

Mid-Term Financial Results Presentation for the Period Ending December 2007

We  "Water Planet"

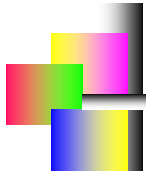
Coca-Cola

August 9, 2007

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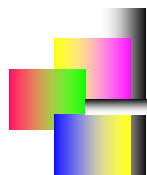
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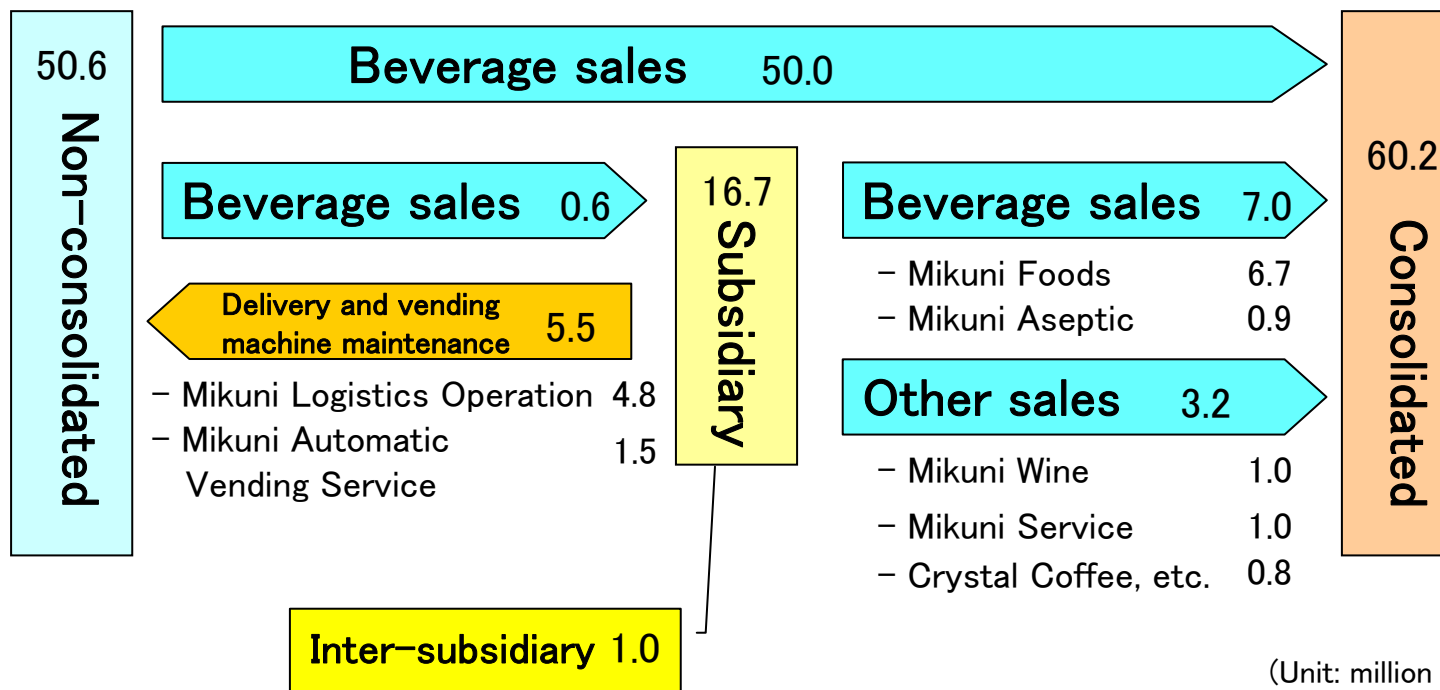
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I. Mid-Term Financial Results for FY07 (January 1 to December 31, 2007)



1. Business Overview

(Unit: billion yen)



(Unit: million yen)

Non-consolidated Results

Consolidated Results

	H1 FY07	H1 FY06	Change
Operating profit	1,236	1,015	220
Recurring profit	1,905	1,894	11
Net profit	1,121	1,245	△ 124

	H1 FY07	H1 FY06	Change
Operating profit	1,718	1,659	58
Recurring profit	1,775	1,603	172
Net profit	903	715	188

2. H1 Performance

Non-consolidated

(Unit: million yen; thousand cases; %)

	H1 FY07	H1 FY06	y/y		H1 FY07	vs. Plan	
	Actual	Actual	Change	Ratio	Plan	Change	Ratio
Sales volume	26,734	25,979	755	2.9	26,794	-60	-0.2
Net sales	50,647	50,046	601	1.2	51,200	-552	-1.1
Operating profit	1,236	1,015	220	21.7	1,000	236	23.6
Recurring profit	1,905	1,894	11	0.6	1,500	405	27.0
Pretax profit	1,644	1,709	-64	-3.7	1,400	244	17.4
Current net profit	1,121	1,245	-124	-10.0	1,000	121	12.1

Note: FY06 actual net sales show the figures after adjustment for the immediate discount effect (¥756 million).★

Consolidated

(Unit: million yen; %)

	H1 FY07	H1 FY06	y/y		H1 FY07	vs. Plan	
	Actual	Actual	Change	Ratio	Plan	Change	Ratio
Net sales	60,214	59,128	1,086	1.8	60,500	-285	-0.5
Operating profit	1,718	1,659	58	3.5	1,500	218	14.5
Recurring profit	1,775	1,603	172	10.7	1,400	375	26.8
Pretax profit	1,642	1,375	266	19.3	1,300	342	26.3
Current net profit	903	715	188	26.3	700	203	29.0

Note: FY06 actual net sales show the figures after adjustment for the immediate discount effect (¥756 million).★

Profits greatly exceeded target figures,
although sales volume and net sales fell just short.

3. Major Reasons for y/y Change (H1 Non-consolidated)

H1 Non-consolidated

(Unit: billion yen)

	Change	Reason	Change	FY07	FY06
Net sales	0.6 (50.0→50.6)	<ul style="list-style-type: none"> Rise in sales volume (755K cases), differences in unit price/structure, etc. 	0.60	50.6	50.0
Gross profit on sales	0.08 (20.8→20.9)	<ul style="list-style-type: none"> Rise in gross profit on sales Rise in sales volume (755K cases), differences in unit price/structure, etc. 	0.08	20.9	20.8
Operating profit	0.22 (1.0→1.2)	<ul style="list-style-type: none"> Rise/fall in selling, general, and administrative expenses <ul style="list-style-type: none"> - Fall in vending machine (VM) costs - Fall in information-system related costs - Fall in advertising/sales promotion costs - Rise in logistics costs - Rise in full service (FS) commissions - Rise in other expenses 	0.14	19.6	19.8
			0.14	3.2	3.4
			0.21	0.4	0.6
			0.19	1.4	1.6
			-0.13	3.9	3.8
			-0.20	4.3	4.1
			-0.07	6.4	6.3
Recurring profit	0.01 (1.8→1.9)	<ul style="list-style-type: none"> Fall in nonoperating gain <ul style="list-style-type: none"> - Fall in dividend from subsidiaries (-0.2 billion yen), etc. - Rise in nonoperating expense 	-0.21	0.6	0.8
			-0.19	0.8	1.0
			-0.02	0.2	0.2
Current net profit	-0.12 (1.2→1.1)	<ul style="list-style-type: none"> Rise in extraordinary loss Rise in corporate tax, etc. 	-0.07	0.2	0.2
			-0.06	0.5	0.4

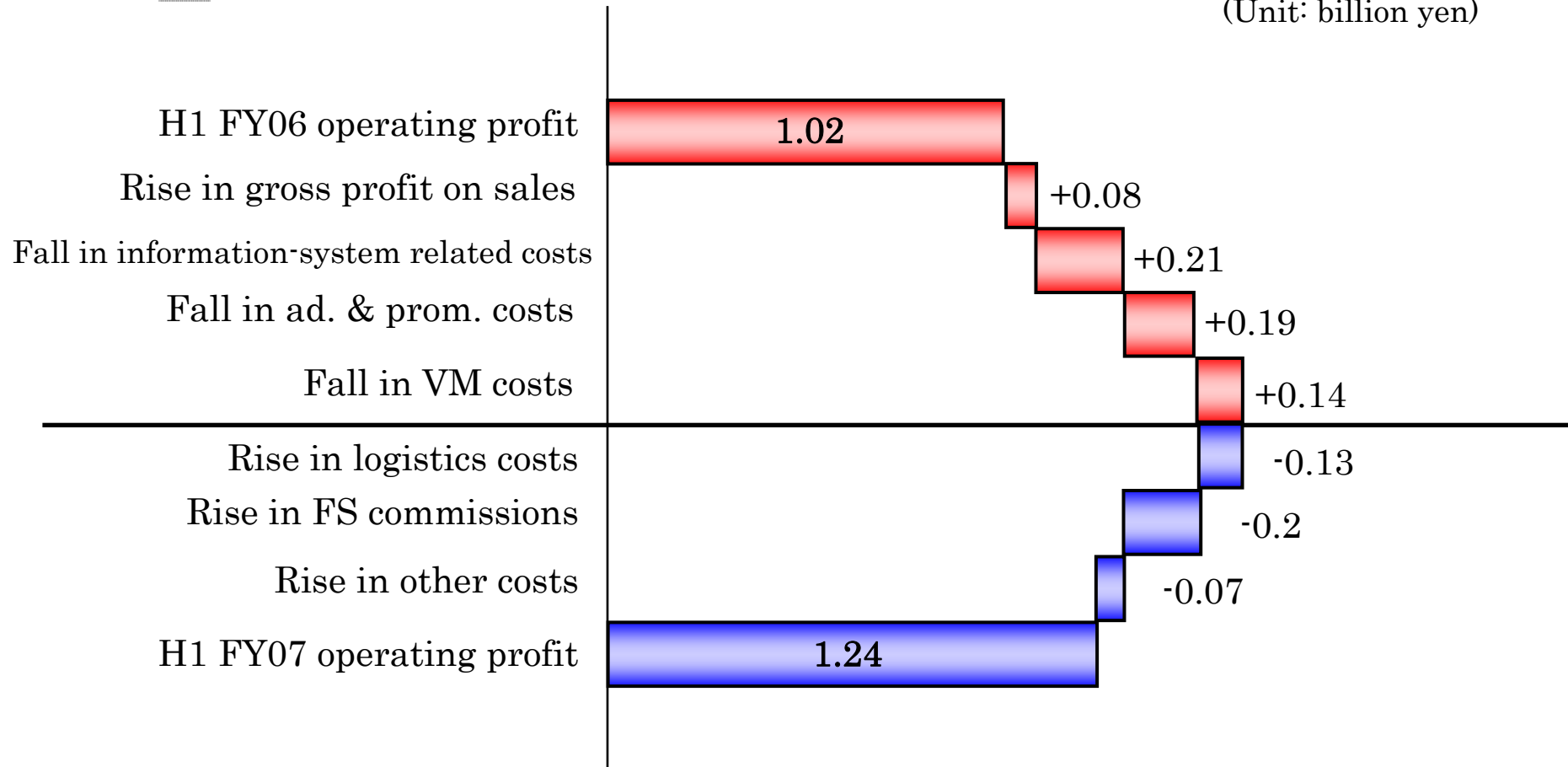
* FY06 actual figures show the figures after adjustment for the effects of the immediate discount (¥756 million) and the foundation of Mikuni Logistics Operation. ★

Operating profit rose by ¥220M y/y due to higher sales volume and lower selling, general, and administrative expenses

4. Breakdown of y/y Change in Operating Profit (H1 Non-consolidated)

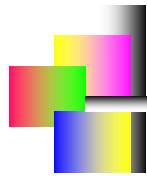
H1 Non-consolidated

(Unit: billion yen)



Fall in information-system related and ad. & prom. costs contributed to ¥220M y/y increase in operating profit.

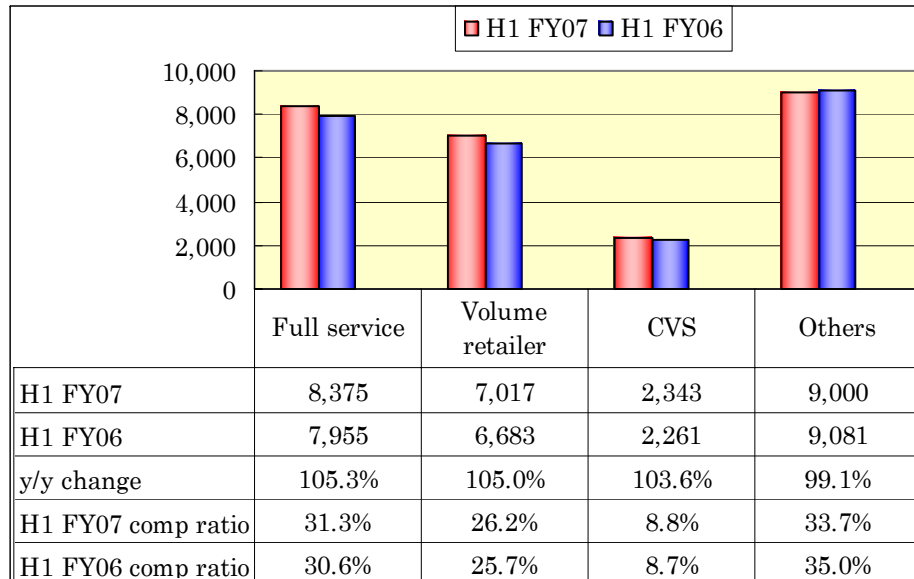
II. Review of H1 Focused Activities



1. Sales Status by Channel

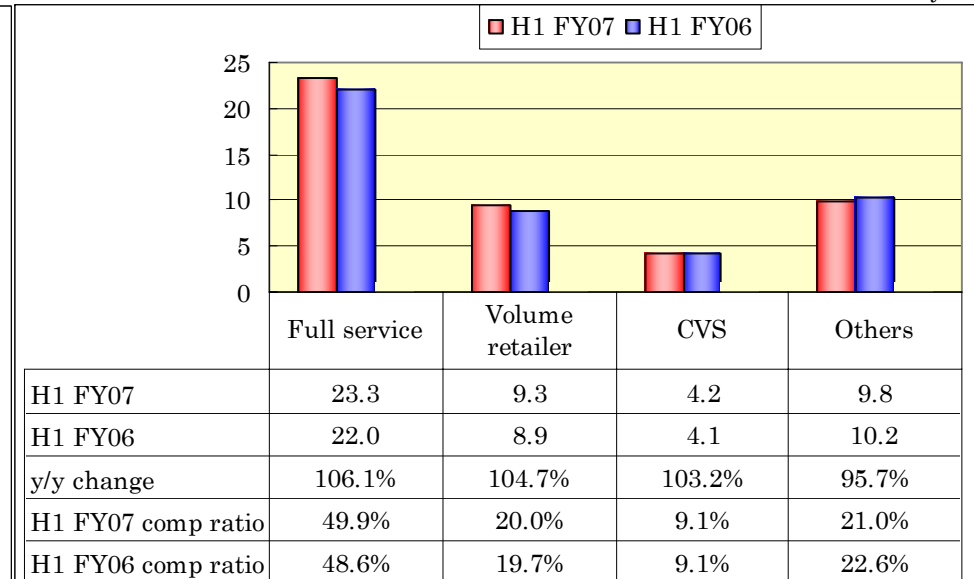
Sales Volume

(Unit: thousand cases)



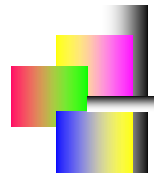
Net Sales

(Unit: billion yen)



* Net sales after discount

- Figures for the prime channels (full service and volume retailer) sharply up on previous year.
- Full service net sales growth exceeded that of sales volume due to higher sales of 500ml PETs.



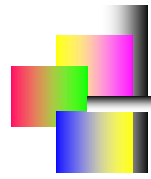
2. Full Service Channel Initiatives

(1) Enhancing Development Capability

■ H1 FY07 Development Results

	The number of newly installed VMs	Sales volume (thousand cases)	Net sales (million yen)
H1 FY07	2,731	222	624
H1 FY06	2,317	179	497
y/y change	117.9%	123.8%	125.6%

Enhanced development capability with 41 new professionals boosted vending machine numbers, sales volume, and net sales



2. Full Service Channel Initiatives

(2) Community Friendly

FY07 Policy	H1 FY07 Achievement
Deploying networked vending machines (1,650 units)	419 units
Installing components to prevent vending machines toppling during earthquakes	918 units
Deploying antitheft devices in vending machines	5,500 units

Providing new values for consumers and deploying high-value-added VMs

3. Volume Retailer Channel Initiatives

CCCMC

Coca-Cola Customer Marketing

Strengthen proposal-based sales

- Enhance products in response to consumer needs (450ml slim bottle)
- Collaborate with clients (The ecology-conscious Happy Life campaign, etc.)



6/30 to 8/31

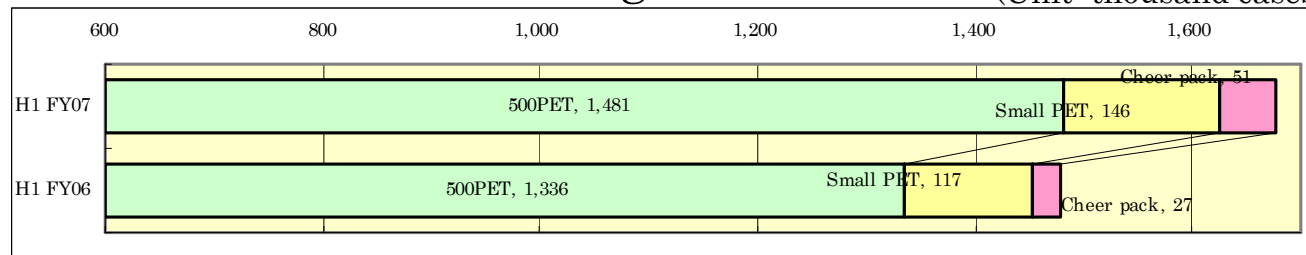
Higher Profits

Promote Package Mix approach

Manage customer- and store-specific profits

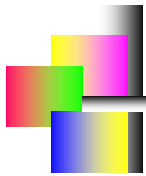
Profitable Packages

(Unit: thousand cases)



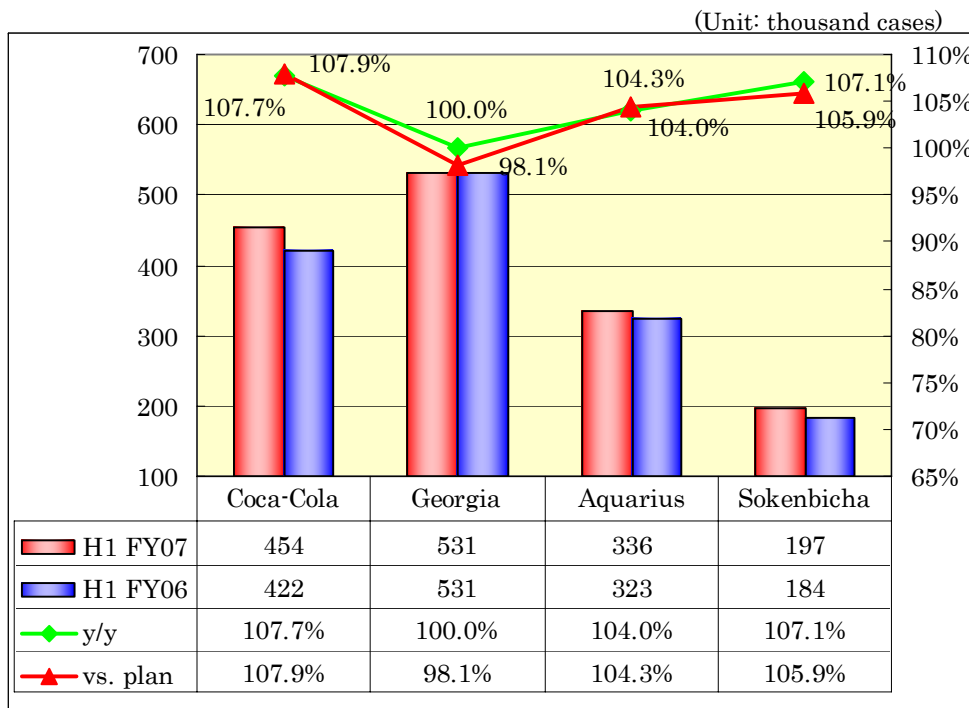
+197,000 cases
(rise of 113.3% y/y)

Expanded sales of highly profitable 500ml and small PETs

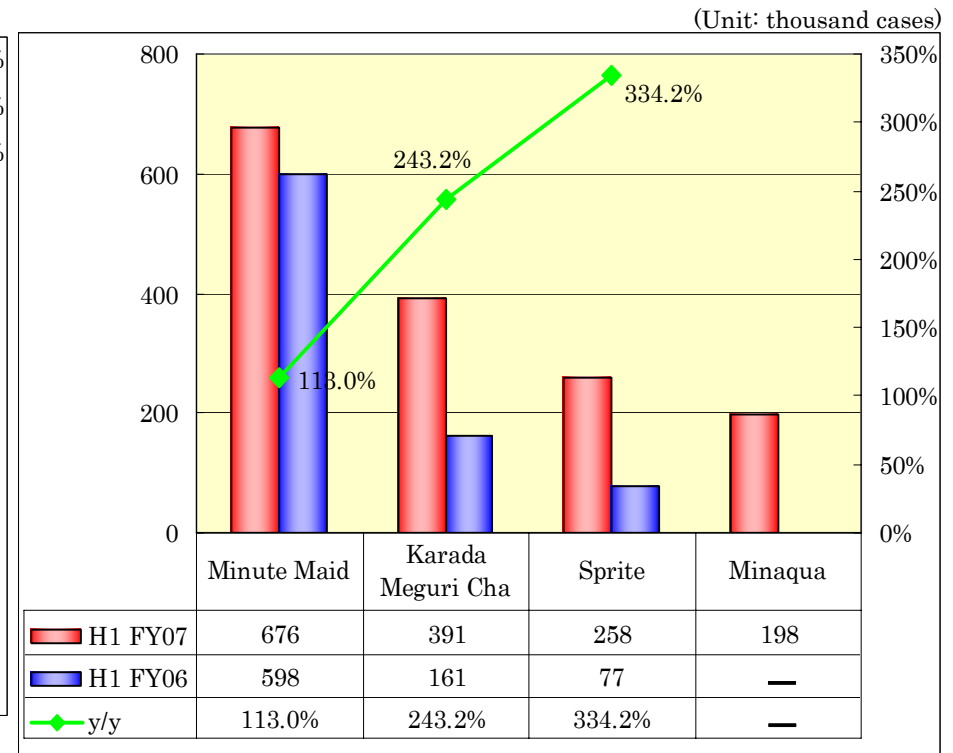


4. Sales Status of Flagship Brands

Four Prime Brands



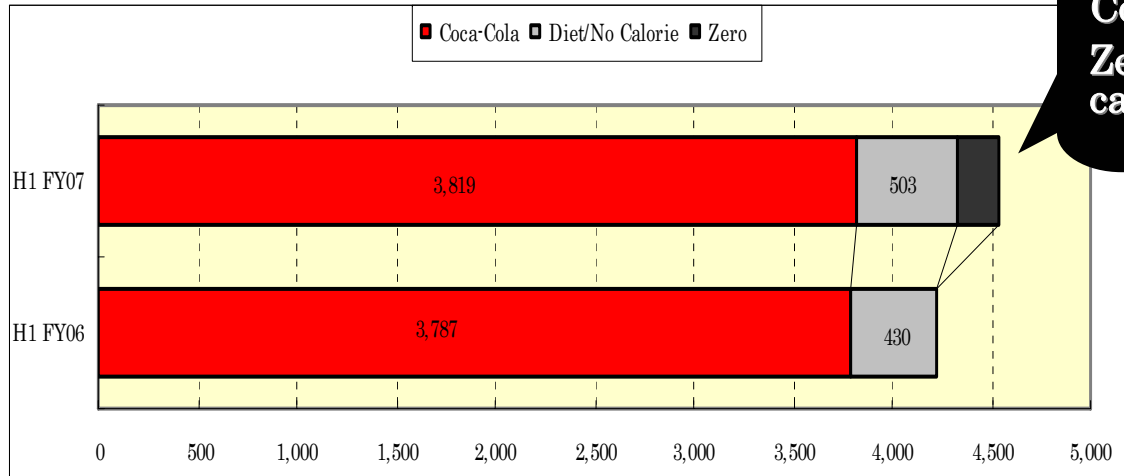
Four Prioritized Brands



Sales volumes rose year-on-year for all four prime brands. Among these, Coca-Cola's sales volume rose 7.7% thanks to the campaign for Coca-Cola Zero, a new product.

5. Coca-Cola Zero (Released on June 4th)

Coca-Cola Sales Volumes (Unit: thousand cases)

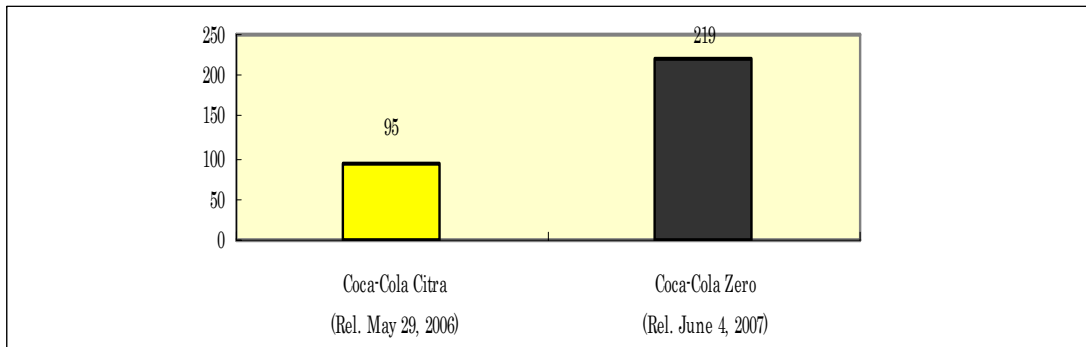


Coca-Cola Zero 219,000 cases



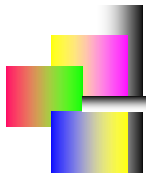
Sample Survey

Comparison with Coca-Cola Citra (Unit: thousand cases)



Display

Succeeded in revitalizing the entire Coca-Cola brand



6. Sales Status by Package

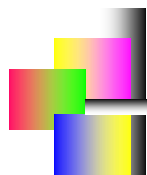
Sales Volume

(Unit: thousand cases)



Sales of highly profitable 500ml and small PETs surged

III. FY07 Annual Outlook



1. FY07 Annual Outlook

Non-consolidated

(Unit: million yen; thousand cases; %)

	FY07 Revised annual plan	FY06 Annual	y/y		FY07 BOY annual plan
			Change	Ratio	
Sales volume	58,185	56,262	1,923	3.4	58,185
Net sales	109,000	107,933	1,067	1.0	111,200
Operating profit	4,000	3,231	769	23.8	3,700
Recurring profit	4,700	4,211	489	11.6	4,300
Pretax profit	4,300	4,014	286	7.1	4,150
Current net profit	2,700	2,569	131	5.1	2,600

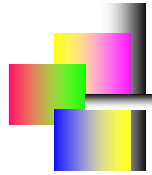
Consolidated

(Unit: million yen; %)

	FY07 Revised annual plan	FY06 Annual	y/y		FY07 BOY annual plan
			Change	Ratio	
Net sales	129,500	127,180	2,319	1.8	131,200
Operating profit	5,000	4,657	342	7.3	4,700
Recurring profit	5,100	4,673	426	9.1	4,700
Pretax profit	4,800	4,367	432	9.9	4,500
Current net profit	2,700	2,435	264	10.8	2,600

Note: FY06 actual net sales (consolidated and non-consolidated) show figures after adjustment for the immediate discount effect (¥1,458 million).

IV. Key Activities in H2



1. Key Activities in H2

To realize our business plan, we will implement activities for the coming fiscal year based on the medium-term management plan while maintaining sales strategies that are achieving successful results in H1

Full Service Channel Initiatives

- Continue specialist-led development
- Focus on four key sectors
(private companies, hospitals, public offices, and schools)
- Continue co-development with Mikuni Foods
- Implement efforts for community friendly vending machines

Volume Retailer Channel Initiatives

- Advance cooperation with CCCMC
- Continue efforts to enhance profits
- Strengthen merchandising

Strengthening Georgia's competitiveness

- Develop core flavors

2. Full Service Channel Initiatives

Enhance development capability

- Continue development led by specialists
- Focus on four main sectors
(private companies, hospitals, public offices, and schools)
- Co-development with Mikuni Foods

Community friendly vending machine initiatives

Networked vending machine



Component to prevent toppling during earthquakes



VM with antitheft device



3. Volume Retailer Channel Initiatives

CCCMC Initiatives

- Further collaboration with client companies
- Enhancing 450ml slim bottle products



Continue profit improvement efforts

- Promotion of the Package Mix approach
- Customer- and store-specific profit management



Strengthen merchandising

- Themed store displays
- More collaboration between HQ and BOs

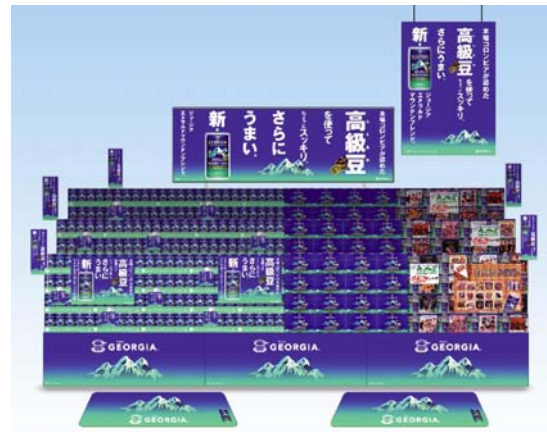


4. Strengthening Georgia's Competitiveness

Develop an additional core flavor



National promotion for the fall season from early October



Georgia's H2 target sales volume: 6,116K cases (+4.3% y/y)

V. Status of Medium-term
Management Plan
(FY07 – 09)

1. Overview of FY07-09 Medium-term Management Plan

Vision

An attractive bottler with the best-quality production in Japan

Jump in sales power!

Expand market share and overwhelm competitors as the area's No.1 drink manufacturer

Rise in gross profit on sales
¥2.0 to 2.5 billion

Jump in cost competitiveness!!

Evolve a competitive cost structure

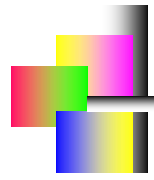
Cost cutting
¥1.0 to 1.5 billion

Jump in human resources!!!

Develop human resources and organization capable of responding to changes in the environment

Improvement of labor productivity
Around +¥3.0 million per person

Target for FY09 non-consolidated operating profit: ¥4.5 to ¥5.5 billion



2. Status of FY07-09 Medium-term Management Plan

(1) Jump in Sales Power!

Create sales activities centered on profit management

- Develop profit management system
Promote most effective sales activities based on profit analysis of channels, chains, stores and locations, and items
- Strategic VM investment
Deploy vending machines optimally to achieve maximum results.



2. Status of FY07-09 Medium-term Management Plan

(2) Jump in Cost Competitiveness!!

Expand BPR to reform cost structure

- Achieve ¥236 million annual cost savings by maintaining grass-root efforts across the board

Promote logistics reform

- Mikuni Logistics Operation Co., Ltd. established as the first step toward logistics reform

Unify logistics operations to start cost-cutting measures



2. Status of FY07-09 Medium-term Management Plan

(3) Jump in Human Resources!!!

Establish and operate a new and consistent personnel system

- New personnel system covering recruitment, training, evaluation, allocation, and treatment (introduced in June)

Introduce function-specific training programs to build expertise

- Duty-based educational programs
- Educational programs for selected employees

The plans, performance forecasts, and strategies appearing in this material are based on the judgment of the management in view of data available as of the date this material was released. Please note that these forecasts may differ substantially from actual performance due to risks and uncertain factors such as those listed below.

- Intensifying market price competition
- Changes in economic trends affecting the business climate
- Major rate fluctuations in capital markets