

A Letter from Our Chairman



“The men and women of The Coca-Cola Company have a passion for what they do that ignites inspiration every day. In this spirit, they have driven significant change through every aspect of the organization.”

E. Neville Isdell
Chairman and Chief Executive Officer

DEAR FELLOW SHAREOWNER:

Two thousand and six was a very good year for The Coca-Cola Company. We achieved our 52nd consecutive year of unit case volume growth. Volume reached a record high of 21.4 billion unit cases. Net operating revenues grew 4 percent to \$24.1 billion, and operating income grew 4 percent to \$6.3 billion. Our total return to shareowners was 23 percent, outperforming the Dow Jones Industrial Average and the S&P 500. By virtually every measure, we met or exceeded our objectives—a strong ending for the year with great momentum for entering 2007.

The secret formula to our success in 2006? There is no one answer. Our inspiration comes from many sources—our bottling partners, retail customers and consumers, as well as our critics. And the men and women of The Coca-Cola Company have a passion for what they do that ignites this inspiration every day, everywhere we do business. We remain fresh, relevant and original by knowing what to change without changing what we know. We are asking more questions, listening more closely and collaborating more effectively with our bottling partners, suppliers and retail customers to give consumers what they want.

And we continue to strengthen our bench, nurturing leaders and promoting from within our organization. As 2006 came to a close, our Board of Directors elected Muhtar Kent as president and chief operating officer of our Company. Muhtar is a 28-year veteran of the Coca-Cola system (the Company and our bottling partners). Muhtar’s close working relationships with our bottling partners will enable us to continue capturing marketplace opportunities and improving our business. Other system veterans promoted and now leading operating groups include Ahmet Bozer, Eurasia; Sandy Douglas, North America; and Glenn Jordan, Pacific. Combined, these leaders have 65 years of Coca-Cola system experience.

Our Competitive Advantage

Retaining our competitive edge requires an intense, unrelenting focus on what our Company is all about—beverages. More than 1.4 billion servings of our products are enjoyed every day—nearly a million servings every minute. For 120 years, beverages have been our business, and we remain focused on being the strongest nonalcoholic beverage company in the world. With four of the world’s top five nonalcoholic sparkling brands, our leadership position is clear. And it has given us the expertise to lead in several other beverage categories: Worldwide, we are No. 1 in sales of juice and juice drinks; No. 1 in sales of ready-to-drink coffees and teas; No. 2 in sales of sports drinks; and No. 3 in sales of water.

The geographic diversity of our Company gives us balance. As a general rule, when some markets are down, other markets are up. We are able to grow our unit case volume in spite of challenging markets. What did this mean in 2006? A year of flat unit case volume growth in North America and declining unit case volume in the Philippines was balanced by double-digit unit case volume growth in other markets, including 10 percent in Argentina, 15 percent in China, 26 percent in Russia and 10 percent in Turkey. We will continue to focus on these and other strong markets, such as Brazil, Mexico and Spain, while we implement customized plans for stabilization and growth in underperforming markets.

Our opportunities for growth are significant. Even in developed markets, only 62 percent of beverages consumed are nonalcoholic ready-to-drink. And in developing and emerging markets—places like China and India with fast-growing populations and ever-increasing spending power—just 40 percent of all beverages consumed are nonalcoholic ready-to-drink. We are capturing these tremendous opportunities by focusing on providing ready-to-drink beverages that honor local cultures, preferences and tastes.

Local Relationships Matter

From the beginning of my relationship with The Coca-Cola Company, I have experienced the global—and very local—nature of the Coca-Cola business. My family moved from Northern Ireland to Zambia, Africa, when I was 10 years old, and I fell in love with the continent—its people, wildlife and ecosystems. Although I studied social science at university in South Africa, I took a job with the Coca-Cola system in Kitwe, Zambia, more than 40 years ago. Even back then, Coca-Cola was considered a local company rather than a multinational corporation.

Multiply my own story by the 71,000 of our associates who live and work around the world—nearly 59,000 of them outside of the United States—and you begin to see the local nature of our global business. Add the local bottling partners, suppliers and customers who sell our beverages from grocery stores to roadside kiosks, and it is clear just how closely our business is interwoven with local economies and communities. What makes our business different, and even more deeply ingrained in local life, is that nearly all of our beverages are produced by *local* people, using *local* resources. The nature of our business gives us deeper local consumer insights, production sites close to our markets and significant supply chain efficiencies. Our business is an integral component of local economies. Through salaries, taxes, benefits and relationships with local bottling and business partners, we help fuel economies around the world.

Our business can only be as healthy as the local communities where we operate. This is why we partner with governmental and nongovernmental organizations, as well as community leaders, to develop and implement initiatives that help build sustainable communities. We are focused especially on water, which represents a critical resource for the sustainability of our business and the communities in which we operate. We also use our system's extensive distribution network to provide disaster relief, raise awareness of HIV/AIDS and sponsor educational and physical fitness programs that make a positive difference.

Accountability goes beyond the Company's finances. In today's world, earning trust requires more than just attention to sales reports and balance sheets. Conducting business responsibly is just as important as conducting it profitably. We are making sure this reality is ingrained in our Company's culture and plans for future growth.

In 2006, for the first time in our history, every function and every operating group implemented business plans with specific, quantifiable corporate responsibility objectives alongside unit case volume, profitability and other business goals. Our most prestigious and coveted divisional award—the Woodruff Cup—was won by our Iberian Division (Portugal and Spain) based on outstanding performance in 2006 across the five Ps of our *Manifesto for Growth*: people, portfolio, partners, planet and profit.

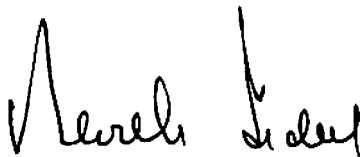
In Closing

I am proud of what we achieved in 2006. We are not satisfied, however. There will always be room to grow and improve. We have much work to do, but I believe our business is well positioned to grow sustainably and profitably.

I am grateful to our shareowners who have shown faith in us as we have worked to turn our business around. I thank our Board of Directors for their continued wise counsel and guidance. Our local bottling and business partners have worked tirelessly to continue bringing the optimism and promise of Coca-Cola to all of the communities we are privileged to serve. Our associates everywhere continue to be dedicated stewards of the most valuable brand in the world. And our consumers? They inspire us every day.

Thank you for your continued support.

Sincerely,



E. Neville Isdell | Chairman and Chief Executive Officer
February 15, 2007