ess as a measure of our marketing_We do business where we live_We live where we do business_

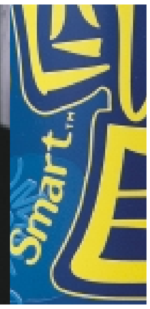
mpany you can count on_
driven by consumer demands_6 billion of them_We see success as a measure of our marketing _

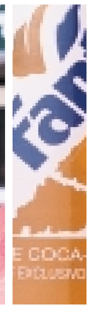
This is a company you can count on_

st another company_With it, we're Coca-Cola_We do business where we live_We live where we do business _We answer to every taste and occasion in 232 ways every day_We do business

another company_With it, we're Coca-Cola_We see success as a measure of our marketing_We do b

_We're driven by consumer demands_becoming_We do business



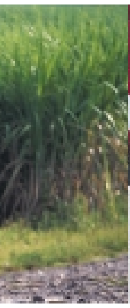


success as a measure of our marketing_
we do business _We're driven by consumer demands_6 billion of them_We do business where we live_We live where we do business_

n count on _We see success as a measure of our marketing _

Vithout it, we're just another company_With it, we're Coca-Cola_

and occasion in 232 ways every day_







Welcome to The Coca-Cola Company
of the 21st century. Nimble. Dynamic. Growing.
Still becoming.

This Company's storied success has always
been the result of continual evolution that leads
to new levels of success.

We are, after all, a marketing company.
Every day we match our organization,
in the most effective way possible, to the
thousands of towns and communities we serve.

We will always be in a state of becoming, always
defining what it means to be the best.

We're Coca-Cola.

Dear Fellow Share Owners,

Around the world, the history of The Coca-Cola Company is one of great brands, tremendous consumer enthusiasm and innovation. Even more than that, it is a history that reveals to us today the core attributes that, properly heeded, nurtured and applied, are just as important to our success in the 21st century as they were in the beginning.

When I look back on the history of The Coca-Cola Company, I see many things. I see a dynamic company, always moving to anticipate and meet the present and future desires of customers and consumers, always in a state of becoming. I see a bold company, always innovating for success. I see a diligent company that prides itself on its long-standing ability to listen, learn and understand the nuances of the world.

Clearly, tomorrow will be quite different because the world is changing with blinding speed in countless ways: technologically, educationally, culturally, economically. The wired world shatters boundaries and brings people together in ways never before thought possible. The rapidity of communications within this wired world is rewriting the rules of global commerce.

We think continually about such changes and consider what they will mean and what modifications and adjustments we need to make to assure that we are optimally positioned for continued success.

For example, we know that our business in the nearly 200 countries we serve is fundamentally a local business. It will be increasingly so. No one drinks a Coke globally. No one decides to enjoy one of our products globally. People make those decisions in their backyards, at their restaurants, on their hometown athletic fields. Or in a rice paddy, in the shadow of the Pyramids or on the Sahel.

Whoever the consumer is and whatever his or her preferences, we will be there with them. The innovative and adept men and women of The Coca-Cola Company have the authority to make the timely decisions that will keep us the refreshment of choice, today and tomorrow — and always.

We will think locally and act locally. If there's one thing I've learned in 30 years with Coca-Cola, that's it.

In fact, almost paradoxically, it has been our ability to connect with individuals locally — in a way specifically relevant to them — that has allowed us, working in tandem with a strong system of Coca-Cola bottlers, to create a premier global corporation.

"I see a dynamic company, always moving to anticipate and meet the present and future desires of customers and consumers, always in a state of becoming."

That's the reason we took action earlier this year to realign our entire organization, focusing on local communities and successful, innovative marketing. We have placed decision making and responsibility closer to the front lines; we've also reduced costs to fuel further investments and increase profitability.

Working with Coca-Cola bottlers, we are developing a new partnership, with new ways to support each other. I see a number of responsibilities shifting from a centralized to a localized approach, including an increased focus on customer service and responsiveness. Meanwhile, the increased sophistication of our bottling network today allows our system to eliminate duplication and redundancy, freeing up more resources for growth and profitability.

Our actions to reshape our Company regrettably necessitated the most difficult step for any management team to take: eliminating jobs. As necessary as this step was, it didn't make saying good-bye to good Coca-Cola people any easier. I am grateful for their contributions to our business and their professionalism during a difficult process.

We also have taken major steps in the last two months to deepen and strengthen our leadership team, to better drive our strategies. Jack Stahl, president of our North America Group for five years and most recently in charge of our business in the Americas, succeeds me as president and chief operating officer as I assume the role of chairman and chief executive officer. Jack is a skilled business leader, and I'm excited about the promise of our partnership.

Jack will serve on our Executive Committee alongside James Chestnut, head of Operations Support; Charlie Frenette, head of our Greater Europe business; Joe Gladden, general counsel; and Carl Ware, our new head of Global Public Affairs and Administration. Jack and Carl also head up our Diversity Advisory Council. Our Executive Committee will work closely together to set policy and the strategic direction for your Company.

All of these changes are nothing more and nothing less than The Coca-Cola Company doing what it has done for more than a century: positioning ourselves in front of the market so we can continue to thrive and build the premier brand name in the world.

Looking back, the financial results for 1999 were disappointing to us and not what you have rightly come to expect from The Coca-Cola Company. The numbers are plain to see on page 6. We earned $2.4 billion and set another new volume record of 16.5 billion unit cases — however, not the performance you or we are accustomed to. It is our job to produce satisfactory results even when it is difficult. We are determined to do that.

DOUGLAS N. DAFT
Chairman, Board of Directors,
and Chief Executive Officer

Going forward, our objective is clear and unchanging: As we succeed in serving consumers around the world, we will succeed in creating value for you, the owners of this Company. Our formula for doing so is set out in six guiding beliefs for The Coca-Cola Company that appear in the following pages, the spirit of which is encompassed in the many actions we have been taking.

In the future, we are determined to build on the relationships that enable our business to succeed. Chief among those relationships are our ties to the communities we serve. This Company was born in Atlanta and it has grown up around the world. We are citizens of the world — and citizens of every city and village where we do business. We will conduct ourselves accordingly, not only in the strategies that guide our business, but also in our relationships with our business partners, our customers and the communities in which we live and serve. It's a special thing indeed to have billions of friends around the world, and we must never forget it.

The core of our dynamic business is the magical brand Coca-Cola, which remains at the very heart of our entire enterprise. We have just launched a comprehensive new marketing effort to emphasize this focus. Our exciting promotions and new advertising are pointed to consumers in every corner of the globe, and will ignite Coca-Cola in the marketplace in 2000.

My associates and I remain committed to the values Coca-Cola represents to people everywhere — quality, refreshment, a moment of pleasure, part of everyday life for more than a century. The magic of Coca-Cola — and our ability to enhance that magic and expand our brand portfolio — gives us tremendous growth potential.

The Coca-Cola Salute to Folk Art program was created to give artists around the globe a chance to express their local cultures through an interpretation of the world's favorite beverage.

MEXICO This design uses motifs inspired by the Matlazincan Indians. It was created by a young artist from the city of Metepec, renowned for the excellence of its clay art.

SOUTH AFRICA A team of six artists from the Ndebele tribe of KwaNdebele spent five weeks beading this bottle in traditional tribal colors. The Ndebele are known for their beautiful beadwork and painting, as well as for the joy in their art.

Coca-Cola also leads a broad portfolio of beverage brands, including Sprite and Fanta. That portfolio was greatly bolstered last year by the acquisition of the Cadbury Schweppes beverage brands, including Schweppes, Dr Pepper and Canada Dry, in more than 160 countries. These brands will be great performers for us in the years to come, and help our portfolio expand and grow. We want to serve consumers their choice of nonalcoholic ready-to-drink beverages; as we continue to anticipate consumer needs, we will build these and other brands into our portfolio.

The opportunity for Coca-Cola, our allied brands and our business grows from year to year. People will always seek to satisfy their thirst and refresh themselves many times every day. What other growth company can feasibly reach so many people in so many places? What other growth company has Coca-Cola, the world's strongest brand? None. With more than 4 billion people accounting for only 10 percent of our sales today, I see tremendous growth potential ahead of us.

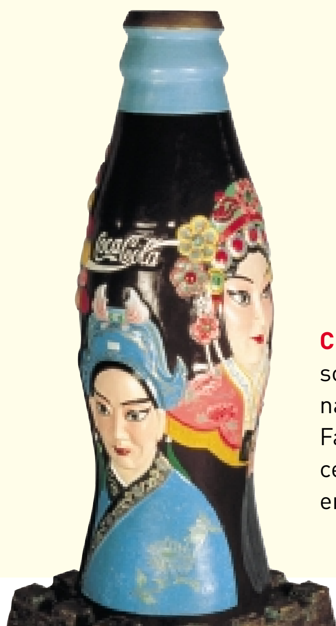
I'm prepared to lead this storied enterprise, and I am humbled by this opportunity. I appreciate the counsel and friendship of my predecessor, Doug Ivester. Similarly, I am grateful for the faith, support and guidance of our Board of Directors, and grateful for the untiring efforts of my Coca-Cola colleagues worldwide.

So much for our proud history. We are equally excited about the history we'll make tomorrow. We are, as always, in a state of becoming — with one simple aim. Our mission is to create value for you, and we will do just that.

Enjoy.

Douglas N. Daft
Chairman, Board of Directors, and Chief Executive Officer
February 17, 2000

GREAT BRITAIN An artist from Dyfed, Wales, was inspired by the massive monoliths of Stonehenge to unite one of Britain's oldest mysteries with the world's most familiar icon in "Coca-Cola Henge."



CHINA Designed by a student and sculpted by his instructor to honor a national treasure, "Peking Opera Facial Makeup" uses the colors of centuries-old characters that are still enormously popular.

Financial Highlights

Year Ended December 31, (In millions except per share data, ratios and growth rates)	1999	1998	Percent Change
Total return (share price appreciation plus reinvested dividends)	**(12.1)%**	1.4 %	
Closing market price per share	**$ 58.25**	$ 67.00	(13)%
Total market value of common stock	**$ 143,969**	$ 165,190	(13)%
Net operating revenues	**$ 19,805**	$ 18,813	5 %
Operating income	**$ 3,982**	$ 4,967	(20)%
Net income	**$ 2,431**	$ 3,533	(31)%
Basic net income per share*	**$ .98**	$ 1.43	(31)%
Diluted net income per share*	**$ .98**	$ 1.42	(31)%
Cash dividends per share	**$ .64**	$ .60	7 %
Average shares outstanding	**2,469**	2,467	—
Average shares outstanding assuming dilution	**2,487**	2,496	—
Share-owners' equity at year end	**$ 9,513**	$ 8,403	13 %
Return on common equity	**27.1 %**	45.1 %	
Return on capital	**18.2 %**	30.2 %	

*1999 basic and diluted net income per share includes $.31 per share after income taxes primarily relating to the impairment of certain bottling, manufacturing and intangible assets, while 1998 basic and diluted net income per share includes $.02 per share of net after-tax gains driven primarily by bottling transactions.

Six beliefs shape The Coca-Cola Company moving into the 21st century.

Consumer_Coca-Cola_Portfolio_Marketing_Local_Citize

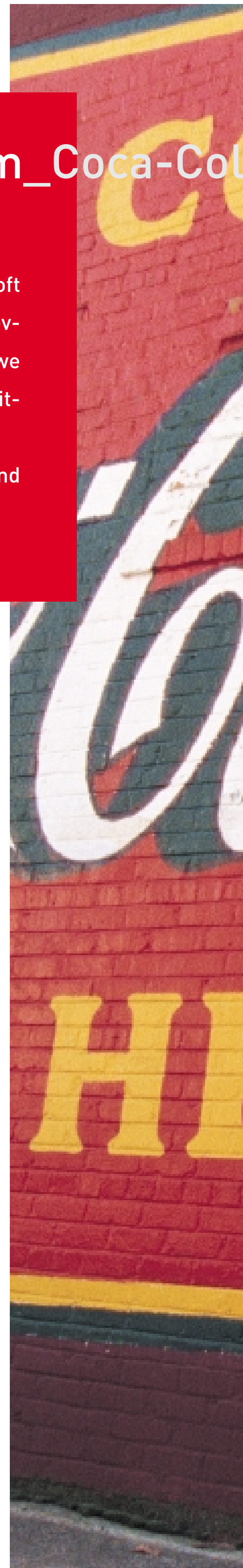
nship_We're driven by consumer demands_6 billion of them_Coca-Col

Would you expect Apple Lift to be our No. 2 brand in Mexico? Or the introduction of Fanta Limette in Germany to be among our most successful product launches last year? Satisfying consumers means knowing what they want.

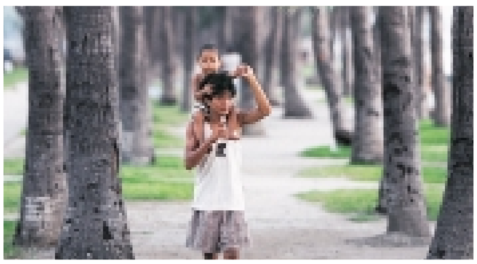
Sales increased, for instance, when we added calcium and vitamin C to Minute Maid in drink boxes. Of course, we also ran promotions and consumer events to drive demand, and we started with the enormous advantage of trust in the Minute Maid brand.

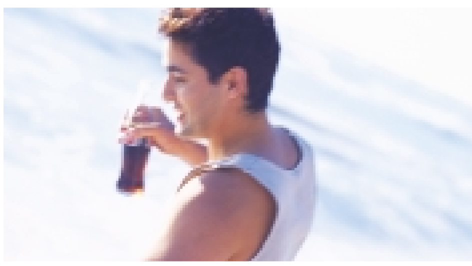
In China, Coca-Cola was again voted the favorite soft drink. But we're connecting further. With our Smart beverages, specifically designed for Chinese tastes, we added a tea-flavored beverage to our successful fruit-flavored lineup.

We've never lost sight of the fact that first, last and always, we are a consumer growth company.



In the 10 seconds it takes to read
this sentence, some 126,000 people
will reach for one of our products
at work, on the corner, at home,
as they eat, study, dance,
get dressed, get gas, get going.





tfolio_Marketing_Local_Citizenship_Consumer_Coca-Cola_Portfolio_M

Without it, we're just another company_With it, we're Coca-Cola

Coca-Cola, the heart of our business, is one of life's simple, affordable and frequent pleasures.

From the look and feel of the bottle to the sound of effervescence, the tickle of fizz on the nose and tongue and, of course, the unique flavor, Coca-Cola is a sensory experience. Wherever we create reminders of that experience, such as our Sensa-Domes in South Africa — where consumers experience a 3-D movie and special effects to remind them of the pleasure of drinking a Coke — we ignite the brand.

But consumer emotions, memories and values are even more powerful. Life is a series of special moments, and each is an opportunity for Coca-Cola to add its bit of magic. We're using hundreds of new ways to tap into these opportunities and generate refreshing, genuine consumer experiences that reinforce a single moment that consumers share around the world: Coca-Cola. Enjoy!

nsumer_Coca-Cola_Portfolio_Marketing_Local_Citizenship_Consume

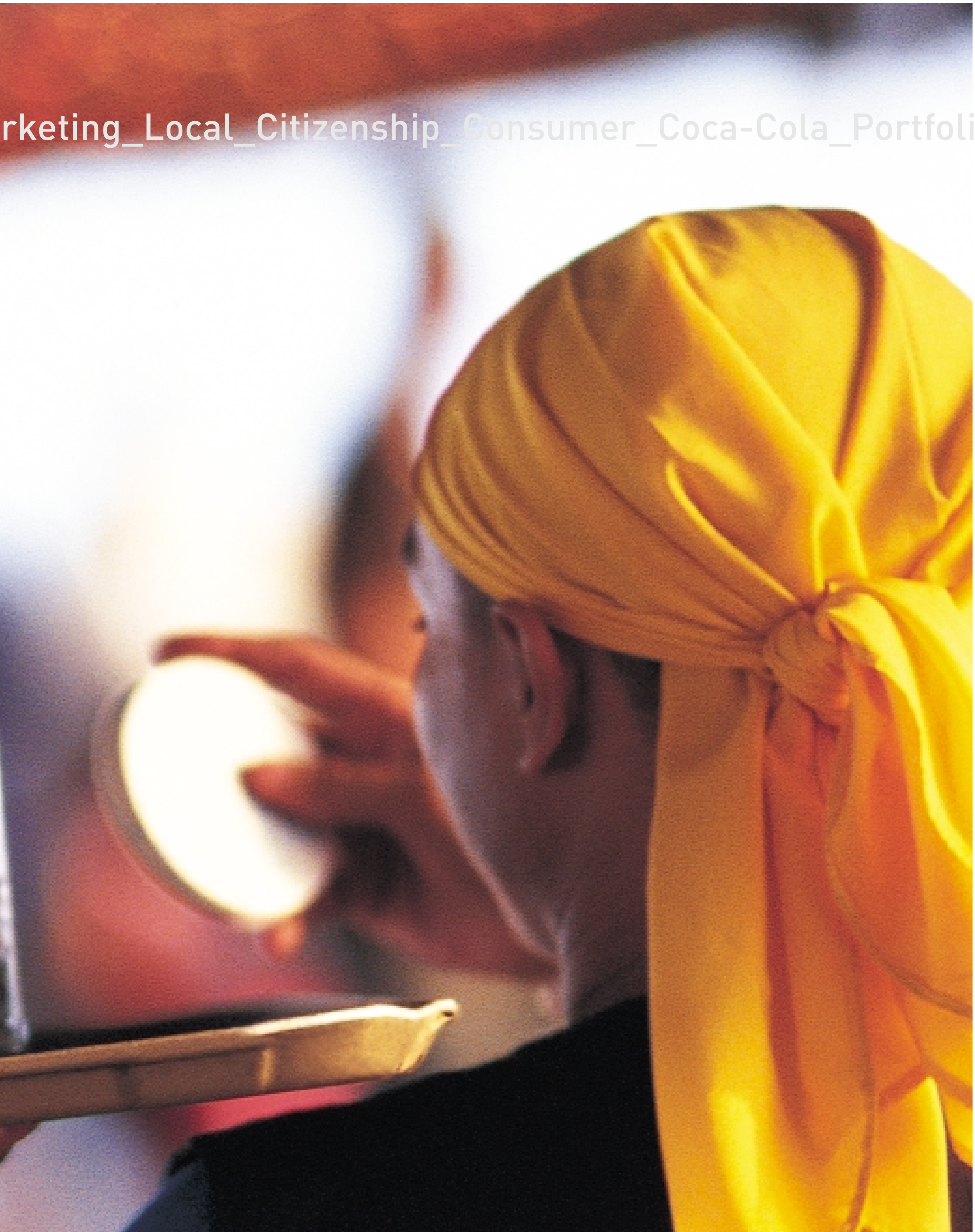
Cola_We answer to every taste and occasion in 232 ways every day_Ma

By offering that many brands, we have the most diverse beverage brand portfolio in the world. Simply stated, we offer the nonalcoholic beverages that consumers want.

Variety is the spice of business. In the United States, our core brands of Coca-Cola classic, diet Coke and Sprite are complemented by Barq's root beer, Minute Maid Soda, Nestea, Fruitopia, Citra and Cherry Coke. Add to that the popular POWERāDE line, Minute Maid juices and Hi-C, plus our new bottled water, Dasani. Next up: the expansion of frozen Coca-Cola.

But we also sell Tian Yu Di (teas, waters and fruit juices) in China, Mori no Mizudayori (mineral water) in Japan, new SONFIL (juice/dairy blend) in Spain, Kuat (guarana-flavored soft drink) in Brazil and literally hundreds of varieties of local beverages. Adding Schweppes products last year brought us 39 new brands in more than 160 countries.

Many times every day, 6 billion people decide what to drink. The more choices we offer, the more we're the beverage of choice.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a_Portfolio_Marketing_Local_Citizenship_Consumer_Coca-Cola_Port
GEORGIA
SIGNATURE
Diet Coke
緑茶
Schweppes
DRINK
Barq's
POWERADE
Thums Up
INCA
Smart

folio_Marketing_Local_Citizenship_Consumer_Coca-Cola_Portfolio_M

Thirsty? If it's a popular fruit flavor, we have it. Delicious tea or coffee? We make it. Soft drink, water, juice or mixer? We offer it. The most refreshing and unique taste anywhere? We've always had it.

ca-Cola_Portfolio_We see success as a measure of our marketing_Lo

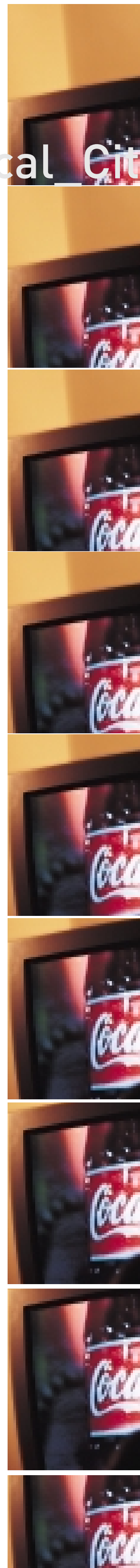
In Canada, marketing makes Sprite welcome among snowboarding insiders. In Great Britain, marketing makes the 11:30 "diet Coke break" part of the everyday language — and experience — in the workplace. In short, marketing gives people compelling reasons to choose our brands.

Effective marketing is innovative, refreshing, relevant and — more than anything — real. It's not enough to record radio spots in 40 languages; we produce music for those spots in 140 distinctly different versions, each carefully adapted to what's popular in local markets.

In India, families celebrate the important festival of Diwali with gifts, shopping and get-togethers. We reinforce the values of family strength, security and love by finding dozens of new ways to award prizes, touch shoppers and make Coca-Cola part of such family events. In short, we connect on a very personal level.

We're in the business of marketing. And to effectively reach consumers and customers, we have to be the best in the world.


cal_Citizenship_Consumer_Coca-Cola_Portfolio_Marketing_Local_Cit



eting_We do business where we live_We live where we do business_Citiz

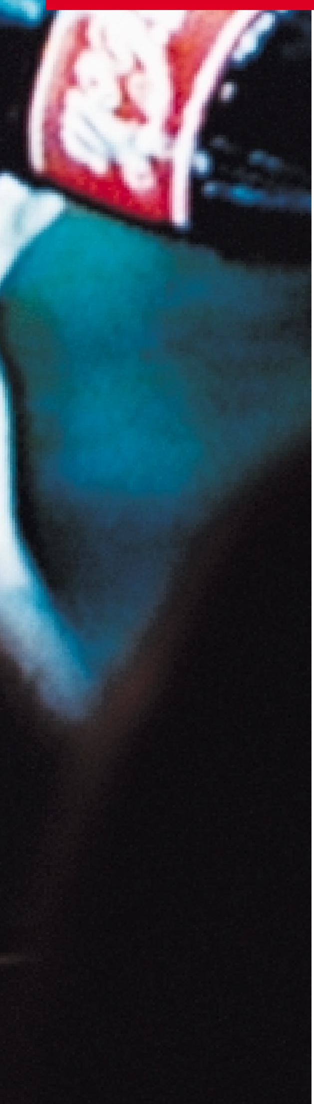
You'll never be the real thing if you're from out of town. That's why The Coca-Cola Company is a local business in every community we serve.

In Tanzania, where our route trucks sometimes can't get to local markets, we're a network of tricycle pushcarts that load up at new Manual Distribution Centers.

In Belgium, where we had the largest product withdrawal in our history, we're determined to see that our relationships there will never be the same — they'll be stronger than ever.

In Malaysia, we're "Chup!" It's a traditional gesture for "time out," but today it stands for "Chup! Coca-Cola Segar Semula" ("Take a break! Have a Coca-Cola. Continue refreshed"). Schoolkids — and their parents alike — think it's cool.

Worldwide, in these and many other ways, we find ourselves at home.



zenship_Consumer_Coca-Cola_Portfolio_Marketing_Local_Citizenship

To put our opportunity in perspective, moving China to the same per capita consumption level as the Philippines would increase our Company's unit case volume by almost 40 percent.

Germany
per_capita_205

South Africa
per_capita_186

Philippines
per_capita_126

China
per_capita_7

tfolio_Marketing_Local_Citizenship_Consumer_Coca-Cola_Portfolio_M

Mexico
per_capita_431

United States
per_capita_425

Chile
per_capita_334

Australia
per_capita_289

o_Marketing_Local_This is a company you can count on_Consumer_Co

Success alone isn't what makes us a trusted neighbor and a welcomed friend in communities where we sell our products. We earn that place only by being involved, concerned and committed citizens.

We're helping build multigrade schoolhouses in the Philippines — to educate children, to strengthen communities.

Following floods in Mexico and Venezuela last year, we dedicated our consumer hotline to connecting people with missing relatives through the Red Cross and provided water and supply trucks to aid in disaster relief.

These and hundreds of other initiatives may sound unusual for a beverage company. But it's not unusual for us — because we're here to stay.


oca-Cola_Portfolio_Marketing_Local_Citizenship_Consumer_Coca-Co

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Operations Review

North America Group

Population_307 million
Group Average Per Capita_409

After years of price discounting in U.S. supermarkets, a number of Coca-Cola bottlers brought retail prices up to a level necessary to create long-term value for our customers, bottling partners and share owners. While unit case volume increased just 1 percent in 1999, our system is now better positioned to increase volume and profit moving forward.

Per Capita by Selected Cities

Buffalo, NY_241
London, Ontario_283
Chicago, IL_382
Salt Lake City, UT_399
Devils Lake, ND_516
Beaumont, TX_542
Fort Myers, FL_665
Rome, GA_916

Our Most Popular Brands

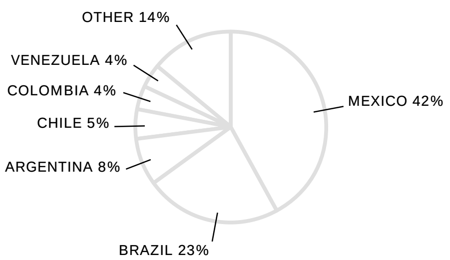
1 Coca-Cola classic
2 diet Coke
3 Sprite
4 caffeine free diet Coke
5 Minute Maid Soda
6 Barq's

Latin America Group

Population_500 million
Group Average Per Capita_198

Our continuing investment in this region, despite periods of economic and political uncertainty, positioned us to benefit from the general stabilization of economies in the second half of 1999. Lingering recessionary conditions in Colombia and Venezuela continue to present challenges; however, we ended the year with a unit case volume increase of 3 percent.

Total Unit Case Sales



Our Most Popular Brands

1 Coca-Cola
2 Fanta
3 Sprite
4 Coca-Cola light
5 Lift
6 Fresca

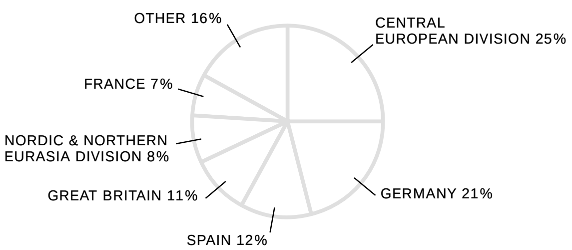
Greater Europe Group

Population_868 million
Group Average Per Capita_93

We began to see improvement in our business late in 1999, despite a temporary product withdrawal in Belgium and France, natural disasters in Turkey and Greece, and challenging economic difficulties in several other countries. While unit case volume finished flat last year, we saw strong performance in several key markets such as Spain and Great Britain.

Note: To improve our focus on local European markets, in January 2000 we divided the Group into the West Europe Group and the Central Europe and Eurasia Group.

Total Unit Case Sales



Our Most Popular Brands

1 Coca-Cola
2 Fanta
3 Coca-Cola light
4 Sprite
5 Bonaqua
6 Mezzo Mix

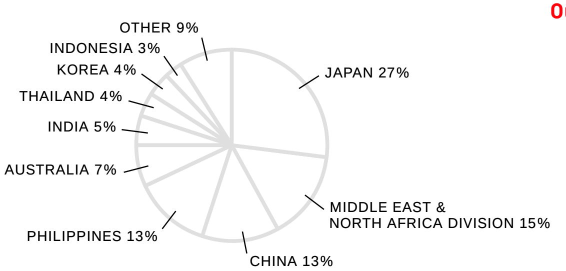
Middle and Far East Group

Population_3.6 billion
Group Average Per Capita_20

We increased unit case volume 1 percent in 1999. While many markets are improving economically, we continue to see difficult conditions in markets such as the Philippines. We remain focused on long-term opportunities in these populous markets, and continue to invest in our brands and infrastructure.

Note: With the transfer of the Middle East and North Africa Division to the Africa Group in January 2000, this Group was renamed the Asia Pacific Group.

Total Unit Case Sales



Our Most Popular Brands

1 Coca-Cola
2 Sprite
3 Fanta
4 Georgia Coffee
5 Sokenbicha
6 Aquarius

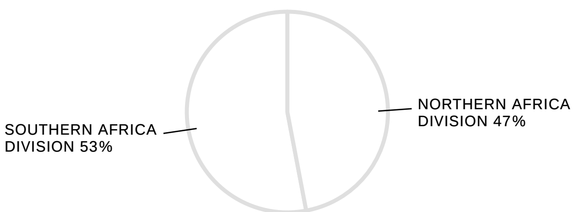
Africa Group

Population_597 million
Group Average Per Capita_30

Unit case volume increased 5 percent in 1999. While challenging economic conditions and political instability remain on the continent, the steady advance of political reform, lower inflation and increasing foreign investment continue to bring stability. Our Company has emerged as one of Africa's largest consumer products businesses and continues to invest in the region.

Note: We renamed this Group the Africa and Middle East Group in January 2000 to reflect the addition of the Middle East and North Africa Division.

Total Unit Case Sales



Our Most Popular Brands

1 Coca-Cola
2 Fanta
3 Sprite
4 Schweppes
5 Krest
6 Sparletta

The Minute Maid Company

Volume was up 6 percent in 1999, as we continued to expand our line of calcium-enriched juices and juice drinks. Our new ad campaign, "Squeeze the Day," helped us focus on Minute Maid Premium orange juice as the choice for breakfast. We plan to expand our calcium line in 2000 by adding calcium to our Hi-C fruit drinks and introducing two new Minute Maid Premium 100 percent juices with calcium: Home Squeezed Style orange juice and Ruby Red grapefruit blend.

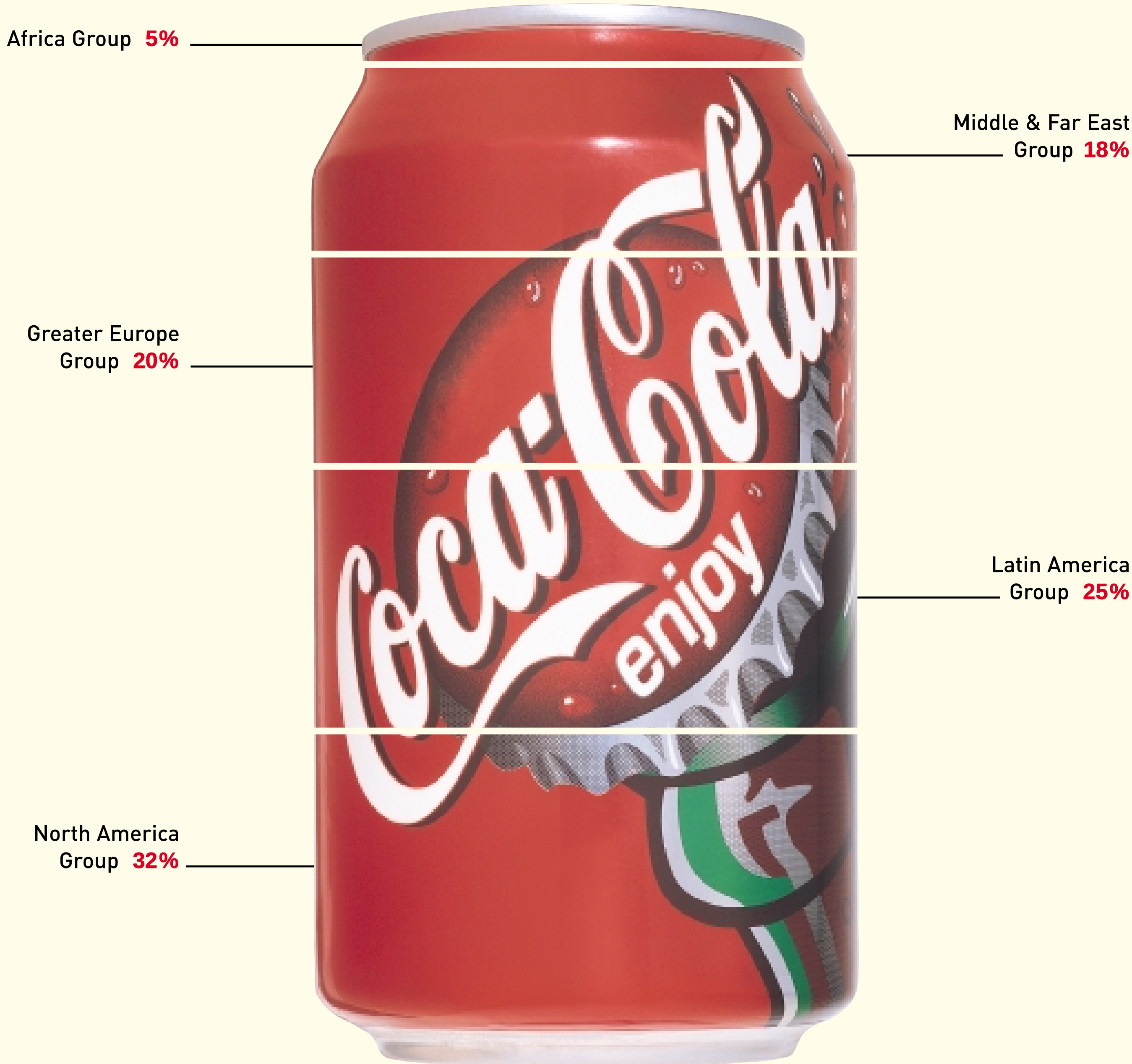
Note: Unit case volume associated with The Minute Maid Company is included in calculations of operating group per capita consumption and volume.

Selected Brands

Hi-C Blast
Minute Maid Coolers
Minute Maid Premium Lemonade Iced Tea
Minute Maid Premium Original Orange Juice with calcium
Five Alive Passionate Peach
Minute Maid Premium Orange Passion with calcium

1999 Worldwide Unit Case Volume by Region

Worldwide Total: 16.5 Billion*



*Includes products of The Minute Maid Company.

Selected Market Results: Estimated 1999 Volume

	UNIT CASE[1] GROWTH						NONALCOHOLIC READY-TO-DRINK BEVERAGES	ALL COMMERCIAL BEVERAGES[2]	
	10-Year Compound Annual Growth		5-Year Compound Annual Growth		1999 Annual Growth		1999	1999	
	Company[3]	Industry[4]	Company[3]	Industry[4]	Company[3]	Industry[4]	Company Share	Company Share	Company Per Capita Consumption
Worldwide	6%	6%	6%	6%	2%	2%	18%	9%	66
North America Group[5]	4	5	5	7	1	2	21	14	409
United States	4	5	5	7	1	2	21	14	425
Greater Europe Group	7	3	6	3	—	1	13	6	93
Central Europe	8	7	5	3	(6)	—	11	5	73
France	10	3	9	2	3	3	9	5	100
Germany	5	2	1	1	2	1	15	7	205
Great Britain	5	1	8	2	23	3	15	5	150
Nordic and Northern Eurasia	11	(2)	11	2	(16)	(1)	10	3	33
Spain	6	3	7	4	9	4	17	11	238
Middle and Far East Group	8	10	7	7	1	2	13	6	20
Australia	5	3	5	3	2	2	24	11	289
China	35	13	24	14	2	9	10	3	7
Japan	5	4	4	2	6	3	21	11	158
Korea	1	5	(1)	1	4	8	13	7	64
Middle East and North Africa	11	6	10	5	7	5	13	5	23
Philippines	6	10	8	13	(10)	1	45	20	126
Africa Group	6	6	8	8	5	3	44	13	30
Northern Africa	7	8	10	12	4	6	45	16	17
Southern Africa	5	5	6	6	7	1	42	11	87
Latin America Group	7	6	8	7	3	2	24	15	198
Argentina	9	1	4	—	4	2	21	11	224
Brazil	5	4	9	7	1	3	23	13	134
Chile	11	3	10	—	10	5	58	21	334
Colombia	—	1	(1)	1	(18)	(11)	17	9	83
Mexico	6	9	7	9	6	6	22	17	431

[1] Unit case equals 24 8-ounce servings.
[2] Consists of commercially sold beverages, as estimated by the Company based on available industry sources.
[3] Derived from the Company's unit case volume (see Glossary on page 69).
[4] Includes nonalcoholic ready-to-drink beverages only, as estimated by the Company based on available industry sources.
[5] Consists of the United States and Canada.

Our mission is to maximize share-owner value over time. In order to achieve this mission, we must create value for all the constituents we serve, including our consumers, our customers, our bottlers and our communities. The Coca-Cola Company and its subsidiaries (our Company) create value by executing a comprehensive business strategy guided by six key beliefs: (1) consumer demand drives everything; (2) brand Coca-Cola is the core of our business; (3) we will serve consumers a broad selection of the nonalcoholic ready-to-drink beverages they want to drink throughout the day; (4) we will be the best marketers in the world; (5) we will think and act locally; and (6) we will lead as a model corporate citizen. The ultimate objectives of our business strategy are to increase volume, expand our share of worldwide nonalcoholic ready-to-drink beverage sales, maximize our long-term cash flows and create economic value added by improving economic profit. We pursue these objectives by strategically investing in the high-return beverage business and by optimizing our cost of capital through appropriate financial strategies.

There are nearly 6 billion people in the world who decide every day whether or not to buy our products. Each of these people represents a potential consumer of our Company's products. As we increase consumer demand for our portfolio of brands, we produce growth throughout the Coca-Cola system. This growth typically comes in the form of increased finished product purchases by our consumers, increased finished product sales by our customers, increased case sales by our bottling partners and increased gallon sales by our Company.

The Coca-Cola system has more than 16 million customers around the world that sell or serve our products directly to consumers. We keenly focus on enhancing value for these customers and providing solutions to grow their beverage businesses. Our approach includes understanding each customer's business and needs, whether that customer is a sophisticated retailer in a developed market or a kiosk owner in an emerging market.

Ultimately, our success in achieving our Company's mission depends on our ability to satisfy more of the nonalcoholic ready-to-drink beverage consumption demands of these 6 billion consumers and our ability to add value for these customers. This can be achieved when we place the right products in the right markets at the right time.

INVESTMENTS

With a business system that operates locally in nearly 200 countries and generates superior cash flows, we consider our Company to be uniquely positioned to capitalize on profitable investment opportunities. Our criteria for investment are simple: new investments must directly enhance our existing operations and must be expected to provide cash returns that exceed our long-term, after-tax, weighted-average cost of capital, currently estimated at approximately 11 percent.

Because it consistently generates high returns, the beverage business is a particularly attractive investment for us. In highly developed markets, our expenditures focus primarily on marketing our Company's brands. In emerging and developing markets, our objective is to increase the penetration of our products. In these markets, we allocate most of our investments to enhancing infrastructure such as production facilities, distribution networks, sales equipment and technology. We make these investments by forming strategic business alliances with local bottlers and by matching local expertise with our experience, resources and focus. Our investment strategy focuses on three fundamental components of our business: marketing, brands and our bottling system.

Marketing

To meet our long-term growth objectives, we make significant investments in marketing to support our brands. Marketing investments enhance consumer awareness and increase consumer preference for our brands. This produces long-term growth in volume, per capita consumption and our share of worldwide nonalcoholic ready-to-drink beverage sales.

We heighten consumer awareness and product appeal for our brands using integrated marketing programs. Through our bottling investments and strategic alliances with other bottlers of our products, we create and implement these programs locally. In developing a strategy for a Company brand, we conduct product and packaging research, establish brand positioning, develop precise consumer communications and solicit consumer feedback. Our integrated marketing programs include activities such as advertising, point-of-sale merchandising and product sampling.

Brands

We compete in the nonalcoholic ready-to-drink beverage business. Our offerings in this category include some of the world's most valuable brands, 232 in all. These include soft drinks and noncarbonated beverages such as sports drinks, juice and juice drinks, water products, teas and coffees. As discussed earlier, to meet our long-term growth objectives, we make significant investments to support our brands. This involves investments to support existing brands and to acquire new brands, when appropriate.

In July 1999, we completed the acquisition of Cadbury Schweppes plc beverage brands in 155 countries for approximately $700 million. These brands included Schweppes, Canada Dry, Dr Pepper, Crush and certain regional brands. Among the countries excluded from this transaction were the United States, South Africa, Norway, Switzerland and the European Union member nations (other than the United Kingdom, Ireland and Greece). In September 1999, we completed the acquisition of Cadbury Schweppes beverage brands in New Zealand for approximately $20 million. Also in September 1999, in a separate transaction valued at approximately $250 million, we acquired the carbonated soft drink business of Cadbury Schweppes (South Africa) Limited in South Africa, Botswana, Namibia, Lesotho and Swaziland. Our acquisitions of Cadbury Schweppes beverage brands are still pending in several countries, subject to certain conditions including regulatory review.

In December 1997, our Company announced its intent to acquire from beverage company Pernod Ricard its Orangina brands, three bottling operations and one concentrate plant in France for approximately 5 billion French francs. The transaction was rejected by regulatory authorities of the French government in November 1999.

Bottling System

Our Company has business relationships with three types of bottlers: (1) independently owned bottlers, in which we have no ownership interest; (2) bottlers in which we have invested and have a noncontrolling ownership interest; and (3) bottlers in which we have invested and have a controlling ownership interest.

During 1999, independently owned bottling operations produced and distributed approximately 27 percent of our worldwide unit case volume. Bottlers in which we own a noncontrolling ownership interest produced and distributed approximately 58 percent of our 1999 worldwide unit case volume. Controlled bottling and fountain operations produced and distributed approximately 15 percent.

We view certain bottling operations in which we have a noncontrolling ownership interest as key or anchor bottlers due to their level of responsibility and performance. The strong commitment of both key and anchor bottlers to their own profitable volume growth helps us meet our strategic goals and furthers the interests of our worldwide production, distribution and marketing systems. These bottlers tend to be large and geographically diverse, with strong financial resources for long-term investment and strong management resources. These bottlers give us strategic business partners on every major continent.

Consistent with our strategy, in January 1999, two Japanese bottlers, Kita Kyushu Coca-Cola Bottling Company Ltd. and Sanyo Coca-Cola Bottling Company Ltd., announced plans for a merger to become a new, publicly traded bottling company, Coca-Cola West Japan Company Ltd. The transaction, which was completed in July 1999 and was valued at approximately $2.2 billion, created our first anchor bottler in Japan. As of December 31, 1999, we owned approximately 5 percent of this new anchor bottler.

In 1998, Coca-Cola Amatil Ltd. (Coca-Cola Amatil) completed a spin-off of its European operations into a new publicly traded European anchor bottler, Coca-Cola Beverages plc (Coca-Cola Beverages). On December 31, 1999, we owned approximately 50.5 percent of Coca-Cola Beverages. Our expectation is that we will reduce our ownership position to less than 50 percent in 2000; therefore, we are accounting for the investment by the equity method of accounting.

Historically, in certain situations, we have viewed it to be advantageous for our Company to acquire a controlling interest in a bottling operation. Owning such a controlling interest allowed us to compensate for limited local resources and enabled us to help focus the bottler's sales and marketing programs, assist in developing its business and information systems and establish appropriate capital structures.

In July 1999, our Company acquired from Fraser and Neave Limited its 75 percent ownership interest in F&N Coca-Cola Pte Limited (F&N Coca-Cola). Prior to the acquisition, our Company held a 25 percent equity interest in F&N Coca-Cola. Acquisition of Fraser and Neave Limited's 75 percent stake gave our Company full ownership of F&N Coca-Cola. F&N Coca-Cola holds a majority ownership in bottling operations in Brunei, Cambodia, Nepal, Pakistan, Sri Lanka, Singapore and Vietnam.

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

As stated earlier, our investments in a bottler can represent either a noncontrolling or a controlling interest. Through noncontrolling investments in bottling companies, we provide expertise and resources to strengthen those businesses.

In 1999, we increased our interest in Embotelladora Arica S.A., a bottler headquartered in Chile, from approximately 17 percent to approximately 45 percent.

Our bottling investments generally have been profitable over time. Equity income or loss, included in our consolidated net income, represents our share of the net earnings or losses of our investee companies. In 1999, our Company's share of losses from equity method investments totaled $184 million. For a more complete discussion of these investments, refer to Note 2 in our Consolidated Financial Statements.

The following table illustrates the difference in calculated fair values, based on quoted closing prices of publicly traded shares, and our Company's carrying values for selected equity method investees (in millions):

December 31,	Fair Value	Carrying Value	Difference[1]
1999			
Coca-Cola Enterprises Inc.	$ 3,400	$ 728	**$ 2,672**
Coca-Cola Beverages plc	1,028	788	**240**
Coca-Cola Amatil Ltd.	1,019	1,133	**(114)**
Coca-Cola FEMSA, S.A. de C.V.	751	124	**627**
Panamerican Beverages, Inc.	630	714	**(84)**
Grupo Continental, S.A.	231	123	**108**
Embotelladora Arica S.A.	217	255	**(38)**
Coca-Cola Bottling Co. Consolidated	118	70	**48**
Embotelladoras Argos S.A.	63	111	**(48)**
Embotelladoras Polar S.A.	46	55	**(9)**
			$ 3,402

[1] In instances where carrying value exceeds fair value, this excess is considered to be temporary.

FINANCIAL STRATEGIES

The following strategies allow us to optimize our cost of capital, increasing our ability to maximize share-owner value.

Debt Financing

Our Company maintains debt levels we consider prudent based on our cash flow, interest coverage and percentage of debt to capital. We use debt financing to lower our overall cost of capital, which increases our return on share-owners' equity.

Our capital structure and financial policies have earned long-term credit ratings of "A+" from Standard & Poor's and "Aa3" from Moody's, and a credit rating of "A-1" and "P-1" for our commercial paper programs from Standard & Poor's and Moody's, respectively.

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

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

Year Ended December 31,	**1999**	1998	1997
Net debt (in billions)	**$ 4.5**	$ 3.3	$ 2.0
Net debt-to-net capital	**32%**	28%	22%
Free cash flow to net debt	**52%**	57%	144%
Interest coverage	**14x**	19x	22x
Ratio of earnings to fixed charges	**11.6x**	17.3x	20.8x

Share Repurchases

In October 1996, our Board of Directors authorized a plan to repurchase up to 206 million shares of our Company's common stock through the year 2006. In 1999, we did not repurchase any shares under the 1996 plan due primarily to our utilization of cash for our recent brand and bottler acquisitions.

We do not anticipate the repurchase of any shares under the 1996 plan during the first half of the year 2000. This is due to our anticipated utilization of cash for an organizational realignment and the projected impact on cash from the planned reduction in concentrate inventory levels at selected bottlers, as discussed under the heading "Recent Developments." We intend to reevaluate our cash needs during the second half of the year.

Since the inception of our initial share repurchase program in 1984 through our current program as of December 31, 1999, we have repurchased more than 1 billion shares. This represents 32 percent of the shares outstanding as of January 1, 1984, at an average price per share of $12.46.

Dividend Policy

At its February 2000 meeting, our Board of Directors again increased our quarterly dividend, raising it to $.17 per share. This is equivalent to a full-year dividend of $.68 in 2000, our 38th consecutive annual increase. Our annual common stock dividend was $.64 per share, $.60 per share and $.56 per share in 1999, 1998 and 1997, respectively.

In 1999, our dividend payout ratio was approximately 65 percent of our net income, reflecting the impact of the other operating charges recorded in the fourth quarter. A detailed discussion follows under the heading "Other Operating Charges." To free up additional cash for reinvestment in our high-return beverage business, our Board of Directors intends to gradually reduce our dividend payout ratio to 30 percent over time.

FINANCIAL RISK MANAGEMENT

Our Company uses derivative financial instruments primarily to reduce our exposure to adverse fluctuations in interest rates and foreign exchange rates and, to a lesser extent, adverse fluctuations in commodity prices and other market risks. We do not enter into derivative financial instruments for trading purposes. As a matter of policy, all our derivative positions are used to reduce risk by hedging an underlying economic exposure. Because of the high correlation between the hedging instrument and the underlying exposure, fluctuations in the value of the instruments are generally offset by reciprocal changes in the value of the underlying exposure. The derivatives we use are straightforward instruments with liquid markets.

Our Company monitors our exposure to financial market risks using several objective measurement systems, including value-at-risk models. For the value-at-risk calculations discussed below, we used a historical simulation model to estimate potential future losses our Company could incur as a result of adverse movements in foreign currency and interest rates. We have not considered the potential impact of favorable movements in foreign currency and interest rates on our calculations. We examined historical weekly returns over the previous 10 years to calculate our value at risk. Our value-at-risk calculations do not represent actual losses that our Company expects to incur.

Foreign Currency

We manage most of our foreign currency exposures on a consolidated basis, which allows us to net certain exposures and take advantage of any natural offsets. With approximately 70 percent of 1999 operating income generated outside the United States, weakness in one particular currency is often offset by strengths in others over time. We use derivative financial instruments to further reduce our net exposure to currency fluctuations.

Our Company enters into forward exchange contracts and purchases currency options (principally European currencies and Japanese yen) to hedge firm sale commitments denominated in foreign currencies. We also purchase currency options (principally European currencies and Japanese yen) to hedge certain anticipated sales. Premiums paid and realized gains and losses, including those on any terminated contracts, are included in prepaid expenses and other assets. These are recognized in income, along with unrealized gains and losses, in the same period we realize the hedged transactions. Gains and losses on derivative financial instruments that are designated and effective as hedges of net investments in international operations are included in share-owners' equity as a foreign currency translation adjustment, a component of other comprehensive income.

Our value-at-risk calculation estimates foreign currency risk on our derivatives and other financial instruments. The average value at risk represents the simple average of quarterly amounts for the past year. We have not included in our calculation the effects of currency movements on anticipated foreign currency denominated sales and other hedged transactions. We performed calculations to estimate the impact to the fair values of our derivatives and other financial instruments over a one-week period resulting from an adverse movement in foreign currency exchange rates. As a result of our calculations, we estimate with 95 percent confidence that the fair values would decline by less than $71 million using 1999 average fair values and by less than $56 million using December 31, 1999, fair values. On December 31, 1998, we estimated the fair value would decline by less than $60 million. However, we would expect that any loss in the fair value of our derivatives and other financial instruments would generally be offset by an increase in the fair value of our underlying exposures.

Interest Rates

Our Company maintains our percentage of fixed and variable rate debt within defined parameters. We enter into interest rate swap agreements that maintain the fixed-to-variable mix within these parameters. We recognize any differences paid or received on interest rate swap agreements as adjustments to interest expense over the life of each swap.

Our value-at-risk calculation estimates interest rate risk on our derivatives and other financial instruments. The average value at risk represents the simple average of quarterly amounts for the past year. According to our calculations, we estimate with 95 percent confidence that any increase in our average and in our December 31, 1999, net interest expense due to an adverse move in interest rates over a one-week period would not have a material impact on our Consolidated Financial Statements. Our December 31, 1998, estimate also was not material to our Consolidated Financial Statements.

PERFORMANCE TOOLS

Economic profit provides a framework by which we measure the value of our actions. We define economic profit as income from continuing operations, after giving effect to taxes and excluding the effects of interest, in excess of a computed capital charge for average operating capital employed.

We use value-based management (VBM) as a tool to help improve our performance in planning and execution. VBM principles assist us in managing economic profit by clarifying our understanding of what creates value and what destroys it and encouraging us to manage for increased value. With VBM, we determine how best to create value in every area of our business. We believe that by using VBM as a planning and execution tool, and economic profit as a performance measurement tool, we greatly enhance our ability to build share-owner value over time.

We seek to maximize economic profit by strategically investing in the high-return beverage business and by optimizing our cost of capital through appropriate financial policies.

TOTAL RETURN TO SHARE OWNERS

Our Company has provided share owners with an excellent return on their investments over the past decade. A $100 investment in our Company's common stock on December 31, 1989, together with reinvested dividends, grew in pretax value to approximately $681 on December 31, 1999, an average annual compound return of 21 percent.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OUR BUSINESS

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

VOLUME

We measure our sales volume in two ways: (1) gallon sales and (2) unit cases of finished products. Gallon sales represent our primary business and measure the volume of concentrates and syrups we sell to our bottling partners or customers, plus the gallon sales equivalent of the juice and juice-drink products sold by The Minute Maid Company. Most of our revenues are based on this measure of "wholesale" activity. We also measure volume in unit cases, which represent the amount of finished products we and our bottling system sell to customers. We believe unit case volume more accurately measures the underlying strength of our business system because it measures trends at the retail level. We include in both measures fountain syrups sold by the Company to customers directly or through wholesalers or distributors. The Company now includes products sold by The Minute Maid Company in its calculations of unit case volume and gallon sales. Accordingly, all historical unit case volume data in this report reflect the inclusion of these products. In all years presented, the impact on our unit case volume and gallon sales was not material.

Against a challenging economic environment in many of our key markets, our worldwide unit case volume increased nearly 2 percent in 1999, on top of a 6 percent increase in 1998. Approximately 1 percentage point of the increase in unit case volume in 1999 was attributable to the Cadbury Schweppes brands acquired during the second half of 1999, as discussed under the heading "Brands." Our business system sold 16.5 billion unit cases in 1999.

OPERATIONS

Net Operating Revenues and Gross Margin

In 1999, on a consolidated basis, our net revenues and our gross profit grew 5 percent and 4 percent, respectively. The growth in net revenues was primarily due to price increases in certain markets, the consolidation in 1999 of our recently acquired bottling operations in India and our vending operations in Japan, partially offset by the impact of a stronger U.S. dollar and the sale of our previously consolidated bottling and canning operations in Italy in June 1998.

Our gross profit margin decreased slightly to 69.7 percent in 1999, primarily due to the consolidation in 1999 of our recently acquired bottling operations in India and our vending operations in Japan. Generally, the consolidation of bottling and vending operations shifts a greater portion of our net revenues to the higher revenue, but lower margin, bottling and vending operations.

In 1998, on a consolidated basis, our net revenues remained even with 1997, and our gross profit grew 3 percent. Net revenues remained even with 1997, primarily due to an increase in gallon sales and price increases in certain markets, offset by the impact of a stronger U.S. dollar and the sale of our previously consolidated bottling and canning operations in Italy in June 1998. Our gross profit margin increased to 70.4 percent in 1998 from 68.1 percent in 1997, primarily as a result of the sale in 1997 of previously consolidated bottling and canning operations.

Selling, Administrative and General Expenses

Selling expenses totaled $7,266 million in 1999, $6,552 million in 1998 and $6,283 million in 1997. The increase in 1999 was primarily due to the temporary product withdrawal in Belgium and France and marketing expenditures associated with brand building activities. The increase in 1998 was primarily due to higher marketing expenditures in support of our Company's volume growth.

Administrative and general expenses totaled $1,735 million in 1999, $1,659 million in 1998 and $1,509 million in 1997. The increase in 1999 was primarily related to the consolidation in 1999 of our recently acquired bottling operations in India and our vending operations in Japan. The increase in 1998 was mainly due to the expansion of our business into emerging markets. Offsetting this increase was the impact of the sale of our bottling and canning operations in Italy in June 1998.

Administrative and general expenses, as a percentage of net operating revenues, totaled approximately 9 percent in 1999, 9 percent in 1998 and 8 percent in 1997.

Other Operating Charges

In the fourth quarter of 1999, we recorded charges of approximately $813 million. Of this $813 million, approximately $543 million related to the impairment of certain bottling, manufacturing and intangible assets, primarily within our Russian and Caribbean bottlers and in the Middle and Far East and North America. These impairment charges were recorded to reduce the carrying value of the identified assets to fair value. Fair values were derived using a variety of methodologies, including cash flow analysis, estimates of sales proceeds and independent appraisals. Where cash flow analyses were used to estimate fair values, key assumptions employed, consistent with those used in our internal planning process, included our estimates of future growth in unit case sales, estimates of gross margins and estimates of the impact of inflation and foreign currency fluctuations. The charges were primarily the result of our revised outlook in certain markets due to the prolonged severe economic downturns. The remaining carrying value of long-lived assets within these operations as of December 31, 1999, was approximately $140 million.

Of the remainder, approximately $196 million related to charges associated with the impairment of the distribution and bottling assets of our vending operations in Japan and our bottling operations in the Baltics. The charges reduced the carrying value of these assets to their fair value less the cost to sell. Consistent with our long-term bottling investment strategy, management has committed to a plan to sell our ownership interest in these operations to one of our strategic business partners. It is management's intention that this plan will be completed within approximately the next 12 months. The remaining carrying value of long-lived assets within these operations and the loss from operations on an after-tax basis as of and for the 12-month period ending December 31, 1999, were approximately $152 million and $5 million, respectively.

The remainder of the $813 million charges, approximately $74 million, primarily related to the change in senior management and charges related to organizational changes within the Greater Europe, Latin America and Corporate segments. These charges were incurred during the fourth quarter of 1999.

In the second quarter of 1998, we recorded nonrecurring provisions primarily related to the impairment of certain assets in North America of $25 million and Corporate of $48 million.

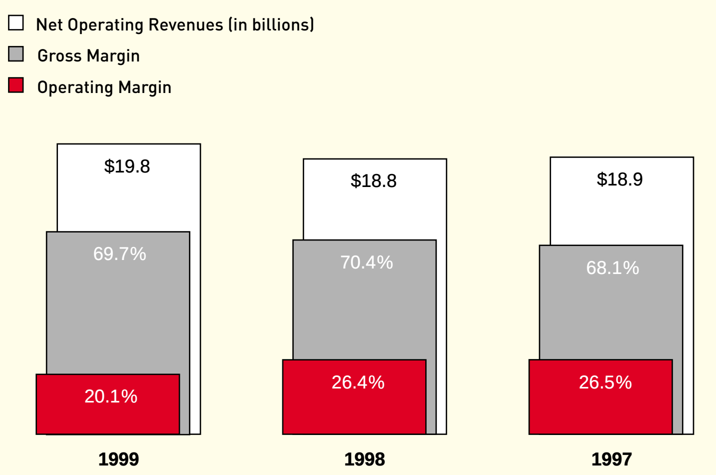
In the second quarter of 1997, we recorded certain nonrecurring provisions of approximately $60 million related to enhancing manufacturing efficiencies in North America. Substantially all of the charges required as a result of these provisions have been realized as of December 31, 1999.

Operating Income and Operating Margin

On a consolidated basis, our operating income declined 20 percent in 1999 to $3,982 million. This follows a decline of less than 1 percent in 1998 to $4,967 million. The 1999 results reflect the recording of nonrecurring provisions, as previously discussed under the heading "Other Operating Charges," the difficult economic conditions in many markets throughout the world, the temporary product withdrawal in Belgium and France, the impact of the stronger U.S. dollar and the consolidation in 1999 of our recently acquired bottling operations in India and vending operations in Japan.

The 1998 results reflect an increase in gallon sales coupled with an increase in gross profit margins, offset by the impact of the stronger U.S. dollar and the sales of previously consolidated bottling operations. Our consolidated operating margin was 20.1 percent in 1999, 26.4 percent in 1998 and 26.5 percent in 1997.

MARGIN ANALYSIS



Interest Income and Interest Expense

Our interest income increased 19 percent in 1999 and 4 percent in 1998, primarily due to cash held in locations outside the United States earning higher interest rates, on a comparative basis.

Interest expense increased 22 percent in 1999 due to higher total borrowings throughout the period. Average 1999 debt balances increased from 1998 primarily due to brand and bottler acquisitions during the period. Interest expense increased 7 percent in 1998 due to higher average commercial paper borrowings. Average 1998 debt balances increased from 1997 primarily due to additional investments in bottling operations.

Equity Income (Loss)

In 1999, our Company's share of losses from equity method investments totaled $184 million, reflecting the negative impact of difficult economic conditions in many worldwide markets, continued structural change in the bottling system, the impact of the temporary product withdrawal in Belgium and France, and one-time charges taken by certain equity investees. Our Company's share of the one-time charges taken by certain equity investees in countries such as Venezuela and the Philippines was approximately $22 million. Our Company's share of Coca-Cola Enterprises Inc.'s (Coca-Cola Enterprises) nonrecurring product recall costs resulting from the product withdrawal was approximately $28 million.

Equity income decreased approximately 79 percent to $32 million in 1998, principally due to the weak economic environments around the world, the impact of a stronger U.S. dollar, continued structural changes and losses in start-up bottling operations.

Other Income-Net

In 1999, other income-net decreased 57 percent to $98 million, primarily reflecting the impact of the gains recorded on the sales of our bottling and canning operations in Italy in June 1998, partially offset by an increase in exchange gains in 1999.

In 1998, other income-net decreased 61 percent to $230 million, primarily reflecting the impact of gains on the sales of our interests in Coca-Cola & Schweppes Beverages Ltd., Coca-Cola Beverages Ltd. of Canada and The Coca-Cola Bottling Company of New York, Inc., in 1997, partially offset by gains recorded on the sales of our bottling and canning operations in Italy in June 1998.

Gains on Issuances of Stock by Equity Investees

At the time an equity investee sells its stock to third parties at a price in excess of our book value, our Company's equity in the underlying net assets of that investee increases. We generally record an increase to our investment account and a corresponding gain in these transactions. No gains on issuances of stock by equity investees were recorded during 1999.

As a result of sales of stock by certain equity investees, we recorded pretax gains of approximately $27 million in 1998 and approximately $363 million in 1997. These gains represent the increase in our Company's equity in the underlying net assets of the related investee. For a more complete description of these transactions, refer to Note 3 in our Consolidated Financial Statements.

Income Taxes

Our effective tax rates were 36.3 percent in 1999, 32.0 percent in 1998 and 31.8 percent in 1997. The change in our effective tax rate in 1999 was primarily the result of our inability to realize a tax benefit associated with a majority of the charge taken in the fourth quarter of 1999, as previously discussed under the heading "Other Operating Charges." Our effective tax rates reflect tax benefits derived from significant operations outside the United States, which are taxed at rates lower than the U.S. statutory rate of 35 percent, partially offset by the tax impact of certain gains recognized from previously discussed bottling transactions. These transactions are generally taxed at rates higher than our Company's effective tax rate on operations. For a more complete description of our income taxes, refer to Note 14 in our Consolidated Financial Statements.

Income Per Share

Our basic net income per share declined by 31 percent in 1999, compared to a 14 percent decline in 1998 and a 19 percent increase in 1997. Diluted net income per share declined 31 percent in 1999, compared to a 13 percent decline in 1998 and a 19 percent increase in 1997.

Recent Developments

In the second half of 1999, we undertook a detailed review of each of our business functions. The purpose of this review was to determine the optimal organizational structure to serve the needs of our customers and consumers at the local level.

As a result of this review, in January 2000 we announced a major organizational realignment (the Realignment). The Realignment will reduce our workforce around the world while transferring responsibilities from our corporate headquarters to revenue-generating operating units. The intent of the Realignment is to effectively align our corporate resources, support systems and business culture to fully leverage the local capabilities of our system. Under the Realignment, approximately 6,000 positions worldwide, including employees of the Company, open positions and contract labor, will be eliminated. Of these identified positions, approximately 3,300 are based within the United States and approximately 2,700 are based outside of the United States. The entire reduction will take place during calendar year 2000.

Employees separating from our Company as a result of the Realignment will be offered severance packages which include both financial and nonfinancial components. We estimate that as a result of the Realignment, our Company will take a pretax charge of approximately $800 million during calendar year 2000. Also, we estimate that the Realignment will yield an annual expense reduction of approximately $300 million following full implementation of the new organizational structure.

Effective January 1, 2000, two of our Company's operating segments were renamed and geographically reconfigured. The Middle and Far East Group was renamed the Asia Pacific Group, while the Africa Group became known as the Africa and Middle East Group. At the same time, the Middle East and North Africa Division ceased to be part of the Asia Pacific Group and became part of the expanded Africa and Middle East Group.

In January 2000, we announced the intention of the Coca-Cola system to reduce concentrate inventory levels at selected bottlers. This was based on a review performed in conjunction with bottlers around the world in order to determine the optimum level of bottler concentrate inventories. Management of the Coca-Cola system determined that opportunities exist to reduce the level of concentrate inventory carried by bottlers in selected regions of the world, such as Eastern Europe, Japan and Germany. As such, bottlers in these regions have indicated that they intend to reduce their inventory levels during the first half of the year 2000. This move is intended to take the average bottler inventories to the optimal worldwide level of 34 days. This reduction in bottler inventory levels will result in our Company shipping less concentrate and is therefore expected to reduce our Company's diluted earnings per share by approximately $.11–$.13 after tax during the first half of the year 2000.

Also in January 2000, we announced our plans to perform a comprehensive review of our India bottling franchise investments during the first quarter of the year 2000 with the intent of streamlining the business. Based on this review, as well as the current excise tax levels in India, which are presently under review by the Indian government, we will be evaluating the carrying value of these assets.

LIQUIDITY AND CAPITAL RESOURCES

We believe our ability to generate cash from operations to reinvest in our business is one of our fundamental financial strengths. We anticipate that our operating activities in 2000 will continue to provide us with cash flows to assist in our business expansion and to meet our financial commitments.

Free Cash Flow

Free cash flow is the cash remaining from operations after we have satisfied our business reinvestment opportunities. We focus on increasing free cash flow to achieve our primary objective: maximizing share-owner value over time. We use free cash flow, along with borrowings to pay dividends, make share repurchases and make acquisitions. The consolidated statements of our cash flows are summarized as follows (in millions):

Year Ended December 31,	**1999**	1998	1997
Cash flows provided by (used in):			
Operations	**$ 3,883**	$ 3,433	$ 4,033
Business reinvestment	**(1,551)**	(1,557)	(1,082)
Free Cash Flow[1]	**2,332**	1,876	2,951
Cash flows (used in) provided by:			
Acquisitions, net of disposals	**(1,870)**	(604)	582
Share repurchases	**(15)**	(1,563)	(1,262)
Other financing activities	**(456)**	230	(1,833)
Exchange	**(28)**	(28)	(134)
Increase (decrease) in cash	**$ (37)**	$ (89)	$ 304

[1] All years presented have been restated to exclude net cash flows related to acquisitions.

Cash provided by operations in 1999 amounted to $3.9 billion, a 13 percent increase from 1998. In 1998, cash provided by operations amounted to $3.4 billion, a 15 percent decrease from 1997. This change was primarily due to an increased use of cash for operating assets and liabilities in 1998.

In 1999, net cash used in investing activities increased by $1.3 billion compared to 1998. The increase was primarily the result of brand and bottler acquisitions during 1999. For a more complete description of these transactions, refer to Note 17 in our Consolidated Financial Statements.

In 1998, net cash used in investing activities increased compared to 1997. During 1998, investing activities included additional investments in territories, such as India and Latin American countries. Investing activities in 1997 included incremental proceeds of approximately $1 billion from the disposal of investments and other assets, which included the dispositions of our interests in Coca-Cola & Schweppes Beverages Ltd., The Coca-Cola Bottling Company of New York Inc. and Coca-Cola Beverages Ltd. of Canada, partially offset by acquisitions and investments, primarily in bottling operations, including three South Korean bottlers.

Total capital expenditures for property, plant and equipment (including our investments in information technology) and the percentage distribution by operating segment for 1999, 1998 and 1997 are as follows (in millions):

Year Ended December 31,	**1999**	1998	1997
Capital expenditures	**$ 1,069**	$ 863	$ 1,093
North America[1]	**25%**	32%	24%
Africa	**2%**	2%	2%
Greater Europe	**20%**	25%	30%
Latin America	**6%**	8%	7%
Middle & Far East	**30%**	13%	18%
Corporate	**17%**	20%	19%

[1] Includes The Minute Maid Company

Financing Activities

Our financing activities include net borrowings, dividend payments and share issuances and repurchases. Net cash used in financing activities totaled $.5 billion in 1999, $1.3 billion in 1998 and $3.1 billion in 1997. The change between 1999 and 1998 was primarily due to a decrease in treasury stock repurchases due to our utilization of cash for our brand and bottler acquisitions during 1999. The decrease between 1998 and 1997 was due to our net repayments of debt in 1997 from proceeds of disposals of investments and other assets.

Cash used to purchase common stock for treasury totaled $15 million in 1999, $1.6 billion in 1998 and $1.3 billion in 1997.

Commercial paper is our primary source of short-term financing. On December 31, 1999, we had $4.9 billion outstanding in commercial paper borrowings compared to $4.3 billion outstanding at the end of 1998, a $.6 billion increase in borrowings. The 1999 increase in loans and notes payable was due to additional commercial paper borrowings used for our brand acquisitions during 1999 and additional investments in bottling operations. The Company's commercial paper borrowings normally mature less than three months from the date of issuance. In 1999, as part of our Year 2000 plan, we increased the amount of commercial paper borrowings with maturity dates greater than three months. The gross payments and receipts of borrowings greater than three months from the date of issuance have been included in the consolidated statements of cash flows. In addition, on December 31, 1999, we had $3.1 billion in lines of credit and other short-term credit facilities available, of which approximately $167 million was outstanding.

On December 31, 1999, we had $854 million outstanding in long-term debt, compared to $687 million outstanding at the end of 1998, a $167 million increase in borrowings. The 1999 increase in long-term debt was primarily due to the issuance of long-term notes in the European marketplace.

Exchange

Our international operations are subject to certain opportunities and risks, including currency fluctuations and government 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.

We use approximately 60 functional currencies. Due to our global operations, weaknesses in some of these currencies are often offset by strengths in others. In 1999, 1998 and 1997, the weighted-average exchange rates for foreign currencies, and for certain individual currencies, strengthened (weakened) against the U.S. dollar as follows:

Year Ended December 31,	**1999**	1998	1997
All currencies	**Even**	(9)%	(10)%
Australian dollar	**3%**	(16)%	(6)%
British pound	**(2)%**	2%	4%
Canadian dollar	**Even**	(7)%	(1)%
French franc	**(2)%**	(3)%	(12)%
German mark	**(2)%**	(3)%	(13)%
Japanese yen	**15%**	(6)%	(10)%

These percentages do not include the effects of our hedging activities and, therefore, do not reflect the actual impact of fluctuations in exchange on our operating results. Our foreign currency management program mitigates over time a portion of the impact of exchange on net income and earnings per share. The impact of a stronger U.S. dollar reduced our operating income by approximately 4 percent in 1999 and by approximately 9 percent in 1998.

Exchange gains (losses)-net amounted to $87 million in 1999, $(34) million in 1998 and $(56) million in 1997, and were recorded in other income-net. Exchange gains (losses)-net includes the remeasurement of certain currencies into functional currencies and the costs of hedging certain exposures of our balance sheet.

Additional information concerning our hedging activities is presented in Note 9 in our Consolidated Financial Statements.

FINANCIAL POSITION

The carrying value of our investment in Coca-Cola Enterprises increased in 1999, primarily as a result of Coca-Cola Enterprises' issuance of stock in its acquisitions of various bottling operations. The carrying value of our investment in Coca-Cola Amatil decreased, primarily due to the transfer of approximately 57 million shares of Coca-Cola Amatil to Fraser and Neave Limited in conjunction with our acquisition of its 75 percent interest in F&N Coca-Cola. The increase in our property, plant and equipment is primarily due to the consolidation in 1999 of our recently acquired bottling operations in India and our vending operations in Japan. The increase in our goodwill and other intangible assets is primarily due to our brand and bottler acquisitions during 1999.

The carrying value of our investment in Coca-Cola Enterprises increased in 1998 as a result of Coca-Cola Enterprises' issuance of stock in its acquisitions of various bottling operations. The carrying value of our investment in Coca-Cola Amatil increased due to its acquisition of our bottling operations in South Korea, offset by the spin-off of Coca-Cola Beverages to its share owners. The increase for Coca-Cola Beverages in 1998 is primarily a result of our equity participation in its formation in 1998, as previously discussed under the heading "Bottling System," and the sale to Coca-Cola Beverages of our bottling and canning operations in Italy in June 1998. The increase in prepaid expenses and other assets is primarily due to increases in receivables from equity method investees, marketing prepaid expenses and miscellaneous receivables.

YEAR 2000

As previously reported, over the past several years our Company developed and implemented a plan to address the anticipated impacts of the so-called Year 2000 problem on our information technology (IT) systems and on non-IT systems involving embedded chip technologies. We also surveyed selected third parties to determine the status of their Year 2000 compliance programs. In addition, we developed contingency plans specifying what the Company would do if we or important third parties experienced disruptions to critical business activities as a result of the Year 2000 problem.

Our Company's Year 2000 plan was completed in all material respects prior to the anticipated Year 2000 failure dates. As of February 15, 2000, the Company has not experienced any materially important business disruptions or system failures as a result of Year 2000 issues, nor is it aware of any Year 2000 issues that have impacted its bottlers, customers, suppliers or other significant third parties to an extent significant to the Company. However, Year 2000 compliance has many elements and potential consequences, some of which may not be foreseeable or may be realized in future periods. Consequently, there can be no assurance that unforeseen circumstances may not arise, or that the Company will not in the future identify equipment or systems which are not Year 2000 compliant.

As of December 31, 1999, the Company's total incremental costs (historical plus estimated future costs) of addressing Year 2000 issues are estimated to be approximately $131 million, of which approximately $129 million has been incurred. These costs are being funded through operating cash flow. These amounts do not include: (i) approximately $4 million in costs associated with the implementation of contingency plans, or (ii) costs associated with replacements of computerized systems or equipment in cases where replacement was not accelerated due to Year 2000 issues.

For further information regarding Year 2000 matters, refer to disclosures under Forward-Looking Statements on page 41.

EURO CONVERSION

In January 1999, certain member countries of the European Union established permanent, fixed conversion rates between their existing currencies and the European Union's common currency (the Euro).

The transition period for the introduction of the Euro is scheduled to phase in over a period ending January 1, 2002, with the existing currency being completely removed from circulation on July 1, 2002. Our Company has been preparing for the introduction of the Euro for several years. The timing of our phasing out all uses of the existing currencies will comply with the legal requirements and also be scheduled to facilitate optimal coordination with the plans of our vendors, distributors and customers. Our work related to the introduction of the Euro and the phasing out of the other currencies includes converting information technology systems; recalculating currency risk; recalibrating derivatives and other financial instruments; evaluating and taking action, if needed, regarding the continuity of contracts; and modifying our processes for preparing tax, accounting, payroll and customer records.

Based on our work to date, we believe the Euro replacing the other currencies will not have a material impact on our operations or our Consolidated Financial Statements.

IMPACT OF INFLATION AND CHANGING PRICES

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

NEW ACCOUNTING STANDARDS

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 133 (SFAS No. 133), "Accounting for Derivative Instruments and Hedging Activities." The new statement requires all derivatives to be recorded on the balance sheet at fair value and establishes new accounting rules for hedging instruments. In June 1999, the FASB deferred the effective date of SFAS No. 133 for one year until fiscal years beginning after June 15, 2000. We are assessing the impact that SFAS No. 133 will have on our Consolidated Financial Statements.

OUTLOOK

While we cannot predict future performance, we believe considerable opportunities exist for sustained, profitable growth, not only in the developing population centers of the world, but also in our most established markets, including the United States and Mexico.

We firmly believe that the strength of our brands, our unparalleled distribution system, our global presence, our strong financial condition and the skills of our people give us the flexibility to capitalize on growth opportunities as we continue to pursue our goal of increasing share-owner value over time.

FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 (the Act) provides a safe harbor for forward-looking statements made by or on behalf of our Company. Our Company and its representatives may from time to time make written or verbal forward-looking statements, including statements contained in this report and other Company filings with the Securities and Exchange Commission and in our reports to share owners. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "will" and similar expressions identify forward-looking statements. All statements which 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, statements expressing general optimism about future operating results and non-historical Year 2000 information — are forward-looking statements within the meaning of the Act. The forward-looking statements are and will be based on management's then current views and assumptions regarding future events and operating performance, and speak only as of their dates. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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

- Our ability to generate sufficient cash flows to support capital expansion plans, share repurchase programs and general operating activities.
- Competitive product and pricing pressures and our ability to gain or maintain share of sales in the global market as a result of actions by competitors. While we believe our opportunities for sustained, profitable growth are considerable, unanticipated actions of competitors could impact our earnings, share of sales and volume growth.
- Changes in laws and regulations, including changes in accounting standards, taxation requirements (including tax rate changes, new tax laws and revised tax law interpretations) and environmental laws in domestic or foreign jurisdictions.
- Fluctuations in the cost and availability of raw materials and the ability to maintain favorable supplier arrangements and relationships.
- Our ability to achieve earnings forecasts, which are generated based on projected volumes and sales of many product types, some of which are more profitable than others. There can be no assurance that we will achieve the projected level or mix of product sales.
- Interest rate fluctuations and other capital market conditions, including foreign currency rate fluctuations. Most of our exposures to capital markets, including interest and foreign currency, are managed on a consolidated basis, which allows us to net certain exposures and, thus, take advantage of any natural offsets. We use derivative financial instruments to reduce our net exposure to financial risks. There can be no assurance, however, that our financial risk management program will be successful in reducing foreign currency exposures.
- Economic and political conditions in international markets, including civil unrest, governmental changes and restrictions on the ability to transfer capital across borders.
- Our ability to penetrate developing and emerging markets, which also depends on economic and political conditions, and how well we are able to acquire or form strategic business alliances with local bottlers and make necessary infrastructure enhancements to production facilities, distribution networks, sales equipment and technology. Moreover, the supply of products in developing markets must match the customers' demand for those products, and due to product price and cultural differences, there can be no assurance of product acceptance in any particular market.
- The effectiveness of our advertising, marketing and promotional programs.
- The uncertainties of litigation, as well as other risks and uncertainties detailed from time to time in our Company's Securities and Exchange Commission filings.
- Adverse weather conditions, which could reduce demand for Company products.
- Our ability and the ability of our key business partners and other third parties to replace, modify or upgrade computer systems in ways that adequately address the Year 2000 problem. There can be no assurance that Year 2000 related estimates and anticipated results will be achieved, and actual results could differ materially. Specific factors that might cause such material differences include, but are not limited to, the ability to identify and correct all relevant computer codes and embedded chips and the ability of third parties to adequately address their own Year 2000 issues.
- Our ability to resolve issues relating to introduction of the European Union's common currency (the Euro) in a timely fashion.

The foregoing list of important factors is not exclusive.

ADDITIONAL INFORMATION

For additional information about our operations, cash flows, liquidity and capital resources, please refer to the information on pages 44 through 64 of this report. Additional information concerning our operating segments is presented on pages 60 through 62.

(In millions except per share data, ratios and growth rates)	Compound Growth Rates 5 Years	10 Years	Year Ended December 31, 1999	1998[2]
SUMMARY OF OPERATIONS				
Net operating revenues	4.0%	8.7%	**$ 19,805**	$ 18,813
Cost of goods sold	(.5)%	5.4%	**6,009**	5,562
Gross profit	6.4%	10.5%	**13,796**	13,251
Selling, administrative and general expenses	8.7%	11.4%	**9,001**	8,211
Other operating charges			**813**	73
Operating income	1.8%	8.6%	**3,982**	4,967
Interest income			**260**	219
Interest expense			**337**	277
Equity income (loss)			**(184)**	32
Other income (deductions)-net			**98**	230
Gains on issuances of stock by equity investees			**—**	27
Income from continuing operations before income taxes and changes in accounting principles	.5%	8.0%	**3,819**	5,198
Income taxes	3.4%	9.6%	**1,388**	1,665
Income from continuing operations before changes in accounting principles	(1.0)%	7.2%	**$ 2,431**	$ 3,533
Net income	(1.0)%	4.7%	**$ 2,431**	$ 3,533
Preferred stock dividends			**—**	—
Net income available to common share owners	(1.0)%	4.8%	**$ 2,431**	$ 3,533
Average common shares outstanding			**2,469**	2,467
Average common shares outstanding assuming dilution			**2,487**	2,496
PER COMMON SHARE DATA				
Income from continuing operations before changes in accounting principles — basic	(.2)%	8.6%	**$ .98**	$ 1.43
Income from continuing operations before changes in accounting principles — diluted	—	8.6%	**.98**	1.42
Basic net income	(.2)%	5.9%	**.98**	1.43
Diluted net income	—	6.1%	**.98**	1.42
Cash dividends	10.4%	14.2%	**.64**	.60
Market price on December 31,	17.7%	19.7%	**58.25**	67.00
TOTAL MARKET VALUE OF COMMON STOCK[1]	17.0%	18.7%	**$ 143,969**	$ 165,190
BALANCE SHEET DATA				
Cash, cash equivalents and current marketable securities			**$ 1,812**	$ 1,807
Property, plant and equipment-net			**4,267**	3,669
Depreciation			**438**	381
Capital expenditures			**1,069**	863
Total assets			**21,623**	19,145
Long-term debt			**854**	687
Total debt			**6,227**	5,149
Share-owners' equity			**9,513**	8,403
Total capital[1]			**15,740**	13,552
OTHER KEY FINANCIAL MEASURES[1]				
Total debt-to-total capital			**39.6%**	38.0%
Net debt-to-net capital			**32.2%**	28.1%
Return on common equity			**27.1%**	45.1%
Return on capital			**18.2%**	30.2%
Dividend payout ratio			**65.0%**	41.9%
Free cash flow[8]			**$ 2,332**	$ 1,876
Economic profit			**$ 1,128**	$ 2,480

[1] See Glossary on page 69.
[2] In 1998, we adopted SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits."
[3] In 1994, we adopted SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities."
[4] In 1993, we adopted SFAS No. 112, "Employers' Accounting for Postemployment Benefits."
[5] In 1992, we adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions."

1997[2]	1996[2]	1995[2]	1994[2,3]	1993[2,4]	1992[2,5,6]	1991[2,6]	1990[2,6]	1989[6]
$ 18,868	$ 18,673	$ 18,127	$ 16,264	$ 14,030	$ 13,119	$ 11,599	$ 10,261	$ 8,637
6,015	6,738	6,940	6,168	5,160	5,055	4,649	4,208	3,548
12,853	11,935	11,187	10,096	8,870	8,064	6,950	6,053	5,089
7,792	7,635	7,075	6,459	5,721	5,317	4,628	4,054	3,342
60	385	86	—	50	—	13	49	—
5,001	3,915	4,026	3,637	3,099	2,747	2,309	1,950	1,747
211	238	245	181	144	164	175	170	205
258	286	272	199	168	171	192	231	308
155	211	169	134	91	65	40	110	75
583	87	86	(25)	7	(59)	51	15	45
363	431	74	—	12	—	—	—	—
6,055	4,596	4,328	3,728	3,185	2,746	2,383	2,014	1,764
1,926	1,104	1,342	1,174	997	863	765	632	553
$ 4,129	$ 3,492	$ 2,986	$ 2,554	$ 2,188	$ 1,883	$ 1,618	$ 1,382	$ 1,211
$ 4,129	$ 3,492	$ 2,986	$ 2,554	$ 2,176	$ 1,664	$ 1,618	$ 1,382	$ 1,537
—	—	—	—	—	—	1	18	21
$ 4,129	$ 3,492	$ 2,986	$ 2,554	$ 2,176	$ 1,664	$ 1,617	$ 1,364	$ 1,516[7]
2,477	2,494	2,525	2,580	2,603	2,634	2,666	2,674	2,768
2,515	2,523	2,549	2,599	2,626	2,668	2,695	2,706	2,789
$ 1.67	$ 1.40	$ 1.18	$ .99	$ .84	$ .72	$ .61	$ .51	$ .43
1.64	1.38	1.17	.98	.83	.71	.60	.50	.43
1.67	1.40	1.18	.99	.84	.63	.61	.51	.55[7]
1.64	1.38	1.17	.98	.83	.62	.60	.50	.54
.56	.50	.44	.39	.34	.28	.24	.20	.17
66.69	52.63	37.13	25.75	22.31	20.94	20.06	11.63	9.66
$ 164,766	$ 130,575	$ 92,983	$ 65,711	$ 57,905	$ 54,728	$ 53,325	$ 31,073	$ 26,034
$ 1,843	$ 1,658	$ 1,315	$ 1,531	$ 1,078	$ 1,063	$ 1,117	$ 1,492	$ 1,182
3,743	3,550	4,336	4,080	3,729	3,526	2,890	2,386	2,021
384	442	421	382	333	310	254	236	181
1,093	990	937	878	800	1,083	792	593	462
16,881	16,112	15,004	13,863	11,998	11,040	10,185	9,245	8,249
801	1,116	1,141	1,426	1,428	1,120	985	536	549
3,875	4,513	4,064	3,509	3,100	3,207	2,288	2,537	1,980
7,274	6,125	5,369	5,228	4,570	3,881	4,236	3,662	3,299
11,149	10,638	9,433	8,737	7,670	7,088	6,524	6,199	5,279
34.8%	42.4%	43.1%	40.2%	40.4%	45.2%	35.1%	40.9%	37.5%
22.0%	31.6%	32.3%	25.5%	29.0%	33.1%	24.2%	24.6%	15.6%
61.6%	60.8%	56.4%	52.1%	51.8%	46.4%	41.3%	41.4%	39.4%
39.5%	36.8%	34.9%	32.8%	31.2%	29.4%	27.5%	26.8%	26.5%
33.6%	35.7%	37.2%	39.4%	40.6%	44.3%	39.5%	39.2%	31.0%[7]
$ 2,951	$ 2,215	$ 2,460	$ 2,356	$ 1,857	$ 875	$ 881	$ 844	$ 843
$ 3,325	$ 2,718	$ 2,291	$ 1,896	$ 1,549	$ 1,300	$ 1,073	$ 920	$ 859

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

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

[8] All years presented have been restated to exclude net cash flows related to acquisitions.

December 31, (In millions except share data)	1999	1998
ASSETS		
CURRENT		
Cash and cash equivalents	$ 1,611	$ 1,648
Marketable securities	201	159
	1,812	1,807
Trade accounts receivable, less allowances of $26 in 1999 and $10 in 1998	1,798	1,666
Inventories	1,076	890
Prepaid expenses and other assets	1,794	2,017
TOTAL CURRENT ASSETS	6,480	6,380
INVESTMENTS AND OTHER ASSETS		
Equity method investments		
Coca-Cola Enterprises Inc.	728	584
Coca-Cola Amatil Ltd.	1,133	1,255
Coca-Cola Beverages plc	788	879
Other, principally bottling companies	3,793	3,573
Cost method investments, principally bottling companies	350	395
Marketable securities and other assets	2,124	1,863
	8,916	8,549
PROPERTY, PLANT AND EQUIPMENT		
Land	215	199
Buildings and improvements	1,528	1,507
Machinery and equipment	4,527	3,855
Containers	201	124
	6,471	5,685
Less allowances for depreciation	2,204	2,016
	4,267	3,669
GOODWILL AND OTHER INTANGIBLE ASSETS	1,960	547
	$ 21,623	$ 19,145

December 31,	1999	1998
LIABILITIES AND SHARE-OWNERS' EQUITY		
CURRENT		
Accounts payable and accrued expenses	$ 3,714	$ 3,141
Loans and notes payable	5,112	4,459
Current maturities of long-term debt	261	3
Accrued income taxes	769	1,037
TOTAL CURRENT LIABILITIES	9,856	8,640
LONG-TERM DEBT	854	687
OTHER LIABILITIES	902	991
DEFERRED INCOME TAXES	498	424
SHARE-OWNERS' EQUITY		
Common stock, $.25 par value		
Authorized: 5,600,000,000 shares		
Issued: 3,466,371,904 shares in 1999; 3,460,083,686 shares in 1998	867	865
Capital surplus	2,584	2,195
Reinvested earnings	20,773	19,922
Accumulated other comprehensive income and unearned compensation on restricted stock	(1,551)	(1,434)
	22,673	21,548
Less treasury stock, at cost (994,796,786 shares in 1999; 994,566,196 shares in 1998)	13,160	13,145
	9,513	8,403
	$ 21,623	$ 19,145

See Notes to Consolidated Financial Statements.

Consolidated Statements of Income

The Coca-Cola Company and Subsidiaries

Year Ended December 31, (In millions except per share data)	1999	1998	1997
NET OPERATING REVENUES	**$ 19,805**	$ 18,813	$ 18,868
Cost of goods sold	**6,009**	5,562	6,015
GROSS PROFIT	**13,796**	13,251	12,853
Selling, administrative and general expenses	**9,001**	8,211	7,792
Other operating charges	**813**	73	60
OPERATING INCOME	**3,982**	4,967	5,001
Interest income	**260**	219	211
Interest expense	**337**	277	258
Equity income (loss)	**(184)**	32	155
Other income-net	**98**	230	583
Gains on issuances of stock by equity investees	**—**	27	363
INCOME BEFORE INCOME TAXES	**3,819**	5,198	6,055
Income taxes	**1,388**	1,665	1,926
NET INCOME	**$ 2,431**	$ 3,533	$ 4,129
BASIC NET INCOME PER SHARE	**$ .98**	$ 1.43	$ 1.67
DILUTED NET INCOME PER SHARE	**$ .98**	$ 1.42	$ 1.64
AVERAGE SHARES OUTSTANDING	**2,469**	2,467	2,477
Dilutive effect of stock options	**18**	29	38
AVERAGE SHARES OUTSTANDING ASSUMING DILUTION	**2,487**	2,496	2,515

See Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

The Coca-Cola Company and Subsidiaries

Year Ended December 31, (In millions)	1999	1998	1997
OPERATING ACTIVITIES			
Net income	**$ 2,431**	$ 3,533	$ 4,129
Depreciation and amortization	**792**	645	626
Deferred income taxes	**97**	(38)	380
Equity income, net of dividends	**292**	31	(108)
Foreign currency adjustments	**(41)**	21	37
Gains on issuances of stock by equity investees	**—**	(27)	(363)
Gains on sales of assets, including bottling interests	**(49)**	(306)	(639)
Other operating charges	**799**	73	60
Other items	**119**	51	(42)
Net change in operating assets and liabilities	**(557)**	(550)	(47)
Net cash provided by operating activities	**3,883**	3,433	4,033
INVESTING ACTIVITIES			
Acquisitions and investments, principally trademarks and bottling companies	**(1,876)**	(1,428)	(1,100)
Purchases of investments and other assets	**(518)**	(610)	(459)
Proceeds from disposals of investments and other assets	**176**	1,036	1,999
Purchases of property, plant and equipment	**(1,069)**	(863)	(1,093)
Proceeds from disposals of property, plant and equipment	**45**	54	71
Other investing activities	**(179)**	(350)	82
Net cash used in investing activities	**(3,421)**	(2,161)	(500)
FINANCING ACTIVITIES			
Issuances of debt	**3,411**	1,818	155
Payments of debt	**(2,455)**	(410)	(751)
Issuances of stock	**168**	302	150
Purchases of stock for treasury	**(15)**	(1,563)	(1,262)
Dividends	**(1,580)**	(1,480)	(1,387)
Net cash used in financing activities	**(471)**	(1,333)	(3,095)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(28)**	(28)	(134)
CASH AND CASH EQUIVALENTS			
Net increase (decrease) during the year	**(37)**	(89)	304
Balance at beginning of the year	**1,648**	1,737	1,433
Balance at end of year	**$ 1,611**	$ 1,648	$ 1,737

See Notes to Consolidated Financial Statements.

Consolidated Statements of Share-Owners' Equity

The Coca-Cola Company and Subsidiaries

Three Years Ended December 31, 1999 (In millions except per share data)	Number of Common Shares Outstanding	Common Stock	Capital Surplus	Reinvested Earnings	Outstanding Restricted Stock	Accumulated Other Comprehensive Income	Treasury Stock	Total
BALANCE DECEMBER 31, 1996	2,481	$ 858	$ 1,058	$ 15,127	$ (61)	$ (537)	$ (10,320)	$ 6,125
Comprehensive income:								
Net income	—	—	—	4,129	—	—	—	4,129
Translation adjustments	—	—	—	—	—	(710)	—	(710)
Net change in unrealized gain on securities	—	—	—	—	—	(98)	—	(98)
Minimum pension liability	—	—	—	—	—	(6)	—	(6)
Comprehensive income								3,315
Stock issued to employees exercising stock options	10	3	147	—	—	—	—	150
Tax benefit from employees' stock option and restricted stock plans	—	—	312	—	—	—	—	312
Stock issued under restricted stock plans, less amortization of $10	—	—	10	—	11	—	—	21
Purchases of stock for treasury	(20)[1]	—	—	—	—	—	(1,262)	(1,262)
Dividends (per share — $.56)	—	—	—	(1,387)	—	—	—	(1,387)
BALANCE DECEMBER 31, 1997	2,471	861	1,527	17,869	(50)	(1,351)	(11,582)	7,274
Comprehensive income:								
Net income	—	—	—	3,533	—	—	—	3,533
Translation adjustments	—	—	—	—	—	52	—	52
Net change in unrealized gain on securities	—	—	—	—	—	(47)	—	(47)
Minimum pension liability	—	—	—	—	—	(4)	—	(4)
Comprehensive income								3,534
Stock issued to employees exercising stock options	16	4	298	—	—	—	—	302
Tax benefit from employees' stock option and restricted stock plans	—	—	97	—	—	—	—	97
Stock issued under restricted stock plans, less amortization of $5	1	—	47	—	(34)	—	—	13
Stock issued by an equity investee	—	—	226	—	—	—	—	226
Purchases of stock for treasury	(22)[1]	—	—	—	—	—	(1,563)	(1,563)
Dividends (per share — $.60)	—	—	—	(1,480)	—	—	—	(1,480)
BALANCE DECEMBER 31, 1998	2,466	865	2,195	19,922	(84)	(1,350)	(13,145)	8,403
Comprehensive income:								
Net income	—	—	—	2,431	—	—	—	2,431
Translation adjustments	—	—	—	—	—	(190)	—	(190)
Net change in unrealized gain on securities	—	—	—	—	—	23	—	23
Minimum pension liability	—	—	—	—	—	25	—	25
Comprehensive income								2,289
Stock issued to employees exercising stock options	6	2	166	—	—	—	—	168
Tax benefit from employees' stock option and restricted stock plans	—	—	72	—	—	—	—	72
Stock issued under restricted stock plans, less amortization of $27	—	—	2	—	25	—	—	27
Stock issued by an equity investee	—	—	146	—	—	—	—	146
Stock issued under Directors' plan	—	—	3	—	—	—	—	3
Purchases of stock for treasury	—	—	—	—	—	—	(15)	(15)
Dividends (per share — $.64)	—	—	—	(1,580)	—	—	—	(1,580)
BALANCE DECEMBER 31, 1999	**2,472**	**$ 867**	**$ 2,584**	**$ 20,773**	**$ (59)**	**$ (1,492)**	**$ (13,160)**	**$ 9,513**

[1] Common stock purchased from employees exercising stock options numbered .3 million, 1.4 million and 1.1 million shares for the years ended December 31, 1999, 1998 and 1997, respectively.

See Notes to Consolidated Financial Statements.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

Basis of Presentation

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

Consolidation

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

Issuances of Stock by Equity Investees

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

If gains have been previously recognized on issuances of an equity investee's stock and shares of the equity investee are subsequently repurchased by the equity investee, gain recognition does not occur on issuances subsequent to the date of a repurchase until shares have been issued in an amount equivalent to the number of repurchased shares. This type of transaction is reflected as an equity transaction and the net effect is reflected in the accompanying consolidated balance sheets. For specific transaction details, refer to Note 3.

Advertising Costs

Our Company expenses production costs of print, radio and television advertisements as of the first date the advertisements take place. Advertising expenses included in selling, administrative and general expenses were $1,699 million in 1999, $1,597 million in 1998 and $1,576 million in 1997. As of December 31, 1999 and 1998, advertising costs of approximately $523 million and $365 million, respectively, were recorded primarily in prepaid expenses and other assets in the accompanying consolidated balance sheets.

Net Income per Share

Basic net income per share is computed by dividing net income by the weighted-average number of shares outstanding. Diluted net income per share includes the dilutive effect of stock options.

Cash Equivalents

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

Inventories

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

Property, Plant and Equipment

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

Other Assets

Our Company invests in infrastructure programs with our bottlers which are directed at strengthening our bottling system and increasing unit case sales. The costs of these programs are recorded in other assets and are subsequently amortized over the periods to be directly benefited.

Goodwill and Other Intangible Assets

Goodwill and other intangible assets are stated on the basis of cost and are amortized, principally on a straight-line basis, over the estimated future periods to be benefited (not exceeding 40 years). Goodwill and other intangible assets are periodically reviewed for impairment to ensure they are appropriately valued. Conditions which may indicate an impairment issue exists include a negative economic downturn in a worldwide market or a change in the assessment of future operations. In the event that a condition is identified which may indicate an impairment issue exists, an assessment is performed using a variety of methodologies, including cash flow analysis, estimates of sales proceeds and independent appraisals. Where applicable, an appropriate interest rate is utilized, based on location specific economic factors. Accumulated amortization was approximately $154 million and $119 million on December 31, 1999 and 1998, respectively.

Use of Estimates

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

New Accounting Standards

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 133 (SFAS No. 133), "Accounting for Derivative Instruments and Hedging Activities." The statement requires all derivatives to be recorded on the balance sheet at fair value and establishes new accounting rules for hedging instruments. In June 1999, the FASB deferred the effective date of SFAS No. 133 for one year until fiscal years beginning after June 15, 2000. We are assessing the impact SFAS No. 133 will have on our Consolidated Financial Statements.

We adopted the American Institute of Certified Public Accountants (AICPA) Statement of Position (SOP) 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use" and SOP 98-5, "Reporting on the Costs of Start-Up Activities," on January 1, 1999. There was no material impact on our Consolidated Financial Statements as a result.

NOTE 2: BOTTLING INVESTMENTS

Coca-Cola Enterprises Inc.

Coca-Cola Enterprises is the largest soft-drink bottler in the world, operating in eight countries, and is one of our anchor bottlers. On December 31, 1999, our Company owned approximately 40 percent of the outstanding common stock of Coca-Cola Enterprises, and accordingly, we account for our investment by the equity method of accounting. The excess of our equity in the underlying net assets of Coca-Cola Enterprises over our investment is primarily amortized on a straight-line basis over 40 years. The balance of this excess, net of amortization, was approximately $445 million on December 31, 1999. A summary of financial information for Coca-Cola Enterprises is as follows (in millions):

December 31,	**1999**	1998
Current assets	**$ 2,557**	$ 2,285
Noncurrent assets	**20,149**	18,847
Total assets	**$ 22,706**	$ 21,132
Current liabilities	**$ 3,590**	$ 3,397
Noncurrent liabilities	**16,192**	15,297
Total liabilities	**$ 19,782**	$ 18,694
Share-owners' equity	**$ 2,924**	$ 2,438
Company equity investment	**$ 728**	$ 584

Year Ended December 31,	**1999**	1998	1997
Net operating revenues	**$ 14,406**	$ 13,414	$ 11,278
Cost of goods sold	**9,015**	8,391	7,096
Gross profit	**$ 5,391**	$ 5,023	$ 4,182
Operating income	**$ 839**	$ 869	$ 720
Cash operating profit[1]	**$ 2,187**	$ 1,989	$ 1,666
Net income	**$ 59**	$ 142	$ 171
Net income available to common share owners	**$ 56**	$ 141	$ 169

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

Our net concentrate/syrup sales to Coca-Cola Enterprises were $3.3 billion in 1999, $3.1 billion in 1998 and $2.5 billion in 1997, or approximately 17 percent, 16 percent and 13 percent of our 1999, 1998 and 1997 net operating revenues, respectively. Coca-Cola Enterprises purchases sweeteners through our Company; however, related collections from Coca-Cola Enterprises and payments to suppliers are not included in our Consolidated Statements of Income. These transactions amounted to $308 million in 1999, $252 million in 1998 and $223 million in 1997. We also provide certain administrative and other services to Coca-Cola Enterprises under negotiated fee arrangements.

Our direct support for certain marketing activities of Coca-Cola Enterprises and participation with them in cooperative advertising and other marketing programs amounted to approximately $767 million in 1999, $899 million in 1998 and $604 million in 1997. Pursuant to cooperative advertising and trade arrangements with Coca-Cola Enterprises, we received $243 million, $173 million and $144 million in 1999, 1998 and 1997, respectively, from Coca-Cola Enterprises for local media and marketing program expense reimbursements. Additionally, in 1999 and 1998, we committed approximately $338 million and $324 million, respectively, to Coca-Cola Enterprises under a Company program that encourages bottlers to invest in building and supporting beverage infrastructure.

If valued at the December 31, 1999, quoted closing price of publicly traded Coca-Cola Enterprises shares, the calculated value of our investment in Coca-Cola Enterprises would have exceeded its carrying value by approximately $2.7 billion.

Coca-Cola Amatil Ltd.

We own approximately 37 percent of Coca-Cola Amatil, an Australian-based anchor bottler that operates in seven countries. Accordingly, we account for our investment in Coca-Cola Amatil by the equity method. The excess of our investment over our equity in the underlying net assets of Coca-Cola Amatil is being amortized on a straight-line basis over 40 years. The balance of this excess, net of amortization, was approximately $261 million at December 31, 1999. A summary of financial information for Coca-Cola Amatil is as follows (in millions):

December 31,	**1999**	1998[1]
Current assets	**$ 1,259**	$ 1,057
Noncurrent assets	**3,912**	4,002
Total assets	**$ 5,171**	$ 5,059
Current liabilities	**$ 1,723**	$ 1,065
Noncurrent liabilities	**1,129**	1,552
Total liabilities	**$ 2,852**	$ 2,617
Share-owners' equity	**$ 2,319**	$ 2,442
Company equity investment	**$ 1,133**	$ 1,255

Year Ended December 31,	**1999**	1998[1]	1997
Net operating revenues	**$ 2,427**	$ 2,731	$ 3,290
Cost of goods sold	**1,426**	1,567	1,856
Gross profit	**$ 1,001**	$ 1,164	$ 1,434
Operating income	**$ 162**	$ 237	$ 276
Cash operating profit[2]	**$ 387**	$ 435	$ 505
Net income	**$ 29**	$ 65	$ 89

[1] 1998 reflects the spin-off of Coca-Cola Amatil's European operations.

[2] Cash operating profit is defined as operating income plus depreciation expense, amortization expense and other noncash operating expenses.

Our net concentrate sales to Coca-Cola Amatil were approximately $431 million in 1999, $546 million in 1998 and $588 million in 1997. We also participate in various marketing, promotional and other activities with Coca-Cola Amatil.

In July 1999, we acquired from Fraser and Neave Limited its 75 percent ownership interest in F&N Coca-Cola in exchange for approximately 57 million shares of Coca-Cola Amatil and the assumption of debt. The transaction reduced our ownership in Coca-Cola Amatil from approximately 43 percent to approximately 37 percent. In August 1998, we exchanged our Korean bottling operations with Coca-Cola Amatil for an additional ownership interest in Coca-Cola Amatil.

If valued at the December 31, 1999, quoted closing price of publicly traded Coca-Cola Amatil shares, the calculated value of our investment in Coca-Cola Amatil would have been below its carrying value by approximately $114 million.

Other Equity Investments

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

December 31,	**1999**	1998
Current assets	**$ 5,393**	$ 4,453
Noncurrent assets	**17,394**	16,825
Total assets	**$ 22,787**	$ 21,278
Current liabilities	**$ 4,827**	$ 4,968
Noncurrent liabilities	**7,007**	6,731
Total liabilities	**$ 11,834**	$ 11,699
Share-owners' equity	**$ 10,953**	$ 9,579
Company equity investment	**$ 4,581**	$ 4,452

Year Ended December 31,	**1999**	1998	1997
Net operating revenues	**$ 17,358**	$ 15,244	$ 13,688
Cost of goods sold	**10,659**	9,555	8,645
Gross profit	**$ 6,699**	$ 5,689	$ 5,043
Operating income	**$ 647**	$ 668	$ 869
Cash operating profit[1]	**$ 2,087**	$ 1,563	$ 1,794
Net income (loss)	**$ (163)**	$ 152	$ 405

Equity investments include certain nonbottling investees.

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

Net sales to equity investees other than Coca-Cola Enterprises and Coca-Cola Amatil were $2.8 billion in 1999, $2.1 billion in 1998 and $1.5 billion in 1997. Our direct support for certain marketing activities with equity investees other than Coca-Cola Enterprises, the majority of which are located outside the United States, was approximately $685 million, $640 million and $528 million for 1999, 1998 and 1997, respectively.

In June 1998, we sold our previously consolidated Italian bottling and canning operations to Coca-Cola Beverages plc (Coca-Cola Beverages). This transaction resulted in proceeds valued at approximately $1 billion and an after-tax gain of approximately $.03 per share (basic and diluted).

If valued at the December 31, 1999, quoted closing prices of shares actively traded on stock markets, the calculated value of our equity investments in publicly traded bottlers other than Coca-Cola Enterprises and Coca-Cola Amatil would have exceeded our carrying value by approximately $844 million.

NOTE 3: ISSUANCES OF STOCK BY EQUITY INVESTEES

In the first quarter of 1999, Coca-Cola Enterprises completed its acquisition of various bottlers. These transactions were funded primarily with shares of Coca-Cola Enterprises common stock. The Coca-Cola Enterprises common stock issued was valued in an amount greater than the book value per share of our investment in Coca-Cola Enterprises. As a result of these transactions, our equity in the underlying net assets of Coca-Cola Enterprises increased, and we recorded a $241 million increase to our Company's investment basis in Coca-Cola Enterprises. Due to Coca-Cola Enterprises' share repurchase programs, the increase in our investment in Coca-Cola Enterprises was recorded as an equity transaction, and no gain was recognized. We recorded a deferred tax liability of approximately $95 million on this increase to our investment in Coca-Cola Enterprises. The transactions reduced our ownership in Coca-Cola Enterprises from approximately 42 percent to approximately 40 percent.

In December 1998, Coca-Cola Enterprises completed its acquisition of certain independent bottling operations operating in parts of Texas, New Mexico and Arizona (collectively known as the Wolslager Group). The transactions were funded primarily with the issuance of shares of Coca-Cola Enterprises common stock. The Coca-Cola Enterprises common stock issued in exchange for these bottlers was valued at an amount greater than the book value per share of our investment in Coca-Cola Enterprises. As a result of this transaction, our equity in the underlying net assets of Coca-Cola Enterprises increased, and we recorded a $116 million increase to our Company's investment basis in Coca-Cola Enterprises. Due to Coca-Cola Enterprises' share repurchase program, the increase in our investment in Coca-Cola Enterprises was recorded as an equity transaction, and no gain was recognized. We recorded a deferred tax liability of approximately $46 million on this increase to our investment in Coca-Cola Enterprises. At the completion of this transaction, our ownership in Coca-Cola Enterprises was approximately 42 percent.

In September 1998, Coca-Cola Erfrischungsgetränke AG (CCEAG), our anchor bottler in Germany, issued new shares valued at approximately $275 million to affect a merger with Nordwest Getränke GmbH & Co. KG, another German bottler. Approximately 7.5 million shares were issued, resulting in a one-time noncash pretax gain for our Company of approximately $27 million. We provided deferred taxes of approximately $10 million on this gain. This issuance reduced our ownership in CCEAG from approximately 45 percent to approximately 40 percent.

In June 1998, Coca-Cola Enterprises completed its acquisition of CCBG Corporation and Texas Bottling Group, Inc. (collectively known as Coke Southwest). The transaction was valued at approximately $1.1 billion. Approximately 55 percent of the transaction was funded with the issuance of approximately 17.7 million shares of Coca-Cola Enterprises common stock, and the remaining portion was funded through debt and assumed debt. The Coca-Cola Enterprises common stock issued in exchange for Coke Southwest was valued at an amount greater than the book value per share of our investment in Coca-Cola Enterprises. As a result of this transaction, our equity in the underlying net assets of Coca-Cola Enterprises increased and we recorded a $257 million increase to our Company's investment basis in Coca-Cola Enterprises. Due to Coca-Cola Enterprises' share repurchase program, the increase in our investment in Coca-Cola Enterprises was recorded as an equity transaction, and no gain was recognized. We recorded a deferred tax liability of approximately $101 million on this increase to our investment in Coca-Cola Enterprises. At the completion of this transaction, our ownership in Coca-Cola Enterprises was approximately 42 percent.

In the second quarter of 1997, our Company and San Miguel Corporation sold our respective interests in Coca-Cola Bottlers Philippines, Inc., to Coca-Cola Amatil in exchange for approximately 293 million shares of Coca-Cola Amatil stock. In connection with this transaction, Coca-Cola Amatil issued approximately 210 million shares to San Miguel valued at approximately $2.4 billion. The issuance to San Miguel resulted in a one-time noncash pretax gain for our Company of approximately $343 million. We provided deferred taxes of approximately $141.5 million on this gain. This transaction resulted in a dilution of our Company's approximately 36 percent interest in Coca-Cola Amatil to approximately 33 percent.

Also in the second quarter of 1997, our Company and the Cisneros Group sold our respective interests in Coca-Cola y Hit de Venezuela, S.A., to Panamerican Beverages, Inc. (Panamco), in exchange for approximately 30.6 million shares of Panamco stock. In connection with this transaction, Panamco issued approximately 13.6 million shares to the Cisneros Group valued at approximately $402 million. The issuance to the Cisneros Group resulted in a one-time noncash pretax gain for our Company of approximately $20 million. We provided deferred taxes of approximately $7.2 million on this gain. At the completion of this transaction, our ownership in Panamco was approximately 23 percent.

NOTE 4: ACCOUNTS PAYABLE AND ACCRUED EXPENSES

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

December 31,	**1999**	1998
Accrued marketing	**$ 1,056**	$ 967
Container deposits	**53**	14
Accrued compensation	**164**	166
Sales, payroll and other taxes	**297**	183
Accounts payable and other accrued expenses	**2,144**	1,811
	$ 3,714	$ 3,141

NOTE 5: SHORT-TERM BORROWINGS AND CREDIT ARRANGEMENTS

Loans and notes payable consist primarily of commercial paper issued in the United States. On December 31, 1999, we had $4.9 billion outstanding in commercial paper borrowings. In addition, we had $3.1 billion in lines of credit and other short-term credit facilities available, of which approximately $167 million was outstanding. Our weighted-average interest rates for commercial paper outstanding were approximately 6.0 and 5.2 percent at December 31, 1999 and 1998, respectively.

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

NOTE 6: LONG-TERM DEBT

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

December 31,	**1999**	1998
6% U.S. dollar notes due 2000	**$ 250**	$ 251
6 5/8% U.S. dollar notes due 2002	**150**	150
6% U.S. dollar notes due 2003	**150**	150
5 3/4% U.S. dollar notes due 2009	**399**	—
7 3/8% U.S. dollar notes due 2093	**116**	116
Other, due 2000 to 2013	**50**	23
	1,115	690
Less current portion	**261**	3
	$ 854	$ 687

After giving effect to interest rate management instruments, the principal amount of our long-term debt that had fixed and variable interest rates, respectively, was $690 million and $425 million on December 31, 1999, and $190 million and $500 million on December 31, 1998. The weighted-average interest rate on our Company's long-term debt was 5.6 percent and 6.2 percent for the years ended December 31, 1999 and 1998, respectively. Total interest paid was approximately $314 million, $298 million and $264 million in 1999, 1998 and 1997, respectively. For a more complete discussion of interest rate management, refer to Note 9.

Maturities of long-term debt for the five years succeeding December 31, 1999, are as follows (in millions):

2000	2001	2002	2003	2004
$ 261	$ 22	$ 154	$ 153	$ 1

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

NOTE 7: COMPREHENSIVE INCOME

Accumulated other comprehensive income consists of the following (in millions):

December 31,	1999	1998
Foreign currency translation adjustment	**$ (1,510)**	$ (1,320)
Unrealized gain on available-for-sale securities	**34**	11
Minimum pension liability	**(16)**	(41)
	$ (1,492)	$ (1,350)

A summary of the components of other comprehensive income for the years ended December 31, 1999, 1998 and 1997, is as follows (in millions):

December 31,	Before-Tax Amount	Income Tax	After-Tax Amount
1999			
Net foreign currency translation	**$ (249)**	**$ 59**	**$ (190)**
Net change in unrealized gain (loss) on available-for-sale securities	**37**	**(14)**	**23**
Minimum pension liability	**38**	**(13)**	**25**
Other comprehensive income (loss)	**$ (174)**	**$ 32**	**$ (142)**

December 31,	Before-Tax Amount	Income Tax	After-Tax Amount
1998			
Net foreign currency translation	$ 52	$ —	$ 52
Net change in unrealized gain (loss) on available-for-sale securities	(70)	23	(47)
Minimum pension liability	(5)	1	(4)
Other comprehensive income (loss)	$ (23)	$ 24	$ 1

December 31,	Before-Tax Amount	Income Tax	After-Tax Amount
1997			
Net foreign currency translation	$ (710)	$ —	$ (710)
Net change in unrealized gain (loss) on available-for-sale securities	(163)	65	(98)
Minimum pension liability	(10)	4	(6)
Other comprehensive income (loss)	$ (883)	$ 69	$ (814)

NOTE 8: FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

The carrying amounts reflected in our consolidated balance sheets for cash, cash equivalents, marketable equity securities, marketable cost method investments, receivables, loans and notes payable and long-term debt approximate their respective fair values. Fair values are based primarily on quoted prices for those or similar instruments. A comparison of the carrying value and fair value of our hedging instruments is included in Note 9.

Certain Debt and Marketable Equity Securities

Investments in debt and marketable equity securities, other than investments accounted for by the equity method, are categorized as either trading, available for sale or held to maturity. On December 31, 1999 and 1998, we had no trading securities. Securities categorized as available for sale are stated at fair value, with unrealized gains and losses, net of deferred income taxes, reported as a component of accumulated other comprehensive income. Debt securities categorized as held to maturity are stated at amortized cost.

On December 31, 1999 and 1998, available-for-sale and held-to-maturity securities consisted of the following (in millions):

December 31,	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
1999				
Available-for-sale securities				
Equity securities	**$ 246**	**$ 69**	**$ (13)**	**$ 302**
Collateralized mortgage obligations	**45**	**—**	**(1)**	**44**
Other debt securities	**8**	**—**	**—**	**8**
	$ 299	**$ 69**	**$ (14)**	**$ 354**
Held-to-maturity securities				
Bank and corporate debt	**$ 1,137**	**$ —**	**$ —**	**$ 1,137**
Other debt securities	**49**	**—**	**—**	**49**
	$ 1,186	**$ —**	**$ —**	**$ 1,186**

December 31,	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
1998				
Available-for-sale securities				
Equity securities	$ 304	$ 67	$ (48)	$ 323
Collateralized mortgage obligations	89	—	(1)	88
Other debt securities	11	—	—	11
	$ 404	$ 67	$ (49)	$ 422
Held-to-maturity securities				
Bank and corporate debt	$ 1,339	$ —	$ —	$ 1,339
Other debt securities	92	—	—	92
	$ 1,431	$ —	$ —	$ 1,431

On December 31, 1999 and 1998, these investments were included in the following captions in our consolidated balance sheets (in millions):

December 31,	Available-for-Sale Securities	Held-to-Maturity Securities
1999		
Cash and cash equivalents	**$ —**	**$ 1,061**
Current marketable securities	**76**	**125**
Cost method investments, principally bottling companies	**227**	**—**
Marketable securities and other assets	**51**	**—**
	$ 354	**$ 1,186**
1998		
Cash and cash equivalents	$ —	$ 1,227
Current marketable securities	79	80
Cost method investments, principally bottling companies	251	—
Marketable securities and other assets	92	124
	$ 422	$ 1,431

The contractual maturities of these investments as of December 31, 1999, were as follows (in millions):

	Available-for-Sale Securities		Held-to-Maturity Securities	
	Cost	Fair Value	Amortized Cost	Fair Value
2000	$ —	$ —	$ 1,186	$ 1,186
2001–2004	8	8	—	—
Collateralized mortgage obligations	45	44	—	—
Equity securities	246	302	—	—
	$ 299	$ 354	$ 1,186	$ 1,186

For the years ended December 31, 1999 and 1998, gross realized gains and losses on sales of available-for-sale securities were not material. The cost of securities sold is based on the specific identification method.

NOTE 9: HEDGING TRANSACTIONS AND DERIVATIVE FINANCIAL INSTRUMENTS

Our Company uses derivative financial instruments primarily to reduce our exposure to adverse fluctuations in interest rates and foreign exchange rates and, to a lesser extent, to reduce our exposure to adverse fluctuations in commodity prices and other market risks. When entered into, these financial instruments are designated as hedges of underlying exposures. Because of the high correlation between the hedging instrument and the underlying exposure being hedged, fluctuations in the value of the instruments are generally offset by changes in the value of the underlying exposures. Virtually all our derivatives are "over-the-counter" instruments. Our Company does not enter into derivative financial instruments for trading purposes.

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

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

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. As a result, we consider the risk of counterparty default to be minimal.

Interest Rate Management

Our Company maintains a percentage of fixed and variable rate debt within defined parameters. We enter into interest rate swap agreements that maintain the fixed/variable mix within these parameters. These contracts had maturities ranging from one to four years on December 31, 1999. Variable rates are predominantly linked to the London Interbank Offered Rate. Any differences paid or received on interest rate swap agreements are recognized as adjustments to interest expense over the life of each swap, thereby adjusting the effective interest rate on the underlying obligation.

Foreign Currency Management

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

We enter into forward exchange contracts and purchase currency options (principally European currencies and Japanese yen) to hedge firm sale commitments denominated in foreign currencies. We also purchase currency options (principally European currencies and Japanese yen) to hedge certain anticipated sales. Premiums paid and realized gains and losses, including those on any terminated contracts, are included in prepaid expenses and other assets. These are recognized in income, along with unrealized gains and losses in the same period the hedging transactions are realized. Approximately $85 million and $43 million of realized losses on settled contracts entered into as hedges of firmly committed transactions that have not yet occurred were deferred on December 31, 1999 and 1998, respectively. Deferred gains/losses from hedging anticipated transactions were not material on December 31, 1999 or 1998. In the unlikely event that the underlying transaction terminates or becomes improbable, the deferred gains or losses on the associated derivative will be recorded in our income statement.

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

The following table presents the aggregate notional principal amounts, carrying values, fair values and maturities of our derivative financial instruments outstanding on December 31, 1999 and 1998 (in millions):

December 31,	Notional Principal Amounts	Carrying Values	Fair Values	Maturity
1999				
Interest rate management				
Swap agreements				
Assets	**$ 250**	**$ 2**	**$ 6**	**2000-2003**
Liabilities	**200**	**(1)**	**(8)**	**2000-2003**
Foreign currency management				
Forward contracts				
Assets	**1,108**	**57**	**71**	**2000-2001**
Liabilities	**344**	**(6)**	**(3)**	**2000-2001**
Swap agreements				
Assets	**102**	**9**	**16**	**2000**
Liabilities	**412**	**—**	**(77)**	**2000-2002**
Purchased options				
Assets	**1,770**	**47**	**18**	**2000**
Other				
Assets	**185**	**—**	**2**	**2000**
Liabilities	**126**	**(8)**	**(8)**	**2000**
	$ 4,497	**$ 100**	**$ 17**	

December 31,	Notional Principal Amounts	Carrying Values	Fair Values	Maturity
1998				
Interest rate management				
Swap agreements				
Assets	$ 325	$ 2	$ 19	1999-2003
Liabilities	200	(2)	(13)	2000-2003
Foreign currency management				
Forward contracts				
Assets	809	6	(54)	1999-2000
Liabilities	1,325	(6)	(73)	1999-2000
Swap agreements				
Assets	344	4	6	1999-2000
Liabilities	704	—	(51)	1999-2002
Purchased options				
Assets	232	5	3	1999
Other				
Liabilities	243	(25)	(26)	1999-2000
	$ 4,182	$ (16)	$ (189)	

Maturities of derivative financial instruments held on December 31, 1999, are as follows (in millions):

2000	2001	2002	2003
$ 4,018	$ 268	$ 136	$ 75

NOTE 10: COMMITMENTS AND CONTINGENCIES

On December 31, 1999, we were contingently liable for guarantees of indebtedness owed by third parties in the amount of $409 million, of which $7 million related to independent bottling licensees. 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.

We have committed to make future marketing expenditures of $760 million, of which the majority is payable over the next 12 years. Additionally, under certain circumstances, we have committed to make future investments in bottling companies. However, we do not consider any of these commitments to be individually significant.

NOTE 11: NET CHANGE IN OPERATING ASSETS AND LIABILITIES

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

	1999	1998	1997
Increase in trade accounts receivable	**$ (96)**	$ (237)	$ (164)
Increase in inventories	**(163)**	(12)	(43)
Increase in prepaid expenses and other assets	**(547)**	(318)	(145)
Increase (decrease) in accounts payable and accrued expenses	**281**	(70)	299
Increase (decrease) in accrued taxes	**(36)**	120	393
Increase (decrease) in other liabilities	**4**	(33)	(387)
	$ (557)	$ (550)	$ (47)

NOTE 12: RESTRICTED STOCK, STOCK OPTIONS AND OTHER STOCK PLANS

Our Company currently sponsors restricted stock award plans and stock option plans. Our Company applies Accounting Principles Board Opinion No. 25 and related Interpretations in accounting for our plans. Accordingly, no compensation cost has been recognized for our stock option plans. The compensation cost charged against income for our restricted stock award plans was $39 million in 1999, $14 million in 1998 and $56 million in 1997. For our Incentive Unit Agreements and Performance Unit Agreements, which were both paid off in 1997, the charge against income was $31 million in 1997. Had compensation cost for the stock option plans been determined based on the fair value at the grant dates for awards under the plans, our Company's net income and net income per share (basic and diluted) would have been as presented in the following table.

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

Year Ended December 31,	**1999**	1998	1997
Net income			
As reported	**$ 2,431**	$ 3,533	$ 4,129
Pro forma	**$ 2,271**	$ 3,405	$ 4,026
Basic net income per share			
As reported	**$ .98**	$ 1.43	$ 1.67
Pro forma	**$ .92**	$ 1.38	$ 1.63
Diluted net income per share			
As reported	**$ .98**	$ 1.42	$ 1.64
Pro forma	**$ .91**	$ 1.36	$ 1.60

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

On December 31, 1999, 33 million shares were available for grant under the Restricted Stock Award Plans. In 1999, there were 32,100 shares of restricted stock granted at an average price of $53.86. In 1998, there were 707,300 shares of restricted stock granted at an average price of $67.03. In 1997, 162,000 shares of restricted stock were granted at $59.75. Participants are entitled to vote and receive dividends on the shares and, under the 1983 Restricted Stock Award Plan, participants are reimbursed by our Company for income taxes imposed on the award, but not for taxes generated by the reimbursement payment. The shares are subject to certain transfer restrictions and may be forfeited if a participant leaves our Company for reasons other than retirement, disability or death, absent a change in control of our Company.

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

A new stock option plan (the 1999 Option Plan) was approved by share owners in April of 1999. Following the approval of the 1999 Option Plan, no grants were made from the 1991 Option Plan and shares available under the 1991 Option Plan were no longer available to be granted. Under the 1999 Option Plan, a maximum of 120 million shares of our common stock was approved to be issued or transferred to certain officers and employees pursuant to stock options granted under the 1999 Option Plan. Options to purchase common stock under the 1999 Option Plan have been granted to Company employees at fair market value at the date of grant.

Generally, stock options become exercisable over a four-year vesting period and expire 15 years from the date of grant. Prior to 1999, generally, stock options became exercisable over a three-year vesting period and expired 10 years from the date of grant.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in 1999, 1998 and 1997, respectively: dividend yields of 1.2, 0.9 and 1.0 percent; expected volatility of 27.1, 24.1 and 20.1 percent; risk-free interest rates of 6.2, 4.0 and 6.0 percent; and expected lives of four years for all years. The weighted-average fair value of options granted was $15.77, $15.41 and $13.92 for the years ended December 31, 1999, 1998 and 1997, respectively.

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

	1999		1998		1997	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding on January 1,	**80**	**$ 42.77**	80	$ 33.22	78	$ 26.50
Granted[1]	**28**	**53.53**	17	65.91	13	59.79
Exercised	**(6)**	**26.12**	(16)	18.93	(10)	14.46
Forfeited/Expired[2]	**(1)**	**60.40**	(1)	55.48	(1)	44.85
Outstanding on December 31,	**101**	**$ 46.66**	80	$ 42.77	80	$ 33.22
Exercisable on December 31,	**59**	**$ 39.40**	52	$ 32.41	55	$ 24.62
Shares available on December 31, for options that may be granted	**92**		18		34	

[1] No grants were made from the 1991 Option Plan during 1999.
[2] Shares Forfeited/Expired relate to the 1991 Option Plan.

The following table summarizes information about stock options at December 31, 1999 (shares in millions):

	Outstanding Stock Options			Exercisable Stock Options	
Range of Exercise Prices	Shares	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
$ 5.00 to $ 10.00	3	0.3 years	$ 9.74	3	$ 9.74
$ 10.01 to $ 20.00	3	1.6 years	$ 14.78	3	$ 14.78
$ 20.01 to $ 30.00	16	4.0 years	$ 23.28	16	$ 23.28
$ 30.01 to $ 40.00	12	5.8 years	$ 35.63	12	$ 35.63
$ 40.01 to $ 50.00	11	6.8 years	$ 48.86	11	$ 48.86
$ 50.01 to $ 60.00	40	12.8 years	$ 55.33	8	$ 59.75
$ 60.01 to $ 86.75	16	8.8 years	$ 65.87	6	$ 65.92
$ 5.00 to $ 86.75	101	8.6 years	$ 46.66	59	$ 39.40

In 1988, our Company entered into Incentive Unit Agreements whereby, subject to certain conditions, certain officers were given the right to receive cash awards based on the market value of 2.4 million shares of our common stock at the measurement dates. Under the Incentive Unit Agreements, an employee is reimbursed by our Company for income taxes imposed when the value of the units is paid, but not for taxes generated by the reimbursement payment. In 1997, all outstanding units were paid at a price of $58.50 per unit.

In 1985, we entered into Performance Unit Agreements whereby certain officers were given the right to receive cash awards based on the difference in the market value of approximately 4.4 million shares of our common stock at the measurement dates and the base price of $2.58, the market value as of January 2, 1985. In 1997, all outstanding units were paid based on a market price of $58.50 per unit.

NOTE 13: PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

Our Company sponsors and/or contributes to pension and postretirement health care and life insurance benefit plans covering substantially all U.S. employees and certain employees in international locations. We also sponsor nonqualified, unfunded defined benefit pension plans for certain officers and other employees. In addition, our Company and its subsidiaries have various pension plans and other forms of postretirement arrangements outside the United States.

Total expense for all benefit plans, including defined benefit pension plans and postretirement health care and life insurance benefit plans, amounted to approximately $108 million in 1999, $119 million in 1998 and $109 million in 1997. Net periodic cost for our pension and other benefit plans consists of the following (in millions):

	Pension Benefits		
Year Ended December 31,	**1999**	1998	1997
Service cost	**$ 67**	$ 56	$ 49
Interest cost	**111**	105	93
Expected return on plan assets	**(119)**	(105)	(95)
Amortization of prior service cost	**6**	3	7
Recognized net actuarial loss	**7**	9	14
Net periodic pension cost	**$ 72**	$ 68	$ 68

	Other Benefits		
Year Ended December 31,	**1999**	1998	1997
Service cost	**$ 14**	$ 14	$ 11
Interest cost	**22**	25	23
Expected return on plan assets	**(1)**	(1)	(1)
Recognized net actuarial gain	**—**	—	(1)
Net periodic cost	**$ 35**	$ 38	$ 32

The following table sets forth the change in benefit obligation for our benefit plans (in millions):

	Pension Benefits		Other Benefits	
December 31,	**1999**	1998	**1999**	1998
Benefit obligation at beginning of year	**$ 1,717**	$ 1,488	**$ 381**	$ 327
Service cost	**67**	56	**14**	14
Interest cost	**111**	105	**22**	25
Foreign currency exchange rate changes	**(13)**	25	**—**	—
Amendments	**4**	8	**—**	—
Actuarial (gain) loss	**(137)**	124	**(101)**	31
Benefits paid	**(84)**	(86)	**(14)**	(16)
Other	**5**	(3)	**1**	—
Benefit obligation at end of year	**$ 1,670**	$ 1,717	**$ 303**	$ 381

The following table sets forth the change in plan assets for our benefit plans (in millions):

	Pension Benefits		Other Benefits	
December 31,	**1999**	1998	**1999**	1998
Fair value of plan assets at beginning of year[1]	**$ 1,516**	$ 1,408	**$ 36**	$ 40
Actual return on plan assets	**259**	129	**1**	2
Employer contribution	**34**	25	**5**	10
Foreign currency exchange rate changes	**(20)**	18	**—**	—
Benefits paid	**(69)**	(68)	**(14)**	(16)
Other	**2**	4	**1**	—
Fair value of plan assets at end of year[1]	**$ 1,722**	$ 1,516	**$ 29**	$ 36

[1] Pension benefit plan assets primarily consist of listed stocks (including 1,584,000 shares of common stock of our Company with a fair value of $92 million and $106 million as of December 31, 1999 and 1998, respectively), bonds and government securities. Other benefit plan assets consist of corporate bonds, government securities and short-term investments.

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets were $556 million, $434 million and $161 million, respectively, as of December 31, 1999, and $536 million, $418 million and $149 million, respectively, as of December 31, 1998.

The accrued pension and other benefit costs recognized in our accompanying consolidated balance sheets is computed as follows (in millions):

	Pension Benefits		Other Benefits	
December 31,	**1999**	1998	**1999**	1998
Funded status	**$ 52**	$ (201)	**$ (274)**	$ (345)
Unrecognized net (asset) liability at transition	**4**	—	**—**	—
Unrecognized prior service cost	**54**	43	**4**	4
Unrecognized net (gain) loss	**(285)**	(10)	**(91)**	10
Net liability recognized	**$ (175)**	$ (168)	**$ (361)**	$ (331)
Prepaid benefit cost	**$ 73**	$ 54	**$ —**	$ —
Accrued benefit liability	**(305)**	(303)	**(361)**	(331)
Accumulated other comprehensive income	**26**	64	**—**	—
Intangible asset	**31**	17	**—**	—
Net liability recognized	**$ (175)**	$ (168)	**$ (361)**	$ (331)

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

	Pension Benefits		
December 31,	**1999**	1998	1997
Discount rates	**7%**	6½%	7%
Rates of increase in compensation levels	**4½%**	4½%	4¾%
Expected long-term rates of return on assets	**8½%**	8¾%	9%

	Other Benefits		
December 31,	**1999**	1998	1997
Discount rates	**8%**	6¾%	7¼%
Rates of increase in compensation levels	**5%**	4½%	4¾%
Expected long-term rates of return on assets	**3%**	3%	3%

The rate of increase in per capita costs of covered health care benefits is assumed to be 7½ percent in 2000, decreasing gradually to 5¼ percent by the year 2005.

A one percentage point change in the assumed health care cost trend rate would have the following effects (in millions):

	One Percentage Point Increase	One Percentage Point Decrease
Effect on accumulated postretirement benefit obligation as of December 31, 1999	$ 42	$ (34)
Effect on net periodic postretirement benefit cost in 1999	$ 6	$ (5)

NOTE 14: INCOME TAXES

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

Year Ended December 31,	**1999**	1998	1997
United States	**$ 1,504**	$ 1,979	$ 1,515
International	**2,315**	3,219	4,540
	$ 3,819	$ 5,198	$ 6,055

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

Year Ended December 31,	United States	State & Local	International	Total
1999				
Current	**$ 395**	**$ 67**	**$ 829**	**$ 1,291**
Deferred	**182**	**11**	**(96)**	**97**
1998				
Current	$ 683	$ 91	$ 929	$ 1,703
Deferred	(73)	28	7	(38)
1997				
Current	$ 240	$ 45	$ 1,261	$ 1,546
Deferred	180	21	179	380

We made income tax payments of approximately $1,404 million, $1,559 million and $982 million in 1999, 1998 and 1997, respectively.

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

Year Ended December 31,	**1999**	1998	1997
Statutory U.S. federal rate	**35.0%**	35.0%	35.0%
State income taxes-net of federal benefit	**1.0**	1.0	1.0
Earnings in jurisdictions taxed at rates different from the statutory U.S. federal rate	**(6.0)**	(4.3)	(2.6)
Equity income or loss	**1.6**	—	(.6)
Other operating charges	**5.3**	—	—
Other-net	**(.6)**	.3	(1.0)
	36.3%	32.0%	31.8%

Our effective tax rate reflects the tax benefit derived from having significant operations outside the United States that are taxed at rates lower than the U.S. statutory rate of 35 percent, partially offset by the tax impact of certain gains recognized from previously discussed bottling transactions. These transactions are generally taxed at rates higher than our Company's effective tax rate on operations.

In 1999, the Company recorded a charge of $813 million, primarily reflecting the impairment of certain bottling, manufacturing and intangible assets. For some locations with impaired assets, management concluded that it was more likely than not that no local tax benefit would be realized. Accordingly, a valuation allowance was recorded offsetting the future tax benefits for such locations. This resulted in an increase in our effective tax rate for 1999. Excluding the impact, the Company's effective tax rate for 1999 would have been 31.0 percent.

We have provided appropriate U.S. and international taxes for earnings of subsidiary companies that are expected to be remitted to the parent company. Exclusive of amounts that would result in little or no tax if remitted, the cumulative amount of unremitted earnings from our international subsidiaries that is expected to be indefinitely reinvested was approximately $3.4 billion on December 31, 1999. The taxes that would be paid upon remittance of these indefinitely reinvested earnings are approximately $1.2 billion, based on current tax laws.

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

December 31,	**1999**	1998
Deferred tax assets:		
Benefit plans	**$ 311**	$ 309
Liabilities and reserves	**169**	166
Net operating loss carryforwards	**196**	49
Other operating charges	**254**	—
Other	**272**	176
Gross deferred tax assets	**1,202**	700
Valuation allowance	**(443)**	(18)
	$ 759	$ 682
Deferred tax liabilities:		
Property, plant and equipment	**$ 320**	$ 244
Equity investments	**397**	219
Intangible assets	**197**	139
Other	**99**	320
	$ 1,013	$ 922
Net deferred tax asset (liability)[1]	**$ (254)**	$ (240)

[1] Deferred tax assets of $244 million and $184 million have been included in the consolidated balance sheet caption "Marketable securities and other assets" at December 31, 1999 and 1998, respectively.

On December 31, 1999 and 1998, we had approximately $233 million and $171 million, respectively, of gross deferred tax assets, net of valuation allowances, located in countries outside the United States.

On December 31, 1999, we had $608 million of operating loss carryforwards available to reduce future taxable income of certain international subsidiaries. Loss carryforwards of $320 million must be utilized within the next five years; $288 million can be utilized over an indefinite period. A valuation allowance has been provided for a portion of the deferred tax assets related to these loss carryforwards.

NOTE 15: NONRECURRING ITEMS

In the fourth quarter of 1999, we recorded charges of approximately $813 million. Of this $813 million, approximately $543 million related to the impairment of certain bottling, manufacturing and intangible assets, primarily within our Russian and Caribbean bottlers and in the Middle and Far East and North America. These impairment charges were recorded to reduce the carrying value of the identified assets to fair value. Fair values were derived using a variety of methodologies, including cash flow analysis, estimates of sales proceeds and independent appraisals. The charges were primarily the result of our revised outlook in certain markets due to the prolonged severe economic downturns. The remaining carrying value of long-lived assets within these operations as of December 31, 1999, was approximately $140 million.

Of the remainder, approximately $196 million related to charges associated with the impairment of the distribution and bottling assets of our vending operations in Japan and our bottling operations in the Baltics. The charges reduced the carrying value of these assets to their fair value less the cost to sell. Consistent with our long-term bottling investment strategy, management has committed to a plan to sell our ownership interest in these operations to one of our strategic business partners. It is management's intention that this plan will be completed within approximately the next 12 months. The remaining carrying value of long-lived assets within these operations and the loss from operations on an after-tax basis as of and for the 12-month period ending December 31, 1999, were approximately $152 million and $5 million, respectively.

The remainder of the $813 million charges, approximately $74 million, primarily related to the change in senior management and charges related to organizational changes within the Greater Europe, Latin America and Corporate segments. These charges were incurred during the fourth quarter of 1999.

In the second quarter of 1998, we recorded a nonrecurring charge primarily related to the impairment of certain assets in North America of $25 million and Corporate of $48 million.

In the second quarter of 1997, we recorded a nonrecurring charge of $60 million related to enhancing manufacturing efficiencies in North America. Substantially all of the charges required as a result of these provisions have been realized as of December 31, 1999.

NOTE 16: OPERATING SEGMENTS

During the three years ended December 31, 1999, our Company's operating structure included the following operating segments: the North America Group (including The Minute Maid Company); the Africa Group; the Greater Europe Group; the Latin America Group; the Middle & Far East Group; and Corporate. The North America Group includes the United States and Canada.

Segment Products and Services

The business of our Company is nonalcoholic ready-to-drink beverages, principally soft drinks, but also a variety of noncarbonated beverages. Our operating segments derive substantially all their revenues from the manufacture and sale of beverage concentrates and syrups with the exception of Corporate, which derives its revenues primarily from the licensing of our brands in connection with merchandise.

Method of Determining Segment Profit or Loss

Management evaluates the performance of its operating segments separately to individually monitor the different factors affecting financial performance. Segment profit or loss includes substantially all of the segment's costs of production, distribution and administration. Our Company manages income taxes on a global basis. Thus, we evaluate segment performance based on profit or loss before income taxes, exclusive of any significant gains or losses on the disposition of investments or other assets. Our Company typically manages and evaluates equity investments and related income on a segment level. However, we manage certain significant investments, such as our equity interests in Coca-Cola Enterprises, at the corporate level. We manage financial costs, such as exchange gains and losses and interest income and expense, on a global basis at the Corporate segment.

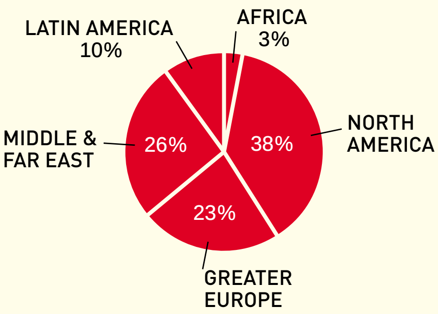
Information about our Company's operations by operating segment is as follows (in millions):

	North America	Africa	Greater Europe	Latin America	Middle & Far East	Corporate	Consolidated
1999							
Net operating revenues	**$ 7,521**	**$ 595**	**$ 4,550**	**$ 1,952**	**$ 5,027**[1]	**$ 160**	**$ 19,805**
Operating income[2]	**1,399**	**162**	**1,011**	**789**	**1,027**	**(406)**	**3,982**
Interest income						**260**	**260**
Interest expense						**337**	**337**
Equity income (loss)	**(5)**	**2**	**(97)**	**(6)**	**(68)**	**(10)**	**(184)**
Identifiable operating assets	**4,100**	**396**	**2,034**	**1,937**	**3,062**	**3,302**[3]	**14,831**
Investments[4]	**138**	**75**	**1,870**	**1,833**	**2,096**	**780**	**6,792**
Capital expenditures	**269**	**18**	**218**	**67**	**321**	**176**	**1,069**
Depreciation and amortization	**263**	**26**	**80**	**96**	**205**	**122**	**792**
Income before income taxes	**1,395**	**149**	**927**	**795**	**946**	**(393)**	**3,819**
1998							
Net operating revenues	$ 6,915	$ 603	$ 4,834	$ 2,244	$ 4,040[1]	$ 177	$ 18,813
Operating income	1,336[5]	216	1,581	1,008	1,280	(454)[5]	4,967
Interest income						219	219
Interest expense						277	277
Equity income (loss)	(1)	3	(40)	68	(70)	72	32
Identifiable operating assets	4,099	381	2,060	1,779	2,041	2,099[3]	12,459
Investments[4]	141	73	2,010	1,629	2,218	615	6,686
Capital expenditures	274	19	216	72	107	175	863
Depreciation and amortization	231	23	92	93	118	88	645
Income before income taxes	1,344	209	1,498	1,085	1,214	(152)	5,198
1997							
Net operating revenues	$ 6,443	$ 582	$ 5,395	$ 2,124	$ 4,110	$ 214	$ 18,868
Operating income	1,195[6]	185	1,742	1,035	1,396	(552)	5,001
Interest income						211	211
Interest expense						258	258
Equity income (loss)	(6)	2	(16)	96	22	57	155
Identifiable operating assets	3,758	418	2,806	1,593	1,578	1,834[3]	11,987
Investments[4]	138	48	1,041	1,461	2,006	200	4,894
Capital expenditures	261	17	327	78	196	214	1,093
Depreciation and amortization	197	22	123	99	106	79	626
Income before income taxes	1,193	178	1,725	1,137	1,398	424	6,055

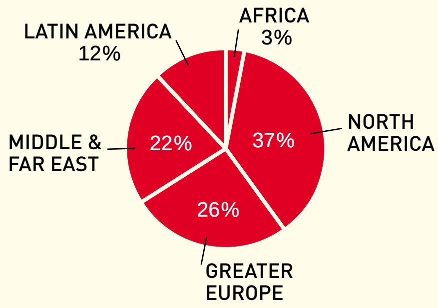
Intercompany transfers between operating segments are not material.
Certain prior year amounts have been reclassified to conform to the current year presentation.
[1] Japan revenues represent approximately 76 percent of total Middle & Far East operating segment revenues related to 1999 and 1998.
[2] Operating income was reduced by $34 million for North America, $3 million for Africa, $430 million for Greater Europe, $35 million for Latin America, $252 million for Middle & Far East and $59 million for Corporate related to the other operating charges recorded in the fourth quarter of 1999.
[3] Corporate identifiable operating assets are composed principally of marketable securities, finance subsidiary receivables, goodwill and other intangible assets and fixed assets.
[4] Principally equity investments in bottling companies.
[5] Operating income was reduced by $25 million for North America and $48 million for Corporate for provisions related to the impairment of certain assets.
[6] Operating income for North America was reduced by $60 million for provisions related to enhancing manufacturing efficiencies.

Compound Growth Rates Ending 1999	North America	Africa	Greater Europe	Latin America	Middle & Far East	Consolidated
Net operating revenues						
5 years	7.1%	2.5%	(2.0)%	—	8.2%	4.0%
10 years	6.7%	14.0%	8.1%	11.2%	11.3%	8.7%
Operating income						
5 years	11.4%	(.4)%	(3.2)%	1.9%	(1.5)%	1.8%
10 years	11.2%	7.2%	4.5%	13.4%	6.5%	8.6%

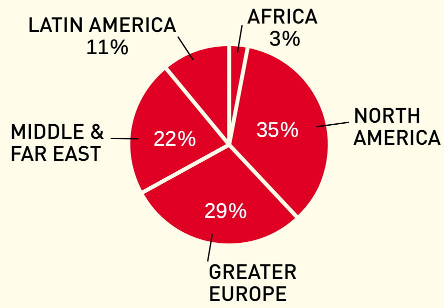
NET OPERATING REVENUES BY OPERATING SEGMENT[1]



1999

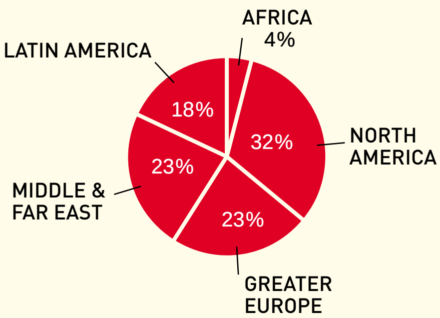


1998

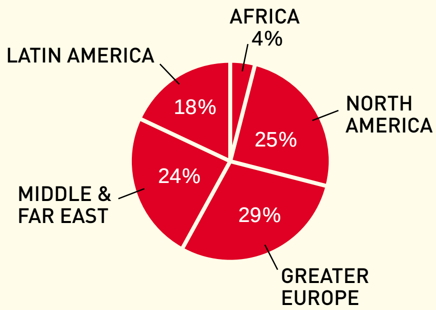


1997

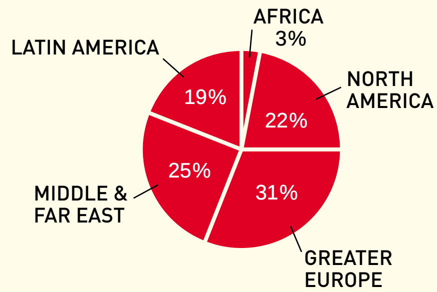
OPERATING INCOME BY OPERATING SEGMENT[1]



1999



1998



1997

[1] Charts and percentages are calculated excluding Corporate

NOTE 17: ACQUISITIONS AND INVESTMENTS

During 1999, the Company's acquisition and investment activity, which included the acquisition of beverage brands from Cadbury Schweppes plc in more than 160 countries around the world and investments in the bottling operations of Embotelladora Arica S.A., F&N Coca-Cola Pte Limited, and Coca-Cola West Japan Company, Ltd., totaled $1.9 billion. During 1998 and 1997, the Company's acquisition and investment activity totaled $1.4 billion and $1.1 billion, respectively. None of the acquisitions and investment activity in 1998 and 1997 was individually significant.

The acquisitions and investments have been accounted for by the purchase method of accounting and, accordingly, their results have been included in the consolidated financial statements from their respective dates of acquisition. Had the results of these businesses been included in operations commencing with 1997, the reported results would not have been materially affected.

NOTE 18: SUBSEQUENT EVENTS

In the second half of 1999, we undertook a detailed review of each of our business functions. The purpose of this review was to determine the optimal organizational structure to serve the needs of our customers and consumers at the local level.

As a result of this review, in January 2000 we announced a major organizational realignment (the Realignment). The Realignment will reduce our workforce around the world while transferring responsibilities from our corporate headquarters to revenue-generating operating units. The intent of the Realignment is to effectively align our corporate resources, support systems and business culture to fully leverage the local capabilities of our system. Under the Realignment, approximately 6,000 positions worldwide, including employees of the Company, open positions and contract labor, will be eliminated. Of these identified positions, approximately 3,300 are based within the United States and approximately 2,700 are based outside of the United States. The entire reduction will take place during calendar year 2000.

Employees separating from our Company as a result of the Realignment will be offered severance packages which include both financial and nonfinancial components. Charges related to the Realignment will be recognized during calendar year 2000.

BOARD OF DIRECTORS AND SHARE OWNERS
The Coca-Cola Company

We have audited the accompanying consolidated balance sheets of The Coca-Cola Company and subsidiaries as of December 31, 1999 and 1998, and the related consolidated statements of income, share-owners' equity, and cash flows for each of the three years in the period ended December 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Coca-Cola Company and subsidiaries at December 31, 1999 and 1998, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Atlanta, Georgia
January 25, 2000

We are responsible for the preparation and integrity of the Consolidated Financial Statements appearing in our Annual Report. The financial statements were prepared in conformity with generally accepted accounting principles appropriate in the circumstances and, accordingly, include certain amounts based on our best judgments and estimates. Financial information in this Annual Report is consistent with that in the financial statements.

We are responsible for maintaining a system of internal accounting controls and procedures to provide reasonable assurance, at an appropriate cost/benefit relationship, that assets are safeguarded and that transactions are authorized, recorded and reported properly. The internal accounting control system is augmented by a program of internal audits and appropriate reviews by management, written policies and guidelines, careful selection and training of qualified personnel and a written Code of Business Conduct adopted by our Company's Board of Directors, applicable to all employees of our Company and our subsidiaries. In our opinion, our Company's internal accounting controls provide reasonable assurance that assets are safeguarded against material loss from unauthorized use or disposition and that the financial records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

The Audit Committee of our Company's Board of Directors, composed solely of Directors who are not officers of our Company, meets with the independent auditors, management and internal auditors periodically to discuss internal accounting controls and auditing and financial reporting matters. The Committee reviews with the independent auditors the scope and results of the audit effort. The Committee also meets periodically with the independent auditors and the chief internal auditor without management present to ensure that the independent auditors and the chief internal auditor have free access to the Committee.

The independent auditors, Ernst & Young LLP, are recommended by the Audit Committee of the Board of Directors, selected by the Board of Directors and ratified by our Company's share owners. Ernst & Young LLP is engaged to audit the Consolidated Financial Statements of The Coca-Cola Company and subsidiaries and conduct such tests and related procedures as it deems necessary in conformity with generally accepted auditing standards. The opinion of the independent auditors, based upon their audits of the Consolidated Financial Statements, is contained in this Annual Report.

Douglas N. Daft
Chairman, Board of Directors,
and Chief Executive Officer

Gary P. Fayard
Senior Vice President
and Chief Financial Officer

Connie D. McDaniel
Vice President
and Controller

February 17, 2000

QUARTERLY DATA (UNAUDITED)

(In millions except per share data) Year Ended December 31,	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
1999					
Net operating revenues	**$ 4,400**	**$ 5,335**	**$ 5,139**	**$ 4,931**	**$19,805**
Gross profit	**3,097**	**3,743**	**3,489**	**3,467**	**13,796**
Net income (loss)	**747**	**942**	**787**	**(45)**	**2,431**
Basic net income (loss) per share	**.30**	**.38**	**.32**	**(.02)**	**.98**
Diluted net income (loss) per share	**.30**	**.38**	**.32**	**(.02)**	**.98**
1998					
Net operating revenues	$ 4,457	$ 5,151	$ 4,747	$ 4,458	$18,813
Gross profit	3,139	3,652	3,301	3,159	13,251
Net income	857	1,191	888	597	3,533
Basic net income per share	.35	.48	.36	.24	1.43
Diluted net income per share	.34	.48	.36	.24	1.42

The fourth quarter of 1999 includes provisions of $813 million ($.31 per share after income taxes, basic and diluted) recorded in other operating charges, primarily relating to the impairment of certain bottling, manufacturing and intangible assets. For a more complete discussion of these provisions, refer to Note 15 in our Consolidated Financial Statements.

The second quarter of 1998 includes a gain of approximately $191 million ($.03 per share after income taxes, basic and diluted) on the sale of our previously consolidated bottling and canning operations in Italy in June 1998. The second quarter of 1998 also includes provisions of $73 million ($.02 per share after income taxes, basic and diluted) related to the impairment of certain assets in North America and Corporate.

The third quarter of 1998 includes a noncash gain on the issuance of stock by CCEAG of approximately $27 million ($.01 per share after income taxes, basic and diluted).

STOCK PRICES

Below are the New York Stock Exchange high, low and closing prices of The Coca-Cola Company's stock for each quarter of 1999 and 1998.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
1999				
High	**$ 70.38**	**$ 70.88**	**$ 65.50**	**$ 69.00**
Low	**59.56**	**57.63**	**47.94**	**47.31**
Close	**61.38**	**62.00**	**48.25**	**58.25**
1998				
High	$ 79.31	$ 86.81	$ 88.94	$ 75.44
Low	62.25	71.88	53.63	55.38
Close	77.44	85.50	57.63	67.00

Our Management

CORPORATE OFFICERS

Executive Committee

Douglas N. Daft[1]
Chairman, Board of Directors,
and Chief Executive Officer

Jack L. Stahl[1]
President and
Chief Operating Officer

James E. Chestnut[1]
Executive Vice President
Operations Support

Charles S. Frenette[1]
Executive Vice President
Greater Europe Business

Joseph R. Gladden, Jr.[1]
Executive Vice President
and General Counsel

Carl Ware[1]
Executive Vice President
Global Public Affairs
and Administration

Senior Vice Presidents

Alexander R.C. Allan
Anton Amon
Ralph H. Cooper
Gary P. Fayard[1]
Timothy J. Haas
Stephen C. Jones[1]

Vice Presidents

Carolyn H. Baldwin
Jack A. Bergstrand
William I. Bruner, Sr.
Lawrence R. Cowart
William J. Davis
Daniel B. Dennison
Randal W. Donaldson
Charles B. Fruit
James E. Higgins
Janet A. Howard
James A. Hush
Juan D. Johnson
Ingrid S. Jones
Geoffrey J. Kelly
Donald R. Knauss
Carl K. Kooyoomjian
Connie D. McDaniel[1]
William R. Newton
Mark M. O'Shaughnessy
Linda K. Peek
Mary M.G. Riddle
Judith A. Rosenblum
Donald W. Short
Connell Stafford, Jr.
David M. Taggart
Clyde C. Tuggle
Steve M. Whaley

Gary P. Fayard[1]
Chief Financial Officer

David M. Taggart
Treasurer

Connie D. McDaniel[1]
Controller

Susan E. Shaw
Secretary

[1] Officers subject to the reporting requirements of Section 16 of the Securities Exchange Act of 1934.

Our Board

Herbert A. Allen[2,3,4]
President and
Chief Executive Officer
The investment banking firm
Allen & Company Incorporated

Ronald W. Allen[3,5]
Consultant to, Advisory Director,
and former Chairman of the Board,
President, and Chief Executive Officer
Delta Air Lines, Inc.

Cathleen P. Black[1,6]
President
Hearst Magazines

Warren E. Buffett[1,2]
Chairman of the Board and
Chief Executive Officer
The diversified holding company
Berkshire Hathaway Inc.

Douglas N. Daft[3]
Chairman, Board of Directors,
and Chief Executive Officer
The Coca-Cola Company

Susan B. King[4,6]
President, The Leadership Initiative
(non-profit consultants for leadership
education)
Duke University

Donald F. McHenry[1,5,6]
Distinguished Professor in the
Practice of Diplomacy
at the School of Foreign Service
Georgetown University

OPERATING OFFICERS

Africa & Middle East Group
Donald W. Short
President

John M. Guarino
Middle East & North Africa Division

Brendan Harris
Northern Africa Division

Douglas A. Jackson
Southern Africa Division

Asia Pacific Group
Alexander R.C. Allan
President

Steve K.W. Chan
China Division

C. Patrick Garner
Southeast & West Asia Division

Mary E. Minnick
Japan Division

James G. Harting
Philippines Division

Michael A. Clarke
South Pacific Division

Alex von Behr
India Division

West Europe Group
José J. Nuñez-Cervera
President

Marc Mathieu
Benelux & France Division

John P. Sechi
German Division

Marcos de Quinto
Iberian Division

Frank P. Bifulco, Jr.
Nordic & Baltic Division

N. Thompson Long
United Kingdom & Ireland Division

Central Europe & Eurasia Group
Cem M. Kozlu
President

Hans Savonije
Central European Division

Ahmet C. Bozer
Eurasia Division

Philippe Marmara
Italy & Alpine Division

Deryck J. van Rensburg
South East Europe Division

J. André Teixeira
Russia & Ukraine Region

Latin America Group
Timothy J. Haas
President

Stuart F. Cross
Brazil Division

Vinita Bali
Andean Division

Glenn G. Jordan
River Plate Division

Willis E. Lowe
Central America &
Caribbean Division

José Octavio Reyes
Mexico Division

Brent D. Willis
VeneCol Division

North America Group
Ralph H. Cooper
President

J.A.M. Douglas, Jr.
North America Group Operations

Tom Moore
Coca-Cola Fountain

Jeffrey T. Dunn
Coca-Cola North America Marketing

The Minute Maid Company
Donald R. Knauss
President

Sam Nunn [2,3]
Partner in the law firm of
King & Spalding

Paul F. Oreffice [2,4,5]
Former Chairman of the Board
and Chief Executive Officer
The Dow Chemical Company

James D. Robinson III [5,6]
Chairman and
Chief Executive Officer
RRE Investors, LLC
(a private information technology
venture investment firm)
Chairman
Violy, Byorum & Partners Holdings
(an investment banking firm)

Peter V. Ueberroth [1,4]
Investor
Managing Director
The business management company
Contrarian Group, Inc.

James B. Williams [2,3]
Chairman of the Executive Committee,
former Chairman of the Board
and Chief Executive Officer
SunTrust Banks, Inc.

[1] Audit Committee
[2] Finance Committee
[3] Executive Committee
[4] Compensation Committee
[5] Committee on Directors
[6] Public Issues Review Committee

FROM LEFT TO RIGHT:
Peter V. Ueberroth, Susan B. King, Herbert A. Allen,
Sam Nunn, Donald F. McHenry, Douglas N. Daft,
Ronald W. Allen, Warren E. Buffett,
James D. Robinson III, James B. Williams,
Cathleen P. Black, Paul F. Oreffice

Share-Owner Information

COMMON STOCK
Ticker symbol: KO
The Coca-Cola Company is one of 30 companies in the Dow Jones Industrial Average.
Share owners of record at year end: 394,603
Shares outstanding at year end: 2.47 billion

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

Outside the United States:
Common stock listed and traded: The German exchange in Frankfurt and the Swiss exchange in Zurich.

DIVIDENDS
At its February 2000 meeting, our Board increased our quarterly dividend to 17 cents per share, equivalent to an annual dividend of 68 cents per share. The Company has increased dividends each of the last 38 years.

The Coca-Cola Company normally pays dividends four times a year, usually on April 1, July 1, October 1 and December 15. The Company has paid 315 consecutive quarterly dividends, beginning in 1920.

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

Registrar and Transfer Agent
First Chicago Trust Company, a division of EquiServe
P.O. Box 2500
Jersey City, NJ 07303-2500
Toll-free: (888) COKESHR (265-3747)
For hearing impaired: (201) 222-4955
E-mail: fctc_cocacola@equiserve.com
Internet: www.equiserve.com

DIVIDEND AND CASH INVESTMENT PLAN
The Dividend and Cash Investment Plan permits share owners of record to reinvest dividends from Company stock in shares of The Coca-Cola Company. The Plan provides a convenient, economical and systematic method of acquiring additional shares of our common stock. All share owners of record are eligible to participate. Share owners also may purchase Company stock through voluntary cash investments of up to $125,000 per year.

At year end, 74 percent of the Company's share owners of record were participants in the Plan. In 1999, share owners invested $40 million in dividends and $78 million in cash in the Plan.

If your shares are held in street name by your broker and you are interested in participating in the Dividend and Cash Investment Plan, you may have your broker transfer the shares to First Chicago Trust Company, a division of EquiServe, electronically through the Direct Registration System.

For more details on the Dividend and Cash Investment Plan, please contact the Plan Administrator, First Chicago Trust Company, a division of EquiServe, or visit the investor section of our Company's Web site, www.thecoca-colacompany.com, for more information.

SHARE–OWNER INTERNET ACCOUNT ACCESS
Share owners of record may access their accounts via the Internet to obtain share balance, current market price of shares, historical stock prices and the total value of their investment. In addition, they may sell or request issuance of Dividend and Cash Investment Plan shares.

For information on how to access this secure site, please call First Chicago Trust Company, a division of EquiServe, toll-free at (877) 843-9327. For share owners of record outside North America, please call (201) 536-8071.

ANNUAL MEETING OF SHARE OWNERS
April 19, 2000, 9 a.m. local time
The Playhouse Theatre
Du Pont Building
10th and Market Streets
Wilmington, Delaware

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

INSTITUTIONAL INVESTOR INQUIRIES
(404) 676-5766

INFORMATION RESOURCES
Internet Site
You can find our stock price, news and earnings releases, and more financial information about our Company on our Web site, www.thecoca-colacompany.com.

Publications
The Company's Annual Report, Proxy Statement, Form 10-K and Form 10-Q reports are available free of charge upon request from our Industry & Consumer Affairs Department at the Company's corporate address, listed above.

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

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

Duplicate Mailings
If you are receiving duplicate or unwanted copies of our publications, please contact First Chicago Trust Company, a division of EquiServe, at (888) COKESHR (265-3747).

Glossary

Bottling Partner or Bottler: Businesses — generally, but not always, independently owned — that buy concentrates or syrups from the Company, convert them into finished packaged products and sell them to customers.

The Coca-Cola System: The Company and its bottling partners.

Concentrate or Beverage Base: Material manufactured from Company-defined ingredients and sold to bottlers for use in the preparation of finished beverages through the addition of sweetener and/or water.

Consolidated Bottling Operation (CBO): Bottler in which the Company holds a controlling interest. The bottler's financial results are consolidated into the Company's financial statements.

Consumer: Person who consumes Company products.

Cost of Capital: Blended cost of equity and borrowed funds used to invest in operating capital required for business.

Customer: Retail outlet, restaurant or other operation that sells or serves Company products directly to consumers.

Derivatives: Contracts or agreements, the value of which is linked to interest rates, exchange rates, prices of securities, or financial or commodity indices. The Company uses derivatives to reduce its exposure to adverse fluctuations in interest and exchange rates and other market risks.

Dividend Payout Ratio: Calculated by dividing cash dividends on common stock by net income available to common share owners.

Economic Profit: Income from continuing operations, after giving effect to taxes and excluding the effects of interest, in excess of a computed capital charge for average operating capital employed.

Economic Value Added: Growth in economic profit from year to year.

Fountain: System used by retail outlets to dispense product into cups or glasses for immediate consumption.

Free Cash Flow: Cash provided by operations less cash used in business reinvestment. The Company uses free cash flow along with borrowings to pay dividends, make share repurchases and make acquisitions.

Gallon Sales: Unit of measurement for concentrates (expressed in equivalent gallons of syrup) and syrups sold by the Company to its bottling partners or customers.

Gross Margin: Calculated by dividing gross profit by net operating revenues.

Interest Coverage Ratio: Income before taxes, excluding unusual items, plus interest expense divided by the sum of interest expense and capitalized interest.

KO: The ticker symbol for common stock of The Coca-Cola Company.

Market: Geographic area in which the Company and its bottling partners do business, often defined by national boundaries.

Net Capital: Calculated by adding share-owners' equity to net debt.

Net Debt: Calculated by subtracting from debt the sum of cash, cash equivalents, marketable securities and certain temporary bottling investments, less the amount of cash determined to be necessary for operations.

Operating Margin: Calculated by dividing operating income by net operating revenues.

Per Capita Consumption: Average number of 8-ounce servings consumed per person, per year in a specific market. Company per capita consumption is calculated by multiplying our unit case volume by 24, and dividing by the population.

Return on Capital: Calculated by dividing income from continuing operations — before changes in accounting principles, adding back interest expense — by average total capital.

Return on Common Equity: Calculated by dividing income from continuing operations — before changes in accounting principles, less preferred stock dividends — by average common share-owners' equity.

Serving: Eight U.S. fluid ounces of a beverage.

Soft Drink: Nonalcoholic carbonated beverage containing flavorings and sweeteners. Excludes flavored waters and carbonated or noncarbonated teas, coffees and sports drinks.

Syrup: Concentrate mixed with sweetener and water, sold to bottlers and customers who add carbonated water to produce finished soft drinks.

Total Capital: Equals share-owners' equity plus interest-bearing debt.

Total Market Value of Common Stock: Stock price at year end multiplied by the number of shares outstanding at year end.

Unit Case: Unit of measurement equal to 24 8-U.S.-fluid-ounce servings.

Unit Case Volume: The sum of (i) the number of unit cases sold by the Coca-Cola bottling system and by the Company to customers, including fountain syrups sold by the Company to customers directly or through wholesalers or distributors, and (ii) the volume of juice and juice-drink products (expressed in equivalent unit cases) distributed by The Minute Maid Company. Item (i) above primarily includes products reported as gallon sales and other key products owned by our bottlers. Historically, Company unit case volume data excluded item (ii) above; however, effective with this report, all historical unit case volume data in this report reflects the new definition set forth above.

Environmental Statement: Our Company is dedicated to environmental excellence and committed to managing our environmental impact in a positive manner — just as we would any other business issue. The foundation for this commitment is The Coca-Cola Environmental Management System, our framework for managing the environmental expectations of our business, customers, consumers and share owners. TCCEMS drives our environmental policies, requirements and practices as the needs of our business change. Through TCCEMS and our partner environmental organizations, we strive to develop our business in a sustainable manner while continuously improving on all environmental aspects of our business, including water and wastewater minimization, recycling, litter reduction, and more efficient use of energy and natural resources. Each year as a worldwide system we spend more than $5 billion on recycled-content materials and supplies.

Equal Opportunity Policy: The Coca-Cola Company and its subsidiaries employed approximately 37,000 employees as of December 31, 1999, up from nearly 29,000 at the end of 1998 due primarily to the acquisition of bottling operations in India, Vietnam and Russia and of vending operations in Japan. We have announced plans to reduce our workforce by approximately 6,000 positions (including employees of the Company, open positions and contract labor) during the year 2000. We maintain a long-standing commitment to equal opportunity, affirmative action and valuing the diversity of our employees, share owners, customers and consumers. The Company strives to create a working environment free of discrimination and harassment with respect to race, sex, color, national origin, religion, age, sexual orientation, disability, being a special disabled veteran or being a veteran of the Vietnam era, as well as to make reasonable accommodations in the employment of qualified individuals with disabilities. The Company maintains ongoing contact with labor and employee associations to develop relationships that foster responsive and mutually beneficial discussions pertaining to labor issues. These associations have provided a mechanism for positive industrial relations. In addition, we provide fair marketing opportunities to all suppliers and maintain programs to increase transactions with firms that are owned and operated by minorities and women.

We answer to every taste and occasion in 232 ways every day_We se

_We see success as a measure of our marketing_This is a
_This is a company you can count on_We do business where we live_We live where we do business_We

We're driven by consumer demands_6 billion of the

We're driven by consumer demands_6 billion of them_Without it, we're

www.thecoca-colacompany.com_This is a company you can count on_Without it, we're jus