July 8, 2014

Dear fellow Coca-Cola shareholders,

Over the past few years, Coca-Cola has simply not lived up to its potential. Revenue has been flat and net income before extraordinary items was lower in 2013 than in 2011, despite massive spending on marketing and several cost cutting initiatives.[1] At the same time, Coca-Cola's debt has increased by $8.5 billion.[2] Furthermore, the pace at which Coca-Cola has fixed-up and refranchised its bottlers has been frustratingly slow, and disclosure on the performance of the bottling assets has been less than clear. All of these factors lead us to believe that Coca-Cola could be better managed.

We believe Coca-Cola's shareholders deserve better, so we asked ourselves – "what would Coca-Cola look like if it were a well-run company with a focus on shareholder returns?" Here's our answer:

Operations and integrity:

- Best in class profit margins. Coca-Cola's profit margin has been stuck at 26% for the past three years.[3] By contrast AB InBev and SABMiller, both beverage companies with global footprints and sizes comparable to Coca-Cola's, have profit margins of 40% and 34% respectively.[4] In our opinion, there is no reason why Coca-Cola shouldn't have profit margins comparable to these companies. If Coca-Cola achieved a profit margin of 37% (the average of AB InBev and SABMiller), its profits would be 41% higher. **Assuming Coca-Cola continued to trade at its current valuation, the shares would be worth substantially more than their recent price of $42 per share.**

- A laser-like focus on costs. In just ten years, Coca-Cola's workforce has grown from 49,000 employees to 131,000 employees, while profit per employee has declined by 32% over that same period.[5] We believe that Coca-Cola could be more efficient and that certain significant cost-cutting measures could be taken to boost profits per employee without harming the company.

- An increased pace of bottler refranchising. It has been nearly four years since Coca-Cola purchased Coca-Cola Enterprises' North American operations and since that time, little progress has been

[1] Coca-Cola 2013 10-K, page 74; Coca-Cola 2011 10-K, page 78; this sentence has been corrected and updated as of July 10, 2014.
[2] Coca-Cola 2011 10-K, page 75; Coca-Cola 2013 10-K, page 76.
[3] As measured by EBITDA margin – earnings before interest, taxes, depreciation and amortization divided by net revenue.
[4] Bloomberg.
[5] Coca-Cola 2004 Annual Report page 12; 2013 Annual Report page 11; Bloomberg.

made in refranchising those bottling assets. Capital should be freed up from these operations and redeployed into the more profitable and less capital-intensive concentrate business, or returned to shareholders.

- Improved disclosure. Investors should be able to see exactly how the bottling business is performing as a standalone business unit. Coca-Cola's current disclosure is insufficient for this purpose.

- Prioritizing pricing and profit over volume growth. Coca-Cola management has seemingly emphasized growing volumes in mature markets such as the United States rather than focusing on prices and profits. At the end of the day, it is profits that matter to shareholders, not volume.

- No more attempts to buy growth. Paying large valuations for stakes in non-core businesses such as Keurig Green Mountain Inc. does not address the fundamental growth problems Coca-Cola has encountered in its primary business of selling cold beverages. Management's focus should be improving its time-tested and highly profitable business lines rather than trying to buy growth.

- No more cheapening Coca-Cola's brands. Mixing apple and grape juice with 0.3% pomegranate juice and labeling it as pomegranate juice reflects poorly on the entire company and management. We believe that the United States Supreme Court's recent unanimous decision related to a lawsuit against Coca-Cola for its allegedly misleading labeling of pomegranate juice is indicative of larger problems with management's focus, integrity and judgment.

Corporate Governance

- Separate the roles of Chairman and CEO. Currently, Mr. Muhtar Kent serves as both the Chairman and CEO of Coca-Cola. Having an independent Chairman is a widely accepted best-practice for large, blue chip companies because it reduces certain conflicts of interests and helps to prevent management overreach. Coca-Cola should be a leader in corporate governance practices, and we believe the first step is having an independent Chairman.

- Withdraw and replace the 2014 Equity Compensation Plan. We believe the Plan is overly-dilutive and harmful to shareholders and to Coca-Cola. It should be withdrawn and replaced with a more modest plan which includes clear and meaningful performance hurdles which must be cleared before any bonuses are paid and include an **emphasis on cash awards.** All details of any compensation plan should be contained within the proxy statement itself, not in supplemental filings, and should be presented in a clear and concise manner. Coca-Cola's shareowners should be able to understand exactly what they are being asked to vote for without referencing several documents spread over several dozen of pages. For a complete picture regarding the 2014 Equity Plan, investors need to reference the proxy statement, a supplemental filing, and Coca-Cola's 10-k.

- Develop and implement a plan to reduce the dilutive effects of the existing 388 million equity awards.[6] Whether through repurchasing options from employees or another mechanism, the 8.8% potential dilution from these awards needs to be addressed. The dilution overhang should be significantly reduced so that the future upside of Coca-Cola's shares accrues to all shareholders.

- A strong and independent Board of Directors. We question how a truly independent board could develop and unanimously approve a plan that ultimately garnered approval from less than half of Coca-Cola's total outstanding shares. An independent board's role is to stand up to management overreach and to represent the interests of the shareholders, who are the true owners of the company. At Coca-Cola, one-third of the board members have been there for more than 15 years, and many have overlapping business interests with each other and the company.[7] Furthermore, many of the directors have little, if any, experience in the global beverage business. We believe it is time for some fresh, informed and independent perspectives in the boardroom.

Coca-Cola is a company with incredible potential around the world and some of the most valuable consumer brands ever created. Its shareholders deserve leadership that respects and honors the iconic nature of the company and is willing to do what it takes to restore Coca-Cola to the great company that we know it to be. We have outlined a few modest steps that we believe are essential to returning value to Coca-Cola. If the current board of directors and management team are unwilling or unable to get Coca-Cola back on the path of profitable and organic growth that accrues to all shareholders, they should be replaced. Coca-Cola and its shareholders deserve nothing less.

Sincerely,

David J. Winters, CEO
Wintergreen Advisers, LLC.
973-263-4500

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[6] Coca-Cola 2014 proxy statement, page 85.
[7] Coca-Cola 2014 proxy statement, pages 39 to 41.