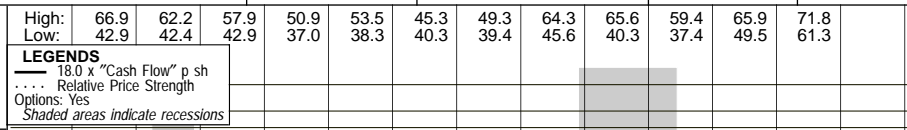


COCA-COLA NYSE-KO

RECENT PRICE **67.35** P/E RATIO **16.6** (Trailing: 17.8; Median: 20.0) RELATIVE P/E RATIO **1.12** DIV'D YLD **2.8%** VALUE LINE

TIMELINESS 3 Lowered 3/5/10
SAFETY 1 New 7/27/90
TECHNICAL 3 Lowered 12/9/11
BETA .60 (1.00 = Market)



Target Price Range	2014	2015	2016

2014-16 PROJECTIONS

Price	Gain	Ann'l Total Return
High 130	(+95%)	20%
Low 105	(+55%)	14%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	2	0	0	0	0	0	0	0	0
Options	0	1	4	0	0	2	3	3	1
to Sell	0	2	4	0	0	2	3	3	1

Institutional Decisions

	1Q2011	2Q2011	3Q2011
to Buy	573	557	598
to Sell	649	653	639
Hlds (000)	1552291	1430574	1429392

Percent shares traded: 15, 10, 5

% TOT. RETURN 12/11	THIS STOCK	VL ARITH. INDEX
1 yr.	9.4	-5.9
3 yr.	69.7	91.9
5 yr.	67.9	21.6

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^E	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
7.19	7.48	7.64	7.63	8.01	8.23	7.06	7.92	8.62	9.12	9.75	10.39	12.45	13.82	13.46	15.32	20.60	21.60	Sales per sh	25.80
1.37	1.60	1.92	1.69	1.63	1.79	1.92	1.99	2.31	2.45	2.59	2.81	3.08	3.58	3.50	4.18	4.55	4.80	"Cash Flow" per sh	6.35
1.19	1.40	1.64	1.42	1.30	1.48	1.60	1.65	1.95	2.06	2.17	2.37	2.57	3.02	2.93	3.49	3.85	4.20	Earnings per sh ^A	5.60
.44	.50	.56	.60	.64	.68	.72	.80	.88	1.00	1.12	1.24	1.36	1.52	1.64	1.76	1.88	2.04	Div'ds Decl'd per sh ^B	2.80
.37	.40	.44	.35	.43	.30	.31	.34	.33	.31	.38	.61	.71	.85	.87	.97	1.05	1.05	Cap'l Spending per sh	1.10
2.15	2.48	2.96	3.41	3.85	3.75	4.57	4.78	5.77	6.61	6.90	7.30	9.38	8.85	10.77	13.53	14.60	15.75	Book Value per sh ^C	20.45
2504.6	2481.0	2470.6	2465.5	2471.6	2484.8	2486.2	2471.0	2441.5	2409.3	2369.0	2318.0	2318.0	2312.0	2303.0	2292.0	2260	2225	Common Shs Outst'g ^D	2200
26.8	32.8	38.1	51.3	47.5	37.5	30.5	30.2	22.6	22.6	19.7	18.5	21.0	17.8	16.6	16.2	17.3		Avg Ann'l P/E Ratio	21.0
1.79	2.05	2.20	2.67	2.71	2.44	1.56	1.65	1.29	1.19	1.05	1.00	1.11	1.07	1.11	1.04	1.16		Relative P/E Ratio	1.40
1.4%	1.1%	.9%	.8%	1.0%	1.2%	1.5%	1.6%	2.0%	2.2%	2.6%	2.8%	2.5%	2.8%	3.4%	3.1%	2.8%		Avg Ann'l Div'd Yield	2.4%

CAPITAL STRUCTURE as of 9/30/11
 Total Debt \$29.188 bill. Due in 5 Yrs. \$8.77 bill.
 LT Debt \$13.708 bill. Total Int. \$265.0 mill.
 (Total interest coverage: 27x)
 (31% of Cap'l)

Pension Assets-12/10 \$5.50 bill. **Oblig.** \$7.29 bill.

Pfd Stock None

Common Stock 2,271,000,000 shs.

MARKET CAP: \$153 billion (Large Cap)

17545	19564	21044	21962	23104	24088	28857	31944	30990	35123	46600	48000	Sales (\$mill)	56800
35.1%	32.0%	31.6%	32.2%	30.8%	31.3%	30.0%	30.3%	30.5%	31.4%	27.5%	27.5%	Operating Margin	30.0%
803.0	806.0	850.0	893.0	932.0	938.0	1163.0	1228.0	1236.0	1443.0	1550	1625	Depreciation (\$mill)	1920
3979.0	4100.0	4790.0	5014.0	5196.0	5568.0	5981.0	7050.0	6824.0	8144.0	8770	9100	Net Profit (\$mill)	12000
29.8%	27.0%	21.1%	24.5%	23.5%	22.4%	24.0%	22.2%	22.8%	22.7%	25.0%	22.7%	Income Tax Rate	25.0%
22.7%	21.0%	22.8%	22.8%	22.5%	23.1%	20.7%	22.1%	22.0%	23.2%	18.8%	19.0%	Net Profit Margin	21.1%
d1258	11.0	510.0	1123.0	414.0	d449.0	d1120	d812.0	3830.0	3071.0	4500	5500	Working Cap'l (\$mill)	9500
1219.0	2701.0	2517.0	1157.0	1154.0	1314.0	3277.0	2781.0	5059.0	14041	12000	11000	Long-Term Debt (\$mill)	8000
11366	11800	14090	15935	16355	16920	21744	20472	24799	31003	33000	35000	Shr. Equity (\$mill)	45000
31.9%	28.8%	29.2%	29.5%	29.8%	30.7%	24.2%	30.6%	23.4%	18.5%	19.0%	20.5%	Return on Total Cap'l	23.0%
35.0%	34.7%	34.0%	31.5%	31.8%	32.9%	27.5%	34.4%	27.5%	26.3%	28.0%	26.5%	Return on Shr. Equity	26.5%
19.3%	17.9%	18.6%	16.2%	15.4%	15.7%	13.0%	17.2%	12.2%	13.1%	14.0%	12.0%	Retained to Com Eq	13.5%
45%	48%	45%	48%	52%	52%	53%	50%	56%	50%	50%	47%	All Div'ds to Net Prof	50%

BUSINESS: The Coca-Cola Company is the world's largest beverage company. Markets over 500 nonalcoholic beverage brands through a network of company-owned and independent bottlers/distributors, wholesalers, and retailers. Leading company/licensed brands include Coca-Cola, Diet Coke, Sprite, Fanta, Fresca, Dasani, glaceau vitaminwater, Powerade, and Minute Maid.

Business outside the U.S. accounted for 70% of 2010 net sales; Advertising expenses, 8.3% of 2010 revenues. Has approximately 139,600 employees. Directors and Officers own 5.5% of stock; Berkshire Hathaway, 8.7% (3/11 Proxy). Chairman and CEO: Muhtar Kent, Inc.: DE. Address: One Coca-Cola Plaza, Atlanta, Georgia 30313. Tel.: 404-676-2121. Internet: www.coca-cola.com.

CURRENT POSITION (SMILL.)

	2009	2010	9/30/11
Cash Assets	9151	11337	16497
Receivables	3758	4430	5131
Inventory (Avg Cst)	2354	2650	3172
Other	2288	3162	3391
Current Assets	17551	21579	28191
Accts Payable	6657	9376	9837
Debt Due	6800	8859	15480
Other	264	273	264
Current Liab.	13721	18508	25581

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '08-'10
of change (per sh)	10 Yrs.	5 Yrs.	to '14-'16
Sales	6.0%	9.0%	10.5%
"Cash Flow"	8.0%	9.0%	9.0%
Earnings	8.5%	9.0%	10.0%
Dividends	10.0%	10.5%	9.5%
Book Value	11.5%	11.5%	11.0%

QUARTERLY SALES (\$ mill.)

Cal-endar	Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2008	7379	9046	8393	7126	31944
2009	7169	8267	8044	7510	30990
2010	7525	8674	8426	10498	35123
2011	10545	12737	12248	11070	46600
2012	11050	12850	12525	11575	48000

EARNINGS PER SHARE ^A

Cal-endar	Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2008	.64	.98	.81	.59	3.02
2009	.58	.88	.81	.66	2.93
2010	.80	1.06	.92	.72	3.49
2011	.86	1.17	1.03	.79	3.85
2012	.95	1.28	1.10	.87	4.20

QUARTERLY DIVIDENDS PAID ^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	--	.38	.38	.76	1.52
2009	--	.41	.41	.82	1.64
2010	--	.44	.44	.88	1.76
2011	--	.47	.47	.94	1.88
2012	--				

We've trimmed our 2011 and 2012 share-net estimates for The Coca-Cola Company by \$0.02 and \$0.10, respectively. The downward revisions largely reflect what are likely to be less favorable (or even negative) near-term currency effects, coinciding with recent weakness in currencies like the euro. The increasing likelihood that a number of eurozone economies are (or will soon be) in recession also doesn't augur well for regional sales and profit performance.

Domestic sales of Coke's orange juice brands (Minute Maid and Simply Orange) may also take a hit, following news that the company has found small amounts of an unapproved fungicide in its products and those of its competitors. The fungicide in question (carbendazim) has been traced to oranges/juice products from Brazil, where its use by citrus growers (to combat mold) is legal. In the U.S., however, carbendazim use is not approved.

Our downwardly-revised share-net estimates for 2011 and 2012 (of \$3.85 and \$4.20) still imply solid bottom-line gains of 10% and 9%, respectively. We look for unit-volume sales to increase at a

mid-single-digit pace, driven by rising demand for Coke products in Asian and Latin American markets. In the U.S., meanwhile, the company stands to benefit from cost-savings and "route to market" improvements, stemming from the early 2011 acquisition of an affiliated bottler's (Coca-Cola Enterprises) distribution assets. More-targeted marketing and packaging innovation ought to help, as well.

Share earnings should reach \$5.60 by mid-decade. Further penetration of large overseas markets should be the key driver. Notably, annual per-capita consumption of Coke products in India (now just 11 or so individual servings versus 675 for Mexico) ought to rise as the sub-Continent's economy gains further traction and as more people join the ranks of the middle class. **Coca-Cola shares remain a good core holding for conservative investors.** Total return potential out to 2014-2016 is solid, partly reflecting a well-covered, and likely growing, dividend. That said, the issue is ranked to mirror the broader market's performance over the next six to 12 months.

Nils C. Van Liew
 January 27, 2012