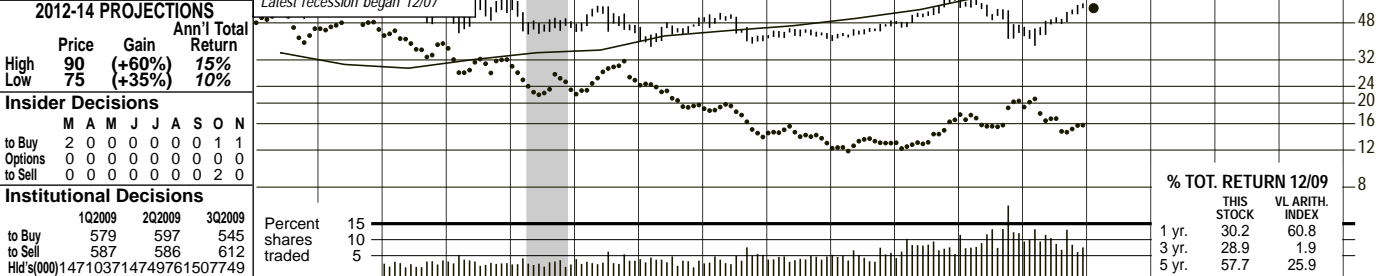


# COCA-COLA NYSE-KO

RECENT PRICE **56.42** P/E RATIO **17.5** (Trailing: 19.4 Median: 24.0) RELATIVE P/E RATIO **1.00** DIV'D YLD **3.0%**

**VALUE LINE**

TIMELINESS <b>2</b> Raised 12/11/09	High: 88.9	70.9	66.9	62.2	57.9	50.9	53.5	45.3	49.3	64.3	65.6	59.4								Target Price Range		
SAFETY <b>1</b> New 7/27/90	Low: 53.6	47.3	42.9	42.4	42.9	37.0	38.3	40.3	39.4	45.6	40.3	37.4								2012	2013	2014
TECHNICAL <b>3</b> Raised 1/29/10	LEGENDS 18.0 x "Cash Flow" p sh Relative Price Strength Options: Yes Shaded area: prior recession Latest recession began 12/07																					
BETA .60 (1.00 = Market)	2012-14 PROJECTIONS																					



1993	1994	1995	1996	1997	1998	1999	2000	2001	2002 <sup>E</sup>	2003	2004	2005	2006	2007	2008	2009	2010	© VALUE LINE PUB., INC.		12-14
5.38	6.34	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	13.10	14.15	Sales per sh		15.65
.98	1.16	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	3.60	3.95	"Cash Flow" per sh		4.50
.84	.99	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	3.05	3.40	Earnings per sh <sup>A</sup>		3.90
.34	.39	.44	.50	.56	.60	.64	.68	.72	.80	.88	1.00	1.12	1.24	1.36	1.52	1.64	1.72	Div's Decl'd per sh <sup>B</sup>		2.00
.31	.34	.37	.40	.44	.35	.43	.30	.31	.34	.33	.31	.38	.61	.71	.85	.85	.90	Cap'l Spending per sh		.95
1.77	2.05	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	10.40	12.10	Book Value per sh <sup>C</sup>		17.15
2594.9	2551.9	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	2317	2316	Common Shs Outst'g <sup>D</sup>		2310
25.1	22.5	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	15.9		Avg Ann'l P/E Ratio		21.0
1.48	1.48	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	1.08	1.04		Relative P/E Ratio		1.40
1.6%	1.7%	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%	3.3%		Avg Ann'l Div'd Yield		2.4%

CAPITAL STRUCTURE as of 10/2/09		19805	20458	17545	19564	21044	21962	23104	24088	28857	31944	30750	32800	Sales (\$mill)	36175
Total Debt \$1214.0 mill. Due in 5 Yrs. \$7429.0		28.2%	28.9%	35.1%	32.0%	31.6%	32.2%	30.8%	31.3%	30.0%	30.3%	34.5%	36.5%	Operating Margin	38.0%
LT Debt \$5028.0 mill. Total Int. \$275.0 mill. <sup>F</sup>		792.0	773.0	803.0	806.0	850.0	893.0	932.0	938.0	1163.0	1228.0	1200	1210	Depreciation (\$mill)	1275
(Total interest coverage: 15x)	(17% of Cap'l) <sup>F</sup>	3233.0	3669.0	3979.0	4100.0	4790.0	5014.0	5196.0	5568.0	5981.0	7050.0	7145	7950	Net Profit (\$mill)	9080
		30.2%	27.1%	29.8%	27.0%	21.1%	24.5%	23.5%	22.4%	24.0%	22.2%	23.0%	25.0%	Income Tax Rate	25.0%
Pension Assets-12/08 \$2.29 bill. Oblig. \$3.61 bill.		16.3%	17.9%	22.7%	21.0%	22.8%	22.8%	22.5%	23.1%	20.7%	22.1%	23.2%	24.2%	Net Profit Margin	25.1%
Pfd Stock None		d3376	d2701	d1258	11.0	510.0	1123.0	414.0	d449.0	d1120	d812.0	1000	1000	Working Cap'l (\$mill)	2000
		854.0	835.0	1219.0	2701.0	2517.0	1157.0	1154.0	1314.0	3277.0	2781.0	5000	4500	Long-Term Debt (\$mill)	3000
Common Stock 2,317,181,472 shs.		9513.0	9316.0	11366	11800	14900	15935	16355	16920	21744	20472	24100	28000	Shr. Equity (\$mill)	39575
as of 10/23/09		31.5%	36.4%	31.9%	28.8%	29.2%	29.5%	29.8%	30.7%	24.2%	30.6%	25.0%	25.0%	Return on Total Cap'l	21.5%
MARKET CAP: \$130 billion (Large Cap)		34.0%	39.4%	35.0%	34.7%	34.0%	31.5%	31.8%	32.9%	27.5%	34.4%	29.5%	28.5%	Return on Shr. Equity	23.0%

CURRENT POSITION (\$MILL.)	2007	2008	10/2/09
Cash Assets	4308	4979	9125
Receivables	3317	3090	3465
Inventory (Avg Cst)	2220	2187	2341
Other	2260	1920	2061
Current Assets	12105	12176	16992
Accts Payable	6915	6205	6755
Debt Due	6052	6531	6186
Other	258	252	469
Current Liab.	13225	12988	13410

**The Coca-Cola Company's financial performance for 2009 was lackluster.** (The company is set to release full-year results early next month.) We expect the top line to have receded slightly, and earnings to have shown little growth. This was not surprising, since the recently concluded recession led to weak demand in both still and sparkling categories. Although efficiency drives softened the blow to earnings, KO has had to contend with a difficult operating environment of late. **The near term has some obstacles.** Notably, KO's bottlers have had to deal with consumers' welcome reception of private-label offerings. Such beverages have been popular of late because they appeal to price-conscious individuals. Too, volume for its products has waned a bit, especially in convenience channels. The proposed soda tax and the removal of sodas from school vending machines may cause some hurdles, as well. However, a less expensive packaging scheme ought to aid soft volume. Also, **Synergistic efforts between Coca-Cola and its bottlers is important at this time.** KO's major rival, PepsiCo, is moving forward in its efforts to acquire its bottlers, which will likely enable significant cost savings for that company. Thus, KO will, perhaps, be eager to enhance its supply-chain efficiencies, as well. **Growth will likely be realized in several ways.** Foreign markets seem to be a high point for the company. Countries such as China, Brazil, and India have potential, given they have a growing middle-class population. In addition, the innovation pipeline remains active for new products, or healthier options, and more environmentally conscious packaging. **The issue may suit momentum accounts.** The stock is favorably ranked for year-ahead performance (Timeliness: 2). However, its long-term appeal is not as enticing as it holds slightly above-average appreciation potential for the 2012-2014 time frame. **However, conservative investors may be enticed.** Demand, though tempered, is backed by a solid name and good growth prospects. Furthermore, the titan has our Highest Safety rank (1) and Financial Strength rating (A++).

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '06-'08 to '12-'14
Sales	5.0%	9.0%	4.0%
"Cash Flow"	6.0%	9.0%	6.0%
Earnings	6.0%	9.0%	7.0%
Dividends	9.5%	11.5%	6.5%
Book Value	11.0%	11.0%	12.5%

Cal-endar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.	Jun.	Sep.	Dec.	Per Dec.
2006	5226	6476	6454	5932	24088
2007	6103	7733	7690	7331	28857
2008	7379	9046	8393	7126	31944
2009	7169	8267	8044	7270	30750
2010	7600	8925	8855	7420	32800

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.	Jun.	Sep.	Dec.	Per Dec.
2006	.49	.74	.62	.52	2.37
2007	.54	.80	.71	.52	2.57
2008	.64	.98	.81	.59	3.02
2009	.58	.92	.82	.73	3.05
2010	.68	.99	.93	.80	3.40

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year
	Mar.	Jun.	Sep.	Dec.	Per Dec.
2006	--	.31	.31	.62	1.24
2007	--	.34	.34	.68	1.36
2008	--	.38	.38	.76	1.52
2009	--	.41	.41	.82	1.64
2010	--	.41	.41	.82	1.64