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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 27, 2008

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

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 **(State or other jurisdiction of incorporation or organization)**	**58-0628465** **(IRS Employer Identification No.)**
One Coca-Cola Plaza **Atlanta, Georgia** **(Address of principal executive offices)**	**30313** **(Zip Code)**

Registrant's telephone number, including area code (404) 676-2121

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 (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	**Accelerated filer ☐**
Non-accelerated filer ☐ **(Do not check if a smaller reporting company)**	**Smaller reporting company ☐**

Indicate by check mark if the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Class of Common Stock	Outstanding at July 21, 2008
$0.25 Par Value	2,311,497,962 Shares

THE COCA-COLA COMPANY AND SUBSIDIARIES

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FORWARD-LOOKING STATEMENTS

This report contains information that may constitute "forward-looking statements." Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will" and similar expressions identify forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to volume growth, share of sales and earnings per share growth, and statements expressing general views about future operating results — are forward-looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. Our Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our Company's historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, those described in Part II, "Item 1A. Risk Factors" and elsewhere in this report and in our Annual Report on Form 10-K for the year ended December 31, 2007, and those described from time to time in our future reports filed with the Securities and Exchange Commission.

Item 1. Financial Statements (Unaudited)

THE COCA-COLA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
(In millions except per share data)

	Three Months Ended		Six Months Ended	
	June 27, 2008	June 29, 2007	**June 27, 2008**	June 29, 2007
NET OPERATING REVENUES	**$ 9,046**	$ 7,733	**$ 16,425**	$ 13,836
Cost of goods sold	**3,162**	2,736	**5,786**	4,881
GROSS PROFIT	**5,884**	4,997	**10,639**	8,955
Selling, general and administrative expenses	**3,108**	2,685	**5,911**	5,010
Other operating charges	**97**	42	**175**	48
OPERATING INCOME	**2,679**	2,270	**4,553**	3,897
Interest income	**69**	54	**134**	91
Interest expense	**89**	102	**206**	173
Equity income — net	**(843)**	190	**(706)**	210
Other income (loss) — net	**80**	(4)	**69**	112
INCOME BEFORE INCOME TAXES	**1,896**	2,408	**3,844**	4,137
Income taxes	**474**	557	**922**	1,024
NET INCOME	**$ 1,422**	$ 1,851	**$ 2,922**	$ 3,113
BASIC NET INCOME PER SHARE	**$ 0.61**	$ 0.80	**$ 1.26**	$ 1.35
DILUTED NET INCOME PER SHARE	**$ 0.61**	$ 0.80	**$ 1.24**	$ 1.34
DIVIDENDS PER SHARE	**$ 0.38**	$ 0.34	**$ 0.76**	$ 0.68
AVERAGE SHARES OUTSTANDING	**2,316**	2,312	**2,319**	2,313
Effect of dilutive securities	**27**	14	**30**	11
AVERAGE SHARES OUTSTANDING ASSUMING DILUTION	**2,343**	2,326	**2,349**	2,324

Refer to Notes to Condensed Consolidated Financial Statements.

THE COCA-COLA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(In millions except par value)

	June 27, 2008	December 31, 2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 6,571**	$ 4,093
Marketable securities	**286**	215
Trade accounts receivable, less allowances of $77 and $56, respectively	**4,073**	3,317
Inventories	**2,531**	2,220
Prepaid expenses and other assets	**2,628**	2,260
TOTAL CURRENT ASSETS	**16,089**	12,105
INVESTMENTS		
Equity method investments:		
Coca-Cola Hellenic Bottling Company S.A.	**1,699**	1,549
Coca-Cola FEMSA, S.A.B. de C.V.	**1,095**	996
Coca-Cola Amatil Limited	**887**	806
Coca-Cola Enterprises Inc.	**623**	1,637
Other, principally bottling companies and joint ventures	**2,511**	2,301
Cost method investments, principally bottling companies	**552**	488
TOTAL INVESTMENTS	**7,367**	7,777
OTHER ASSETS	**2,634**	2,675
PROPERTY, PLANT AND EQUIPMENT, less accumulated depreciation of $6,412 and $5,951, respectively	**8,712**	8,493
TRADEMARKS WITH INDEFINITE LIVES	**6,025**	5,153
GOODWILL	**4,062**	4,256
OTHER INTANGIBLE ASSETS	**2,842**	2,810
TOTAL ASSETS	**$ 47,731**	$ 43,269
LIABILITIES AND SHAREOWNERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	**$ 7,978**	$ 6,915
Loans and notes payable	**7,752**	5,919
Current maturities of long-term debt	**531**	133
Accrued income taxes	**359**	258
TOTAL CURRENT LIABILITIES	**16,620**	13,225
LONG-TERM DEBT	**2,874**	3,277
OTHER LIABILITIES	**3,267**	3,133
DEFERRED INCOME TAXES	**1,788**	1,890
SHAREOWNERS' EQUITY		
Common stock, $0.25 par value; Authorized — 5,600 shares; Issued — 3,519 and 3,519 shares, respectively	**880**	880
Capital surplus	**7,805**	7,378
Reinvested earnings	**37,386**	36,235
Accumulated other comprehensive income	**1,352**	626
Treasury stock, at cost — 1,209 and 1,201 shares, respectively	**(24,241)**	(23,375)
TOTAL SHAREOWNERS' EQUITY	**23,182**	21,744
TOTAL LIABILITIES AND SHAREOWNERS' EQUITY	**$ 47,731**	$ 43,269

Refer to Notes to Condensed Consolidated Financial Statements.

THE COCA-COLA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In millions)

	Six Months Ended	
	June 27, 2008	June 29, 2007
OPERATING ACTIVITIES		
Net income	**$ 2,922**	$ 3,113
Depreciation and amortization	**637**	515
Stock-based compensation expense	**152**	155
Deferred income taxes	**(222)**	(44)
Equity income or loss, net of dividends	**856**	(82)
Foreign currency adjustments	**(43)**	(25)
Gains on sales of assets, including bottling interests	**(111)**	(139)
Other operating charges	**159**	48
Other items	**34**	49
Net change in operating assets and liabilities	**(1,166)**	(295)
Net cash provided by operating activities	**3,218**	3,295
INVESTING ACTIVITIES		
Acquisitions and investments, principally beverage and bottling companies and trademarks	**(621)**	(3,649)
Purchases of other investments	**(140)**	(41)
Proceeds from disposals of other investments	**387**	258
Purchases of property, plant and equipment	**(896)**	(770)
Proceeds from disposals of property, plant and equipment	**46**	151
Other investing activities	**(10)**	5
Net cash used in investing activities	**(1,234)**	(4,046)
FINANCING ACTIVITIES		
Issuances of debt	**4,317**	5,762
Payments of debt	**(2,478)**	(2,080)
Issuances of stock	**459**	643
Purchases of stock for treasury	**(1,031)**	(958)
Dividends	**(884)**	(787)
Net cash provided by financing activities	**383**	2,580
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**111**	95
CASH AND CASH EQUIVALENTS		
Net increase during the period	**2,478**	1,924
Balance at beginning of period	**4,093**	2,440
Balance at end of period	**$ 6,571**	$ 4,364

Refer to Notes to Condensed Consolidated Financial Statements.

Note A — Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. They do not include all information and notes required by generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there has been no material change in the information disclosed in the notes to consolidated financial statements included in the Annual Report on Form 10-K of The Coca-Cola Company for the year ended December 31, 2007.

We use the equity method to account for our investments for which we have the ability to exercise significant influence over the operating and financial policies of the investee. Consolidated net income includes our Company's proportionate share of the net income or loss of these companies. Such amounts are classified as "equity income — net" in our consolidated statements of income.

When used in these notes, the terms "Company," "we," "us" or "our" mean The Coca-Cola Company and all entities included in our consolidated financial statements. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six month periods ended June 27, 2008, are not necessarily indicative of the results that may be expected for the year ending December 31, 2008. Sales of our ready-to-drink nonalcoholic beverages are somewhat seasonal, with the second and third calendar quarters accounting for the highest sales volumes. The volume of sales in the beverages business may be affected by weather conditions.

Our reporting period ends on the Friday closest to the last day of the quarterly calendar period. The second quarter of 2008 and 2007 ended on June 27, 2008 and June 29, 2007, respectively. Our fiscal year ends on December 31 regardless of the day of the week on which December 31 falls.

Note B — Recent Accounting Standards and Pronouncements

In February 2007, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities — Including an amendment of FASB Statement No. 115." SFAS No. 159 permits entities to elect to measure many financial instruments and certain other items at fair value. Unrealized gains and losses on items for which the fair value option has been elected will be recognized in earnings at each subsequent reporting date. SFAS No. 159 was effective for our Company on January 1, 2008. The adoption of SFAS No. 159 did not have a material impact on our consolidated financial statements. Refer to Note F.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements." SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosure requirements about fair value measurements. SFAS No. 157 was effective for our Company on January 1, 2008. However, in February 2008, the FASB released FASB Staff Position (FSP FAS 157-2 — Effective Date of FASB Statement No. 157), which delayed the effective date of SFAS No. 157 for all nonfinancial assets and liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The adoption of SFAS No. 157 for our financial assets and liabilities did not have a material impact on our consolidated financial statements. We do not believe the adoption of SFAS No. 157 for our nonfinancial assets and liabilities,

effective January 1, 2009, will have a material impact on our consolidated financial statements. Refer to Note F.

Note C — Inventories

Inventories consisted of the following (in millions):

	June 27, 2008	December 31, 2007
Raw materials and packaging	**$ 1,477**	$ 1,199
Finished goods	**826**	789
Other	**228**	232
Inventories	**$ 2,531**	$ 2,220

Note D — Commitments and Contingencies

As of June 27, 2008, we were contingently liable for guarantees of indebtedness owed by third parties in the amount of approximately $224 million. These guarantees are primarily related to third-party customers, bottlers and vendors and have arisen through the normal course of business. These guarantees have various terms, and none of these guarantees is individually significant. The amount represents the maximum potential future payments that we could be required to make under the guarantees; however, we do not consider it probable that we will be required to satisfy these guarantees.

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

The Company is involved in various legal proceedings. We establish reserves for specific legal proceedings when we determine that the likelihood of an unfavorable outcome is probable and the amount of loss can be reasonably estimated. Management has also identified certain other legal matters where we believe an unfavorable outcome is reasonably possible and/or for which no estimate of possible losses can be made. Management believes that any liability to the Company that may arise as a result of currently pending legal proceedings, including those discussed below, will not have a material adverse effect on the financial condition of the Company taken as a whole.

On May 26, 2008, the Company and the other defendants reached an agreement, subject to Court approval, with the plaintiffs in a class action lawsuit (Carpenters Health & Welfare Fund of Philadelphia & Vicinity v. The Coca-Cola Company, et al.) to settle for approximately $138 million, without admitting any wrongdoing. The settlement amount is covered by insurance and, therefore, the settlement had no impact on our condensed consolidated statements of income. As of June 27, 2008, the Company has recorded a liability for approximately $138 million and a corresponding receivable from the insurers for the same amount.

At the time we acquire or divest our interest in an entity, we sometimes agree to indemnify the seller or buyer for specific contingent liabilities. Management believes that any liability to the Company that may arise as a result of any such indemnification agreements will not have a material adverse effect on the financial condition of the Company taken as a whole.

The Company is involved in various tax matters, with respect to some of which the outcome is uncertain. We establish reserves to remove some or all of the tax benefit of any of our tax positions at the time we determine that it becomes uncertain based upon one of the following conditions: (1) the tax position is not "more likely than not" to be sustained; (2) the tax position is "more likely than not" to be sustained, but for a lesser amount; or (3) the tax position is "more likely than not" to be sustained, but not in the financial period in which the tax position was originally taken. For purposes of evaluating whether a tax position is uncertain, (1) we presume the tax position will be examined by the relevant taxing authority that has full knowledge of all relevant information; (2) the technical merits of a tax position are derived from authorities such as legislation and statutes, legislative intent, regulations, rulings and case law and their applicability to the facts and circumstances of the tax position; and (3) each tax position is evaluated without consideration of the possibility of offset or aggregation with other tax positions taken. A number of years may elapse before a particular uncertain tax position is audited and finally resolved or when a tax assessment is raised. The number of years subject to tax assessments varies depending on the tax jurisdiction. The tax benefit that has been previously reserved because of a failure to meet the "more likely than not" recognition threshold would be recognized in our income tax expense in the first interim period when the uncertainty disappears under any one of the following conditions: (1) the tax position is "more likely than not" to be sustained; (2) the tax position, amount and/or timing is ultimately settled through negotiation or litigation; or (3) the statute of limitations for the tax position has expired. Refer to Note J.

Note E — Comprehensive Income

The following table summarizes total comprehensive income for the applicable periods (in millions):

	Three Months Ended		Six Months Ended	
	June 27, 2008	June 29, 2007	**June 27, 2008**	June 29, 2007
Net income	**$ 1,422**	$ 1,851	**$ 2,922**	$ 3,113
Net foreign currency translation gain	**152**	391	**816**	573
Net gain (loss) on derivatives	**37**	(8)	**(92)**	(13)
Net change in unrealized gain on available-for-sale securities	**(22)**	34	**(23)**	66
Net change in pension liability	**(14)**	7	**25**	192
Total comprehensive income	**$ 1,575**	$ 2,275	**$ 3,648**	$ 3,931

Note F — Fair Value Measurements

Effective January 1, 2008, the Company adopted SFAS No. 157, which defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. SFAS No. 157 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.

- Level 2 — Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Company's adoption of SFAS No. 157 did not have a material impact on our consolidated financial statements. The Company has segregated all financial assets and liabilities that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date in the table below. FSP FAS 157-2 delayed the effective date for all nonfinancial assets and liabilities until January 1, 2009, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis.

Effective January 1, 2008, the Company adopted SFAS No. 159, which provides entities the option to measure many financial instruments and certain other items at fair value. Entities that choose the fair value option will recognize unrealized gains and losses on items for which the fair value option was elected in earnings at each subsequent reporting date. The Company has currently chosen not to elect the fair value option for any items that are not already required to be measured at fair value in accordance with accounting principles generally accepted in the United States.

Assets and liabilities measured at fair value on a recurring basis are summarized below (in millions):

	June 27, 2008				
	Level 1	**Level 2**	**Level 3**	**Netting Adjustment[1]**	**Fair Value Measurements**
Assets					
Trading securities	**$ 52**	**$ 3**	**$ 10**	**$ —**	**$ 65**
Available-for-sale securities	**595**	**7**	**—**	**—**	**602**
Derivatives	**1**	**61**	**3**	**(53)**	**12**
Total assets	**$ 648**	**$ 71**	**$ 13**	**$ (53)**	**$ 679**
Liabilities					
Derivatives	**$ 13**	**$ 165**	**$ —**	**$ (70)**	**$ 108**
Total liabilities	**$ 13**	**$ 165**	**$ —**	**$ (70)**	**$ 108**

[1] Amounts represent the impact of legally enforceable master netting agreements that allow the Company to settle positive and negative positions and also cash collateral held or placed with the same counterparties.

Note G — Pension and Other Postretirement Benefit Plans

The following tables summarize net periodic benefit cost for our pension and other postretirement benefit plans for the applicable periods (in millions):

	Pension Benefits		Other Benefits	
	Three Months Ended			
	June 27, 2008	June 29, 2007	**June 27, 2008**	June 29, 2007
Service cost	**$ 30**	$ 28	**$ 5**	$ 5
Interest cost	**53**	46	**7**	8
Expected return on plan assets	**(64)**	(58)	**(5)**	(5)
Amortization of prior service cost (credit)	**3**	1	**(16)**	(12)
Recognized net actuarial loss	**2**	6	**—**	—
Net periodic benefit cost	**$ 24**	$ 23	**$ (9)**	$ (4)

	Pension Benefits		Other Benefits	
	Six Months Ended			
	June 27, 2008	June 29, 2007	**June 27, 2008**	June 29, 2007
Service cost	**$ 60**	$ 56	**$ 10**	$ 12
Interest cost	**106**	91	**13**	19
Expected return on plan assets	**(128)**	(112)	**(10)**	(10)
Amortization of prior service cost (credit)	**5**	3	**(31)**	(16)
Recognized net actuarial loss	**5**	11	**—**	—
Net periodic benefit cost	**$ 48**	$ 49	**$ (18)**	$ 5

In February and October of 2007, the Company amended its U.S. retiree medical plan to limit the Company's exposure to increases in retiree medical costs associated with current and future retirees. Based on the materiality of the change in liability resulting from the amendments, we remeasured the assets and liabilities of the U.S. retiree medical plan effective February 28, 2007 and October 31, 2007. As a result of the remeasurements, the Company reduced its liabilities for the U.S. retiree medical plan by approximately $435 million. In accordance with SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans — an amendment of FASB Statements No. 87, 88, 106, and 132(R)," the Company also recognized the appropriate effects of the change in accumulated other comprehensive income (loss) ("AOCI") by recording a prior service credit that will be amortized in future periods and deferred taxes.

We contributed approximately $27 million to our pension plans during the six months ended June 27, 2008, and we anticipate contributing approximately $25 million to these plans during the remainder of 2008. We contributed approximately $30 million to our pension plans during the six months ended June 29, 2007.

On January 1, 2008, Coca-Cola Enterprises Inc., including its bottling subsidiaries and divisions ("CCE"), adopted the measurement provisions of SFAS No. 158, which requires entities to measure the

funded status of retirement benefit plans as of their fiscal year end. SFAS No. 158 requires a cumulative adjustment to be made to opening retained earnings in the period of adoption. We reduced the beginning balance of our retained earnings and our investment basis in CCE by approximately $8 million for our proportionate share of CCE's adjustment.

Note H — Other Operating Charges

In the second quarter of 2008, our Company recorded other operating charges of approximately $97 million, consisting of approximately $50 million related to restructuring activities, approximately $44 million related to contract termination costs and approximately $3 million related to asset impairments. These charges had a $4 million impact on the North America operating segment, a $5 million impact on the Bottling Investments operating segment and an $88 million impact on the Corporate operating segment. The contract termination charge was related to fees paid by the Company to terminate an existing supply agreement. For additional details related to the restructuring activities refer to Note K.

During the first quarter of 2008, our Company recorded other operating charges of approximately $78 million, consisting of approximately $50 million related to restructuring activities and approximately $28 million related to the impairment of certain assets. These charges had a $2 million impact on the North America operating segment and a $76 million impact on the Corporate operating segment. The asset impairments were primarily related to the write-down of manufacturing lines that produce product packaging materials to their estimated salvage values. For additional details related to the restructuring activities refer to Note K.

In the second quarter of 2007, our Company recorded other operating charges of approximately $42 million, primarily related to impairments of certain investments and restructuring activities. These charges impacted the Africa, European Union, Latin America, Pacific, Bottling Investments and Corporate operating segments. None of the charges was individually significant.

During the first quarter of 2007, our Company recorded other operating charges of approximately $6 million, primarily related to impairments of certain investments and restructuring activities. These charges impacted the Africa, Bottling Investments and Corporate operating segments. None of the charges was individually significant.

Note I — Significant Operating and Nonoperating Items

Our equity income for the three months ended June 27, 2008, was reduced by our proportionate share of a $5.3 billion pretax ($3.4 billion after-tax) charge recorded by CCE due to an impairment of CCE's North American franchise rights. The Company's proportionate share of this charge was approximately $1.1 billion. The decline in estimated fair value of CCE's North American franchise rights was the result of several factors including, but not limited to, (1) challenging macroeconomic conditions which have contributed to lower than anticipated volume for higher-margin packages and certain higher-margin beverage categories; (2) increases in raw material costs including significant increases in aluminum, high fructose corn syrup ("HFCS") and resin; and (3) increased delivery costs as a result of higher fuel costs. In addition, we recorded approximately $4 million for our proportionate share of restructuring charges recorded by CCE. These charges impacted the Bottling Investments operating segment.

In the second quarter of 2008, the Company recognized gains of approximately $102 million due to divestitures, primarily related to the sale of Refrigerantes Minas Gerais Ltda. ("Remil"), a bottler in

Brazil, to Coca-Cola FEMSA, S.A.B. de C.V. ("Coca-Cola FEMSA"). Prior to this sale, our Company owned 100 percent of the outstanding common stock of Remil. Cash proceeds from the sale were approximately $275 million, net of the cash balance as of the disposal date. The gains on these divestitures impacted the Bottling Investments and Corporate operating segments and are included in other income (loss) — net in our consolidated statements of income.

During the first quarter of 2008, we recognized a net benefit in equity income of approximately $5 million for our proportionate share of one-time adjustments recorded by our equity method investees. None of the items was individually significant. The net benefit impacted the Bottling Investments operating segment.

Our equity income for the second quarter of 2007 was reduced by approximately $89 million in the Bottling Investments operating segment, primarily related to our proportionate share of an impairment recorded on investments by Coca-Cola Amatil Limited ("Coca-Cola Amatil") in bottling operations in South Korea. Also included in this reduction was our proportionate share of an asset write-down recorded by Coca-Cola Bottlers Philippines, Inc. ("CCBPI") and our proportionate share of restructuring charges recorded by CCE.

In the first quarter of 2007, the Company sold substantially all of its interest in Vonpar Refrescos S.A. ("Vonpar"), a bottler headquartered in Brazil. Total proceeds from the sale were approximately $238 million, and we recognized a gain on this sale of approximately $70 million. Prior to this sale, our Company owned approximately 49 percent of Vonpar's outstanding common stock and accounted for the investment using the equity method. Also during the first quarter of 2007, the Company recorded a gain of approximately $66 million resulting from the sale of real estate in Spain. Both of these items are included in other income (loss) — net in the consolidated statements of income and impacted the Corporate operating segment.

Our equity income for the first quarter of 2007 was reduced by approximately $67 million in the Bottling Investments operating segment related to our proportionate share of an asset write-down recorded by CCBPI. The asset write-down was related to excess bottles and cases at CCBPI.

Note J — Income Taxes

Our effective tax rate reflects the tax benefits from having significant operations outside the United States, which are taxed at rates lower than the U.S. statutory rate of 35 percent. Our effective tax rate for the second quarter of 2008 included the impact of an approximate 23 percent combined effective tax rate on restructuring charges, contract termination costs and asset impairments; an approximate 20 percent combined effective tax rate on impairment and restructuring charges recorded by CCE; and an approximate 31 percent combined effective tax rate on gains from divestitures. Also, during the second quarter of 2008, our effective tax rate reflected a net tax charge of approximately $29 million related to a net change in our uncertain tax positions under FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("Interpretation No. 48"), including interest and penalties. The components of the net change in uncertain tax positions were individually insignificant.

In addition to the items impacting the second quarter of 2008 noted above, our effective tax rate for the six months ended June 27, 2008, included the impact of an approximate 17 percent combined effective tax rate on restructuring charges and impairment of certain assets recorded during the first quarter of 2008. Also in the first quarter of 2008, our effective tax rate reflected the impact of a net tax charge of approximately $14 million related to one-time items recorded by our equity method investees and an approximate $2 million net tax charge related to a net change in our uncertain tax positions under Interpretation No. 48. The components of the net change in uncertain tax positions were individually insignificant.

In the second quarter of 2007, our effective tax rate reflected an approximate $30 million net tax charge related to amounts required to be recorded for changes in our uncertain tax positions under Interpretation No. 48. Also in the second quarter of 2007, our effective tax rate included an approximate 28 percent effective tax rate on certain asset impairment and restructuring charges recorded by the Company and on our proportionate share of asset impairment and restructuring charges recorded by our equity method investees.

In the first six months of 2007, in addition to the items impacting the second quarter noted above, our effective tax rate included an approximate 3 percent combined effective tax rate on asset impairments, primarily related to our proportionate share of an asset write-down recorded by CCBPI. Also in the first six months of 2007, our effective tax rate reflected a tax charge of approximately $73 million related to the gains primarily on the sale of our equity interest in Vonpar and the sale of real estate in Spain (an approximate 53 percent combined effective tax rate) (refer to Note I), as well as an approximate $11 million net tax expense related to amounts required to be recorded for changes to our uncertain tax positions under Interpretation No. 48, including interest and penalties. The components of the net change in uncertain tax positions were individually insignificant.

In early July 2008, agreements were reached between the U.S. government and a foreign government concerning the allocation of income between the two tax jurisdictions. As a result of this agreement, we expect the gross amount of our unrecognized tax benefits under Interpretation No. 48 to be reduced prior to December 31, 2008 by an amount in the range of $250 million to $275 million. The tax and interest to be paid pursuant to the agreements will be largely offset by tax benefits, which have been recorded as deferred tax assets, and interest refunds. The settlement will not have a material impact on the Company's consolidated financial statements.

In addition to the impact that the specific agreements mentioned above will have on the gross amount of our unrecognized tax benefits, it is reasonably possible that the total amounts of unrecognized tax benefits may decrease within the next 12 months as a result of settling certain tax matters. However, the tax benefits that would be received in different tax jurisdictions in the event that the Company settles would minimize the potential financial impact to the Company. The expected net impact of the changes would not be material to the Company's consolidated financial statements.

Note K — Restructuring Costs

During 2007, the Company took steps to streamline and simplify its operations globally. In North America, the Company reorganized its operations around three main business units: Sparkling Beverages, Still Beverages and Emerging Brands. In Ireland, the Company announced a plan to close its beverage concentrate manufacturing and distribution plant in Drogheda in September 2008. The plant closure is expected to improve operating productivity and enhance capacity utilization. The costs

associated with this plant closure are included in the Corporate operating segment. Selected other operations also took steps to streamline their operations to improve overall efficiency and effectiveness.

Employees separated or to be separated from the Company as a result of these streamlining initiatives were offered severance or early retirement packages, as appropriate, that included both financial and nonfinancial components. The expenses recorded during the three months and six months ended June 27, 2008, included costs related to involuntary terminations and other direct costs associated with implementing these initiatives. Other direct costs included expenses to relocate employees; contract termination costs; costs associated with the development, communication and administration of these initiatives; accelerated depreciation; and asset write-offs. The Company has incurred total pretax expenses of approximately $337 million related to these streamlining initiatives since they commenced in 2007, which were recorded in the line item other operating charges in our consolidated statements of income. The Company currently expects the total cost of these initiatives to be approximately $374 million and anticipates recognizing the remainder of the costs in 2008. The remaining costs primarily relate to severance pay and benefits and accelerated depreciation related to the closing of the Drogheda plant.

The following tables summarize the balance of accrued streamlining expenses and the changes in the accrued amounts for the applicable periods (in millions):

	Accrued Balance March 28, 2008	Costs Incurred Three Months Ended June 27, 2008	Payments	Noncash and Exchange[1]	Accrued Balance June 27, 2008
Severance pay and benefits	**$ 83**	**$ 22**	**$ (55)**	**$ 8**	**$ 58**
Outside services — legal, outplacement, consulting	**1**	**1**	**(1)**	**—**	**1**
Other direct costs	**14**	**27**	**(3)**	**(25)**	**13**
Total	**$ 98**	**$ 50**	**$ (59)**	**$ (17)**	**$ 72**

	Accrued Balance December 31, 2007	Costs Incurred Six Months Ended June 27, 2008	Payments	Noncash and Exchange[1]	Accrued Balance June 27, 2008
Severance pay and benefits	**$ 78**	**$ 48**	**$ (76)**	**$ 8**	**$ 58**
Outside services — legal, outplacement, consulting	**1**	**1**	**(1)**	**—**	**1**
Other direct costs	**16**	**51**	**(8)**	**(46)**	**13**
Total	**$ 95**	**$ 100**	**$ (85)**	**$ (38)**	**$ 72**

[1] Amount primarily represents the reclassification of accelerated depreciation included in current period charges.

The following table summarizes total streamlining initiative costs incurred for the applicable periods, by operating segment (in millions):

	Three Months Ended June 27, 2008	Six Months Ended June 27, 2008
North America	**$ 4**	**$ 6**
Bottling Investments	**5**	**5**
Corporate	**41**	**89**
Total	**$ 50**	**$ 100**

Note L — Acquisitions and Investments

For the six months ended June 27, 2008, our Company's acquisition and investment activities totaled approximately $621 million. Included in these investment activities was the acquisition of brands and licenses in Denmark and Finland from Carlsberg Group Beverages ("Carlsberg") for approximately $225 million. None of the other acquisitions was individually significant.

On June 7, 2007, in an effort to expand our still beverage offerings, our Company acquired Energy Brands Inc., also known as glacéau, the maker of enhanced water brands, such as vitaminwater, fruitwater and smartwater, and vitaminenergy, for approximately $4.1 billion. On the acquisition date, we made a cash payment of approximately $2.9 billion for a 71.4 percent interest in glacéau and entered into a put and call option agreement with certain entities associated with the Tata Group ("Tata") to acquire the remaining 28.6 percent ownership interest in glacéau. As a result of the terms of these agreements with Tata, the amount to be paid under the put and call option agreement of $1.2 billion was recorded at the acquisition date as an additional investment in glacéau, with the offset being recorded as a current liability within loans and notes payable on the consolidated balance sheets. On October 22, 2007, the Company exercised its right to call the remaining interest in glacéau and paid Tata $1.2 billion, such that the Company owned 100 percent of glacéau as of December 31, 2007. Under the purchase method of accounting, the total purchase price of glacéau is allocated to the tangible assets, liabilities and identifiable intangible assets acquired based on their estimated fair values. Any excess of purchase price over the aggregate fair value of acquired net assets is recorded as goodwill. The Company has finalized valuations of the assets and liabilities acquired. The final purchase price allocation was approximately $3.3 billion to trademarks, approximately $2.0 billion to goodwill, approximately $0.1 billion to customer relationships and approximately $1.1 billion to deferred tax liabilities. The trademarks have been assigned indefinite lives. The goodwill resulting from this acquisition is primarily related to our ability to optimize the route to market and increase the availability of the product, which will result in additional product sales. The goodwill also includes the recognition of deferred tax liabilities associated with the identifiable intangible assets recorded in purchase accounting. The goodwill is not deductible for tax purposes. On August 30, 2007, the Company announced its plans to transition to a new distribution model for glacéau products. This new distribution model includes a mix of legacy glacéau distributors and existing Coca-Cola system bottlers. Also, the Company will retain the distribution rights for certain channels. The implementation of this plan resulted in approximately $0.2 billion in liabilities for anticipated costs to terminate existing glacéau distribution agreements, which was reflected as an adjustment to the original allocation of acquisition costs. The Company has completed the majority of the transition. The acquisition of glacéau

was accounted for as a business combination, with the results of the acquired entity included in the North America operating segment as of the acquisition date.

In addition, certain executive officers and former shareholders of glacéau invested approximately $179 million of their proceeds from the sale of glacéau in common stock of the Company at then current market prices. These shares of Company common stock were placed in escrow pursuant to the glacéau acquisition agreement.

During the first quarter of 2007, our Company acquired the remaining 65 percent interest in CCBPI from San Miguel Corporation ("SMC") for consideration of approximately $591 million plus assumed net debt, of which $100 million was placed in escrow until certain matters related to the closing balance sheet audit of CCBPI were resolved. During the third quarter of 2007, the entire escrow amount was released, and our Company recovered $70 million. The adjusted purchase price after the recovery from escrow was approximately $521 million plus assumed debt, net of acquired cash, of approximately $79 million. Of the $521 million of consideration, the Company has outstanding notes payable to SMC for approximately $120 million. The Company expects to pay $20 million of the notes payable during the third quarter of 2008 and the remaining balance during the first quarter of 2012. As a result of the acquisition, the Company owns 100 percent of the outstanding stock of CCBPI. Upon closing of the acquisition, we made preliminary estimates of the fair values of the assets and liabilities for consolidation. Our Company has finalized valuations of the assets and liabilities acquired, and the preliminary estimates have been adjusted accordingly. The final amount of purchase price allocated to property, plant and equipment was approximately $319 million; franchise rights was approximately $361 million; and goodwill was approximately $143 million. The goodwill is not deductible for tax purposes. The franchise rights have been assigned an indefinite life. Management finalized a plan to improve the efficiency of CCBPI, which included the closing of eight production facilities during the third quarter of 2007. The acquisition of CCBPI was accounted for as a business combination, with the results of the acquired entity included in the Bottling Investments operating segment as of the acquisition date.

First quarter 2007 acquisition and investing activities also included approximately $327 million related to the purchases of Fuze Beverage, LLC ("Fuze"), maker of Fuze enhanced juices and teas in the U.S., and Leao Junior S.A. ("Leao Junior"), a Brazilian tea company, which are included in the North America and Latin America operating segments, respectively. The final amount of purchase price, related to these acquisitions, allocated to property, plant and equipment was approximately $13 million; identifiable intangible assets was approximately $268 million; and goodwill was approximately $86 million.

The acquisitions of glacéau, CCBPI, Fuze and Leao Junior in the first six months of 2007 were primarily financed through the issuance of commercial paper.

Note M — Operating Segments

Information about our Company's operations as of and for the three months ended June 27, 2008 and June 29, 2007, by operating segment, is as follows (in millions):

	Africa	Eurasia	European Union	Latin America	North America	Pacific	Bottling Investments	Corporate	Eliminations	Consolidated
2008										
Net operating revenues:										
Third party	**$ 302**	**$ 406**	**$ 1,337**	**$ 897**	**$ 2,240**	**$ 1,227**	**$ 2,608**	**$ 29**	**$ —**	**$ 9,046**
Intersegment	**16**	**50**	**299**	**63**	**16**	**97**	**93**	**—**	**(634)**	**—**
Total net revenues	**318**	**456**	**1,636**	**960**	**2,256**	**1,324**	**2,701**	**29**	**(634)**	**9,046**
Operating income (loss)	**127**	**196**	**962**	**531**	**457**[1]	**604**	**156**[1]	**(354)**[1]	**—**	**2,679**
Income (loss) before income taxes	**125**	**198**	**975**	**534**	**462**[1]	**597**	**(711)**[1,2,3]	**(284)**[1,3]	**—**	**1,896**
Identifiable operating assets	**567**	**573**	**3,484**	**2,040**	**11,300**	**1,547**	**9,513**	**11,340**	**—**	**40,364**
Investments	**2**	**445**	**161**	**262**	**16**	**72**	**6,347**	**62**	**—**	**7,367**
2007										
Net operating revenues:										
Third party	$ 288	$ 309	$ 1,233	$ 757	$ 2,062	$ 1,035	$ 2,031	$ 18	$ —	$ 7,733
Intersegment	12	43	216	22	21	135	45	—	(494)	—
Total net revenues	300	352	1,449	779	2,083	1,170	2,076	18	(494)	7,733
Operating income (loss)	79[4]	162	829[4]	413[4]	500	506[4]	75[4]	(294)[4]	—	2,270
Income (loss) before income taxes	78[4]	170	839[4]	412[4]	498	497[4]	247[4,5]	(333)[4]	—	2,408
Identifiable operating assets	535	398	2,584	1,727	10,557	1,525	7,386	8,445	—	33,157
Investments	—	370	77	2	12	20	6,323	28	—	6,832
As of December 31, 2007										
Identifiable operating assets	$ 636	$ 437	$ 2,947	$ 1,989	$ 10,510	$ 1,468	$ 8,962	$ 8,543	$ —	$ 35,492
Investments	2	402	93	245	18	23	6,949	45	—	7,777

Certain prior period amounts have been reclassified to conform to the current period presentation.

[1] Operating income (loss) and income (loss) before income taxes for the three months ended June 27, 2008, were reduced by approximately $4 million for North America, $5 million for Bottling Investments and $88 million for Corporate, primarily due to restructuring costs, contract termination costs and asset write-downs. Refer to Note H.

[2] Income (loss) before income taxes for the three months ended June 27, 2008, was reduced by approximately $1.1 billion for Bottling Investments, primarily as a result of our proportionate share of an impairment charge recorded by CCE. Refer to Note I.

[3] Income (loss) before income taxes for the three months ended June 27, 2008, was increased by approximately $102 million for Bottling Investments and Corporate, primarily due to the gain on the sale of Remil to Coca-Cola FEMSA. Refer to Note I.

[4] Operating income (loss) and income (loss) before income taxes for the three months ended June 29, 2007, were reduced by approximately $18 million for Africa, $5 million for European Union, $2 million for Latin America, $1 million for Pacific and $23 million for Bottling Investments, primarily related to asset impairments and restructuring costs, and were increased by $1 million for Corporate. These amounts were primarily recorded in other operating charges. Refer to Note H.

[5] Income (loss) before income taxes for the three months ended June 29, 2007, was reduced by approximately $89 million for Bottling Investments, primarily due to our proportionate share of asset write-downs and restructuring charges recorded by equity method investees. Refer to Note I.

Information about our Company's operations for the six months ended June 27, 2008 and June 29, 2007, by operating segment, is as follows (in millions):

	Africa	Eurasia	European Union	Latin America	North America	Pacific	Bottling Investments	Corporate	Eliminations	Consolidated
2008										
Net operating revenues:										
Third party	**$ 604**	**$ 702**	**$ 2,382**	**$ 1,741**	**$ 4,124**	**$ 2,140**	**$ 4,675**	**$ 57**	**$ —**	**$ 16,425**
Intersegment	**28**	**80**	**529**	**120**	**30**	**188**	**115**	**—**	**(1,090)**	**—**
Total net revenues	**632**	**782**	**2,911**	**1,861**	**4,154**	**2,328**	**4,790**	**57**	**(1,090)**	**16,425**
Operating income (loss)	**253**	**341**	**1,653**	**1,037**	**781**[1]	**992**	**173**[1]	**(677)**[1]	**—**	**4,553**
Income (loss) before income taxes	**247**	**341**	**1,675**	**1,038**	**787**[1]	**980**	**(556)**[1,2,3]	**(668)**[1,3]	**—**	**3,844**
2007										
Net operating revenues:										
Third party	$ 588	$ 504	$ 2,155	$ 1,438	$ 3,727	$ 1,924	$ 3,468	$ 32	$ —	$ 13,836
Intersegment	22	67	384	60	37	185	65	—	(820)	—
Total net revenues	610	571	2,539	1,498	3,764	2,109	3,533	32	(820)	13,836
Operating income (loss)	191[4]	249	1,433[4]	828[4]	847	878[4]	73[4]	(602)[4]	—	3,897
Income (loss) before income taxes	186[4]	260	1,453[4]	827[4]	846	864[4]	254[4,5]	(553)[4,5]	—	4,137

Certain prior period amounts have been reclassified to conform to the current period presentation.

[1] Operating income (loss) and income (loss) before income taxes for the six months ended June 27, 2008, were reduced by approximately $6 million for North America, $5 million for Bottling Investments and $164 million for Corporate, primarily due to restructuring costs, contract termination costs and asset write-downs. Refer to Note H.

[2] Income (loss) before income taxes for the six months ended June 27, 2008, was reduced by approximately $1.1 billion for Bottling Investments, primarily as a result of our proportionate share of an impairment charge recorded by CCE. Refer to Note I.

[3] Income (loss) before income taxes for the six months ended June 27, 2008, was increased by approximately $102 million for Bottling Investments and Corporate, primarily due to the gain on the sale of Remil to Coca-Cola FEMSA. Refer to Note I.

[4] Operating income (loss) and income (loss) before income taxes for the six months ended June 29, 2007, were reduced by approximately $20 million for Africa, $5 million for European Union, $2 million for Latin America, $1 million for Pacific, $29 million for Bottling Investments and $1 million for Corporate, primarily due to asset impairments and restructuring costs. These amounts were primarily recorded in other operating charges. Refer to Note H.

[5] Income (loss) before income taxes for the six months ended June 29, 2007, was reduced by approximately $162 million for Bottling Investments, primarily due to our proportionate share of asset write-downs and restructuring charges recorded by equity method investees, and was increased by approximately $136 million for Corporate, primarily due to gains on the sale of real estate in Spain and the sale of our equity ownership in Vonpar. Refer to Note I.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Recoverability of Noncurrent Assets

Current period losses incurred by certain consolidated and unconsolidated bottling operations in Europe and Asia during the three months ended June 27, 2008, were considered impairment indicators. Therefore, the Company completed impairment reviews of our noncurrent assets and investments in bottling operations primarily in these regions. As of June 27, 2008, the carrying values of our investments in noncurrent assets and in bottling operations subject to these impairment reviews in Europe and Asia were approximately $2,759 million and $49 million, respectively. As of June 27, 2008, the estimated fair values of the noncurrent assets tested for impairment exceeded their current carrying values. The Company will continue to monitor the recoverability of these noncurrent assets and investments in bottling operations in these locations throughout 2008.

RESULTS OF OPERATIONS

Sales of our ready-to-drink nonalcoholic beverages are somewhat seasonal, with the second and third calendar quarters accounting for the highest sales volumes. The volume of sales in the beverages business may be affected by weather conditions.

Beverage Volume

We measure our sales volume in two ways: (1) unit cases of finished products and (2) concentrate sales. A "unit case" is a unit of measurement equal to 192 U.S. fluid ounces of finished beverage (24 eight-ounce servings). Unit case volume represents the number of unit cases of Company beverage products directly or indirectly sold by the Company and its bottling partners ("Coca-Cola system") to customers. Unit case volume primarily consists of beverage products bearing Company trademarks. Also included in unit case volume are certain products licensed to, or distributed by, our Company, and brands owned by Coca-Cola system bottlers for which our Company provides marketing support and from the sale of which we derive economic benefit. Such products licensed to, or distributed by, our Company or owned by Coca-Cola system bottlers account for a minimal portion of total unit case volume. In addition, unit case volume includes sales by joint ventures in which the Company is a partner. Unit case volume is derived based on estimates supplied by our bottling partners and distributors. Concentrate sales volume represents the amount of concentrates, syrups, beverage bases and powders (in all cases expressed in equivalent unit cases) sold by, or used in finished beverages sold by, the Company to its bottling partners or other customers. Most of our revenues are based on concentrate sales, a primarily wholesale activity. Unit case volume and concentrate sales growth rates are not necessarily equal during any given period. Factors such as seasonality, bottlers' inventory practices, supply point changes, timing of price increases, new product introductions and changes in product mix can impact unit case volume and concentrate sales and can create differences between unit case volume and concentrate sales growth rates.

Information about our volume growth by operating segment for the three and six months ended June 27, 2008, is as follows:

	Percentage Change 2008 versus 2007			
	Second Quarter		Year-to-Date	
	Unit Cases[1,2,3]	Concentrate Sales	Unit Cases[1,2,3]	Concentrate Sales
Worldwide	3%	3%	4%	4%
Africa	5	2	2	3
Eurasia	7	13	9	14
European Union	(1)	(2)	1	—
Latin America	7	5	8	5
North America	—	(3)	—	(1)
Pacific	4	3	7	5
Bottling Investments	16	N/A	26	N/A

[1] Bottling Investments operating segment data reflect unit case volume growth for consolidated bottlers only.

[2] Geographic segment data reflect unit case volume growth for all bottlers in the applicable geographic areas, both consolidated and unconsolidated.

[3] Unit case volume percentage change is based on average daily sales. Unit case volume growth based on average daily sales is computed by comparing the average daily sales in each of the corresponding periods. Average daily sales for each quarter are the unit cases sold during the quarter divided by the number of days in the quarter.

Unit Case Volume

Although most of our Company's revenues are not based directly on unit case volume, we believe unit case volume is one of the measures of the underlying strength of the Coca-Cola system because it measures trends at the consumer level.

In Africa, unit case volume increased 5 percent and 2 percent for the quarter and for the six months ended June 27, 2008, respectively, versus the comparable periods of the prior year. Double-digit unit case volume growth in North and West Africa and 4 percent growth in Nigeria during the quarter drove results. South Africa's unit case volume was even during the quarter, reflecting the lingering effects of carbon dioxide shortages. Unit case volume for the six months ended June 27, 2008, reflected the impact of a 9 percent volume decline in South Africa during the first quarter due to supply chain issues resulting from the aforementioned carbon dioxide shortages. Our system is currently investing in manufacturing capabilities that would allow us to produce our own supply of carbon dioxide to mitigate the risk of future shortages.

In Eurasia, unit case volume grew 7 percent and 9 percent for the quarter and for the six months ended June 27, 2008, respectively, compared to the same periods of the prior year. Unit case volume growth in the second quarter was primarily driven by double-digit growth in Turkey, Southern Eurasia and the Middle East, as well as mid single-digit growth in India and Eastern Europe. Adverse weather conditions in Russia late in the quarter impacted unit case volume, contributing to 2 percent growth for the quarter. Additionally, unit case volume growth for the six months ended June 27, 2008, reflected the impact of double-digit volume growth in India and Russia during the first quarter.

Unit case volume in the European Union decreased 1 percent for the quarter and increased 1 percent for the six months ended June 27, 2008, versus the comparable periods of the prior year. The

current quarter decline in unit case volume was primarily related to a mid single-digit decline in France and a low single-digit decline in Iberia, which were partially offset by double-digit growth in the Alpine business unit and mid single-digit growth in Poland. The unit case volume decline in France was primarily due to a local CCE labor strike, while the decline in Iberia was primarily due to a truckers' strike in Spain. Additionally, significant portions of the European Union were adversely impacted by unfavorable weather during the second quarter. Unit case volume growth for the six months ended June 27, 2008, also reflected the impact of double-digit growth in still beverages and 2 percent growth in sparkling beverages during the first quarter.

In Latin America, unit case volume increased 7 percent and 8 percent for the quarter and for the six months ended June 27, 2008, respectively, versus the comparable periods of the prior year. The results for the quarter and for the first six months of 2008 were primarily due to solid growth across the operating segment and the impact of acquisitions. Unit case volume in Mexico increased 10 percent for the quarter, which included 3 percent growth in brand Coca-Cola and 3 points of growth related to the successful integration of Jugos del Valle, S.A.B. de C.V. ("Jugos del Valle"). Brazil realized 1 percent unit case volume growth during the quarter, primarily due to a 1 percent increase in Trademark Coca-Cola. Additionally, unit case volume in Argentina increased 7 percent during the quarter, primarily as a result of strong sparkling beverage growth led by Trademark Coca-Cola. Unit case volume growth for the six months ended June 27, 2008, also reflected the impact of 11 percent growth during the first quarter in Brazil, primarily due to solid growth in Trademark Coca-Cola and the impact of Leao Junior acquired at the end of the first quarter of 2007.

In North America, unit case volume was even for the quarter and for the six months ended June 27, 2008, versus the comparable periods of the prior year, reflecting a continued difficult U.S. economic environment. For the second quarter, Retail unit case volume increased 1 percent, including a benefit from acquisitions, while Foodservice and Hospitality declined 3 percent, reflecting the continued challenging foodservice industry environment. Unit case volume for the still beverages category increased 9 percent, partially offset by a 4 percent decline in unit case volume in the sparkling beverages category. The increase in unit case volume for still beverages was primarily the result of the strong performance of glacéau and Fuze, as well as strong growth in juices and juice drinks. Unit case volume for glacéau contributed 2 percentage points to the second quarter of 2008. The growth during the quarter in juices and juice drinks included double-digit unit case volume growth of warehouse-delivered chilled juices, which reflects the success of Trademark Simply and Minute Maid Enhanced Juices. The unit case volume decline in sparkling beverages was primarily due to the decline in foodservice and other on-premise businesses. However, Coca-Cola Zero delivered a strong performance, increasing unit case volume more than 40 percent during the quarter. North America's second quarter 2007 results included less than one month of unit case volume for glacéau, which was acquired on June 7, 2007.

Unit case volume in the Pacific increased 4 percent and 7 percent for the quarter and for the six months ended June 27, 2008, respectively, versus the comparable periods of the prior year. The growth for the quarter included 13 percent unit case volume growth in China and 3 percent growth in the Philippines. The growth in China was primarily due to strong growth in Trademark Coca-Cola, Trademark Sprite and Minute Maid, despite the impact of earthquakes and flooding in various regions. In Japan, unit case volume declined 1 percent for the quarter; however, Trademark Coca-Cola continued to deliver unit case volume growth driven by the success of Coca-Cola Zero and the execution of the three-cola strategy (focusing on driving unit case volume growth for Coca-Cola, Coca-Cola Zero and Diet Coke or Coca-Cola light). Georgia Coffee unit case volume increased 4 percent for the quarter, achieving its third consecutive quarter of growth and its highest growth rate in five years. Japan also realized unit case volume declines during the quarter and for the first six months of 2008 in Sokenbicha and Aquarius, primarily related to unfavorable weather. Additionally,

unit case volume growth for the six months ended June 27, 2008 reflected the impact of 20 percent growth in China and 21 percent growth in the Philippines during the first quarter of 2008.

Unit case volume for Bottling Investments increased 16 percent and 26 percent for the quarter and for the six months ended June 27, 2008, respectively, versus the comparable periods of the prior year. The increase for the quarter and for the six months ended June 27, 2008 was primarily due to the prior year acquisitions of certain bottlers, including, but not limited to, 18 bottling and distribution operations in Germany and a controlling interest in Nordeste Refrigerantes S.A. ("NORSA"), a bottler in Brazil. The unit case volume growth during the quarter also reflected the overall improving health of the Company's consolidated bottling operations. Additionally, unit case volume growth for the first six months of 2008 included the impact of CCBPI, which was acquired toward the end of the first quarter of 2007.

Concentrate Sales Volume

For the three months ended June 27, 2008, Company-wide concentrate sales and unit case volume grew at 3 percent versus the comparable period of the prior year. For the six months ended June 27, 2008, Company-wide concentrate sales and unit case volume grew 4 percent versus the comparable period of the prior year. For both the current quarter and the first six months of 2008, differences between concentrate sales volume and unit case volume growth rates for all segments were primarily due to timing of concentrate shipments and inventory related to upcoming product introductions. In Latin America, the inclusion of Jugos del Valle contributed to unit case volume growth. However, Jugos del Valle does not contribute to concentrate sales volume, since the Company does not sell concentrate to Jugos del Valle.

Net Operating Revenues

Net operating revenues were $9,046 million for the three months ended June 27, 2008, compared to $7,733 million for the three months ended June 29, 2007, an increase of $1,313 million or 17 percent. The following table indicates, on a percentage basis, the estimated impact of key factors resulting in increases in net operating revenues for the three months ended June 27, 2008, versus the comparable period in 2007:

	Percentage Change 2008 versus 2007
Increase in concentrate sales volume	3%
Structural changes	2
Price and product/geographic mix	3
Impact of currency fluctuations versus the U.S. dollar	9
Total percentage increase	17%

Refer to the heading "Beverage Volume" for a discussion of concentrate sales volume. Also included in concentrate sales volume is the impact of acquired beverage companies, including, among others, glacéau, and the acquisition of trademarks.

Structural changes increased net operating revenues by 2 percent for the three months ended June 27, 2008, versus the comparable period in the prior year, primarily due to the acquisitions of 18 German bottling and distribution operations and a controlling interest in NORSA during the third quarter of 2007.

Price and product/geographic mix increased net operating revenues by 3 percent for the three months ended June 27, 2008, versus the comparable period in the prior year, primarily due to favorable pricing and product/package mix across the segments.

The favorable impact of currency fluctuations for the three months ended June 27, 2008, versus the comparable period in the prior year was driven primarily by a stronger euro, Japanese yen and Brazilian real, which favorably impacted the European Union, Pacific, Latin America and Bottling Investments operating segments.

Net operating revenues were $16,425 million for the six months ended June 27, 2008, compared to $13,836 million for the six months ended June 29, 2007, an increase of $2,589 million or 19 percent. The following table indicates, on a percentage basis, the estimated impact of key factors resulting in increases in net operating revenues for the six months ended June 27, 2008, versus the comparable period in 2007:

	Percentage Change 2008 versus 2007
Increase in concentrate sales volume	4%
Structural changes	3
Price and product/geographic mix	3
Impact of currency fluctuations versus the U.S. dollar	9
Total percentage increase	19%

Refer to the heading "Beverage Volume" for a discussion of concentrate sales volume. Also included in concentrate sales volume is the impact of acquired beverage companies, including, among others, glacéau, and the acquisition of trademarks.

Structural changes increased net operating revenues by 3 percent for the six months ended June 27, 2008, versus the comparable period in the prior year, primarily due to the acquisition of CCBPI toward the end of the first quarter of 2007, and the acquisitions of 18 German bottling and distribution operations and a controlling interest in NORSA during the third quarter of 2007.

Price and product/geographic mix increased net operating revenues by 3 percent for the six months ended June 27, 2008, versus the comparable period in the prior year, primarily due to favorable pricing and product/package mix across the segments.

The favorable impact of currency fluctuations for the six months ended June 27, 2008, versus the comparable period in the prior year was driven primarily by a stronger euro, Japanese yen and Brazilian real, which favorably impacted the European Union, Pacific, Latin America and Bottling Investments operating segments.

Gross Profit

Our gross profit margin increased to 65.0 percent for the three months ended June 27, 2008, from 64.6 percent for the three months ended June 29, 2007. The increase in our gross profit margin was primarily the result of favorable price and product mix, which was partially offset by the acquisition of glacéau toward the end of the second quarter of 2007, and the acquisitions of 18 German bottling and distribution operations and a controlling interest in NORSA during the third quarter of 2007. Refer to the heading "Beverage Volume" and Note L of Notes to Condensed Consolidated Financial Statements. Generally, bottling and finished product operations produce higher net revenues but lower gross profit margins compared to concentrate and syrup operations. Our gross profit margin was also unfavorably impacted by increases in the cost of raw materials and freight. The Company currently expects a slight increase in the cost of commodities for the remainder of 2008 given the continued rise in oil prices and its impact on resin.

Our gross profit margin increased to 64.8 percent for the six months ended June 27, 2008, from 64.7 percent for the six months ended June 29, 2007. In addition to the items noted above, the

acquisitions of CCBPI and Leao Junior during the first quarter of 2007 unfavorably impacted our gross profit margin for the six months ended June 27, 2008.

Selling, General and Administrative Expenses

The following table sets forth the significant components of selling, general and administrative expenses (in millions):

	Three Months Ended		Six Months Ended	
	June 27, 2008	June 29, 2007	**June 27, 2008**	June 29, 2007
Selling and advertising expenses	**$ 2,373**	$ 1,952	**$ 4,427**	$ 3,563
General and administrative expenses	**658**	654	**1,332**	1,292
Stock-based compensation expense	**77**	79	**152**	155
Selling, general and administrative expenses	**$ 3,108**	$ 2,685	**$ 5,911**	$ 5,010

Selling, general and administrative expenses increased $423 million or 16 percent for the three months ended June 27, 2008, versus the comparable period in the prior year. Selling, general and administrative expenses increased $901 million or 18 percent for the six months ended June 27, 2008, as compared to the same period in the prior year. Approximately 14 percent of the increase during the quarter was attributable to bottler acquisitions, increased costs from brand acquisitions and the impact of foreign currency. The remaining 2 percent increase was primarily related to increased marketing and innovation activities designed to drive growth in the business while controlling general and administrative expenses as we focus on productivity and expense management. These same factors were the primary drivers of the increase for the six months ended June 27, 2008. General and administrative expenses for the three and six months ended June 27, 2008 also benefited from the impact of amendments made to the U.S. retiree medical plan during 2007. Refer to Note G of Notes to Condensed Consolidated Financial Statements.

As of June 27, 2008, we had approximately $575 million of total unrecognized compensation cost related to nonvested stock-based compensation arrangements granted under our plans. This cost is expected to be recognized over a weighted-average period of 1.8 years. This expected cost does not include the impact of any future stock-based compensation awards.

The Company is targeting $400 million to $500 million in annualized savings from productivity initiatives by year-end 2011 to provide additional flexibility to invest for growth. The savings are expected to be generated in a number of areas, including aggressively managing operating expenses supported by lean techniques; redesigning key processes to drive standardization and effectiveness; better leveraging our size and scale; and driving savings in indirect costs through the implementation of a "procure-to-pay" program. In realizing these savings, the Company expects to incur total costs by 2011 that are approximately equal to one year of the targeted annualized savings.

Other Operating Charges

Other operating charges incurred by operating segment were as follows (in millions):

	Three Months Ended		Six Months Ended	
	June 27, 2008	June 29, 2007	**June 27, 2008**	June 29, 2007
Africa	**$ —**	$ 18	**$ —**	$ 20
European Union	**—**	5	**—**	5
Latin America	**—**	2	**—**	2
North America	**4**	—	**6**	—
Pacific	**—**	1	**—**	1
Bottling Investments	**5**	17	**5**	19
Corporate	**88**	(1)	**164**	1
	$ 97	$ 42	**$ 175**	$ 48

Other operating charges for the three and six months ended June 27, 2008, were primarily related to restructuring costs, contract termination costs and the impairment of certain assets. The restructuring costs are related to steps the Company took to streamline and simplify its operations globally. These costs are primarily related to the plan to close a beverage concentrate manufacturing and distribution plant in Drogheda, Ireland, as well as streamlining activities in other selected business units. The total cost of these restructuring activities is expected to be approximately $374 million. The Company has incurred total pretax expenses of approximately $337 million related to these restructuring activities since they commenced and expects to recognize the remainder of these expenses during 2008. The expected payback period is three to four years. Refer to Note K of Notes to Condensed Consolidated Financial Statements. The contract termination costs were related to fees paid by the Company to terminate an existing supply agreement. The impairment of certain assets was related to the write-down of manufacturing lines that produce product packaging materials. Refer to Note H of Notes to Condensed Consolidated Financial Statements.

Other operating charges for the three and six months ended June 29, 2007, were primarily related to restructuring costs and the impairment of certain assets, none of which was individually significant.

Operating Income and Operating Margin

Information about our operating income by operating segment on a percentage basis is as follows:

	Three Months Ended		Six Months Ended	
	June 27, 2008	June 29, 2007	**June 27, 2008**	June 29, 2007
Africa	**4.7%**	3.5%	**5.6%**	4.9%
Eurasia	**7.3**	7.1	**7.5**	6.4
European Union	**35.9**	36.5	**36.3**	36.8
Latin America	**19.8**	18.2	**22.8**	21.2
North America	**17.1**	22.0	**17.1**	21.7
Pacific	**22.6**	22.3	**21.8**	22.5
Bottling Investments	**5.8**	3.3	**3.8**	1.9
Corporate	**(13.2)**	(12.9)	**(14.9)**	(15.4)
	100.0%	100.0%	**100.0%**	100.0%

Information about our operating margin by operating segment is as follows:

	Three Months Ended		Six Months Ended	
	June 27, 2008	June 29, 2007	**June 27, 2008**	June 29, 2007
Consolidated	**29.6%**	29.4%	**27.7%**	28.2%
Africa	**42.1**	27.4	**41.9**	32.5
Eurasia	**48.3**	52.4	**48.6**	49.4
European Union	**72.0**	67.2	**69.4**	66.5
Latin America	**59.2**	54.6	**59.6**	57.6
North America	**20.4**	24.2	**18.9**	22.7
Pacific	**49.2**	48.9	**46.4**	45.6
Bottling Investments	**6.0**	3.7	**3.7**	2.1
Corporate	*	*	*	*

* Calculation is not meaningful.

Operating income was $2,679 million for the three months ended June 27, 2008, compared to $2,270 million for the three months ended June 29, 2007, an increase of $409 million or 18 percent. Our operating margin for the three months ended June 27, 2008, was 29.6 percent, compared to 29.4 percent for the comparable period in 2007.

Operating income was $4,553 million for the six months ended June 27, 2008, compared to $3,897 million for the six months ended June 29, 2007, an increase of $656 million or 17 percent. Our operating margin for the six months ended June 27, 2008, was 27.7 percent, compared to 28.2 percent for the comparable period in 2007.

As reflected in the tables above, the percentage contribution to operating income and operating margin by each operating segment fluctuated between the periods. Operating income and operating margin by operating segment were influenced by a variety of factors and events, including the following:

- In the second quarter and the first six months of 2008, foreign currency exchange rates favorably impacted operating income by approximately 11 percent, primarily related to a stronger euro, Japanese yen and Brazilian real, which impacted the European Union, Pacific, Latin America and Bottling Investments operating segments. Based on current expectations of market rates for the remainder of the year and benefits of hedging coverage in place, the Company currently expects a favorable currency impact on 2008 operating income of at least mid single digits.

- In the second quarter and the first six months of 2008, price increases across the majority of operating segments favorably impacted both operating income and operating margins.

- In the second quarter and the first six months of 2008, increased spending on marketing and innovation activities impacted the majority of the operating segments' operating income and operating margins. Refer to the heading "Selling, General and Administrative Expenses."

- In the second quarter and the first six months of 2008, increases in the cost of raw materials and product mix, primarily as a result of finished goods businesses, adversely impacted North America's operating income and operating margin.

- In the second quarter of 2008, our operating margin was unfavorably impacted by the acquisition of glacéau toward the end of the second quarter of 2007, and the acquisitions of 18 German bottling and distribution operations and a controlling interest in NORSA during the third quarter of 2007. Generally, bottling and finished product operations produce higher net revenues but lower operating margins compared to concentrate and syrup operations.

- For the six months ended June 27, 2008, our operating margin was unfavorably impacted by the acquisitions of CCBPI and Leao Junior during the first quarter of 2007, the acquisition of glacéau in the second quarter of 2007, and the acquisitions of 18 German bottling and distribution operations and a controlling interest in NORSA during the third quarter of 2007.

- Operating income for the second quarter of 2008 was reduced by approximately $4 million for North America, $5 million for Bottling Investments and $88 million for Corporate, primarily due to restructuring costs, contract termination costs and asset write-downs.

- Operating income for the six months ended June 27, 2008, was reduced by approximately $6 million for North America, $5 million for Bottling Investments and $164 million for Corporate, primarily due to restructuring costs, contract termination costs and asset write-downs.

- Operating income for the second quarter of 2007 was reduced by approximately $18 million for Africa, $5 million for European Union, $2 million for Latin America, $1 million for Pacific and $23 million for Bottling Investments, primarily due to asset impairments and restructuring costs.

- Operating income for the six months ended June 29, 2007, was reduced by approximately $20 million for Africa, $5 million for European Union, $2 million for Latin America, $1 million for Pacific and $29 million for Bottling Investments, primarily due to asset impairments and restructuring costs.

Interest Income

Interest income increased by approximately $15 million and $43 million for the three and six months ended June 27, 2008, respectively, compared to the same periods in 2007. The increases for both the three and six month periods were primarily due to higher average short-term investment balances in locations outside the U.S., partially offset by lower interest rates.

Interest Expense

Interest expense decreased by approximately $13 million for the three months ended June 27, 2008, versus the comparable period in the prior year. The decrease was primarily attributable to the reclassification of approximately $17 million of previously unrecognized gains on interest rate locks from AOCI to interest expense. These cash flow hedges were discontinued during the second quarter of 2008, as it was no longer probable that we would issue the long-term debt for which these hedges were designated. These gains were partially offset by the impact of higher average short-term and long-term debt balances. Additionally, lower interest rates on short-term debt have reduced our borrowing cost compared to the prior year.

For the six months ended June 27, 2008, interest expense increased by approximately $33 million compared to the same period in 2007. The increase was primarily related to higher average short-term and long-term debt balances, partially offset by the aforementioned reclassified gains on the discontinued cash flow hedges and lower interest rates on short-term debt.

Equity Income — Net

Our Company's proportionate share of income or losses from equity method investments for the three and six months ended June 27, 2008, was a loss of $843 million and a loss of $706 million, respectively, a decline of $1,033 million and $916 million versus the comparable periods of the prior year. The decrease in equity income — net for the quarter and for the six months ended June 27, 2008 was primarily related to our proportionate share of a $5.3 billion pretax ($3.4 billion after-tax) charge recorded by CCE due to an impairment of its North American franchise rights. The Company's proportionate share of this charge was approximately $1.1 billion. Refer to Note I of Notes to Condensed Consolidated Financial Statements. This charge was partially offset by our proportionate

share of increased net income from certain of our equity method investees, including the favorable impact of foreign exchange fluctuations.

Other Income (Loss) — Net

Other income (loss) — net was income of $80 million and $69 million for the three and six months ended June 27, 2008, versus a loss of $4 million and income of $112 million for the comparable periods in the prior year, respectively. This line item includes the impact of foreign exchange losses, the accretion of expense related to certain acquisitions and minority shareowners' proportional share of net income of certain consolidated subsidiaries for each of the aforementioned periods. Additionally, in the second quarter of 2008 other income (loss) — net included gains on divestitures of approximately $102 million, primarily related to the sale of Remil to Coca-Cola FEMSA. Refer to Note I of Notes to Condensed Consolidated Financial Statements. The first quarter of 2007 included a gain of approximately $137 million resulting from the sale of our equity investment in Vonpar and the sale of real estate in Spain.

Income Taxes

Our effective tax rate reflects tax benefits derived from significant operations outside the United States, which are generally taxed at rates lower than the U.S. statutory rate of 35 percent. A change in the mix of pretax income from these various tax jurisdictions can have a significant impact on the Company's periodic effective tax rate.

Based on current tax laws, the Company's effective tax rate on operations for 2008 is expected to be approximately 22.0 percent before considering the effect of any discrete items that may affect our tax rate.

Second Quarter of 2008 versus Second Quarter of 2007

Our effective tax rate was 25.0 percent for the three months ended June 27, 2008, compared to 23.1 percent for the three months ended June 29, 2007. In addition to changes in pretax income among the various tax jurisdictions in which we operate, there were several other items that impacted our effective tax rate.

For the three months ended June 27, 2008, our effective tax rate included the following:

- the impact of an approximate 23 percent combined effective tax rate on restructuring charges, contract termination costs and asset impairments (refer to Note H of Notes to Condensed Consolidated Financial Statements);
- the impact of an approximate 20 percent combined effective tax rate on impairment and restructuring charges recorded by CCE (refer to Note I of Notes to Condensed Consolidated Financial Statements);
- the impact of an approximate 31 percent combined effective tax rate for gains on divestitures (refer to Note I of Notes to Condensed Consolidated Financial Statements); and
- a net tax charge of approximately $29 million related to amounts required to be recorded for changes to our uncertain tax positions under Interpretation No. 48, including interest and penalties (refer to Note J of Notes to Condensed Consolidated Financial Statements).

For the three months ended June 29, 2007, our effective tax rate included the following:

- a net tax charge of approximately $30 million related to amounts required to be recorded on our uncertain tax positions under Interpretation No. 48, including interest and penalties (refer to Note J of Notes to Condensed Consolidated Financial Statements); and

- the impact of a tax benefit related to impairment of certain assets and restructuring charges recorded by the Company and our proportionate share of impairment and restructuring charges recorded by our equity method investees, at an effective tax rate of 28 percent, or approximately $38 million (refer to Note I of Notes to Condensed Consolidated Financial Statements).

First Six Months of 2008 versus First Six Months of 2007

Our effective tax rate for the six months ended June 27, 2008, was 24.0 percent compared to 24.8 percent for the six months ended June 29, 2007. In addition to changes in pretax income among the various tax jurisdictions in which we operate, there were several other items that impacted our effective tax rate.

For the six months ended June 27, 2008, in addition to the second quarter items stated above, our effective tax rate included the impact of the following first quarter 2008 items:

- the impact of an approximate 17 percent combined effective tax rate on restructuring charges and asset impairments recorded in the first quarter (refer to Note H of Notes to Condensed Consolidated Financial Statements);

- a net tax charge related to one-time items recorded by our equity method investees of approximately $14 million (refer to Note I of Notes to Condensed Consolidated Financial Statements); and

- a net tax charge of approximately $2 million related to amounts required to be recorded for changes to our uncertain tax positions under Interpretation No. 48, including interest and penalties (refer to Note J of Notes to Condensed Consolidated Financial Statements).

For the six months ended June 29, 2007, in addition to the second quarter items stated above, our effective tax rate included the impact of the following first quarter 2007 items:

- the impact of an approximate 3 percent combined effective tax rate on asset impairments, primarily due to our proportionate share of the impairment of assets related to CCBPI (refer to Note I of Notes to Condensed Consolidated Financial Statements);

- a tax charge primarily related to the gains on the sale of our equity interest in Vonpar and real estate in Spain recorded at a combined effective tax rate of 53 percent, or approximately $73 million (refer to Note I of Notes to Condensed Consolidated Financial Statements); and

- a net tax charge of approximately $11 million related to amounts required to be recorded for changes to our uncertain tax positions under Interpretation No. 48, including interest and penalties (refer to Note J of Notes to Condensed Consolidated Financial Statements).

FINANCIAL CONDITION

Operating Activities

Net cash provided by operating activities for the first six months of 2008 was $3,218 million compared to $3,295 million for the comparable period in 2007, a decrease of $77 million or 2 percent. This decrease was primarily related to increased payments to suppliers and vendors during the first six months of 2008, primarily related to the increased cost of goods sold to support the higher sales volume and higher payments for selling, general and administrative expenses, as well as the timing of payments. These increased payments were partially offset by higher cash collection, primarily due to the 19 percent increase in net operating revenues. Cash flows from operating activities for the first six months of 2008 were also impacted by higher interest and tax payments. Additionally, the Company had $85 million in payments related to streamlining initiatives during the first six months of 2008. Refer to Note K of Notes to Condensed Consolidated Financial Statements.

Investing Activities

Net cash used in investing activities for the first six months of 2008 was $1,234 million compared to $4,046 million for the comparable period in 2007, a decrease of $2,812 million.

Net cash used in investing activities for the first six months of 2008 included acquisitions and investments of $621 million, including the acquisition of brands and licenses in Denmark and Finland from Carlsberg for approximately $225 million. None of the other acquisitions was individually significant. Cash used in investing activities was partially offset by proceeds of approximately $275 million, net of the cash balance as of the disposal date, related to the sale of Remil to Coca-Cola FEMSA.

During the first six months of 2008, cash outlays for investing activities also included purchases of property, plant and equipment of $896 million. Our Company currently estimates that net purchases of property, plant and equipment for the entire year 2008 will be in the range of approximately $1.8 billion to $1.9 billion.

Net cash used in investing activities for the first six months of 2007 included acquisitions and investments of $3,649 million. During the second quarter of 2007, our Company acquired glacéau for approximately $4.1 billion. We made a cash payment of approximately $2,948 million in the second quarter of 2007 in connection with this acquisition. During the first quarter of 2007, our Company completed the acquisition of the remaining 65 percent of the shares of capital stock of CCBPI not previously owned by our Company and made a cash payment of approximately $470 million in connection with this acquisition. Additionally, our Company acquired Fuze and Leao Junior for approximately $327 million. Refer to Note L of Notes to Condensed Consolidated Financial Statements. The remaining amount of cash used for acquisitions and investments was primarily related to the acquisition of various trademarks and brands, none of which was individually significant.

During the first six months of 2007, cash outlays for investing activities also included purchases of property, plant and equipment of $770 million.

Investing activities in the first six months of 2007 also included proceeds of approximately $238 million received from the sale of our 49 percent equity interest in Vonpar and approximately $74 million in proceeds from the sale of real estate in Spain.

Financing Activities

Our financing activities include net borrowings, dividend payments, share issuances and share repurchases. Net cash provided by financing activities totaled $383 million for the first six months of

2008 compared to net cash provided by financing activities of $2,580 million for the first six months of 2007, a decrease of $2,197 million.

In the first six months of 2008, the Company had issuances of debt of $4,317 million and payments of debt of $2,478 million. The issuances of debt in the first six months of 2008 included approximately $2,509 million of net issuances of commercial paper and short-term debt with maturities of 90 days or less and approximately $1,748 million of issuances of commercial paper and short-term debt with maturities greater than 90 days. The payments of debt in the first six months of 2008 included approximately $2,437 million related to commercial paper and short-term debt with maturities greater than 90 days.

In the first six months of 2007, the Company had issuances of debt of $5,762 million and payments of debt of $2,080 million. The issuances of debt in the first six months of 2007 included approximately $2,707 million of net issuances of commercial paper and short-term debt with maturities of 90 days or less and approximately $2,880 million of issuances of commercial paper and short-term debt with maturities greater than 90 days. The increases in debt were primarily due to our acquisitions of glacéau, CCBPI, Fuze and Leao Junior in the first six months of 2007. The payments of debt in the first six months of 2007 included approximately $2,010 million related to commercial paper and short-term debt with maturities greater than 90 days. Included in these payments was the payment of the outstanding liability to Coca-Cola Erfrischungsgetraenke AG ("CCEAG") shareowners.

In the first six months of 2008, the Company had issuances of stock of $459 million compared to $643 million for the first six months of 2007, a decrease of $184 million. The decrease was primarily related to certain executive officers and former shareholders of glacéau investing approximately $179 million of their proceeds from the sale of glacéau in common stock of the Company at then current market prices during the first six months of 2007. These shares of Company common stock were placed in escrow pursuant to the glacéau acquisition agreement.

During the first six months of 2008 and 2007, the Company repurchased common stock under stock repurchase plans authorized by our Board of Directors. During the first six months of 2008, the Company repurchased approximately 18.0 million shares of common stock at an average cost of $58.17 per share. During the first six months of 2007, the Company repurchased approximately 20.6 million shares of common stock at an average cost of $49.00 per share. The cost to purchase shares of common stock for treasury was approximately $1,049 million for the first six months of 2008 compared to approximately $1,010 million for the first six months of 2007. The total cash outflow for treasury stock purchases in the first six months of 2008 was $1,031 million, which includes the treasury stock purchased and settled in the first six months of 2008, as well as certain December 2007 treasury stock purchases that settled in early 2008.

As strong cash flows are expected to continue in the future, the Company currently expects its 2008 share repurchase levels to be in the range of $1.75 billion to $2.0 billion, including the purchases during the first six months of 2008 described above.

For the first six months of 2008, our Company paid dividends of $884 million compared to $787 million for the first six months of 2007, an increase of $97 million. As of June 27, 2008, dividends of approximately $879 million were accrued but were not paid until the beginning of the third quarter of 2008. The Company currently expects the full-year 2008 dividend to be $1.52 per share compared to $1.36 per share in 2007.

Foreign Exchange

Our international operations are subject to certain opportunities and risks, including currency fluctuations and governmental actions. We closely monitor our operations in each country and seek to

adopt appropriate strategies that are responsive to changing economic and political environments, and to fluctuations in foreign currencies.

Our Company conducts business in more than 200 countries. Due to our global operations, weaknesses in currencies of some of these countries are often offset by strengths in others. Our foreign currency management program is designed to mitigate, over time, a portion of the potentially unfavorable impact of exchange rate changes on net income and earnings per share. Taking into account the effects of our hedging activities, the impact of changes in foreign currency exchange rates increased our reported operating income by approximately 11 percent in both the first and second quarters of 2008 compared to the first and second quarters of 2007. Based on current expectations of market rates for the remainder of the year and benefits of hedging coverage in place, the Company currently expects a favorable currency impact on 2008 operating income of at least mid single digits.

The Company will continue to manage its foreign currency exposures to mitigate, over time, a portion of the potentially unfavorable impact of exchange rate changes on net income and earnings per share.

Financial Position

Our balance sheet as of June 27, 2008, as compared to our balance sheet as of December 31, 2007, was impacted by the following:

- a net foreign currency translation gain of approximately $816 million that impacted all assets and liabilities;
- an increase in cash of approximately $2,478 million, in part to pay accrued dividends of $879 million and the timing of borrowings;
- a decrease of approximately $1,014 million in our investment of CCE, primarily due to our proportionate share of an impairment recorded by CCE;
- an increase in our trademarks with indefinite lives of approximately $872 million, primarily related to the finalization of purchase accounting for glacéau and the acquisition of brands from Carlsberg. The increase in trademarks with indefinite lives related to the finalization of purchase accounting for glacéau resulted in a reclassification from goodwill;
- an increase in accounts payable and accrued expenses of approximately $1,063 million, primarily due to the accrual of the second quarter 2008 dividend. The fourth quarter 2007 dividend payment was made prior to December 31, 2007; thus, there was no accrual for dividends as of December 31, 2007; and
- an increase in loans and notes payable of $1,833 million as a result of the increase in net borrowings of commercial paper and short-term debt during the current quarter, primarily to fund the second quarter 2008 dividend and other ongoing business needs.

New Operating Structure

Effective July 1, 2008, the Company made certain changes to its operating structure to align geographic responsibility. The European Union operating segment was reconfigured to include the Adriatic and Balkans business unit and was renamed the Europe operating segment; and the remaining Eurasia operating segment was combined with the Africa operating segment into the new Eurasia and Africa operating segment. The changes in operating structure did not impact the other existing geographic operating segments, Bottling Investments or Corporate. As a result, beginning with the third quarter of 2008, our organizational structure will consist of the following operating segments: Eurasia and Africa; Europe; Latin America; North America; Pacific; Bottling Investments; and Corporate.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have no material changes to the disclosure on this matter made in our Annual Report on Form 10-K for the year ended December 31, 2007.

Item 4. Controls and Procedures

The Company, under the supervision and with the participation of its management, including the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's "disclosure controls and procedures" (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of June 27, 2008. There has been no change in the Company's internal control over financial reporting during the quarter ended June 27, 2008 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

Information regarding reportable legal proceedings is contained in Part I. "Item 3. Legal Proceedings" in our Annual Report on Form 10-K for the year ended December 31, 2007. The following amends and restates the description of previously reported legal proceedings in which there have been material developments during the quarter ended June 27, 2008.

Carpenters

On October 27, 2000, a class action lawsuit (Carpenters Health & Welfare Fund of Philadelphia & Vicinity v. The Coca-Cola Company, et al.) was filed in the United States District Court for the Northern District of Georgia alleging that the Company, M. Douglas Ivester, Jack L. Stahl and James E. Chestnut violated antifraud provisions of the federal securities laws by making misrepresentations or material omissions relating to the Company's financial condition and prospects in late 1999 and early 2000. A second, largely identical lawsuit (Gaetan LaValla v. The Coca-Cola Company, et al.) was filed in the same court on November 9, 2000. The complaints alleged that the Company and the individual named officers: (1) forced certain Coca-Cola system bottlers to accept "excessive, unwanted and unneeded" sales of concentrate during the third and fourth quarters of 1999, thus creating a misleading sense of improvement in our Company's performance in those quarters; (2) failed to write down the value of impaired assets in Russia, Japan and elsewhere on a timely basis, again resulting in the presentation of misleading interim financial results in the third and fourth quarters of 1999; and (3) misrepresented the reasons for Mr. Ivester's departure from the Company and then misleadingly reassured the financial community that there would be no changes in the Company's core business strategy or financial outlook following that departure. Damages in an unspecified amount were sought in both complaints.

On January 8, 2001, an order was entered by the United States District Court for the Northern District of Georgia consolidating the two cases for all purposes. The Court also ordered the plaintiffs to file a Consolidated Amended Complaint. On July 25, 2001, the plaintiffs filed a Consolidated Amended Complaint, which largely repeated the allegations made in the original complaints and added Douglas N. Daft as an additional defendant.

On September 25, 2001, the defendants filed a Motion to Dismiss all counts of the Consolidated Amended Complaint. On August 20, 2002, the Court granted in part and denied in part the defendants' Motion to Dismiss. The Court also granted the plaintiffs' Motion for Leave to Amend the

Complaint. On September 4, 2002, the defendants filed a Motion for Partial Reconsideration of the Court's August 20, 2002 ruling. The motion was denied by the Court on April 15, 2003.

On June 2, 2003, the plaintiffs filed an Amended Consolidated Complaint. The defendants moved to dismiss the Amended Complaint on June 30, 2003. On March 31, 2004, the Court granted in part and denied in part the defendants' Motion to Dismiss the Amended Complaint. In its order, the Court dismissed a number of the plaintiffs' allegations, including the claim that the Company made knowingly false statements to financial analysts. The Court permitted the remainder of the allegations to proceed to discovery. The Court denied the plaintiffs' request for leave to further amend and replead their complaint. The fact discovery closed on March 23, 2007, pursuant to the Court's order.

In August 2007, the Court heard oral argument on plaintiffs' motion to certify the class and the Company's opposition thereto. A ruling on that motion remains pending before the Court. In October 2007, the Company filed various motions for summary judgment and related relief.

On May 26, 2008, the Company and the other defendants reached an agreement with the plaintiffs to settle this action for approximately $138 million, without admitting any wrongdoing. The settlement is subject to Court approval. The settlement amount is covered by insurance and, therefore, the settlement had no impact on our condensed consolidated statements of income.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2007, which could materially affect our business, financial condition or future results. The risks described in this report and in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table presents information with respect to purchases of common stock of the Company made during the three months ended June 27, 2008, by The Coca-Cola Company or any "affiliated purchaser" of The Coca-Cola Company as defined in Rule 10b-18(a)(3) under the Exchange Act:

Period	Total Number of Shares Purchased[1]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[2]	Maximum Number of Shares That May Yet Be Purchased Under the Publicly Announced Plans or Programs
March 29, 2008 through April 25, 2008	4,149,627	$ 60.07	4,125,000	229,713,941
April 26, 2008 through May 23, 2008	4,107,057	$ 57.19	4,100,000	225,613,941
May 24, 2008 through June 27, 2008	4,650,000	$ 55.36	4,650,000	220,963,941
Total	12,906,684	$ 57.46	12,875,000	

[1] The total number of shares purchased includes: (i) shares purchased pursuant to the 2006 Plan described in footnote 2 below and (ii) shares surrendered to the Company to pay the exercise price and/or to satisfy tax withholding obligations in connection with so-called stock swap exercises of employee stock options and/or the vesting of restricted stock issued to employees, totaling 24,627 shares, 7,057 shares and zero shares for the months of April, May and June 2008, respectively.

[2] On July 20, 2006, we publicly announced that our Board of Directors had authorized a plan (the "2006 Plan") for the Company to purchase up to 300 million shares of our Company's common stock. This column discloses the number of shares purchased pursuant to the 2006 Plan during the indicated time periods.

Item 4. Submission of Matters to a Vote of Security Holders

The Company's Annual Meeting of Shareowners was held on Wednesday, April 16, 2008, in Wilmington, Delaware, at which the following matters were submitted to a vote of the shareowners:

(a) Votes regarding the election of the persons named below as Directors for a term expiring in 2009 were as follows:

	FOR	AGAINST	ABSTENTIONS
Herbert A. Allen	1,940,625,955	79,571,348	21,357,654
Ronald W. Allen	1,976,441,886	43,841,991	21,271,080
Cathleen P. Black	1,977,815,846	42,108,595	21,630,516
Barry Diller	1,682,936,973	336,961,712	21,656,272
Alexis M. Herman	1,976,356,325	43,872,675	21,325,957
E. Neville Isdell	1,991,411,830	29,397,823	20,745,304
Muhtar Kent	1,989,247,278	31,311,138	20,996,541
Donald R. Keough	1,993,011,144	27,266,825	21,276,988
Donald F. McHenry	1,984,807,876	35,621,533	21,125,548
Sam Nunn	1,969,215,585	51,775,231	20,564,141
James D. Robinson III	1,973,872,265	45,747,232	21,935,460
Peter V. Ueberroth	1,961,829,115	58,630,533	21,095,309
Jacob Wallenberg	1,980,188,234	39,593,419	21,773,304
James B. Williams	1,935,934,331	83,660,357	21,960,269

(b) Votes regarding ratification of the appointment of Ernst & Young LLP as independent auditors of the Company to serve for the fiscal year ending December 31, 2008 were as follows:

FOR	AGAINST	ABSTENTIONS	BROKER NON-VOTES
1,996,380,405	25,447,759	19,726,793	—

(c) Votes regarding the approval of The Coca-Cola Company 2008 Stock Option Plan were as follows:

FOR	AGAINST	ABSTENTIONS	BROKER NON-VOTES
1,528,062,880	185,373,090	24,541,192	303,577,795

(d) Votes on a shareowner proposal regarding an advisory vote on executive compensation were as follows:

FOR	AGAINST	ABSTENTIONS	BROKER NON-VOTES
526,336,045	1,136,934,160	74,706,957	303,577,795

(e) Votes on a shareowner proposal regarding an independent Board chair were as follows:

FOR	AGAINST	ABSTENTIONS	BROKER NON-VOTES
480,359,638	1,232,498,013	25,119,511	303,577,795

(f) Votes on a shareowner proposal regarding a committee on human rights were as follows:

FOR	AGAINST	ABSTENTIONS	BROKER NON-VOTES
57,415,477	1,498,630,661	181,931,024	303,577,795

Item 6. Exhibits

Exhibit No.	*Description*
3.1	Certificate of Incorporation of the Company, including Amendment of Certificate of Incorporation, effective May 1, 1996 — incorporated herein by reference to Exhibit 3 of the Company's Form 10-Q Quarterly Report for the quarter ended March 31, 1996.
3.2	By-Laws of the Company, as amended and restated through April 17, 2008.
4.1	The Company 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 Company and all of its consolidated subsidiaries and unconsolidated subsidiaries for which financial statements are required to be filed with the SEC.
10.1	The Coca-Cola Company 2008 Stock Option Plan, effective April 16, 2008 — incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed April 22, 2008.
10.2	Separation Agreement between the Company and Danny Strickland, dated June 5, 2008.
12.1	Computation of Ratios of Earnings to Fixed Charges.
31.1	Rule 13a-14(a)/15d-14(a) Certification, executed by Muhtar Kent, President and Chief Executive Officer of The Coca-Cola Company.
31.2	Rule 13a-14(a)/15d-14(a) Certification, executed by Gary P. Fayard, Executive Vice President and Chief Financial Officer of The Coca-Cola Company.
32.1	Certifications required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350), executed by Muhtar Kent, President and Chief Executive Officer of The Coca-Cola Company, and by Gary P. Fayard, Executive Vice President and Chief Financial Officer of The Coca-Cola Company.

SIGNATURE

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

THE COCA-COLA COMPANY
(REGISTRANT)

Date: July 24, 2008

/s/ HARRY L. ANDERSON

Harry L. Anderson
Vice President and Controller
(On behalf of the Registrant and
as Chief Accounting Officer)

EXHIBIT INDEX

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Exhibit 3.2

BY-LAWS OF THE COCA-COLA COMPANY
AS AMENDED AND RESTATED THROUGH APRIL 17, 2008

ARTICLE I

SHAREHOLDERS:

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

Section 2. Voting. Each outstanding share of common stock of the Company is entitled to one vote on each matter submitted to a vote. Except as provided below, all actions shall be authorized by a majority of the votes cast unless a greater vote is required by the laws of Delaware. A shareholder may vote in person or by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedures established for the meeting. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to this section may be substituted or used in lieu of the original writing or the transmission that could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission. A nominee for director election shall be elected by the affirmative vote of a majority of the votes cast with respect to such nominee at any meeting for the election of directors at which a quorum is present, provided that if the number of nominees exceeds the number of directors to be elected, the directors shall be elected by a plurality of the votes of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. In an election of directors, a majority of the votes cast means that the number of votes cast "for" a nominee must exceed 50% of the votes cast with respect to such nominee (excluding abstentions). If a director is not elected, the director shall promptly tender his or her resignation to the Board of Directors. The Committee on Directors and Corporate Governance will make a recommendation to the Board of Directors on whether to accept or reject the resignation, or whether other action should be taken. The Board of Directors will act on the resignation taking into account the recommendation of the Committee on Directors and Corporate Governance and publicly disclose its decision and the rationale behind it within 100 days from the date of the certification of the election results. The director who tenders his or her resignation will not participate in the decisions of the Committee on Directors and Corporate Governance or the Board of Directors that concern such resignation. If a director's resignation is accepted by the Board of Directors pursuant to this By-Law, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board of Directors, in its sole discretion, may fill any resulting vacancy pursuant to the provisions of Article VI, Section 2 or may decrease the size of the Board of Directors pursuant to the provisions of Article II, Section 1.

Section 3. Quorum. The holders of a majority of the issued and outstanding shares of capital stock of the Company, present in person or represented by proxy, shall constitute a quorum at all meetings of shareholders. Where a separate vote by a class or classes or series is required, a majority of the shares of such class or classes or series present in person or represented by proxy shall constitute a quorum entitled to take action with respect to that vote on that matter.

Section 4. Adjournment of Meetings. In the absence of a quorum or for any other reason, the chairman of the meeting may adjourn the meeting from time to time. If the adjournment is not for more than thirty days, the adjourned meeting may be held without notice other than an announcement at the meeting. If the adjournment is for more than thirty days, or if a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record

entitled to vote at such meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting originally called.

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

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

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

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

Section 8. Inspectors of Election. All votes by ballot at any meeting of shareholders shall be conducted by such number of inspectors of election as are appointed for that purpose by the Company. The Company may designate one or more alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting may, and to the extent required by law, shall, appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. Every vote taken by ballots shall be counted by a duly appointed inspector or inspectors.

Section 9. Record Date. The Board of Directors, in order to determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to take action by written consent, or entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, shall fix in advance a record date which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action and in such case only such shareholders as shall be shareholders of record on the date so fixed, shall be entitled to such notice of or to vote at such meeting or any adjournment thereof, or entitled to take action by written consent, or be entitled to

receive payment of any such dividend or other distribution or allotment of any rights or be entitled to exercise any such rights in respect of stock or to take any such other lawful action, as the case may be, notwithstanding any transfer of any stock on the books of the Company after any such record date fixed as aforesaid.

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

Section 11. Election of Directors. Only persons who are nominated in accordance with the procedures set forth in this Section 11 shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the Company may be made (i) at an annual or special meeting of shareholders by or at the direction of the Board of Directors or (ii) at an annual meeting by any shareholder of the Company entitled to vote in the election of directors at the meeting who complies with the notice procedures set forth in this Section 11. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the Company in accordance with the provisions of Section 10. Such shareholder's notice shall set forth (i) as to each person, if any, whom the shareholder proposes to nominate for election or re-election as a director: (A) the name, age, business address and residence address of such person, (B) the principal occupation or employment of such person, (C) the class and number of shares of the Company which are beneficially owned by such person, (D) a description of all arrangements or understandings between the shareholder and each nominee or any other person or persons (naming

such person or persons) pursuant to which the nominations are to be made by the shareholder, and (E) any other information relating to such person that is required to be disclosed in solicitations of proxies for elections of directors, or is otherwise required, in each case pursuant to Regulation 14A under the 1934 Act (including, without limitation, such person's written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected); and (ii) as to such shareholder giving notice, the information required to be provided pursuant to Section 10. At the request of the Board of Directors, any person nominated by a shareholder for election as a director shall furnish to the Secretary of the Company that information required to be set forth in the shareholder's notice of nomination which pertains to the nominee. No person shall be eligible for election as a director of the Company unless nominated in accordance with the procedures set forth in this Section 11. The chairman of the meeting shall, if the facts warrant, determine and declare at the meeting that nomination was not made in accordance with the procedures prescribed by these By-Laws, and if he should so determine, he shall so declare at the meeting, and the defective nomination shall be disregarded.

ARTICLE II

DIRECTORS:

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

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

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

Section 4. Notice of Meetings. The Secretary shall give notice of all meetings of the Board of Directors by mailing the notice at least three days before each meeting or by telegraphing or telephoning the directors, or sending notice to the directors by facsimile or other electronic transmission, not later than one day before the meeting. The notice shall state the time, date and place of the meeting, which shall be determined by the Chairman of the Board of Directors, or, in absence of the Chairman, by the Secretary of the Company, unless otherwise determined by the Board of Directors by action taken prior to the meeting.

Section 5. Quorum and Voting. A majority of the directors holding office shall constitute a quorum for the transaction of business. Except as otherwise specifically required by Delaware law or by the Certificate of Incorporation of the Company or by these By-Laws, any action required to be taken shall be authorized by a majority of the directors present at any meeting at which a quorum is present.

Section 6. Participation in Meetings; Action by Unanimous Consent. Members of the Board of Directors, or any committee thereof, may participate in a meeting of the Board of Directors or any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other and such participation shall constitute presence in person at such meeting. Action may be taken by the Board of Directors without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the

proceedings of the Board of Directors. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 7. General Powers of Directors. The business and affairs of the Company shall be managed under the direction of the Board of Directors.

Section 8. Chairman. At all meetings of the Board of Directors, the Chairman of the Board of Directors shall preside and in the absence of, or in the case of a vacancy in the office of, the Chairman of the Board of Directors, a chairman selected by the Chairman of the Board of Directors or, if he fails to do so, by the directors, shall preside.

Section 9. Compensation of Directors. Directors and members of any committee of the Board of Directors shall be entitled to such reasonable compensation and fees for their services as shall be fixed from time to time by resolution of the Board of Directors and shall also be entitled to reimbursement for any reasonable expenses incurred in attending meetings of the Board of Directors and any committee thereof, except that a director who is an officer or employee of the Company shall receive no compensation or fees for serving as a director or a committee member.

Section 10. Qualification of Directors. Any director who was elected or re-elected because he or she was an officer of the Company at the time of that election or the most recent re-election shall resign as a member of the Board of Directors simultaneously when he or she ceases to be an officer of the Company.

ARTICLE III

COMMITTEES OF THE BOARD OF DIRECTORS:

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

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

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

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

Section 3. Procedure/Quorum/Notice. The Committee Chairman, Vice Chairman or a majority of any committee may call a meeting of that committee. A quorum of any committee shall consist of a majority of its members unless otherwise provided by resolution of the Board of Directors. The majority vote of a quorum shall be required for the transaction of business. The secretary of the committee or the chairman of the committee shall give notice of all meetings of the committee by mailing the notice to the members of the committee at least three days before each meeting or by telegraphing or telephoning the members or sending the notice to members by facsimile or other

electronic transmission, not later than one day before the meeting. The notice shall state the time, date and place of the meeting. Each committee shall fix its other rules of procedure. Action may be taken by any committee without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

ARTICLE IV

NOTICE AND WAIVER OF NOTICE:

Section 1. Notice. Any notice required to be given to shareholders or directors under these By-Laws, the Certificate of Incorporation or by law may be given by mailing the same, addressed to the person entitled thereto, at such person's last known post office address and such notice shall be deemed to be given at the time of such mailing. Without limiting the manner by which notice otherwise may be given effectively to shareholders, any notice to shareholders may be given by electronic transmission in the manner provided in Section 232 of the Delaware General Corporation Law.

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

ARTICLE V

OFFICERS:

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

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

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

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

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

Section 4. Chairman of the Board of Directors. The Chairman of the Board of Directors shall preside over meetings of the Board of Directors and shall consult and advise with the Board of Directors and committees thereof on the business and the affairs of the Company. The Chairman of the Board of Directors shall have such other duties as may be assigned by the Board of Directors.

Section 5. Chief Executive Officer. The Chief Executive Officer, subject to the overall direction and supervision of the Board of Directors and committees thereof, shall be in general charge of the affairs of the Company, and shall consult and advise with the Board of Directors and committees thereof on the business and the affairs of the Company. The Chief Executive Officer shall have the power to make and execute contracts and other instruments, including powers of attorney, on behalf of the Company and to delegate such power to others.

Section 6. President. The Board of Directors may select a President who shall have such powers and perform such duties, including those of Chief Operating Officer, as may be assigned by the Board of Directors or by the Chief Executive Officer. In the absence or disability of the President, his or her duties shall be performed by the Chief Executive Officer or such persons as the Board of Directors or the Chief Executive Officer may designate. The President shall also have the power to make and execute contracts on the Company's behalf and to delegate such power to others.

Section 7. Vice Presidents. Each Senior Executive Vice President, Executive Vice President, Senior Vice President and Vice President shall have such powers and perform such duties as may be assigned to the officer by the Board of Directors or by the Chief Executive Officer.

Section 8. Secretary. The Secretary shall keep minutes of all meetings of the shareholders and of the Board of Directors, and shall keep, or cause to be kept, minutes of all meetings of committees of the Board of Directors, except where such responsibility is otherwise fixed by the Board of Directors. The Secretary shall issue all notices for meetings of the shareholders and Board of Directors and shall have charge of and keep the seal of the Company and shall affix the seal attested by the Secretary's signature to such instruments as may properly require same. The Secretary shall cause to be kept such books and records as the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer or the President may require; and shall cause to be prepared, recorded, transferred, issued, sealed and cancelled certificates of stock as required by the transactions of the Company and its shareholders. The Secretary shall attend to such correspondence and such other duties as may be incident to the office of the Secretary or assigned by the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer or the President.

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

Section 9. Treasurer. The Treasurer shall perform all duties and acts incident to the position of Treasurer, shall have custody of the Company funds and securities, and shall deposit all money and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Company as may be authorized, taking proper vouchers for such disbursements, and shall render to the Board of Directors, whenever required, an account of all the transactions of the Treasurer and of the financial condition of the Company. The Treasurer shall vote all of the stock owned by the Company in any corporation and may delegate this power to others. The Treasurer shall perform such other duties as

may be assigned to the Treasurer and shall report to the Chief Financial Officer or, in the absence of the Chief Financial Officer, to the Chief Executive Officer.

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

Section 10. Controller. The Board of Directors may select a Controller who shall keep or cause to be kept in the books of the Company provided for that purpose a true account of all transactions and of the assets and liabilities of the Company. The Controller shall prepare and submit to the Chief Financial Officer or, in the absence of the Chief Financial Officer, to the Chief Executive Officer, such financial statements and schedules as may be required to keep the Chief Financial Officer and the Chief Executive Officer currently informed of the operations and financial condition of the Company, and perform such other duties as may be assigned by the Chief Financial Officer or the Chief Executive Officer.

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

Section 11. Chief of Internal Audits. The Board of Directors may select a Chief of Internal Audits, who shall cause to be performed, and have general supervision over, auditing activities of the financial transactions of the Company, including the coordination of such auditing activities with the independent accountants of the Company and who shall perform such other duties as may be assigned to him from time to time. The Chief of Internal Audits shall report to the Chief Financial Officer or, in the absence of the Chief Financial Officer, to the Chief Executive Officer. From time to time at the request of the Audit Committee, the Chief of Internal Audits shall inform that committee of the auditing activities of the Company.

Section 12. Assistant Vice Presidents. The Company may have Assistant Vice Presidents who shall be appointed by a committee whose membership shall include one or more executive officers of the Company (the "Committee"). Each such Assistant Vice President shall have such powers and shall perform such duties as may be assigned from time to time by the Committee, the Chief Executive Officer, the President or any Vice President, and which are not inconsistent with the powers and duties granted and assigned by these By-Laws or the Board of Directors. Assistant Vice Presidents appointed by the Committee shall be subject to removal at any time, with or without cause, by the Committee. Annually the Committee shall report to the Board of Directors who it has appointed to serve as Assistant Vice Presidents and their respective responsibilities.

ARTICLE VI

RESIGNATIONS: FILLING OF VACANCIES:

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

Section 2. Filling of Vacancies. If the office of any director becomes vacant, the directors in office, although less than a quorum, or, if the number of directors is increased, the directors in office, may elect any qualified person to fill such vacancy. In the case of a vacancy in the office of a director caused by an increase in the number of directors, the person so elected shall hold office until the next annual meeting of shareholders, or until his successor shall be elected and qualified. In the case of a vacancy in the office of a director resulting otherwise than from an increase in the number of directors, the person so elected to fill such vacancy shall hold office for the unexpired term of the director whose office became vacant. If the office of any officer becomes vacant, the Chairman of the Board of

Directors may appoint any qualified person to fill such vacancy temporarily until the Board of Directors elects any qualified person for the unexpired portion of the term. Such person shall hold office for the unexpired term and until the officer's successor shall be duly elected and qualified or until the officer's earlier resignation or removal.

ARTICLE VII

INDEMNIFICATION:

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

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

Notwithstanding the foregoing, except with respect to a proceeding to enforce rights to indemnification or advancement of expenses under this Article VII, the Company shall be required to indemnify a person under this Article VII in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors.

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

pursuant to the terms of an undertaking provided in accordance with Section 4, the director, officer, employee or agent also shall be entitled to be paid the expense of prosecuting or defending such action, suit or proceeding.

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

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

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

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

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

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

Section 9. No Duplication of Payments. The Company's obligation, if any, to indemnify or pay expenses to any person under this Article shall be reduced to the extent such person has otherwise received payment (under any insurance policy, indemnity clause, bylaw, agreement, vote or otherwise).

ARTICLE VIII

CAPITAL STOCK:

Section 1. Form and Execution of Certificates. The certificates of shares of the capital stock of the Company shall be in such form as shall be approved by the Board of Directors. The certificates shall be signed by the Chairman of the Board of Directors or the Chief Executive Officer or the President, or a Vice President, and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer. Each certificate of stock shall certify the number of shares owned by the shareholder in the Company.

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

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

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

Section 4. Lost, Stolen or Destroyed Stock Certificates. Any person claiming a stock certificate in lieu of one lost, stolen or destroyed shall give the Company an affidavit as to such person's ownership of the certificate and of the facts which go to prove that it was lost, stolen or destroyed. The person shall also, if required by the Board of Directors, give the Company a bond, sufficient to indemnify the Company against any claims that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate. Any Vice President or the Secretary or any Assistant Secretary of the Company is authorized to issue such duplicate certificates or to authorize any of the transfer agents and registrars to issue and register such duplicate certificates.

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

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

ARTICLE IX

SEAL:

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

ARTICLE X

FISCAL YEAR:

Section 1. Fiscal Year. The fiscal year of the Company shall be the calendar year.

ARTICLE XI

AMENDMENTS:

Section 1. Directors May Amend By-Laws. The Board of Directors shall have the power to make, amend and repeal the By-laws of the Company.

Section 2. By-laws Subject to Amendment by Shareholders. All By-Laws shall be subject to amendment, alteration, or repeal by the shareholders entitled to vote at any annual meeting or at any special meeting.

ARTICLE XII

EMERGENCY BY-LAWS:

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

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

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

The Board of Directors or the committees thereof, as the case may be, shall, from time to time but in any event prior to such time or times as an emergency may have occurred, designate the officers of the Company in a numbered list (the "Designated Officers") who shall be deemed, in the order in which

they appear on such list, directors of the Company for purposes of obtaining a quorum during an emergency, if a quorum of directors cannot otherwise be obtained.

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

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

Section 6. Repeal or Change. The provisions of this Article XII shall be subject to repeal or change by further action of the Board of Directors or by action of the shareholders, but no such repeal or change shall modify the provisions of Section 5 of this Article XII with regard to action taken prior to the time of such repeal or change.

QuickLinks

Exhibit 3.2

BY-LAWS OF THE COCA-COLA COMPANY AS AMENDED AND RESTATED THROUGH APRIL 17, 2008

ARTICLE I
ARTICLE II
ARTICLE III
ARTICLE IV
ARTICLE V
ARTICLE VI
ARTICLE VII
ARTICLE VIII
ARTICLE IX
ARTICLE X
ARTICLE XI
ARTICLE XII

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 10.2

The Coca-Cola Company

COCA-COLA PLAZA
ATLANTA, GEORGIA

E. NEVILLE ISDELL
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

ADDRESS REPLY TO
P.O. BOX 1734
ATLANTA, GA 30301
- -----
404-676-0227
FAX: 404-515-7099

June 5, 2008

Mr. Danny Strickland
The Coca-Cola Company
Atlanta, Georgia 30301

Dear Danny:

This letter outlines the terms of your separation agreement with The Coca-Cola Company (the "Company").

1. Effective July 1, 2008, you and the Company have mutually agreed that you will step down from your current position of Senior Vice President and Chief Innovation and Technology Officer (which position is being eliminated by the Company) and resign your position as an officer of The Coca-Cola Company and any of its subsidiaries. Thereafter, through February 28, 2009, you will continue to work your normal schedule as a Senior Advisor working on special projects as requested and assigned through the Chief Administrative Officer.

2. You and the Company have mutually agreed that your employment with the Company will terminate on February 28, 2009 (the "Separation Date"). You shall remain entitled to receive and be paid all compensation, vacation, and benefits otherwise arising and accruing or available to you through and including the Separation Date. Any remaining but unused vacation to which you are entitled as of the Separation Date shall be paid to you in cash. Additionally, you will be reimbursed or paid for up to $10,000 in financial planning and related expenses incurred by you in 2008. You also will be reimbursed for up to $10,000 in financial planning and related expenses incurred by you in 2009 prior to the Separation Date.

3. If you sign the enclosed release, you will be eligible for a benefit under the Company's Severance Pay Plan equivalent to two years of salary, based on your current annual salary of $562,100. This amount will be paid to you in a lump sum amount on your Separation Date.

4. Your retirement benefits will consist of those benefits from the Employee Retirement Plan, the Supplemental Pension (Benefit) Plan, the 401(k) Thrift and Investment Plan, the Deferred Compensation Plan, and all other Company plans in which you participate which benefits are vested as of your Separation Date. Payments under the Supplemental Pension (Benefit) Plan will begin approximately six months following your Separation Date. You will receive a lump sum distribution of your Supplemental Thrift Plan account pursuant to the terms of the plan, paid in a lump sum approximately six months following your Separation Date. As set forth in your initial employment letter dated February 28, 2003, you will be credited with an additional three years of service under the terms of the Supplemental Pension (Benefit) Plan and your benefit under that plan will reflect this additional service. You are currently (and as of the Separation Date, will remain) fully vested under each of the Company's Employee Retirement Plan and the Company's Deferred Compensation Plan (your elective deferrals only) and will remain eligible to receive and be paid the benefits accrued thereunder from and after the Separation Date in conformity with such governing plans (your entitlements under the Deferred Compensation Plan being more particularly addressed under Paragraphs 9 and 11 hereof).

5. You will receive an annual incentive award for 2008. The actual payment amount is contingent upon actual Company performance and your performance. Any award will be paid on or about March 15, 2009. Your participation and any award made to you under such annual incentive plan shall be determined by the Compensation Committee in a manner consistent with the terms of such plan as historically utilized and based on criteria policies and procedures consistent with those applicable to Company executives having a title of Senior Vice President and Chief Officer of any Company department.

6. You will receive an annual incentive award for 2009 prorated for two months. The actual payment amount is contingent upon actual Company performance and your performance. Any award will be paid on or about March 15, 2010. Your participation and any award made to you under such annual incentive plan shall be determined by the Compensation Committee in a manner consistent with the terms of such plan as historically utilized and based on criteria policies and procedures consistent with those applicable to Company executives having a title of Senior Vice President and Chief Officer of any Company department.

7. Pursuant to the terms of the Company's long term incentive programs and plans and your related Restricted Stock Agreements (collectively the "Equity Plans"), you shall remain and be eligible to receive your rights and benefits under each of the Equity Plans as summarized below. You will not receive any additional equity grants under such Equity Plans from and after the date hereof.

2004-2006 Plan

- Total of 9900 shares will be released in December 2008.

2005-2007 Plan

- Total of 21,000 shares will be released within 90 days of your Separation Date.

2006-2008 Plan

- Upon certification of results at the Compensation Committee meeting in February 2009, the number of shares earned will be determined and issued to you.
- These shares will be released within six months of your Separation Date.

2007-2009 Plan

- Your target number of shares (13,379) will be granted to you prior to your Separation Date, subject to further restrictions.
- The Performance Period continues. Shares remain subject to forfeiture until certification of results (February 2010). If the Performance Criteria are met, the applicable number of shares previously granted will be released to you on March 1, 2010. The target number of shares is the maximum that may be released; you may receive less depending on Company performance.
- You will receive dividends for the shares during the Performance Period.

2008-2010 Plan

- All PSUs are forfeited.

8. All options which you previously have received will be exercisable according to the terms of the Company's applicable stock option plans and programs as well as your related Stock Option Grant Agreements (collectively the "Option Plans"). When you exercise your vested stock options, you will be personally liable for paying any taxes owed on such exercises. You will not receive any additional stock option grants from and after the date hereof.

9. You will receive distributions from the Deferred Compensation Plan of your elective deferrals and any related earnings pursuant the terms of the plan and your elections on file. However, distributions will begin no sooner than six months following your Separation Date.

10. We will recommend to the Compensation Committee in February 2009 that they release the Second Award (19,000 shares) granted under the terms of the Stock Award Agreement dated July 16, 2003.

11. As set forth in your initial employment letter dated February 28, 2003, the Company has made a $400,000 Discretionary Contribution to your account held under the Deferred Compensation Plan. We will recommend to the Compensation Committee in July 2008 that they waive the vesting provision on such Company Discretionary Contribution so as to cause you to be fully vested in same. You will receive distribution pursuant the terms of the Deferred Compensation Plan and your elections on file. However, distributions will begin no sooner than six months following your Separation Date

12. You will be eligible for retiree health coverage from and after the Separation Date.

13. The Company will provide at its expense outplacement services through a designated services provider.

14. The terms and conditions in this letter are further conditioned upon your signing (as of the Separation Date) and adhering to the attached Full and Complete Release and Agreement on Confidentiality and Competition, and will be subject to the approval of the Compensation Committee.

Danny, thank you for the time you have devoted to the Company. Please feel free to give me a call if you have any questions or would like more information regarding the above.

Sincerely,

/s/ E. Neville Isdell

E. Neville Isdell

Agreed to and accepted this 5th day of June, 2008

/s/ DANNY STRICKLAND

Danny Strickland

FULL AND COMPLETE RELEASE
AND AGREEMENT ON COMPETITION,
TRADE SECRETS AND CONFIDENTIALITY

Release.

I, Danny Strickland, in consideration of severance payments under The Coca-Cola Company Severance Pay Plan (the "Company Severance Plan"), the payments and benefits described in the attached letter dated June 5, 2008 (the "Separation Letter"), and other good and valuable consideration, for myself and my heirs, executors, administrators and assigns, do hereby knowingly and voluntarily release and forever discharge The Coca-Cola Company and its subsidiaries, affiliates, joint ventures, joint venture partners, and benefit plans (collectively "the Company"), and their respective current and former directors, officers, administrators, trustees, employees, agents, and other representatives (collectively and along with the Company the "Releasees"), from all debts, claims, actions, causes of action (including without limitation those under the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq. (the "FLSA"); the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1001 et seq. ("ERISA"); the Worker Adjustment and Retraining Notification Act of 1988, 29 U.S.C. § 2101 et seq. ("WARN"); and those federal, state, local, and foreign laws prohibiting employment discrimination based on age, sex, race, color, national origin, religion, disability, veteran or marital status, sexual orientation, or any other protected trait or characteristic, or retaliation for engaging in any protected activity, including without limitation the Age Discrimination in Employment Act of 1967, 29 U.S.C. § 621 et seq. (the "ADEA"), as amended by the Older Workers Benefit Protection Act, 104 Stat. 978 (the "OWBPA"); the Equal Pay Act of 1963, 9 U.S.C.§ 206, et seq. (the "EPA"); Title VII of The Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et seq. ("Title VII"); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Civil Rights Act of 1991, 42 U.S.C. § 1981a; the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq. (the "ADA"); the Rehabilitation Act of 1973, 29 U.S.C. § 791 et seq.; the Family and Medical Leave Act of 1993, 28 U.S.C. §§ 2601 and 2611 et seq. (the "FMLA"); and comparable state, local, and foreign causes of action, whether statutory or common law), suits, dues, sums of money, accounts, reckonings, covenants, contracts, claims for costs or attorneys' fees, controversies, agreements, promises, and all liabilities of any kind or nature whatsoever, at law, in equity, or otherwise, KNOWN OR UNKNOWN, fixed or contingent, which I ever had, now have, or may have, or which I, my heirs, executors, administrators or assigns hereafter can, shall, or may have, from the beginning of time through the date on which I sign this Full and Complete Release and Agreement on Trade Secrets, Competition and Confidentiality (this "Agreement"), including without limitation those arising out of or related to my employment or separation from employment with the Company (collectively the "Released Claims").

Notwithstanding the foregoing, it is understood and agreed that I do not hereby waive, but rather I have retained and shall continue to have all rights and entitlements to receive and the Company shall remain obligated to fully perform and pay (or cause to be performed or paid) (i) all amounts or payments owed to me as contemplated under the Separation Letter, (ii) all of my rights to seek and receive indemnification from the Company for and with respect to all acts, errors or omissions committed by me in my capacity as a shareholder, director, officer, employee, fiduciary, agent or representative of the Company all in the manner provided under the Company's by-laws (as hereinafter contemplated) and applicable law, and (iii) all of my accrued and vested benefits (including pension or deferred compensation benefits) as determined through and including the Effective Date under the Company's applicable and governing plans and programs including without limitation all rights received or attributable to any coverage extended me under any insurance policies maintained with or through third parties.

I acknowledge and represent that (1) I have received all leave required under the FMLA, and (2) do not claim that Releasees violated or denied me rights under the FMLA. I further acknowledge and represent that I (1) was properly classified under the Fair Labor Standards Act of 1938, as

amended ("FLSA"), (2) have been fully paid for hours I worked for the Company and (3) do not claim that Releasees violated or denied me rights under the FLSA.

I fully understand and agree that:

1. this Agreement is in exchange for severance benefits under the Company Severance Plan, the payments and benefits described in the Separation Letter, and other special compensation to which I would otherwise not be entitled;

2. no rights or claims are released or waived that may arise after the date this Agreement is signed by me;

3. nothing in this Agreement shall prohibit me from challenging the validity of the above release as to any claims under the ADEA or from filing a charge or complaint with the Equal Employment Opportunity Commission (the "EEOC") or any other government agency so long as I do not seek, accept or receive any individual relief whether monetary or equitable in or as a result of any such charge or complaint;

4. I am hereby advised to consult with an attorney before signing this Agreement;

5. I have 21 days from my receipt of this Agreement within which to consider whether to sign it;

6. I have seven days following my signature of this Agreement to revoke the Agreement; and

7. this Agreement shall not become effective or enforceable until the revocation period of seven days has expired.

If I choose to revoke this Agreement, I must do so by notifying the Company in writing. This written notice of revocation must be mailed by U.S. first class mail, or U.S. certified mail within the seven-day revocation period and addressed as follows:

The Coca-Cola Company
Ginny Sutton
One Coca-Cola Plaza
Atlanta, GA 30313

If there is any claim for loss of consortium, or any other similar claim, arising out of or related to my employment or separation of employment with the Company, I will indemnify and hold the Company harmless from any liability, including costs and expenses (as well as reasonable attorneys' fees) incurred by the Company as a result of any such claim.

Company Release.

For and in consideration of my release of the Company under the preceding provisions and my undertaking of all covenants and agreements provided under this Agreement and other good and valuable consideration, the Company (as defined herein) does hereby knowingly and voluntarily release and forever discharge me and my heirs, executors, administrators and assigns (collectively the "Executive Released Parties"), from all debts, claims, actions, causes of action, suits, dues, sums of money, accounts, reckonings, covenants, contracts, claims for costs or attorneys' fees, controversies, agreements, promises, and all liabilities of any kind or nature whatsoever, at law, in equity, or otherwise, KNOWN OR UNKNOWN, fixed or contingent, which the Company ever had, now have, or may have, or which the Company hereafter can, shall or may have, from the beginning of time through and including the date hereof, including without limitation those arising out of or related to my employment or my separation from employment with the Company.

Notwithstanding the foregoing, it is understood and agreed that the Company does not hereby waive, but rather the Company shall have retained and continue to have all rights and entitlements to enforce all of its rights and my obligations as against me as provided or contemplated under and in accordance with the terms of this Agreement or the Separation Letter.

It is further understood and agreed that this Agreement is not and shall not be construed to be an admission of liability of any kind on the part of any one or more of the Executive Released Parties.

Future Cooperation.

I agree and covenant that I shall, to the extent reasonably requested in writing, cooperate with and serve in any capacity requested by the Company in any investigation and/or threatened or pending litigation (now or in the future) in which the Company is a party, and regarding which I, by virtue of my employment with the Company, have knowledge or information relevant to said litigation, including, but not limited to, (1) meeting with representatives of the Company to provide truthful information regarding my knowledge, and (2) providing, in any jurisdiction in which the Company requests, truthful testimony relevant to said litigation; provided that in all events the Company shall (a) reimburse me for actual and reasonable expenses incurred in connection with such cooperation including all travel, lodging and accommodations, (b) remain and be exclusively responsible for all costs incurred in undertaking such litigation including all attorneys' fees, court costs, and other expenses consistent with the Company's by-laws, and (c) notify me as promptly as possible as to its need for my assistance and cooperate with me in scheduling my participation so as to reasonably accommodate my other personal and professional obligations and commitments..

Trade Secrets and Confidential Information.

I covenant and agree that I have held and shall continue to hold in confidence all Trade Secrets of the Company that came into my knowledge during my employment by the Company and shall not disclose, publish or make use of at any time such Trade Secrets for as long as the information remains a Trade Secret. "Trade Secret" means any technical or non-technical data, formula, pattern, compilation, program, device, method, technique, drawing, process, financial data, financial plan, product plan, list of actual or potential customers or suppliers or other information similar to any of the foregoing, which is not commonly known or available to the public and which (1) derives economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can derive economic value from its disclosure or use, and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

I also covenant and agree that, for the period beginning on the date I sign this Agreement and ending February 28, 2011 ("Nondisclosure Period"), I will hold in confidence all Confidential Information of the Company that came into my knowledge during my employment by the Company and will not disclose, publish or make use of such Confidential Information. "Confidential Information" means any data or information, other than Trade Secrets, that is valuable to the Company and not generally known to the public or to competitors of the Company but shall not include either (i) any information which is available from any public source other than by means of my disclosure of such information to such source, or (ii) any information generated by me in the course of my employment which consists of contact information related to my personal or professional affiliations consisting solely of names, addresses, phone numbers and e-mail addresses.

The restrictions stated in this Agreement are in addition to and not in lieu of protections afforded to trade secrets and confidential information under applicable state law. Nothing in this Agreement is intended to or shall be interpreted as diminishing or otherwise limiting the Company's right under applicable state law. Notwithstanding the foregoing, nothing contained herein shall prevent me from disclosing or otherwise utilizing any information (i) in any manner required by applicable law, judicial

order or other governmental mandate or investigation provided I shall advise the Company of any such intended disposition or use and reasonably cooperate with the Company in allowing the Company to seek and obtain from the recipient governmental or judicial body any protective order or assurance of confidentiality regarding such information, or (ii) in fulfillment of my duties or obligations owed to the Company, or (iii) to the limited extent reasonably necessary to permit my defense of any claim made against me or my enforcement of any rights held by me which claim or rights are dependent upon the information so disclosed provided I shall advise the Company of any such intended disposition or use and reasonably cooperate with the Company in allowing the Company to seek and obtain from the recipient governmental or judicial body any protective order or assurance of confidentiality regarding such information.

Return of Materials.

I further covenant and agree that I have or shall promptly deliver to the Company all memoranda, notes, records, manuals or other documents, including all copies of such materials and all documentation prepared or produced in connection therewith, containing Trade Secrets or Confidential Information regarding the Company's business, whether made or compiled by me or furnished to me by virtue of my employment with the Company. I have or shall promptly deliver to the Company all vehicles, computers, credit cards, telephones, handheld electronic devices, office equipment, and other property furnished to me by virtue of my employment with the Company.

No Publicity.

During the Nondisclosure Period, I will not publish any opinion, fact, or material, deliver any lecture or address, participate in the making of any film, radio broadcast or television transmission, or communicate with any representative of the media relating to confidential matters regarding the business or affairs of the Company which I was involved with during my employment; provided, that nothing contained herein shall prevent me from undertaking any such activities otherwise prohibited hereunder with respect to presentations focusing on me and my personal experience or knowledge which may include ancillary and historical recitations of my past experiences with the Company and which do not otherwise involve disclosure of matters or materials which have not been previously or otherwise publicly released. I understand that nothing in this Agreement or in this paragraph: (1) is intended in any way to intimidate, coerce, deter, persuade, or compensate me with respect to providing, withholding, or restricting any communication whatsoever to the extent prohibited by law; (2) shall prevent me from filing and administrative charge with the EEOC or participating in an investigation or proceeding by the EEOC or any other governmental agency; or (3) shall prevent me from providing testimony or evidence if I am subpoenaed or ordered by a court or other governmental authority to do so.

Non Compete and Non Solicitation.

Definitions.

For the purposes of this Section, the following definitions apply:

(a) "Non Solicitation Period" means the period beginning on the date I sign this Agreement and ending on February 28, 2011.

(b) "Restricted Activities" means the development or oversight of innovation, research and development and/or quality strategies, activities or business plans for Restricted Businesses.

(c) "Territory" means any location in which the Company conducts business.

(d) "Restricted Businesses" means 1) companies whose primary business is the manufacture, sale, distribution and marketing of either carbonated soft drinks, coffee, tea, water, juices or fruit-based

beverages ("Non-alcoholic Beverages") or beverage enhancers, beverage solutions, beverage enablers or other additives, which additives primarily are intended for use in non-alcoholic beverages, ("Beverage Enhancers"), and 2) companies whose business activities includes the manufacture, sale, distribution and marketing of Non-alcoholic Beverages or Beverage Enhancers, but for whom such business(es) may not be the company's primary business ("Non-Beverage Companies").

(e) "Competing Business Segment" means any subsidiary, division or unit of the business of a company, where such subsidiary, division or unit manufactures, sells, distributes or markets Non-alcoholic Beverages or Beverage Enhancers.

Non Compete.

I hereby covenant with the Company that I will not, within the Territory prior to February 28, 2011, without the prior written consent of the CEO, engage in any Restricted Activities for or on behalf of (including in a consulting capacity) any Restricted Business. Notwithstanding the foregoing, I may perform services for Non-Beverage Companies (other than PepsiCo, its subsidiaries and affiliates, including but not limited to Pepsi Bottling Group) that have a Competing Business Segment, provided I do not perform services for such Competing Business Segment, and provided I notify The Coca-Cola Company's Chief Executive Officer (CEO) of the nature of such service in writing within a reasonable time prior to beginning of such services.

Non Solicitation of Employees.

I hereby covenant and agree that I will not, within the Territory and during the Non Solicitation Period, without the prior written consent of the CEO, solicit or attempt to solicit for employment for or on behalf of any corporation, partnership, venture or other business entity any person who, on February 28, 2009 or within twelve months prior to that date, was employed by the Company and with whom I had professional interaction during the last twelve months of my employment with the Company (whether or not such person would commit a breach of contract).

Non Solicitation of Customers.

I hereby covenant and agree that I will not, for or on behalf of any Restricted Business, within the Territory and during the Non Solicitation Period, without the prior written consent of the CEO, solicit or attempt to solicit, directly or indirectly, any business related to the Restricted Businesses from any of the Company's customers, including actively sought prospective customers, with whom I had professional interaction during my employment with the Company.

Reasonable and Necessary Restrictions.

I acknowledge that during the course of my employment with the Company I have received or will receive and had or will have access to Confidential Information and Trade Secrets of the Company, including but not limited to confidential and secret business and marketing plans, strategies, and studies, detailed client/customer/bottler lists and information relating to the operations and business requirements of those clients/customers/bottlers and, accordingly, I am willing to enter into the covenants contained in this Agreement in order to provide the Company with what I consider to be reasonable protection for its interests.

I acknowledge that the restrictions, prohibitions and other provisions hereof, are reasonable, fair and equitable in scope, terms and duration, and are necessary to protect the legitimate business interests of the Company.

I acknowledge and agree that in the event I breach, or threaten in any way to breach, or it is inevitable that I will breach, any of the provisions of this Agreement, damages shall be an inadequate

remedy and the Company shall be entitled, without bond, to seek injunctive or other equitable relief in addition to all other rights otherwise available to the Company at law or in equity.

Complete Agreement.

This Agreement together with the Separation Letter is the complete understanding between me and the Company in respect of the subject matter of this Agreement and supersedes all prior agreements relating to the same subject matter. I have not relied upon any representations, promises or agreements of any kind except those set forth herein and in the Separation Letter in signing this Agreement.

Severability.

In the event that any provision of this Agreement should be held to be invalid or unenforceable, each and all of the other provisions of this Agreement shall remain in full force and effect. If any provision of this Agreement is found to be invalid or unenforceable, such provision shall be modified as necessary to permit this Agreement to be upheld and enforced to the maximum extent permitted by law.

Governing Law.

Except to the extent preempted by Federal Law, this Agreement is to be governed and enforced under the laws of the State of Delaware (except to the extent that Delaware conflicts of law rules would call for the application of the law of another jurisdiction) and any and all disputes arising under this Agreement are to be resolved exclusively by courts sitting in Delaware. I hereby consent to the jurisdiction of such courts.

Successors and Assigns.

This Agreement inures to the benefit of the Company and its successors and assigns and to the benefit of my heirs, executors, administrators, to the extent not precluded by the Company's benefit or compensation plans.

Amendment/Waiver.

No amendment, modification or discharge of this Agreement shall be valid or binding unless set forth in writing and duly executed by each of the parties hereto.

Indemnification.

Nothing in this Agreement shall affect any rights I may have under Article VII of the Company's by-laws in effect as of the date of this Agreement.

Acknowledgment.

I have carefully read this Agreement, fully understand each of its terms and conditions, and intend to abide by this Agreement in every respect. As such, I knowingly and voluntarily sign this Agreement.

[The remainder of this page is intentionally blank.
Signatures contained on the following page.]

Signature: ____________________

Danny Strickland

Date: ____________________

THE COCA-COLA COMPANY

By:

Title:

Date:

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Exhibit 10.2

FULL AND COMPLETE RELEASE AND AGREEMENT ON COMPETITION, TRADE SECRETS AND CONFIDENTIALITY

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Exhibit 12.1

THE COCA-COLA COMPANY AND SUBSIDIARIES
COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES

	Six Months Ended June 27,	Year Ended December 31,				
	2008	2007	2006	2005	2004	2003
(In millions except ratios)						
EARNINGS:						
Income from continuing operations before income taxes and changes in accounting principles	**$ 3,844**	$ 7,873	$ 6,578	$ 6,690	$ 6,222	$ 5,495
Fixed charges	**238**	524	271	281	232	220
Less:						
Capitalized interest, net	**(3)**	(12)	(10)	(3)	(1)	(1)
Equity income, net of dividends	**856**	(452)	124	(446)	(476)	(294)
Adjusted earnings	**$ 4,935**	$ 7,933	$ 6,963	$ 6,522	$ 5,977	$ 5,420
FIXED CHARGES:						
Gross interest incurred	**$ 209**	$ 468	$ 230	$ 243	$ 197	$ 179
Interest portion of rent expense	**29**	56	41	38	35	41
Total fixed charges	**$ 238**	$ 524	$ 271	$ 281	$ 232	$ 220
Ratios of earnings to fixed charges	**20.74**	15.1	25.7	23.2	25.8	24.6

As of June 27, 2008, the Company was contingently liable for guarantees of indebtedness owed by third parties in the amount of approximately $224 million. 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. The interest amount, in the above table, does not include interest expense associated with unrecognized tax benefits.

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Exhibit 12.1

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Exhibit 31.1

CERTIFICATIONS

I, Muhtar Kent, President and Chief Executive Officer of The Coca-Cola Company, certify that:

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

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 24, 2008

/s/ MUHTAR KENT

Muhtar Kent
President and Chief Executive Officer

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Exhibit 31.1

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Exhibit 31.2

CERTIFICATIONS

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

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

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 24, 2008

/s/ GARY P. FAYARD

Gary P. Fayard
Executive Vice President and
Chief Financial Officer

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Exhibit 31.2

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Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of The Coca-Cola Company (the "Company") on Form 10-Q for the period ended June 27, 2008 (the "Report"), I, Muhtar Kent, President and Chief Executive Officer of the Company and I, Gary P. Fayard, Executive Vice President and Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ MUHTAR KENT

Muhtar Kent
President and Chief Executive Officer
July 24, 2008

/s/ GARY P. FAYARD

Gary P. Fayard
Executive Vice President and
Chief Financial Officer
July 24, 2008

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Exhibit 32.1