

THE COCA-COLA COMPANY AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME**

Year Ended December 31,	2006	2005	2004
(In millions except per share data)			
NET OPERATING REVENUES	\$ 24,088	\$ 23,104	\$ 21,742
Cost of goods sold	8,164	8,195	7,674
GROSS PROFIT	15,924	14,909	14,068
Selling, general and administrative expenses	9,431	8,739	7,890
Other operating charges	185	85	480
OPERATING INCOME	6,308	6,085	5,698
Interest income	193	235	157
Interest expense	220	240	196
Equity income — net	102	680	621
Other income (loss) — net	195	(93)	(82)
Gains on issuances of stock by equity method investees	—	23	24
INCOME BEFORE INCOME TAXES	6,578	6,690	6,222
Income taxes	1,498	1,818	1,375
NET INCOME	\$ 5,080	\$ 4,872	\$ 4,847
BASIC NET INCOME PER SHARE	\$ 2.16	\$ 2.04	\$ 2.00
DILUTED NET INCOME PER SHARE	\$ 2.16	\$ 2.04	\$ 2.00
AVERAGE SHARES OUTSTANDING	2,348	2,392	2,426
Effect of dilutive securities	2	1	3
AVERAGE SHARES OUTSTANDING ASSUMING DILUTION	2,350	2,393	2,429

Refer to Notes to Consolidated Financial Statements.

THE COCA-COLA COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31,	2006	2005
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(In millions except par value)		
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,440	\$ 4,701
Marketable securities	150	66
Trade accounts receivable, less allowances of \$63 and \$72, respectively	2,587	2,281
Inventories	1,641	1,379
Prepaid expenses and other assets	1,623	1,778
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TOTAL CURRENT ASSETS	8,441	10,205
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INVESTMENTS		
Equity method investments:		
Coca-Cola Enterprises Inc.	1,312	1,731
Coca-Cola Hellenic Bottling Company S.A.	1,251	1,039
Coca-Cola FEMSA, S.A.B. de C.V.	835	982
Coca-Cola Amatil Limited	817	748
Other, principally bottling companies	2,095	2,062
Cost method investments, principally bottling companies	473	360
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TOTAL INVESTMENTS	6,783	6,922
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OTHER ASSETS	2,701	2,648
PROPERTY, PLANT AND EQUIPMENT — net	6,903	5,831
TRADEMARKS WITH INDEFINITE LIVES	2,045	1,946
GOODWILL	1,403	1,047
OTHER INTANGIBLE ASSETS	1,687	828
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TOTAL ASSETS	\$ 29,963	\$ 29,427
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LIABILITIES AND SHAREOWNERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 5,055	\$ 4,493
Loans and notes payable	3,235	4,518
Current maturities of long-term debt	33	28
Accrued income taxes	567	797
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TOTAL CURRENT LIABILITIES	8,890	9,836
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LONG-TERM DEBT	1,314	1,154

OTHER LIABILITIES	2,231	1,730
DEFERRED INCOME TAXES	608	352
SHAREOWNERS' EQUITY		
Common stock, \$0.25 par value; Authorized — 5,600 shares; Issued — 3,511 and 3,507 shares, respectively	878	877
Capital surplus	5,983	5,492
Reinvested earnings	33,468	31,299
Accumulated other comprehensive income (loss)	(1,291)	(1,669)
Treasury stock, at cost — 1,193 and 1,138 shares, respectively	(22,118)	(19,644)
TOTAL SHAREOWNERS' EQUITY	16,920	16,355
TOTAL LIABILITIES AND SHAREOWNERS' EQUITY	\$ 29,963	\$ 29,427

Refer to Notes to Consolidated Financial Statements.

THE COCA-COLA COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended December 31,	2006	2005	2004
(In millions)			
OPERATING ACTIVITIES			
Net income	\$ 5,080	\$ 4,872	\$ 4,847
Depreciation and amortization	938	932	893
Stock-based compensation expense	324	324	345
Deferred income taxes	(35)	(88)	162
Equity income or loss, net of dividends	124	(446)	(476)
Foreign currency adjustments	52	47	(59)
Gains on issuances of stock by equity investees	—	(23)	(24)
Gains on sales of assets, including bottling interests	(303)	(9)	(20)
Other operating charges	159	85	480
Other items	233	299	437
Net change in operating assets and liabilities	(615)	430	(617)
Net cash provided by operating activities	5,957	6,423	5,968
INVESTING ACTIVITIES			
Acquisitions and investments, principally trademarks and bottling companies	(901)	(637)	(267)
Purchases of other investments	(82)	(53)	(46)
Proceeds from disposals of other investments	640	33	161
Purchases of property, plant and equipment	(1,407)	(899)	(755)
Proceeds from disposals of property, plant and equipment	112	88	341
Other investing activities	(62)	(28)	63
Net cash used in investing activities	(1,700)	(1,496)	(503)
FINANCING ACTIVITIES			
Issuances of debt	617	178	3,030
Payments of debt	(2,021)	(2,460)	(1,316)
Issuances of stock	148	230	193
Purchases of stock for treasury	(2,416)	(2,055)	(1,739)
Dividends	(2,911)	(2,678)	(2,429)
Net cash used in financing activities	(6,583)	(6,785)	(2,261)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	65	(148)	141
CASH AND CASH EQUIVALENTS			

Net (decrease) increase during the year	(2,261)	(2,006)	3,345
Balance at beginning of year	4,701	6,707	3,362
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Balance at end of year	\$ 2,440	\$ 4,701	\$ 6,707
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Refer to Notes to Consolidated Financial Statements.

THE COCA-COLA COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREOWNERS' EQUITY

Year Ended December 31,	2006	2005	2004
(In millions except per share data)			
NUMBER OF COMMON SHARES OUTSTANDING			
Balance at beginning of year	2,369	2,409	2,442
Stock issued to employees exercising stock options	4	7	5
Purchases of stock for treasury ¹	(55)	(47)	(38)
Balance at end of year	2,318	2,369	2,409
COMMON STOCK			
Balance at beginning of year	\$ 877	\$ 875	\$ 874
Stock issued to employees exercising stock options	1	2	1
Balance at end of year	878	877	875
CAPITAL SURPLUS			
Balance at beginning of year	5,492	4,928	4,395
Stock issued to employees exercising stock options	164	229	175
Tax benefit from employees' stock option and restricted stock plans	3	11	13
Stock-based compensation	324	324	345
Balance at end of year	5,983	5,492	4,928
REINVESTED EARNINGS			
Balance at beginning of year	31,299	29,105	26,687
Net income	5,080	4,872	4,847
Dividends (per share — \$1.24, \$1.12 and \$1.00 in 2006, 2005 and 2004, respectively)	(2,911)	(2,678)	(2,429)
Balance at end of year	33,468	31,299	29,105
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)			
Balance at beginning of year	(1,669)	(1,348)	(1,995)
Net foreign currency translation adjustment	603	(396)	665
Net gain (loss) on derivatives	(26)	57	(3)
Net change in unrealized gain on available-for-sale securities	43	13	39
Net change in pension liability, prior to adoption of SFAS No. 158	46	5	(54)
Net other comprehensive income adjustments	666	(321)	647
Adjustment to initially apply SFAS No. 158	(288)	—	—

Balance at end of year	(1,291)	(1,669)	(1,348)
TREASURY STOCK			
Balance at beginning of year	(19,644)	(17,625)	(15,871)
Purchases of treasury stock	(2,474)	(2,019)	(1,754)
Balance at end of year	(22,118)	(19,644)	(17,625)
TOTAL SHAREOWNERS' EQUITY	\$ 16,920	\$ 16,355	\$ 15,935
COMPREHENSIVE INCOME			
Net income	\$ 5,080	\$ 4,872	\$ 4,847
Net other comprehensive income adjustments	666	(321)	647
TOTAL COMPREHENSIVE INCOME	\$ 5,746	\$ 4,551	\$ 5,494

¹ Common stock purchased from employees exercising stock options numbered approximately zero shares, 0.5 shares and 0.4 shares for the years ended December 31, 2006, 2005 and 2004, respectively.

Refer to Notes to Consolidated Financial Statements.