOSEPH R. GLADDEN, JR., Senior Vice President and General Counsel of the Company, SUSAN E. SHAW, Secretary of the Company, and CAROL C. HAYES, Assistant Secretary of the Company, or any one of them, my true and lawful attorneys-in-fact for me and in my name for the purpose of executing on my behalf in any and all capacities the Company's Annual Report for the year ended December 31, 1996 on Form 10-K, or any amendment or supplement thereto, and causing such Annual Report or any such amendment or supplement to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of February 1997.

/s/Peter V. Ueberroth  
Director  
The Coca-Cola Company

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS THAT I, JAMES B. WILLIAMS, a Director of The Coca-Cola Company (the "Company"), do hereby appoint ROBERTO C. GOIZUETA, Chairman of the Board, Chief Executive Officer and a Director of the Company, M. DOUGLAS IVESTER, President, Chief Operating Officer and a Director of the Company, JAMES E. CHESTNUT, Senior Vice President and Chief Financial Officer of the Company, JOSEPH R. GLADDEN, JR., Senior Vice President and General Counsel of the Company, SUSAN E. SHAW, Secretary of the Company, and CAROL C. HAYES, Assistant Secretary of the Company, or any one of them, my true and lawful attorneys-in-fact for me and in my name for the purpose of executing on my behalf in any and all capacities the Company's Annual Report for the year ended December 31, 1996 on Form 10-K, or any amendment or supplement thereto, and causing such Annual Report or any such amendment or supplement to be filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of February 1997.

/s/James B. Williams  
Director  
The Coca-Cola Company



<TABLE> <S> <C>

<ARTICLE> 5

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF THE COCA-COLA COMPANY FOR THE YEAR ENDED DECEMBER 31, 1996, AS SET FORTH IN ITS FORM 10-K FOR SUCH YEAR, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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<MULTIPLIER> 1,000,000

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| <EPS-DILUTED>                | 0           |

<FN>  
<F1> A two-for-one stock split with respect to the Company's Common Stock, \$.25 par value per share, was effective on May 1, 1996. Financial data schedules for prior years have not been restated for this recapitalization.  
</FN>

</TABLE>

## CAUTIONARY STATEMENT RELATIVE TO FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 (the "Act") provides a safe harbor for forward-looking statements made by or on behalf of the Company. The Company and its representatives may from time to time make written or verbal forward-looking statements, including statements contained in the Company's filings with the Securities and Exchange Commission and in its reports to share owners. All statements which address operating performance, events or developments that the Company expects or anticipates will occur in the future, including statements relating to volume growth, share of sales, and earnings per share growth or statements expressing general optimism about future operating results, are forward-looking statements within the meaning of the Act. The forward-looking statements are and will be based on management's then current views and assumptions regarding future events and operating performance.

The following are some of the factors that could cause actual results to differ materially from estimates contained in the Company's forward-looking statements:

- - the ability to generate sufficient cash flows to support capital expansion plans, share repurchase programs and general operating activities.
- - competitive product and pricing actions and the ability to gain or maintain share of sales in the global market as a result of actions by competitors. While we believe our opportunities for sustained, profitable growth are considerable, unanticipated actions of competitors could impact our earnings, share of sales, and volume growth.
- - changes in laws and regulations, including changes in accounting standards, taxation requirements (including tax rate changes, new tax laws, and revised tax law interpretations), and environmental laws in domestic or foreign jurisdictions.
- - fluctuations in the cost and availability of raw materials and the ability to maintain favorable supplier arrangements and relationships.
- - the 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 assurances the Company will achieve the projected level or mix of product sales.
- - interest rate fluctuations and other capital market conditions, including foreign currency rate fluctuations. Most of our exposures to capital markets, including interest and foreign currency, are managed on a consolidated basis, which allows us to net certain exposures and, thus, take advantage of any natural offsets. With more than three-fourths of our operating income generated outside the United States, weakness in one particular capital market is often offset by strengths in others. Additionally, we use derivative financial instruments to reduce our net exposure to financial and commodity risks. There can be no assurance, however, that our financial risk management program will be successful in reducing these exposures.
- - economic and political conditions in international markets, including civil unrest, governmental changes, and restrictions on the ability to transfer capital across borders.
- - the ability to penetrate developing and emerging markets, which is also dependent 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 ability to invest strategically in global and domestic bottling operations and to reduce our ownership interest in bottlers as deemed necessary or desirable, either by selling our interest in a consolidated bottling operation to one or more of our equity investee bottlers or by combining our bottling interests with the bottling

interests of others to form strategic alliances. Strategic alliances may require, among other things, integration or coordination with a different company culture, management team organization, and business infrastructure.

- - the effectiveness of the Company's advertising, marketing and promotional programs.
- - the uncertainties of litigation, as well as other risks and uncertainties detailed from time to time in the Company's Securities and Exchange Commission filings.
- - adverse weather conditions, which could reduce demand for Company products.

The Company cautions that the foregoing list of important factors is not exclusive.