

The Coca-Cola Company in 1988

7/17/2007

KO

all figures in \$Mil except per share data and percentages

Financial Data

	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Balance Sheet Data										
Current Liabilities	\$ 744	\$ 884	\$ 1,062	\$ 1,006	\$ 1,327	\$ 1,391	\$ 2,023	\$ 2,004	\$ 852	\$ 2,086
Total Liabilities	\$ 843	\$ 1,019	\$ 1,331	\$ 1,294	\$ 2,145	\$ 2,307	\$ 3,180	\$ 3,919	\$ 4,196	\$ 5,419
Shareholder Equity	\$ 1,740	\$ 1,919	\$ 2,075	\$ 2,271	\$ 2,779	\$ 2,921	\$ 2,778	\$ 2,979	\$ 3,479	\$ 3,187
Cash Flow Data										
Free Cash Flow	\$ 139	\$ 119	\$ 238	\$ 243	\$ 265	\$ 346	\$ 448	\$ 440	\$ 739	\$ 764
Management										
CROIC	7.56%	5.79%	10.15%	9.50%	7.37%	9.02%	11.38%	8.99%	10.83%	11.72%

Multi-Year Performance

	1978-1985	1979-1986	1980-1987	1978-1983	1979-1984	1980-1985	1981-1986	1982-1987	Median
Shareholder Equity	8.0%	8.9%	6.3%	10.9%	7.7%	7.5%	8.9%	2.8%	7.8%
Free Cash Flow	17.9%	29.8%	18.1%	20.0%	30.4%	13.1%	24.9%	23.6%	21.8%
CROIC	9.0%	9.5%	9.5%	9.0%	9.5%	9.0%	9.0%	10.8%	9.3%

Projection of future Free Cash Flow

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Growing at 21.8%	\$ 931	\$ 1,133	\$ 1,380	\$ 1,681	\$ 2,048	\$ 2,494	\$ 3,038	\$ 3,700	\$ 4,506	\$ 5,489
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Growing at 5%	\$ 5,763	\$ 6,051	\$ 6,354	\$ 6,672	\$ 7,005	\$ 7,355	\$ 7,723	\$ 8,109	\$ 8,515	\$ 8,941

Company Valuation

Total Value	\$ 22,318
Per Share Value	\$ 59.16
Desired Discount	25%
Target Purchase Price	\$ 44.37
1988 Price Range	\$ 35.00 - \$ 45.25
Actual Discount	23.5% to 40.8%

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Chart Legend

Shareholder Equity

Free Cash Flow

Free Cash Flow and Shareholder Equity Trend

