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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 September 26, 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
Non-accelerated filer
(Do not check if a smaller reporting company)

Accelerated filer
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
\$0.25 Par Value

Outstanding at October 20, 2008
2,313,555,225 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.

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

	Three Months Ended		Nine Months Ended	
	September 26, 2008	September 28, 2007	September 26, 2008	September 28, 2007
NET OPERATING REVENUES	\$ 8,393	\$ 7,690	\$ 24,818	\$ 21,526
Cost of goods sold	3,020	2,884	8,806	7,765
GROSS PROFIT	5,373	4,806	16,012	13,761
Selling, general and administrative expenses	3,139	2,896	9,030	7,906
Other operating charges	47	81	242	129
OPERATING INCOME	2,187	1,829	6,740	5,726
Interest income	105	59	239	150
Interest expense	111	127	317	300
Equity income (loss) — net	272	287	(434)	497
Other income (loss) — net	(8)	65	61	177
INCOME BEFORE INCOME TAXES	2,445	2,113	6,289	6,250
Income taxes	555	459	1,477	1,483
NET INCOME	\$ 1,890	\$ 1,654	\$ 4,812	\$ 4,767
BASIC NET INCOME PER SHARE	\$ 0.82	\$ 0.72	\$ 2.08	\$ 2.06
DILUTED NET INCOME PER SHARE	\$ 0.81	\$ 0.71	\$ 2.06	\$ 2.05
DIVIDENDS PER SHARE	\$ 0.38	\$ 0.34	\$ 1.14	\$ 1.02
AVERAGE SHARES OUTSTANDING	2,311	2,311	2,316	2,312
Effect of dilutive securities	18	20	25	14
AVERAGE SHARES OUTSTANDING ASSUMING DILUTION	2,329	2,331	2,341	2,326

Refer to Notes to Condensed Consolidated Financial Statements.

THE COCA-COLA COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

(In millions except par value)

	September 26, 2008	December 31, 2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,797	\$ 4,093
Marketable securities	287	215
Trade accounts receivable, less allowances of \$61 and \$56, respectively	3,674	3,317
Inventories	2,321	2,220
Prepaid expenses and other assets	2,741	2,260
TOTAL CURRENT ASSETS	16,820	12,105
INVESTMENTS		
Equity method investments:		
Coca-Cola Hellenic Bottling Company S.A.	1,667	1,549
Coca-Cola FEMSA, S.A.B. de C.V.	1,176	996
Coca-Cola Amatil Limited	786	806
Coca-Cola Enterprises Inc.	695	1,637
Other, principally bottling companies and joint ventures	2,567	2,301
Cost method investments, principally bottling companies	530	488
TOTAL INVESTMENTS	7,421	7,777
OTHER ASSETS		
PROPERTY, PLANT AND EQUIPMENT , less accumulated depreciation of \$6,429 and \$5,951, respectively	8,527	8,493
TRADEMARKS WITH INDEFINITE LIVES	6,138	5,153
GOODWILL	4,011	4,256
OTHER INTANGIBLE ASSETS	2,638	2,810
TOTAL ASSETS	\$ 48,180	\$ 43,269
LIABILITIES AND SHAREOWNERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 7,659	\$ 6,915
Loans and notes payable	8,111	5,919
Current maturities of long-term debt	536	133
Accrued income taxes	281	258
TOTAL CURRENT LIABILITIES	16,587	13,225
LONG-TERM DEBT	2,877	3,277
OTHER LIABILITIES	2,803	3,133
DEFERRED INCOME TAXES	2,168	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	7,927	7,378
Reinvested earnings	38,397	36,235
Accumulated other comprehensive income	759	626
Treasury stock, at cost — 1,207 and 1,201 shares, respectively	(24,218)	(23,375)
TOTAL SHAREOWNERS' EQUITY	23,745	21,744
TOTAL LIABILITIES AND SHAREOWNERS' EQUITY	\$ 48,180	\$ 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)

	Nine Months Ended	
	September 26, 2008	September 28, 2007
OPERATING ACTIVITIES		
Net income	\$ 4,812	\$ 4,767
Depreciation and amortization	943	794
Stock-based compensation expense	223	241
Deferred income taxes	(221)	(67)
Equity income or loss, net of dividends	638	(331)
Foreign currency adjustments	(39)	6
Gains on sales of assets, including bottling interests	(128)	(213)
Other operating charges	141	129
Other items	57	59
Net change in operating assets and liabilities	(758)	72
Net cash provided by operating activities	5,668	5,457
INVESTING ACTIVITIES		
Acquisitions and investments, principally beverage and bottling companies and trademarks	(655)	(3,935)
Purchases of other investments	(212)	(29)
Proceeds from disposals of other investments	454	266
Purchases of property, plant and equipment	(1,370)	(1,091)
Proceeds from disposals of property, plant and equipment	46	179
Other investing activities	(57)	(2)
Net cash used in investing activities	(1,794)	(4,612)
FINANCING ACTIVITIES		
Issuances of debt	5,308	7,094
Payments of debt	(3,211)	(3,599)
Issuances of stock	570	1,013
Purchases of stock for treasury	(1,079)	(1,699)
Dividends	(1,764)	(1,575)
Net cash provided by (used in) financing activities	(176)	1,234
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	6	97
CASH AND CASH EQUIVALENTS		
Net increase during the period	3,704	2,176
Balance at beginning of period	4,093	2,440
Balance at end of period	\$ 7,797	\$ 4,616

Refer to Notes to Condensed Consolidated Financial Statements.

THE COCA-COLA COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

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 (loss) — 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 nine month periods ended September 26, 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 third quarter of 2008 and 2007 ended on September 26, 2008, and September 28, 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):

	September 26, 2008	December 31, 2007
Raw materials and packaging	\$ 1,313	\$ 1,199
Finished goods	800	789
Other	208	232
Inventories	<u>\$ 2,321</u>	<u>\$ 2,220</u>

Note D — Commitments and Contingencies

As of September 26, 2008, we were contingently liable for guarantees of indebtedness owed by third parties in the amount of approximately \$194 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.

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		Nine Months Ended	
	September 26, 2008	September 28, 2007	September 26, 2008	September 28, 2007
Net income	\$ 1,890	\$ 1,654	\$ 4,812	\$ 4,767
Net foreign currency translation gain (loss)	(703)	92	112	665
Net gain (loss) on derivatives	125	(46)	34	(59)
Net change in unrealized gain on available-for-sale securities	(18)	(43)	(41)	23
Net change in minimum pension liability	3	—	28	192
Total comprehensive income	\$ 1,297	\$ 1,657	\$ 4,945	\$ 5,588

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):

	September 26, 2008				
	Level 1	Level 2	Level 3	Netting Adjustment ¹	Fair Value Measurements
Assets					
Trading securities	\$ 37	\$ 4	\$ 6	\$ —	\$ 47
Available-for-sale securities	586	6	—	—	592
Derivatives	1	269	—	(69)	201
Total assets	\$ 624	\$ 279	\$ 6	\$ (69)	\$ 840
Liabilities					
Derivatives	\$ 10	\$ 84	\$ 1	\$ (85)	\$ 10
Total liabilities	\$ 10	\$ 84	\$ 1	\$ (85)	\$ 10

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.

Our investments in trading and available-for-sale securities primarily consist of equity securities of publicly traded bottling companies within the Coca-Cola system. These securities are actively traded on U.S. or foreign markets. Trading securities are carried at fair value with realized and unrealized gains and losses included in net income. We record available-for-sale securities at fair value with unrealized gains and losses, net of deferred income taxes, reported as a component of accumulated other comprehensive income (loss) ("AOCI").

In the event of a decline in fair value of an investment classified as available-for-sale, management is required to determine if the decline in fair value is other than temporary. Management's assessment as to the nature of a decline in fair value is based on the length of time and the extent to which the market value has been less than our cost basis; the financial condition and near-term prospects of the issuer; and our intent and ability to retain the investment in the issuer for a period of time sufficient to allow for any anticipated recovery in market value. If the fair value of an investment is less than our

cost basis, and the decline in value is considered to be other than temporary, a write-down is recorded. The unrealized losses previously deferred in AOCI are reclassified to the income statement. As of September 26, 2008, unrealized gains and losses on available-for-sale securities were approximately \$242 million and \$60 million, respectively. Management has concluded as of September 26, 2008, that all unrealized losses related to available-for-sale securities were temporary in nature.

Virtually all of our derivatives are straightforward over-the-counter instruments. Our Company does not enter into derivative financial instruments for trading purposes. We have established strict counterparty credit guidelines and enter into transactions only with financial institutions of investment grade or better. We monitor counterparty exposures daily and review any downgrade in credit rating immediately. If a downgrade in the credit rating of a counterparty were to occur, we have provisions requiring collateral in the form of U.S. government securities for substantially all of our transactions. To mitigate presettlement risk, minimum credit standards become more stringent as the duration of the derivative financial instrument increases. To minimize the concentration of credit risk, we enter into derivative transactions with a portfolio of financial institutions. The Company has master netting agreements with most of the financial institutions that are counterparties to the derivative instruments. These agreements allow for the net settlement of assets and liabilities arising from different transactions with the same counterparty. Based on these factors, we consider the risk of counterparty default to be minimal.

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			
	September 26, 2008	September 28, 2007	September 26, 2008	September 28, 2007
Service cost	\$ 27	\$ 28	\$ 5	\$ 5
Interest cost	51	45	6	7
Expected return on plan assets	(61)	(56)	(5)	(5)
Amortization of prior service cost (credit)	2	2	(15)	(12)
Recognized net actuarial (gain) loss	2	5	—	1
Net periodic benefit cost	\$ 21	\$ 24	\$ (9)	\$ (4)

	Pension Benefits		Other Benefits	
	Nine Months Ended			
	September 26, 2008	September 28, 2007	September 26, 2008	September 28, 2007
Service cost	\$ 87	\$ 84	\$ 15	\$ 17
Interest cost	157	136	19	26
Expected return on plan assets	(189)	(168)	(15)	(15)
Amortization of prior service cost (credit)	7	5	(46)	(28)
Recognized net actuarial (gain) loss	7	16	—	1
Net periodic benefit cost	\$ 69	\$ 73	\$ (27)	\$ 1

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 AOCI by recording a prior service credit that will be amortized in future periods and deferred taxes.

We contributed approximately \$37 million to our pension plans during the nine months ended September 26, 2008, and we anticipate contributing approximately \$11 million to these plans during the remainder of 2008. We contributed approximately \$39 million to our pension plans during the nine months ended September 28, 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

During the third quarter of 2008, our Company recorded other operating charges of approximately \$47 million, consisting of approximately \$35 million in restructuring expenses and approximately \$12 million related to productivity initiatives. These charges had a \$1 million impact on the Latin America operating segment, a \$6 million impact on the North America operating segment, a \$12 million impact on the Bottling Investments operating segment and a \$28 million impact on the Corporate operating segment. For additional details related to the restructuring activities and productivity initiatives, refer to Note K.

In the second quarter of 2008, our Company recorded other operating charges of approximately \$110 million, consisting of approximately \$54 million related to restructuring activities, approximately \$44 million related to contract termination costs, approximately \$9 million related to productivity

initiatives and approximately \$3 million related to asset impairments. These charges had a \$4 million impact on the North America operating segment, a \$9 million impact on the Bottling Investments operating segment and a \$97 million impact on the Corporate operating segment. The contract termination charge was the result of penalties incurred by the Company to terminate an existing supply agreement.

During the first quarter of 2008, our Company recorded other operating charges of approximately \$85 million, consisting of approximately \$54 million related to restructuring activities, approximately \$28 million related to the impairment of certain assets and approximately \$3 million related to productivity initiatives. These charges had a \$2 million impact on the North America operating segment, a \$4 million impact on the Bottling Investments operating segment and a \$79 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.

In the third quarter of 2007, our Company recorded charges of approximately \$81 million, primarily related to restructuring activities and asset write-downs. These charges had a \$15 million impact on the Eurasia and Africa operating segment, a \$7 million impact on the Europe operating segment, a \$1 million impact on the Latin America operating segment, a \$13 million impact on the North America operating segment, a \$11 million impact on the Bottling Investments operating segment and a \$34 million impact on the Corporate operating segment.

During the second quarter of 2007, our Company recorded charges of approximately \$42 million, primarily related to restructuring activities and impairments of certain investments. These charges had a \$18 million impact on the Eurasia and Africa operating segment, a \$5 million impact on the Europe operating segment, a \$2 million impact on the Latin America operating segment, a \$1 million impact on the Pacific operating segment and a \$17 million impact on the Bottling Investments operating segment. These charges were partially offset by a \$1 million benefit recorded by the Corporate operating segment.

In the first quarter of 2007, our Company recorded other operating charges of approximately \$6 million, primarily related to restructuring activities and impairments of certain investments. These charges had a \$2 million impact on the Eurasia and Africa operating segment, a \$2 million impact on the Bottling Investments operating segment and a \$2 million impact on the Corporate operating segment.

Note I — Significant Operating and Nonoperating Items

In the third quarter of 2008, the Company sold approximately 49 percent of our interest in Coca-Cola Beverages Pakistan Ltd. ("Coca-Cola Pakistan") to Coca-Cola Icecek A.S. ("Coca-Cola Icecek"). We recognized a gain of approximately \$16 million on this transaction, which impacted the Corporate operating segment and was included in other income (loss) — net in our consolidated statements of income. Subsequent to this transaction, the Company owns a noncontrolling interest in Coca-Cola Pakistan and will account for our remaining investment under the equity method.

During the third quarter of 2008, the Company recognized a net charge to equity income of approximately \$3 million, primarily related to our proportionate share of restructuring charges recorded by our equity method investees. None of the items was individually significant. The net charge impacted the Bottling Investments operating segment.

Our equity income for the second quarter of 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 the 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.

During the third quarter of 2007, the Company sold a portion of its interest in Coca-Cola Amatil Limited ("Coca-Cola Amatil") for net proceeds of approximately \$143 million. As a result of this transaction, we recognized a gain of approximately \$73 million, which impacted the Corporate operating segment and was included in other income (loss) — net in our consolidated statements of income. Our ownership interest in the total outstanding shares of Coca-Cola Amatil was reduced from approximately 32 percent to approximately 30 percent.

In the third quarter of 2007, our equity income was increased by approximately \$21 million in the Bottling Investments operating segment, primarily related to our proportionate share of tax benefits recorded at an equity method investee, partially offset by asset write-downs and restructuring costs recorded by Coca-Cola Bottlers Philippines, Inc. ("CCBPI").

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 in bottling operations in South Korea. Also included in this reduction was our proportionate share of an asset write-down recorded by 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 third quarter of 2008 included the impact of an approximate 28 percent combined effective tax rate on restructuring charges and productivity initiatives, a \$3 million net tax benefit on the sale of Coca-Cola Pakistan and a net tax charge of approximately \$5 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.

Also during the third quarter of 2008, our effective tax rate reflected a net tax charge of approximately \$21 million, primarily related to a temporary increase in the tax rate used to calculate changes in our deferred tax liability on our investment in CCE. This temporary increase in the tax rate was a direct result of CCE's impairment of its North American franchise rights during the second quarter of 2008. This additional charge for the third quarter of 2008 represents only the incremental increase in the tax rate used to calculate our deferred tax liability on the change between our book and tax basis difference in our investment that occurred in the third quarter of 2008.

In addition to the items impacting the third quarter of 2008 noted above, our effective tax rate for the nine months ended September 26, 2008, included the impact of an approximate 20 percent combined effective tax rate on restructuring charges, productivity initiatives, contract termination costs and asset impairments; an approximate 19 percent combined effective tax rate on impairment and restructuring charges recorded by our equity method investees; an approximate 31 percent combined effective tax rate on gains from divestitures; and an approximate \$31 million net tax charge related to net changes in 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 the third quarter of 2007, our effective tax rate reflected an approximate \$15 million tax charge related to amounts required to be recorded for changes in our uncertain tax positions under Interpretation No. 48. Also in the third quarter of 2007, our effective tax rate included an approximate 38 percent effective tax rate related to gains on the sale of a portion of our interest in Coca-Cola Amatil, as well as an approximate \$19 million tax benefit related to tax rate changes in Germany. In addition, our effective tax rate included an approximate 19 percent effective tax rate on certain asset impairment and restructuring charges recorded by the Company. Our effective tax rate in the third quarter of 2007 also included a tax charge related to our proportionate share of certain items recorded by our equity method investees (an approximate 33 percent combined effective tax rate).

In the first nine months of 2007, in addition to the items impacting the third quarter of 2007 noted above, our effective tax rate included an approximate 24 percent effective tax rate on certain asset impairments and restructuring charges recorded by the Company. Also in the first nine months of 2007, our effective tax rate included an approximate 16 percent combined effective tax rate on asset impairments primarily related to our proportionate share of asset write-downs recorded by CCBPI and Coca-Cola Amatil. In addition, 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), as well as an approximate \$41 million tax expense related to amounts required to be recorded for changes to our uncertain tax positions under Interpretation No. 48, including interest and penalties.

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. Pursuant to these agreements, we made cash payments during the third quarter of 2008 that constituted payments of tax and interest. These payments were partially offset by tax credits, a portion of which was taken in the third quarter of 2008. Additional offsetting benefits in the form of tax credits, tax refunds and interest on refunds will be received in subsequent periods, all of which had been recorded as deferred tax assets in prior periods. As a result of these agreements, these deferred tax assets have been reclassified to income tax and interest receivables. The settlements did not have a material impact on the Company's consolidated income statement for the three or nine months ended September 26, 2008. As a result of these agreements, there has been a material change in the balance of our unrecognized tax benefits, which is further described below.

As of September 26, 2008, the gross amount of unrecognized tax benefits was approximately \$425 million. If the Company were to prevail on all uncertain tax positions, the net effect would be a benefit to the Company's effective tax rate of approximately \$209 million, exclusive of any benefits related to interest and penalties. The remaining \$216 million, which was recorded as a deferred tax asset, primarily represents tax benefits that would be received in different tax jurisdictions in the event that the Company did not prevail on all uncertain tax positions. A reconciliation of the changes in the gross balance of unrecognized tax benefits amounts during the first nine months of 2008 follows (in millions):

Balance of unrecognized tax benefits as of December 31, 2007	\$ 643
Increases related to prior period tax positions	52
Decreases related to prior period tax positions	(2)
Increases due to current period tax positions	39
Decreases due to current period tax positions	—
Decreases related to settlements with taxing authorities	(253)
Reductions as a result of a lapse of the applicable statute of limitations	(26)
Increases/(decreases) from effects of exchange rates	(28)
Balance of unrecognized tax benefits as of September 26, 2008	\$ 425

The Company had approximately \$126 million and \$272 million in interest and penalties related to unrecognized tax benefits accrued as of September 26, 2008, and December 31, 2007, respectively. The change in the accrued interest and penalties related to unrecognized tax benefits did not have a material impact on the Company's consolidated income statement for the three or nine months ended September 26, 2008.

Note K — Restructuring Costs

Streamlining Initiatives

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, which was closed during the third quarter of 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 nine months ended September 26, 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 \$380 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 \$414 million and anticipates recognizing the majority of the remaining costs in 2008. The remaining costs primarily relate to severance pay and benefits, which are the result of closing 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 June 27, 2008	Costs Incurred Three Months Ended September 26, 2008	Payments	Noncash and Exchange	Accrued Balance September 26, 2008
Severance pay and benefits	\$ 58	\$ 22	\$ (34)	\$ (2)	\$ 44
Outside services — legal, outplacement, consulting	1	—	(1)	—	—
Other direct costs	13	13	(8)	—	18
Total	\$ 72	\$ 35	\$ (43)	\$ (2)	\$ 62

	Accrued Balance December 31, 2007	Costs Incurred Nine Months Ended September 26, 2008	Payments	Noncash and Exchange ¹	Accrued Balance September 26, 2008
Severance pay and benefits	\$ 78	\$ 78	\$ (118)	\$ 6	\$ 44
Outside services — legal, outplacement, consulting	1	1	(2)	—	—
Other direct costs	16	64	(16)	(46)	18
Total	\$ 95	\$ 143	\$ (136)	\$ (40)	\$ 62

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 September 26, 2008	Nine Months Ended September 26, 2008
Latin America	\$ 1	\$ 1
North America	6	12
Bottling Investments	12	25
Corporate	16	105
Total	\$ 35	\$ 143

Productivity Initiatives

During the third quarter of 2008, the Company announced a transformation effort centered around productivity initiatives that will provide additional flexibility to invest for growth. The initiatives are expected to impact a number of areas, and include 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.

The Company has incurred total pretax expenses of approximately \$24 million related to these productivity initiatives since they commenced in the first quarter of 2008, which were recorded in the line item other operating charges in our consolidated statements of income and impacted the Corporate operating segment. Other direct costs included both internal and external costs associated with the development, communication, administration and implementation of these initiatives. The Company currently expects the total cost of these initiatives to be approximately \$400 million to \$500 million and anticipates recognizing the remainder of the costs by the end of 2011.

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

	Accrued Balance June 27, 2008	Costs Incurred Three Months Ended September 26, 2008	Payments	Noncash and Exchange	Accrued Balance September 26, 2008
Severance pay and benefits	\$ —	\$ —	\$ —	\$ —	\$ —
Outside services — legal, outplacement, consulting	4	10	(6)	—	8
Other direct costs	—	2	(2)	—	—
Total	\$ 4	\$ 12	\$ (8)	\$ —	\$ 8

	Costs Incurred Nine Months Ended September 26, 2008	Payments	Noncash and Exchange	Accrued Balance September 26, 2008
Severance pay and benefits	\$ —	\$ —	\$ —	\$ —
Outside services — legal, outplacement, consulting	20	(12)	—	8
Other direct costs	4	(4)	—	—
Total	\$ 24	\$ (16)	\$ —	\$ 8

Note L — Acquisitions and Investments

For the nine months ended September 26, 2008, our Company's acquisition and investment activities totaled approximately \$655 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.

In order to increase the efficiency of our bottling and distribution operations in the German market, the Company, through its consolidated German bottling operation Coca-Cola Erfrischungsgetraenke AG ("CCEAG"), acquired 18 German bottling and distribution operations on September 1, 2007, for a total purchase price of approximately \$637 million plus transaction costs. Following the acquisition, the Company owns the franchise rights for all of the German market. The purchase price consisted of approximately 17 percent of the outstanding shares of CCEAG valued at approximately \$384 million; approximately \$156 million in cash; guaranteed future cash payments valued at approximately \$85 million; and assumed net debt of approximately \$12 million. The acquisition agreements also provide the former owners of the 18 German bottling and distribution operations a put option to sell their respective shares in CCEAG back to the Company on January 2, 2014, with notification to the Company required by September 30, 2013. In addition, the agreements

provide the Company with a call option to repurchase the issued shares of CCEAG back from the former owners of the 18 German bottling and distribution operations on January 2, 2014, with notification to the former owners of the 18 German bottlers and distributors by December 15, 2013. The strike price of the call option is approximately 20 percent higher than the strike price of the put option. As of the closing date of this transaction, the present value of the amounts likely to be paid under the put and call agreements and guaranteed future cash payments was approximately \$384 million. Under the purchase method of accounting, the total purchase price 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 amount of purchase price allocated to franchise rights was approximately \$345 million; property, plant and equipment was approximately \$228 million; deferred tax liabilities was approximately \$111 million; and goodwill was approximately \$151 million. Approximately \$33 million of the goodwill is deductible for tax purposes. The franchise rights have been assigned an indefinite life. In conjunction with this acquisition, management formulated a plan to improve the efficiency of the German bottling and distribution operations. The implementation of this plan resulted in approximately \$45 million in liabilities for anticipated costs related to production and distribution facility closings. As of September 26, 2008, the Company has implemented a majority of its plan, and expects the final implementation steps to be completed by the end of the first quarter of 2009. This transaction was accounted for as a business combination, with the results of the 18 German bottling and distribution operations included in the Bottling Investments operating segment since September 1, 2007.

In the third quarter of 2007, the Company acquired a 34 percent interest in Tokyo Coca-Cola Bottling Company ("Tokyo CCBC"). The Company's investment in Tokyo CCBC is accounted for under the equity method. Equity income — net includes our proportionate share of the results of Tokyo CCBC's operations beginning July 2007 and is included in the Bottling Investments operating segment. In the third quarter of 2007, the Company also acquired an additional 11 percent interest in Nordeste Refrigerantes S.A. ("NORSA"). After this acquisition, the Company owned approximately 60 percent of NORSA. The Company began consolidating this entity from the date we acquired the additional 11 percent interest. The combined purchase price for these third-quarter acquisitions was approximately \$203 million. NORSA is included in the Bottling Investments operating segment.

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 paid approximately \$20 million of the notes payable during the third quarter of 2008 and expects to pay 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 the 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, Leao Junior and 18 German bottling and distribution operations in the first nine months of 2007 were primarily financed through the issuance of commercial paper.

Note M — Operating Segments

As previously communicated, 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.

Information about our Company's operations as of and for the three months ended September 26, 2008, and September 28, 2007, by operating segment, is as follows (in millions):

	Eurasia & Africa	Europe	Latin America	North America	Pacific	Bottling Investments	Corporate	Eliminations	Consolidated
2008									
Net operating revenues:									
Third party	\$ 540	\$ 1,249	\$ 989	\$ 2,135	\$ 1,192	\$ 2,254	\$ 34	\$ —	\$ 8,393
Intersegment	52	280	44	17	84	55	—	(532)	—
Total net revenues	592	1,529	1,033	2,152	1,276	2,309	34	(532)	8,393
Operating income (loss)	180	796	559 ¹	392 ¹	491	66 ¹	(297) ¹	—	2,187
Income (loss) before income taxes	166	811	553 ¹	396 ¹	486	319 ^{1,2}	(286) ^{1,3}	—	2,445
Identifiable operating assets	1,145	3,191	2,128	10,961	1,564	8,948	12,822	—	40,759
Investments	420	208	256	15	70	6,388	64	—	7,421
2007									
Net operating revenues:									
Third party	\$ 459	\$ 1,153	\$ 791	\$ 2,160	\$ 1,094	\$ 2,016	\$ 17	\$ —	\$ 7,690
Intersegment	45	231	44	26	112	42	—	(500)	—
Total net revenues	504	1,384	835	2,186	1,206	2,058	17	(500)	7,690
Operating income (loss)	1344	6984	4304	4474	428	584	(366) ⁴	—	1,829
Income (loss) before income taxes	1444	7084	4304	4524	424	3084 ⁵	(353) ^{4,6}	—	2,113
Identifiable operating assets	868	2,581	1,897	10,403	1,506	8,440	8,869	—	34,564
Investments	366	101	18	19	23	6,548	31	—	7,106
As of December 31, 2007									
Identifiable operating assets	\$ 1,023	\$ 2,997	\$ 1,989	\$ 10,510	\$ 1,468	\$ 8,962	\$ 8,543	\$ —	\$ 35,492
Investments	386	111	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 September 26, 2008, were reduced by approximately \$1 million for Latin America, \$6 million for North America, \$12 million for Bottling Investments and \$28 million for Corporate, as a result of restructuring costs and productivity initiatives.

² Income (loss) before income taxes for the three months ended September 26, 2008, was decreased by approximately a net \$3 million for Bottling Investments, primarily due to our proportionate share of restructuring charges recorded by our equity method investees.

³ Income (loss) before income taxes for the three months ended September 26, 2008, benefited from a gain of approximately \$16 million for Corporate on the sale of 49 percent of our interest in Coca-Cola Pakistan to Coca-Cola Içecek.

⁴ Operating income (loss) and income (loss) before income taxes for the three months ended September 28, 2007, were reduced by approximately \$15 million for Eurasia and Africa, \$7 million for Europe, \$1 million for Latin America, \$13 million for North America, \$14 million for Bottling Investments and \$34 million for Corporate, primarily due to restructuring costs and asset write-downs.

⁵ Income (loss) before income taxes for the three months ended September 28, 2007, benefited from a net gain of approximately \$21 million for Bottling Investments, primarily due to our proportionate share of tax benefits recorded by an equity method investee, which was partially offset by asset write-downs and restructuring charges recorded by equity method investees.

⁶ Income (loss) before income taxes for the three months ended September 28, 2007, benefited from a gain of approximately \$73 million for Corporate on the sale of Coca-Cola Amatil shares.

Information about our Company's operations for the nine months ended September 26, 2008, and September 28, 2007, by operating segment, is as follows (in millions):

	Eurasia & Africa	Europe	Latin America	North America	Pacific	Bottling Investments	Corporate	Eliminations	Consolidated
2008									
Net operating revenues:									
Third party	\$ 1,661	\$ 3,816	\$ 2,730	\$ 6,259	\$ 3,332	\$ 6,929	\$ 91	\$ —	\$ 24,818
Intersegment	159	810	164	47	272	170	—	(1,622)	—
Total net revenues	1,820	4,626	2,894	6,306	3,604	7,099	91	(1,622)	24,818
Operating income (loss)	676	2,547	1,596 ¹	1,173 ¹	1,483	239 ¹	(974) ¹	—	6,740
Income (loss) before income taxes	660	2,580	1,591 ¹	1,183 ¹	1,466	(237) ^{1,2,3}	(954) ^{1,3}	—	6,289
2007									
Net operating revenues:									
Third party	\$ 1,396	\$ 3,463	\$ 2,229	\$ 5,887	\$ 3,018	\$ 5,484	\$ 49	\$ —	\$ 21,526
Intersegment	134	615	104	63	297	107	—	(1,320)	—
Total net revenues	1,530	4,078	2,333	5,950	3,315	5,591	49	(1,320)	21,526
Operating income (loss)	479 ⁴	2,226 ⁴	1,258 ⁴	1,294 ⁴	1,306 ⁴	131 ⁴	(968) ⁴	—	5,726
Income (loss) before income taxes	500 ⁴	2,251 ⁴	1,257 ⁴	1,298 ⁴	1,288 ⁴	562 ^{4,5}	(906) ^{4,6}	—	6,250

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 nine months ended September 26, 2008, were reduced by approximately \$1 million for Latin America, \$12 million for North America, \$25 million for Bottling Investments and \$204 million for Corporate, primarily due to restructuring costs, contract termination costs, asset write-downs and productivity initiatives.

² Income (loss) before income taxes for the nine months ended September 26, 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.

³ Income (loss) before income taxes for the nine months ended September 26, 2008, was increased by approximately \$118 million for Bottling Investments and Corporate, primarily due to the gain on the sale of Remil.

⁴ Operating income (loss) and income (loss) before income taxes for the nine months ended September 28, 2007, were reduced by approximately \$35 million for Eurasia and Africa, \$12 million for Europe, \$3 million for Latin America, \$13 million for North America, \$1 million for Pacific, \$43 million for Bottling Investments and \$35 million for Corporate, primarily due to restructuring costs and asset write-downs.

⁵ Income (loss) before income taxes for the nine months ended September 28, 2007, was reduced by approximately \$141 million for Bottling Investments, primarily due to our proportionate share of asset write-downs and restructuring charges recorded by equity method investees.

⁶ Income (loss) before income taxes for the nine months ended September 28, 2007, benefited from gains of approximately \$209 million for Corporate, primarily due to the sale of real estate in Spain, the sale of our equity ownership in Vonpar and the sale of Coca-Cola Amatil shares.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

Recoverability of Noncurrent Assets

Our Company faces many uncertainties and risks related to various economic, political and regulatory environments in the countries in which we operate, particularly in developing or emerging markets. Refer to the heading "Our Business — Challenges and Risks," and "Item 1A. Risk Factors" in Part I of our Annual Report on Form 10-K for the year ended December 31, 2007. As a result, management must make numerous assumptions which involve a significant amount of judgment when determining the recoverability of noncurrent assets in various regions around the world.

Equity Method and Cost Method Investments

We review our cost method and equity investments in every reporting period to determine whether a significant event or change in circumstances has occurred that may have an adverse effect on the fair value of each investment. When such events or changes occur, we evaluate the fair value compared to our cost basis in the investment. We also perform this evaluation every reporting period for each investment for which our cost basis has exceeded the fair value in the prior period. The fair values of most of our Company's investments in publicly traded companies are often readily available based on quoted market prices. For investments in nonpublicly traded companies, management's assessment of fair value is based on valuation methodologies including discounted cash flows, estimates of sales proceeds and appraisals, as appropriate. We consider the assumptions that we believe hypothetical marketplace participants would use in evaluating estimated future cash flows when employing the discounted cash flow or estimates of sales proceeds valuation methodologies. The ability to accurately predict future cash flows, especially in developing and unstable markets, may impact the determination of fair value.

In the event of a decline in fair value of an investment accounted for under the equity method or securities classified as available-for-sale, management is required to determine if the decline in fair value is other than temporary. Management's assessment as to the nature of a decline in fair value is based on the length of time and the extent to which the market value has been less than our cost basis, the financial condition and near-term prospects of the issuer, and our intent and ability to retain the investment in the issuer for a period of time sufficient to allow for any anticipated recovery in market value. If the fair value of an investment is less than our cost basis, and the decline in value is considered to be other than temporary, a write-down is recorded.

The following table presents the difference between calculated fair values, based on quoted closing prices of publicly traded shares, and our Company's cost basis for significant investments in publicly traded bottlers accounted for as equity method investees (in millions):

September 26, 2008	Fair Value	Cost Basis	Difference
Coca-Cola Hellenic Bottling Company S.A.	\$ 1,984	\$ 1,667	\$ 317
Coca-Cola FEMSA, S.A.B. de C.V.	3,259	1,176	2,083
Coca-Cola Amatil Limited	1,625	786	839
Coca-Cola Enterprises Inc.	2,930	695	2,235
Coca-Cola Embonor S.A.	224	208	16
Grupo Continental, S.A.B.	352	186	166
Coca-Cola Icecek A.S.	445	174	271
Coca-Cola Bottling Company Consolidated	108	79	29
Embotelladoras Polar S.A.	110	74	36
	\$ 11,037	\$ 5,045	\$ 5,992

Among other things, the recent volatility in the global financial markets could negatively impact the fair value of our equity method investments and potentially result in an other than temporary decline in value. Management will continue to monitor these investments in future periods.

Unrealized losses on available-for-sale securities previously deferred in AOCI are reclassified to the consolidated income statement when the nature of the decline is determined to be other than temporary. As of September 26, 2008, unrealized gains and losses on available-for-sale securities were approximately \$242 million and \$60 million, respectively. Management has concluded that as of September 26, 2008, all unrealized losses related to available-for-sale securities were temporary in nature. We will continue to monitor these investments in future periods. Refer to Note F of Notes to Condensed Consolidated Financial Statements.

Goodwill, Trademarks and Other Intangible Assets

SFAS No. 142, "Goodwill and Other Intangible Assets," classifies intangible assets into three categories: (1) intangible assets with definite lives subject to amortization; (2) intangible assets with indefinite lives not subject to amortization; and (3) goodwill. For intangible assets with definite lives, tests for impairment must be performed if conditions exist that indicate the carrying value may not be recoverable. For intangible assets with indefinite lives and goodwill, tests for impairment must be performed at least annually or more frequently if events or circumstances indicate that assets might be impaired. Our equity method investees also perform such tests for impairment for intangible assets and/or goodwill. If an impairment charge was recorded by one of our equity method investees, the Company would record its proportionate share of such charge.

The fair values calculated in our impairment tests are determined using discounted cash flow models involving several assumptions. These assumptions include, but are not limited to, anticipated growth rates by geographic region, our long-term anticipated growth rate, the discount rate, foreign currency exchange rates and estimates of capital charges. These factors are often interdependent and therefore do not change in isolation. The carrying value of goodwill and intangible assets stemming from recently acquired businesses are determined using more recent operating plans and macroeconomic environmental conditions and therefore are more susceptible to impairment if business operating results and/or macroeconomic conditions deteriorate. As of our most recent annual SFAS No. 142 impairment review, the Company concluded there were no impairments of its intangible assets. However, in addition to other factors that could adversely impact the fair value of our intangible assets,

the deterioration of macroeconomic conditions could negatively impact a number of the assumptions used to calculate fair value. If macroeconomic conditions continue to worsen, it is possible we could have an impairment charge as a result. Management will continue to monitor these assets in future periods.

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. In addition to the items mentioned above, the impact of unit case volume from certain joint ventures, in which the Company is a partner, but to which the Company does not sell concentrate may give rise to differences between unit case volume and concentrate sales growth rates.

Information about our volume growth by operating segment for the three and nine months ended September 26, 2008, is as follows:

	Percentage Change 2008 versus 2007			
	Third Quarter		Year-to-Date	
	Unit Cases ^{1,2,3}	Concentrate Sales	Unit Cases ^{1,2,3}	Concentrate Sales
Worldwide	5%	3%	4%	4%
Eurasia & Africa	9	8	7	10
Europe	3	—	2	—
Latin America	8	5	8	5
North America	(2)	(3)	(1)	(2)
Pacific	7	9	7	7
Bottling Investments	7	N/A	19	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 Eurasia and Africa, unit case volume increased 9 percent and 7 percent in the third quarter and for the nine months ended September 26, 2008, respectively, versus the comparable periods of the prior year. Double-digit growth in key markets, including Turkey, India, Southern Eurasia and Nigeria, as well as high single-digit growth in the Middle East and North and West Africa drove results for the quarter. South Africa's unit case volume increased 1 percent during the quarter. The current quarter unit case volume increases in the aforementioned key markets were partially offset by a 3 percent unit case volume decline in Russia, reflecting continued adverse weather conditions and a more challenging economic environment. Additionally, unit case volume growth for the nine months ended September 26, 2008, reflected the impact of a 3 percent volume decline in South Africa during the first nine months of 2008, primarily due to supply chain issues that were the result of carbon dioxide shortages. Our system has invested in manufacturing capabilities that allow us to produce our own supply of carbon dioxide to mitigate the risk of future shortages.

Unit case volume in Europe increased 3 percent and 2 percent for the three months and nine months ended September 26, 2008, respectively, versus the comparable periods of the prior year. The current quarter unit case volume increase was primarily the result of mid single-digit growth in Northwest Europe and high single-digit growth in Eastern Europe, partially offset by 1 percent volume declines in Iberia and Italy. The growth in Europe during the third quarter of 2008 reflects balanced growth, with unit case volume for sparkling beverages and still beverages up 3 percent and 9 percent, respectively. Double-digit unit case volume growth during the quarter for Coca-Cola Zero in the

Europe operating segment contributed significantly to the growth of sparkling beverages in the third quarter of 2008. The slowing Western European economy contributed to the unit case volume declines in Iberia and Italy. Additionally, unit case volume growth for the nine months ended September 26, 2008, included a mid single-digit decline in France and a low single-digit decline in Iberia during the second quarter of 2008. These declines during the second quarter of 2008 were primarily the result of a local CCE labor strike in France and the truckers' strike in Spain.

In Latin America, unit case volume increased 8 percent both in the third quarter and for the nine months ended September 26, 2008, versus the comparable periods of the prior year. The results for the quarter and for the first nine months of 2008 were primarily due to solid growth across the operating segment with high single-digit unit case volume growth in all business units during the third quarter, including the benefit of acquisitions. Acquisitions contributed 3 points of overall unit case volume growth in the quarter. Mexico, Brazil and Argentina achieved strong unit case volume growth of 7 percent, 7 percent and 5 percent, respectively, in the quarter. Sparkling beverages and still beverages unit case volume grew in the quarter by 3 percent and 38 percent, respectively. The unit case volume growth in still beverages is largely attributable to our successful integration of Jugos del Valle, S.A.B. de C.V. ("Jugos del Valle"). Unit case volume growth for the nine months ended September 26, 2008, also included 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.

Unit case volume in North America decreased 2 percent and 1 percent for the three months and nine months ended September 26, 2008, respectively, versus the comparable periods of the prior year, reflecting a continued difficult U.S. economic environment. For the third quarter, Retail unit case volume declined 1 percent, while Foodservice and Hospitality declined 3 percent, reflecting the softness of our Foodservice business and other on-premise channels, both of which are being negatively impacted by the current economic conditions. Unit case volume for sparkling beverages declined 2 percent during the quarter; however, Coca-Cola Zero delivered a strong performance, increasing unit case volume 30 percent during the quarter. Still beverages unit case volume was even in the quarter, reflecting double-digit growth in glacéau, the strong performance of Fuze, and double-digit growth in Trademark Simply and Minute Maid Enhanced Juices. Also impacting still beverages unit case volume for the three and nine months ended September 26, 2008, were unit case volume declines in Trademark Dasani and Trademark Powerade during the quarter and for the first nine months of 2008, primarily as a result of the slowing water and sports drink category.

In Pacific, unit case volume increased 7 percent both in the third quarter and for the nine months ended September 26, 2008, versus the comparable periods of the prior year. Unit case volume in Japan increased 1 percent for the third quarter partially due to 6 percent unit case volume growth in Trademark Coca-Cola and the continued success of Coca-Cola Zero, both of which were driven by the successful 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 and 3 percent for the first nine months of 2008, achieving its fourth consecutive quarter of growth. These increases were partially offset by unit case volume declines during the quarter and for the first nine months of 2008 in Sokenbicha and Aquarius, primarily related to unfavorable weather. The growth for the quarter in Pacific also included 17 percent unit case volume growth in China, led by double-digit volume growth in Trademark Coca-Cola, Trademark Sprite and Minute Maid. Also contributing to the unit case volume growth in China was the impact of Yuan Ye, an original green leaf tea, which was successfully launched earlier in the year. Sparkling beverages and still beverages increased 13 percent and 27 percent, respectively, in China during the third quarter. The strong performance in China across our brands is partly attributable to our successful activation of the Beijing Olympic Games. The growth in Japan and China was partially offset by a 9 percent unit case volume decline in the Philippines in the third quarter, which reflected the continued pressure from the

impact of food and fuel inflation on discretionary income. Unit case volume growth for the nine months ended September 26, 2008, also included the impact of 20 percent and 13 percent growth in China during the first and second quarters of 2008, respectively. Additionally, the first nine months included the impact of 21 percent growth in the Philippines during the first quarter of 2008.

Unit case volume for Bottling Investments increased 7 percent and 19 percent for the three months and nine months ended September 26, 2008, respectively, versus the comparable periods of the prior year. The third quarter growth reflects growth across most of the operating segment, partially offset by the divestiture of Remil during the second quarter of 2008. The growth for the first nine months of 2008 is primarily due to the prior year acquisitions of certain bottlers, including, but not limited to, 18 bottling and distribution operations in Germany, a controlling interest in NORSA and CCBPI, which was acquired toward the end of the first quarter of 2007. Additionally, the unit case volume growth during the quarter and for the first nine months of 2008 reflected the overall improving health of the Company's consolidated bottling operations.

Concentrate Sales Volume

For the three months ended September 26, 2008, differences between unit case volume and concentrate sales volume growth rates for all segments were primarily due to timing of concentrate shipments and the impact of unit case volume from certain joint ventures, in which the Company is a partner, but to which the Company does not sell concentrate.

Net Operating Revenues

Net operating revenues were \$8,393 million for the three months ended September 26, 2008, compared to \$7,690 million for the three months ended September 28, 2007, an increase of \$703 million, or 9 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 September 26, 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	2
Impact of currency fluctuations versus the U.S. dollar	6
Total percentage increase	9%

Refer to the heading "Beverage Volume" for a discussion of concentrate sales volume.

"Structural changes" refers to acquisitions or dispositions of bottling, distribution or canning operations and consolidation or deconsolidation of bottling or distribution entities for accounting purposes. Structural changes decreased net operating revenues by 2 percent for the three months ended September 26, 2008, versus the comparable period in the prior year. The decrease was primarily due to the sale of certain bottlers during 2008, partially offset by the acquisitions of 18 German bottling and distribution operations and a controlling interest in NORSA during the third quarter of 2007. Refer to Note I and Note L of Notes to Condensed Consolidated Financial Statements.

Price and product/geographic mix increased net operating revenues by 2 percent for the three months ended September 26, 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 September 26, 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 Europe, Pacific, Latin America and Bottling Investments operating segments.

Net operating revenues were \$24,818 million for the nine months ended September 26, 2008, compared to \$21,526 million for the nine months ended September 28, 2007, an increase of \$3,292 million, or 15 percent. The following table indicates, on a percentage basis, the estimated impact of key factors resulting in increases in net operating revenues for the nine months ended September 26, 2008, versus the comparable period in 2007:

	Percentage Change 2008 versus 2007
Increase in concentrate sales volume	4%
Structural changes	1
Price and product/geographic mix	2
Impact of currency fluctuations versus the U.S. dollar	8
Total percentage increase	15%

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 1 percent for the nine months ended September 26, 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. The increase in net operating revenues for the first nine months of 2008 related to these acquisitions was partially offset by the sale of certain bottlers during 2008. Refer to Note I and Note L of Notes to Condensed Consolidated Financial Statements.

Price and product/geographic mix increased net operating revenues by 2 percent for the nine months ended September 26, 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 nine months ended September 26, 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 Europe, Pacific, Latin America and Bottling Investments operating segments.

Gross Profit

Our gross profit margin increased to 64.0 percent for the three months ended September 26, 2008, from 62.5 percent for the three months ended September 28, 2007. The increase in our gross profit margin was primarily the result of favorable price and product mix and the sale of certain bottlers. 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.

Our gross profit margin increased to 64.5 percent for the nine months ended September 26, 2008, from 63.9 percent for the nine months ended September 28, 2007. This increase was primarily the result of favorable price and product mix and the sale of certain bottlers, partially offset by the impact of the acquisitions of CCBPI and Leao Junior during the first quarter of 2007; 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 I and Note L of Notes to Condensed Consolidated Financial Statements.

Selling, General and Administrative Expenses

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

	Three Months Ended		Nine Months Ended	
	September 26, 2008	September 28, 2007	September 26, 2008	September 28, 2007
Selling and advertising expenses	\$ 2,404	\$ 2,131	\$ 6,831	\$ 5,694
General and administrative expenses	664	679	1,976	1,971
Stock-based compensation expense	71	86	223	241
Selling, general and administrative expenses	\$ 3,139	\$ 2,896	\$ 9,030	\$ 7,906

Selling, general and administrative expenses increased \$243 million, or 8 percent, for the three months ended September 26, 2008, versus the comparable period in the prior year. Selling, general and administrative expenses increased \$1,124 million, or 14 percent, for the nine months ended September 26, 2008, as compared to the same period in the prior year. Approximately 6 percent of the increase during the quarter, and 7 percent of the increase for the first nine months of 2008, was attributable to the impact of foreign currency. We also continued to invest in our brands and build market execution capabilities. Marketing expenses increased at approximately the same rate as gross profit growth, and sales and service expenses increased solidly to support our bottling operations. These increases were partially offset by a mid single-digit decrease in general and administrative expenses, as a result of expense management and productivity initiatives. In addition to the factors impacting selling, general and administrative expenses discussed above, the increase for the nine months ended September 26, 2008, was partially attributable to bottler and brand acquisitions impacting the first and second quarters of 2008 versus the comparable period in the prior year. General and administrative expenses for the three and nine months ended September 26, 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 September 26, 2008, we had approximately \$510 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 1.7 years. This expected cost does not include the impact of any future stock-based compensation awards.

Other Operating Charges

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

	Three Months Ended		Nine Months Ended	
	September 26, 2008	September 28, 2007	September 26, 2008	September 28, 2007
Eurasia & Africa	\$ —	\$ 15	\$ —	\$ 35
Europe	—	7	—	12
Latin America	1	1	1	3
North America	6	13	12	13
Pacific	—	—	—	1
Bottling Investments	12	11	25	30
Corporate	28	34	204	35
	\$ 47	\$ 81	\$ 242	\$ 129

Other operating charges for the three and nine months ended September 26, 2008, were primarily related to restructuring costs, contract termination costs, the impairment of certain assets and productivity initiatives. The restructuring costs were related to steps the Company took in 2007 to streamline and simplify its operations globally. These costs were 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 \$414 million. The Company has incurred total pretax expenses of approximately \$380 million related to these restructuring activities since they commenced, and we expect to recognize the majority of the remaining 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 penalties incurred 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.

The Company has incurred total pretax expenses of approximately \$24 million related to productivity initiatives since they commenced in the first quarter of 2008. The Company is targeting \$400 million to \$500 million in annualized savings from productivity initiatives by the end of 2011 to provide additional flexibility to invest for growth. The savings are expected to be generated in a number of areas, and include 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 of \$400 million to \$500 million by the end of 2011. Refer to Note K of Notes to Condensed Consolidated Financial Statements.

Other operating charges for the three and nine months ended September 28, 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 operating income contribution by operating segment on a percentage basis is as follows:

	Three Months Ended		Nine Months Ended	
	September 26, 2008	September 28, 2007	September 26, 2008	September 28, 2007
Eurasia & Africa	8.2%	7.3%	10.0%	8.3%
Europe	36.4	38.2	37.8	38.9
Latin America	25.6	23.5	23.7	22.0
North America	17.9	24.4	17.4	22.6
Pacific	22.5	23.4	22.0	22.8
Bottling Investments	3.0	3.2	3.5	2.3
Corporate	(13.6)	(20.0)	(14.4)	(16.9)
	100.0%	100.0%	100.0%	100.0%

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

	Three Months Ended		Nine Months Ended	
	September 26, 2008	September 28, 2007	September 26, 2008	September 28, 2007
Consolidated	26.1%	23.8%	27.2%	26.6%
Eurasia & Africa	33.3	29.2	40.7	34.3
Europe	63.7	60.5	66.7	64.3
Latin America	56.5	54.4	58.5	56.4
North America	18.4	20.7	18.7	22.0
Pacific	41.2	39.1	44.5	43.3
Bottling Investments	2.9	2.9	3.4	2.4
Corporate	*	*	*	*

* Calculation is not meaningful.

Operating income was \$2,187 million for the three months ended September 26, 2008, compared to \$1,829 million for the three months ended September 28, 2007, an increase of \$358 million, or 20 percent. Our operating margin for the three months ended September 26, 2008, was 26.1 percent, compared to 23.8 percent for the comparable period in 2007.

Operating income was \$6,740 million for the nine months ended September 26, 2008, compared to \$5,726 million for the nine months ended September 28, 2007, an increase of \$1,014 million, or 18 percent. Our operating margin for the nine months ended September 26, 2008, was 27.2 percent, compared to 26.6 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:

- Foreign currency exchange rates favorably impacted operating income by approximately 9 percent and 10 percent for the three and nine months ended September 26, 2008, respectively, versus the comparable periods of the prior year. The positive foreign currency impact was primarily related to a stronger euro, Japanese yen and Brazilian real, which impacted the

Europe, 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 expects at least a mid single-digit favorable currency impact for the full year 2008.

- In the third quarter and the first nine months of 2008, price increases across the majority of operating segments favorably impacted both operating income and operating margins.
- In the third quarter and the first nine 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 third quarter and the first nine 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.
- For the nine months ended September 26, 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 third quarter of 2008 was reduced by approximately \$1 million for Latin America, \$6 million for North America, \$12 million for Bottling Investments and \$28 million for Corporate, as a result of restructuring costs and productivity initiatives.
- Operating income for the nine months ended September 26, 2008, was reduced by approximately \$1 million for Latin America, \$12 million for North America, \$25 million for Bottling Investments and \$204 million for Corporate, primarily due to restructuring costs, contract termination costs, asset write-downs and productivity initiatives.
- Operating income for the third quarter of 2007 was reduced by approximately \$15 million for Eurasia and Africa, \$7 million for Europe, \$1 million for Latin America, \$13 million for North America, \$14 million for Bottling Investments and \$34 million for Corporate, primarily due to restructuring costs and asset write-downs.
- Operating income for the first nine months of 2007 was reduced by approximately \$35 million for Eurasia and Africa, \$12 million for Europe, \$3 million for Latin America, \$13 million for North America, \$1 million for Pacific, \$43 million for Bottling Investments and \$35 million for Corporate, primarily due to restructuring costs and asset write-downs.

Interest Income

Interest income increased by approximately \$46 million and \$89 million for the three and nine months ended September 26, 2008, respectively, compared to the same periods in 2007. The increases for both the three and nine month periods were primarily due to higher average short-term investment balances, partially offset by lower interest rates.

Interest Expense

Interest expense decreased by approximately \$16 million for the three months ended September 26, 2008, versus the comparable period in the prior year. The decrease was primarily attributable to lower interest rates on short-term debt compared to the prior year.

For the nine months ended September 26, 2008, interest expense increased by approximately \$17 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 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. Additionally, lower interest rates on short-term debt partially offset the impact of higher average short-term and long-term debt balances.

Equity Income (Loss) — Net

Our Company's proportionate share of income or losses from equity method investments for the three and nine months ended September 26, 2008, was income of \$272 million and a loss of \$434 million, respectively, a decline of \$15 million and \$931 million versus the comparable periods of the prior year.

The decrease in equity income (loss) — net for the nine months ended September 26, 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 a loss of \$8 million and income of \$61 million for the three and nine months ended September 26, 2008, respectively, versus income of \$65 million and \$177 million for the comparable periods in the prior year. This line item included 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. In addition to the items mentioned above, other income (loss) — net for the three months ended September 26, 2008, included a gain of approximately \$16 million on the sale of a portion of the Company's investment in Coca-Cola Pakistan to Coca-Cola Icecek. Other income (loss) — net for the three months ended September 28, 2007, included a gain of approximately \$73 million related to the sale of a portion of our interest in Coca-Cola Amatil. Refer to Note I of Notes to Condensed Consolidated Financial Statements.

In addition to the items impacting other income (loss) — net in the third quarter of 2008 and the third quarter of 2007, the nine months ended September 26, 2008, included gains on divestitures of approximately \$102 million, primarily related to the sale of Remil to Coca-Cola FEMSA. Other income (loss) — net for the nine months ended September 28, 2007, included a gain of approximately \$136 million resulting from the sale of our equity investment in Vonpar and the sale of real estate in Spain. Refer to Note I of Notes to Condensed Consolidated Financial Statements.

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.

Third Quarter of 2008 versus Third Quarter of 2007

Our effective tax rate was 22.7 percent for the third quarter of 2008 compared to 21.7 percent for the third quarter of 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 September 26, 2008, our effective tax rate included the following:

- an approximate 28 percent combined effective tax rate on restructuring charges and productivity initiatives (refer to Note H of Notes to Condensed Consolidated Financial Statements);
- a net tax benefit of approximately \$3 million on the sale of a portion of the Company's investment in Coca-Cola Pakistan to Coca-Cola Icecek (refer to Note I of Notes to Condensed Consolidated Financial Statements);
- a net tax charge of approximately \$21 million, primarily related to a temporary change in the tax rate used to calculate our deferred tax liability on the difference between our book and tax basis in our investment in CCE (refer to Note J of Notes to Condensed Consolidated Financial Statements); and
- a net tax charge of approximately \$5 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 September 28, 2007, our effective tax rate included the following:

- a tax charge of approximately \$15 million related to amounts required to be recorded on our uncertain tax positions under Interpretation No. 48 (refer to Note J of Notes to Condensed Consolidated Financial Statements);
- a tax benefit of approximately \$19 million related to tax rate changes in Germany (refer to Note J of Notes to Condensed Consolidated Financial Statements);
- a tax charge related to the gains on the sale of a portion of our interest in Coca-Cola Amatil, at an effective tax rate of 38 percent, or approximately \$28 million (refer to Note I of Notes to Condensed Consolidated Financial Statements);
- a tax benefit related to restructuring charges and impairment of certain assets recorded by the Company, at an effective tax rate of 19 percent, or approximately \$16 million (refer to Note H of Notes to Condensed Consolidated Financial Statements); and
- a tax charge related to our proportionate share of certain items recorded by equity method investees at a combined effective tax rate of 33 percent, or approximately \$7 million (refer to Note I of Notes to Condensed Consolidated Financial Statements).

First Nine Months of 2008 versus First Nine Months of 2007

Our effective tax rate for the nine months ended September 26, 2008, was 23.5 percent compared to 23.7 percent for the nine months ended September 28, 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 nine months ended September 26, 2008, in addition to the third quarter items stated above, our effective tax rate included the following:

- an approximate 20 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);

- an approximate 19 percent combined effective tax rate primarily related to the impairment and restructuring charges recorded by CCE (refer to Note I of Notes to Condensed Consolidated Financial Statements);
- 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 \$31 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 nine months ended September 28, 2007, in addition to the third quarter items stated above, our effective tax rate included the following:

- a tax benefit related to restructuring charges and impairment of certain assets recorded by the Company at an effective tax rate of 24 percent, or approximately \$14 million (refer to Note H of Notes to Condensed Consolidated Financial Statements);
- an approximate 16 percent combined effective tax rate on our proportionate share of the impairment of assets recorded by CCBPI and Coca-Cola Amatil (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 \$41 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).

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION

We believe our ability to generate cash from operating activities is one of our fundamental financial strengths. We expect to use cash generated from operating activities primarily for dividends, capital expenditures, acquisitions and aggregate contractual obligations. Much of the cash proceeds generated from operating activities are held by the Company's international subsidiaries. We have reviewed our contingency plans and would be able to access cash held by our international subsidiaries on short notice. Our approximate \$7.8 billion cash balance is available and in liquid, high-quality investments.

As part of our overall cash management strategy, we maintain an active commercial paper program. Despite the recent disruption to the general credit markets, our liquidity remains strong, and our commercial paper program continues to function each day. We are able to access 60- to 90-day terms and have not had a material change to our spreads to benchmark rates.

In addition to the Company's cash balances and commercial paper program, we also maintain \$2.2 billion of committed, unused credit facilities from our network of relationship banks.

Based on all of these factors, the Company believes its current liquidity position is strong and we will continue to meet all of our financial commitments for the foreseeable future.

Operating Activities

Net cash provided by operating activities for the first nine months of 2008 was \$5,668 million compared to \$5,457 million for the comparable period in 2007, an increase of \$211 million, or 4 percent. This increase was primarily due to higher cash collections, driven by the 15 percent increase in net operating revenues. The increase in cash collections was partially offset by increased payments to suppliers and vendors during the first nine months of 2008, primarily due 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. Cash flows from operating activities for the first nine months of 2008 were also impacted by higher interest and tax payments, including tax payments associated with the agreement between the U.S. government and a foreign government. Refer to Note J of Notes to Condensed Consolidated Financial Statements. Additionally, the Company made \$152 million in payments related to streamlining and productivity initiatives during the first nine 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 nine months of 2008 was \$1,794 million compared to \$4,612 million for the comparable period in 2007, a decrease of \$2,818 million.

Net cash used in investing activities for the first nine months of 2008 included acquisitions and investments of \$655 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 nine months of 2008, cash outlays for investing activities also included purchases of property, plant and equipment of \$1,370 million. Our Company currently estimates that net purchases of property, plant and equipment for the entire year 2008 will be approximately \$1.9 billion.

Net cash used in investing activities for the first nine months of 2007 included acquisitions and investments of \$3,935 million. During the third quarter of 2007, our Company acquired 18 German bottling and distribution operations in order to form a single bottling and distribution company in

Germany and acquired a 34 percent equity interest in Tokyo CCBC in Japan. 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 the acquisition of glacéau. 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 the acquisition of CCBPI. During the third quarter of 2007, \$70 million was received by the Company related to amounts previously placed in escrow in connection with the CCBPI acquisition. Additionally, our Company acquired Fuze and Leao Junior for approximately \$327 million in cash. 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 nine months of 2007, cash outlays for investing activities also included purchases of property, plant and equipment of \$1,091 million.

Investing activities in the first nine 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 used in financing activities totaled \$176 million for the first nine months of 2008 compared to net cash provided by financing activities of \$1,234 million for the first nine months of 2007, a decrease of approximately \$1,410 million.

In the first nine months of 2008, the Company had issuances of debt of \$5,308 million and payments of debt of \$3,211 million. The issuances of debt in the first nine months of 2008 included approximately \$2,756 million of net issuances of commercial paper and short-term debt with maturities of 90 days or less, and approximately \$2,465 million of issuances of commercial paper and short-term debt with maturities greater than 90 days. The payments of debt in the first nine months of 2008 included approximately \$3,152 million related to commercial paper and short-term debt with maturities greater than 90 days.

In the first nine months of 2007, the Company had issuances of debt of \$7,094 million and payments of debt of \$3,599 million. The issuances of debt in the first nine months of 2007 included approximately \$2,609 million of net issuances of commercial paper and short-term debt with maturities of 90 days or less, and approximately \$4,317 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 18 German bottling and distribution operations, glacéau, CCBPI, Fuze, Leao Junior and our investment in Tokyo CCBC in the first nine months of 2007. The payments of debt in the first nine months of 2007 included approximately \$3,500 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 CCEAG shareowners in January 2007.

In the first nine months of 2008, the Company had issuances of stock of \$570 million compared to \$1,013 million for the first nine months of 2007, a decrease of \$443 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 nine months of 2007, and a reduction in the number of stock options exercised by employees during the first nine months of 2008 versus the same period of the prior year.

During the first nine months of 2008 and 2007, the Company repurchased common stock under stock repurchase plans authorized by our Board of Directors. During the first nine months of 2008, the Company repurchased approximately 18.5 million shares of common stock at an average cost of \$58.01 per share. During the first nine months of 2007, the Company repurchased approximately 32 million shares of common stock at an average cost of \$51.06 per share. The cost to purchase shares of common stock for treasury was approximately \$1,072 million for the first nine months of 2008 compared to approximately \$1,634 million for the first nine months of 2007. The total cash outflow for treasury stock purchases in the first nine months of 2008 was \$1,079 million, which includes the treasury stock purchased and settled in the first nine months of 2008, as well as certain December 2007 treasury stock purchases that settled in early 2008.

The Company has curtailed its share repurchase program for the remainder of 2008, primarily to pursue the acquisition of China Huiyuan Juice Group Limited, a Hong Kong listed company which owns the Huiyuan juice business throughout China ("Huiyuan"). Refer to the heading "Additional Information" for further discussion of the potential acquisition of Huiyuan.

For the first nine months of 2008, our Company paid dividends of \$1,764 million compared to \$1,575 million for the first nine months of 2007, an increase of \$189 million. As of September 26, 2008, dividends of approximately \$878 million were accrued but were not paid until the beginning of the fourth 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 9 percent for the third quarter of 2008 and 10 percent for the first nine months of 2008, versus the comparable periods of the prior year. Based on current expectations of market rates for the remainder of the year and benefits of hedging coverage in place, the Company expects at least a mid single-digit favorable currency impact on operating income for the full year 2008 versus the full year 2007.

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 September 26, 2008, as compared to our balance sheet as of December 31, 2007, was impacted by the following:

- an increase in cash of approximately \$3,704 million, in part to pay accrued dividends of \$878 million and the timing of borrowings;
- a decrease of approximately \$942 million in our investment in CCE, primarily due to our proportionate share of an impairment recorded by CCE;

- an increase in our trademarks with indefinite lives of approximately \$985 million, primarily related to the finalization of purchase accounting for glacéau and the acquisition of brands and licenses 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 \$744 million, primarily due to the accrual of the third 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 approximately \$2,192 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 third quarter 2008 dividend and other ongoing business needs.

ADDITIONAL INFORMATION

On September 3, 2008, we announced our intention to make cash offers to purchase Huiyuan. The making of the offers is subject to preconditions relating to Chinese regulatory approvals. We are offering HK\$12.20 per share, and making a comparable offer for outstanding convertible bonds and options. We have accepted irrevocable undertakings from three shareholders for acceptance of the offers, in aggregate representing approximately 66 percent of the Huiyuan shares. Assuming full acceptance of the offers, the transaction is valued at approximately \$2.4 billion.

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 September 26, 2008. There has been no change in the Company's internal control over financial reporting during the quarter ended September 26, 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, as updated on our Quarterly Report on Form 10-Q for the quarter ended June 27, 2008.

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 September 26, 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
June 28, 2008 through July 25, 2008	450,000	\$ 51.73	450,000	220,513,941
July 26, 2008 through August 22, 2008	1,947	\$ 51.78	—	220,513,941
August 23, 2008 through September 26, 2008	—	\$ —	—	220,513,941
Total	451,947	\$ 51.73	450,000	

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 zero shares, 1,947 shares and zero shares for the months of July, August and September 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 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 Quarterly Report on Form 10-Q for the quarter ended March 31, 1996.
- 3.2 By-Laws of the Company, as amended and restated through April 17, 2008 — incorporated herein by reference to Exhibit 3.2 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 27, 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 Form of Stock Option Agreement for grants under the Company's 2008 Stock Option Plan — incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed July 16, 2008.
- 10.2 Letter, dated July 17, 2008, from Cathleen P. Black, Chair of the Compensation Committee of the Board of Directors of the Company, to Muhtar Kent — incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed July 21, 2008.
- 10.3 Separation Agreement between the Company and Thomas G. Mattia, dated August 28, 2008.
- 10.4 Irrevocable Undertaking by and among Atlantic Industries, China Hui Yuan Juice Holdings Co., Ltd. and Mr. Zhu Xinli dated August 31, 2008 — incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed September 5, 2008.
- 10.5 Irrevocable Undertaking by and among Atlantic Industries, Danone Asia Pte. Ltd and Group Danone S.A. dated August 31, 2008 — incorporated herein by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, filed September 5, 2008.
- 10.6 Irrevocable Undertaking by and among Atlantic Industries, Gourmet Grace International Limited and Warburg Pincus Private Equity IX, LP dated August 31, 2008 — incorporated herein by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K, filed September 5, 2008.
- 10.7 Deed of Non-Competition by and among Mr. Zhu Xinli, China Huiyuan Juice Group Limited and Atlantic Industries dated August 31, 2008 — incorporated herein by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K, filed September 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: October 23, 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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[LETTERHEAD OF THE COCA-COLA COMPANY]

August 28, 2008

Mr. Thomas G. Mattia
xxx xxxxxxx xxx
Atlanta, Georgia xxxxx

Dear Tom:

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

1. Effective September 1, 2008, you and the Company have mutually agreed that you will step down from your current position of Senior Vice President Worldwide Public Affairs and Communications and resign your position as an officer of The Coca-Cola Company. Thereafter, through the "Separation Date" (as hereinafter defined), 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 or any earlier date occurring on or after January 1, 2009, selected by you and of which you provide the Company not less than three (3) days advance written notice thereof (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 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 receive a benefit under the Company's Severance Pay Plan equivalent to two years of salary, based on your current annual salary of \$450,500. This amount will be paid 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, the Supplemental Thrift Plan, and all other plans in which you participate and in which benefits are vested as of your Separation Date. You will be (i) fully vested as of the Separation Date, under each of the Company's Employee Retirement Plan, Supplemental Pension (Benefit) Plan, Supplemental Thrift Plan, and Deferred Compensation Plan, (ii) fully vested as of January 17, 2009, under the 401(k) Thrift and Investment Plan, and (iii) eligible to receive and be paid the benefits accrued and vested thereunder from and after the Separation Date in conformity with such governing plans including as herein specifically addressed or provided. Payments under the Supplemental Pension 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.
 5. You will receive an annual incentive award for 2008 in the amount of \$700,000. The award will be paid on or about March 15, 2009.
 6. You will receive an annual incentive award for 2009 in the amount of \$100,000. The award will be paid on or about March 15, 2010.
 7. Pursuant to the terms of the Company's long term incentive programs and plans and your related Restricted Stock Agreements, your rights and benefits under each of the plans are summarized below. You will not receive any additional equity grants from and after September 1, 2008.
-

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. Provided your Separation Date is on or after February 21, 2009, all options which you previously have received will be fully vested as of your Separation Date (by reason of your retirement and having met the requisite holding period) and exercisable according to the terms of the Company's applicable stock option plans and programs as well as your related Stock Option Grant Agreements. 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 September 1, 2008.
 9. On December 31, 2008, the Company will make the final contribution to your Deferred Compensation Plan account in the amount of \$50,000 per your employment offer letter dated January 4, 2006. You will receive distributions from the Deferred Compensation Plan of your elective deferrals, Company contributions 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. On December 31, 2008, the Company will pay to you \$145,000 per your employment offer letter dated January 4, 2006.
 11. The Company will pay you a transition payment of \$100,000 on your Separation Date.
 12. The Company will provide at its expense outplacement/transition services through a designated services provider.
 13. You and your dependent family members will be eligible for a maximum of 12 months of Company paid COBRA coverage (provided you and your dependent family members remain eligible for COBRA coverage). Thereafter, you will be provided information regarding continued COBRA coverage at your own expense.

The terms and conditions in this letter are further conditioned upon your signing 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.

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

Sincerely,

/s/ Alex Cummings

Alex Cummings
Executive Vice President-Elect and
Chief Administrative Officer

Agreed to and accepted this 29 day of August, 2008

/s/ Thomas G. Mattia

Thomas G. Mattia

cc: Muhtar Kent
Cynthia McCague
Ginny Sutton

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

Release.

I, Thomas G. Mattia, 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 August 29, 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 and paid) or shall not oppose my receipt of (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 or under any liability insurance maintained by the Company for such purpose, and (iii) all of my accrued and vested benefits (including pension or deferred compensation benefits) as determined through and including my separation date under the Company's applicable 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, and administrators, (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 has, 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 me or 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 two years after the date my employment ends, ("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 rights 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 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 recipient governmental or judicial body any protective order or assurance of confidentiality regarding such information.

Return of Materials.

I further covenant and agree that upon my termination of employment with the Company, 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. Upon termination 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 either presentations focusing on me and my personal experiences or knowledge which may include ancillary and historical recitation of my past experience with the Company and which do not otherwise involve disclosure of matters or materials which have not been previously or otherwise publicly released or inclusion of my past professional experiences or positions in a manner customarily presented on a biography, resume or curriculum vitae utilized in connection with the solicitation of potential employment or service opportunities. 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 direct participation in the development or direct oversight of communication, public relations or public affairs 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 carbonated soft drinks, coffee, tea, water, juices or fruit-based beverages ("Non-alcoholic Beverages"), and 2) companies whose business includes the manufacture, sale, distribution and marketing of Non-alcoholic Beverages, 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.

Non Compete.

I hereby covenant that I will not, within the Territory prior to February 28, 2011, without the prior written consent of The Coca-Cola Company's Chief Executive Officer (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 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, and 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.

Signature: /s/ Thomas G. Mattia
Thomas G. Mattia

Date: 29 August 2008

THE COCA-COLA COMPANY

By: /s/ Mary Williams

Title: Counsel

Date: September 2, 2008

QuickLinks

[Exhibit 10.3](#)

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

	Nine Months Ended September 26, 2008	Year Ended December 31,				
		2007	2006	2005	2004	2003
(In millions except ratios)						
EARNINGS:						
Income from continuing operations						
before income taxes and changes in						
accounting principles	\$ 6,289	\$ 7,873	\$ 6,578	\$ 6,690	\$ 6,222	\$ 5,495
Fixed charges	364	524	271	281	232	220
Less:						
Capitalized interest, net	(4)	(12)	(10)	(3)	(1)	(1)
Equity (income) loss, net of dividends	638	(452)	124	(446)	(476)	(294)
Adjusted earnings	\$ 7,287	\$ 7,933	\$ 6,963	\$ 6,522	\$ 5,977	\$ 5,420
FIXED CHARGES:						
Gross interest incurred	\$ 321	\$ 468	\$ 230	\$ 243	\$ 197	\$ 179
Interest portion of rent expense	43	56	41	38	35	41
Total fixed charges	\$ 364	\$ 524	\$ 271	\$ 281	\$ 232	\$ 220
Ratios of earnings to fixed charges	20.0	15.1	25.7	23.2	25.8	24.6

As of September 26, 2008, the Company was contingently liable for guarantees of indebtedness owed by third parties in the amount of approximately \$194 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.

QuickLinks

[Exhibit 12.1](#)

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: October 23, 2008

/s/ MUHTAR KENT

Muhtar Kent
President and Chief Executive Officer

QuickLinks

[Exhibit 31.1](#)

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: October 23, 2008

/s/ GARY P. FAYARD

Gary P. Fayard
Executive Vice President and
Chief Financial Officer

QuickLinks

[Exhibit 31.2](#)

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

In connection with the quarterly report of The Coca-Cola Company (the "Company") on Form 10-Q for the period ended September 26, 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
October 23, 2008

/s/ GARY P. FAYARD

Gary P. Fayard
*Executive Vice President and
Chief Financial Officer*
October 23, 2008

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[Exhibit 32.1](#)