

EXHIBIT 10.3 The Coca-Cola Company Income Statement

(in million \$ except per share data)	2002	2001	2000
Net operating revenues	19,564	17,545	17,354
Cost of goods sold	7,105	6,044	6,204
Gross profit	12,459	11,501	11,150
Selling, general, and administrative expenses	7,001	6,149	6,016
Other operating changes	0	0	1,443
Operating income	5,458	5,352	3,691
Interest income	209	325	345
Interest expense	199	289	447
Equity income (loss)	384	152	(289)
Other income (loss)—net	(353)	39	99
Gains on issuances of stock by equity investee	0	91	0
Income before income taxes and cumulative effect of accounting change	5,499	5,670	3,399
Income taxes	1,523	1,691	1,222
Net income before cumulative effect of accounting change	3,976	3,979	2,177
Cumulative effect of accounting change for SFAS			
No. 142 net of income taxes:			
Company operations	(367)	0	0
Equity investments	(559)	0	0
Cumulative effect of accounting change for SFAS	0	(10)	0
No. 133 net of income taxes	3,050	3,969	2,177
Net income			
Basic net income per share before accounting change	1.60	1.60	0.88
Cumulative effect of accounting change	(0.37)	0	0
Diluted net income per share before accounting change	1.23	1.60	0.88
Cumulative effect of accounting change	1.60	1.60	0.88
Average shares outstanding	(0.37)	0	0
Effect of dilutive securities	1.23	1.60	0.88
Average shares outstanding assuming dilution	2,478	2,487	2,477
	5	0	10
	2,483	2,487	2,487

and government regulation all serving as barriers. Former CEO Robert Woodruff's insistence that Coca-Cola wouldn't "suffer the stigma of being an intrusive American product," and instead would use local bottles, caps, machinery, trucks, and personnel, contributed to Coke's challenges, as did the lack of standard processes and training, which degraded quality.¹²

¹²Pendergrast, *For God, Country and Coca-Cola*, p. 172.

Coca-Cola continued working for over 80 years on Woodruff's goal: to make Coke available wherever and whenever consumers wanted it, "in arm's reach of desire."¹³ The Second World War proved to be the stimulus Coca-Cola needed to build effective capabilities around the world and achieve dominant global market share. Woodruff's patriotic commitment "that every man in uniform gets

¹³Ibid.