



**Financial Results Presentation  
for the year ended  
December 31, 2007**

**February 8<sup>th</sup>, 2008**

**Coca-Cola West Holdings (2579)**

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# 2007 Financial Results

# 2007 main initiatives–expansion strategy

## Mid-term plan strategy

**I .Evolution to the new bottler by strategic partnership strengthening with TCCC/CCJC**

**II.Expansion of the sales and the profit by the “consumer view” activity exceeding competitors**

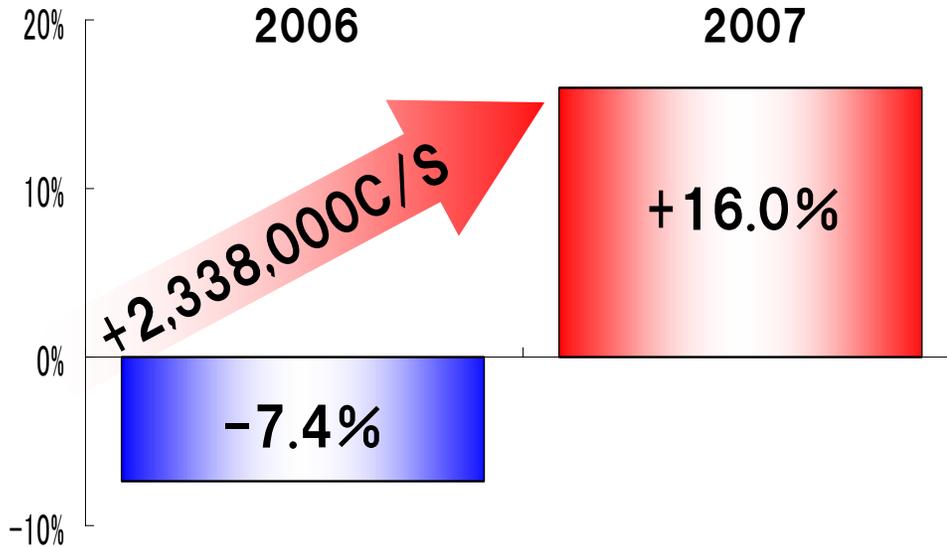
## 2007 main initiatives

- **The cooperation system with TCCC/CCJC has started**
  - **Hold periodic top–management meeting**
  - **The office of marketing teams is located at same floor**
    - ⇒ **Activation of Coca-Cola**
    - ⇒ **Install Emblem café into vending machine**
    - ⇒ **Renewal of Café au lait**
    - ⇒ **Develop products for cup vending machine**

- **Marketing next generation model project and Vending next generation model project have been established for future growth**
- **Pick up the issues from customer satisfaction survey**

# Activation of Coca-Cola (1)

## <Growth>



## Coca-Cola 3 color strategy



## <Sales volume by flavors (Jan-Dec) >

(thousand,%)

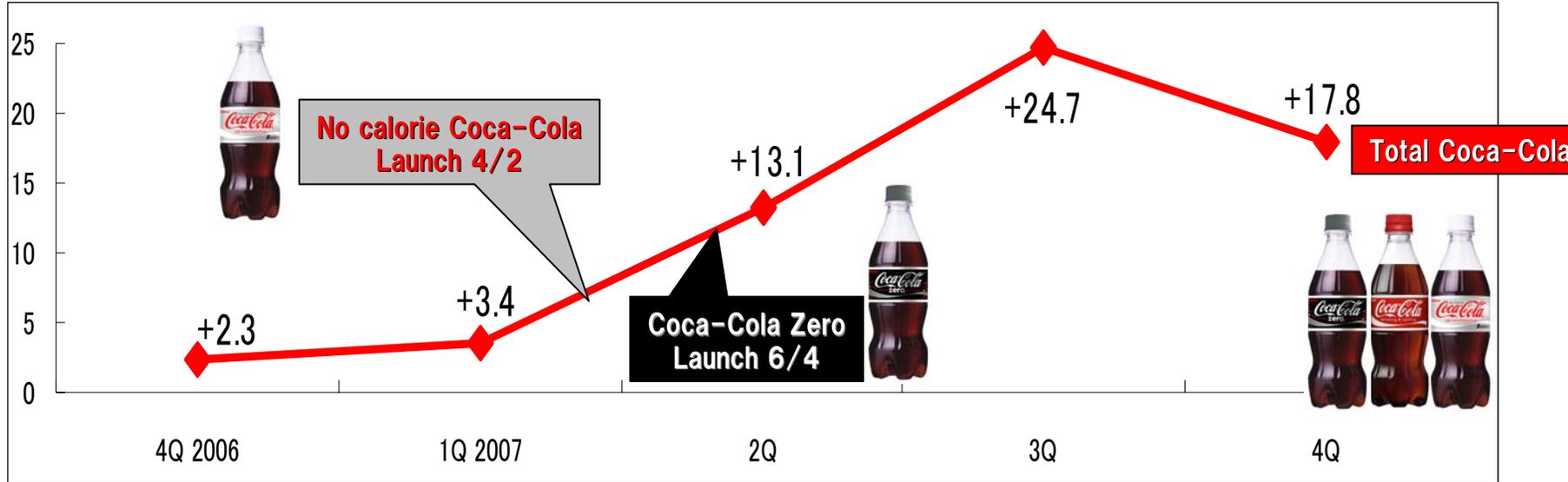
	Target	Sales	Change
Red (Coca-Cola)	age 16-24	12,059	+4.4
Silver (No calorie Coca-Cola)	age 25+, female	2,367	-2.2 ※
Black (Coca-Cola Zero)	25+, male	2,513	-
<b>Total Coca-Cola</b>		<b>16,973</b>	<b>+16.0</b>

※comparison to "Diet Coca-Cola"

# Activation of Coca-Cola (2)

## <Sales volume by quarter (vs.last year) >

(%)



## <Initiative of new campaign “the Coke side of life” with CCJC>



President of CCJC, Sayre in Fukuoka

# 2007 main initiatives – Efficiency/Capability base

## Mid-term plan strategy

**III. Functional strengthening, increase in efficiency which harnessed management integration**

**IV. Strengthen a capability base of talented associates and organizations**

## main activities in 2007

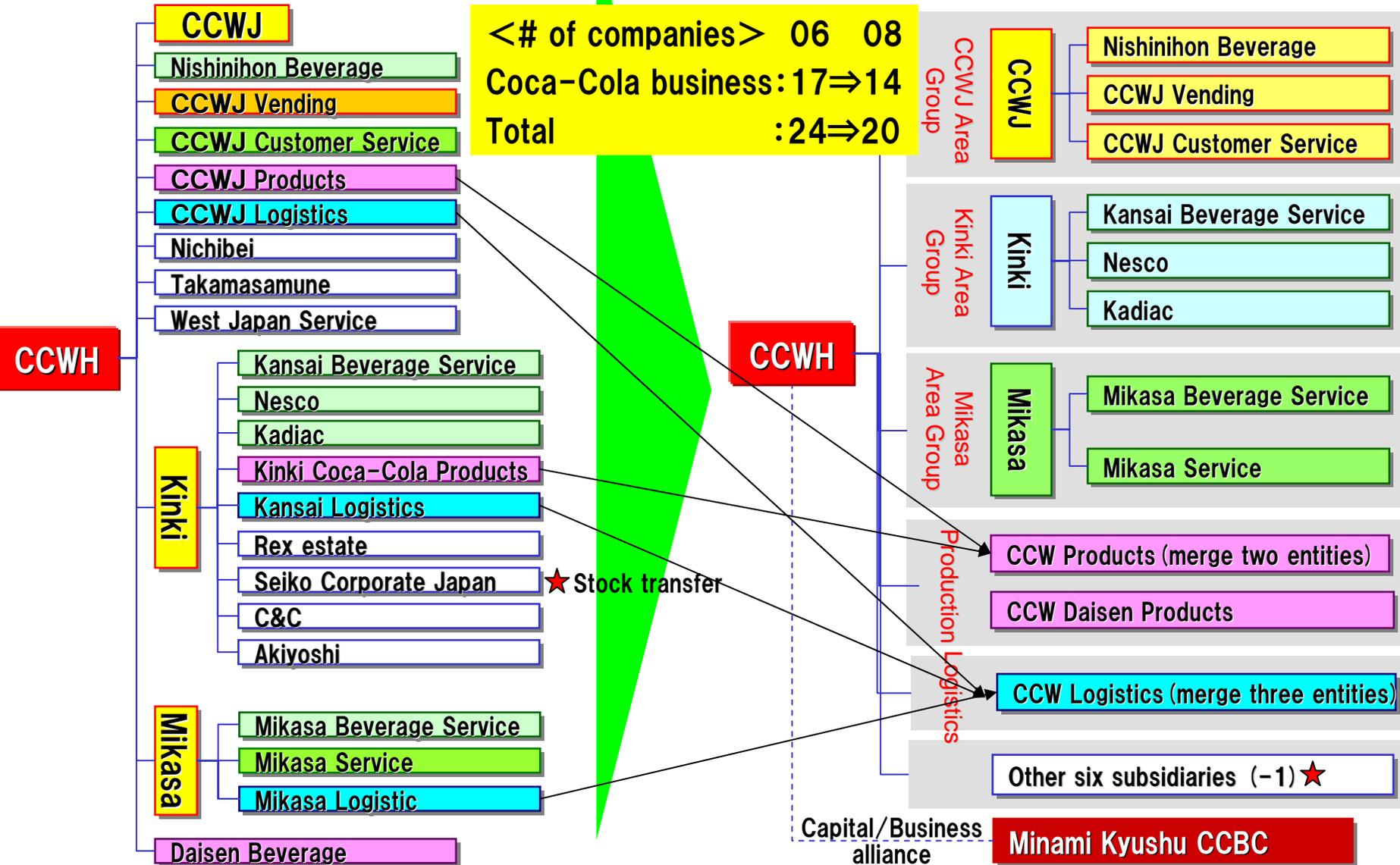
- **Coca-Cola West Logistics has started up**
  - **Merger of two production companies**
  - **Capital/business alliance with Minami Kyushu CCBC**
  - **Stock transfer of Seiko Corporation, group company**
  - **Adjustment of the CCWG organization system**
    - **Subsidiary companies of Coca-Cola business stopped having BOD.**
    - **Integration of corporate officer system**
    - **Revision of scope of authority**
  - **Increase in efficiency of production/logistics**
  - **Introduction of new line in CCW Daisen Products**
- 
- **Pick up the issues from customer satisfaction survey**
  - **Integration of education tools/program**

# CCWG Managing system

2006 July \*Subsidiaries: 24

2008 February \*Subsidiaries: 20

<# of companies> 06 08  
 Coca-Cola business: 17⇒14  
 Total : 24⇒20



# 2007 Highlight – Sales volume

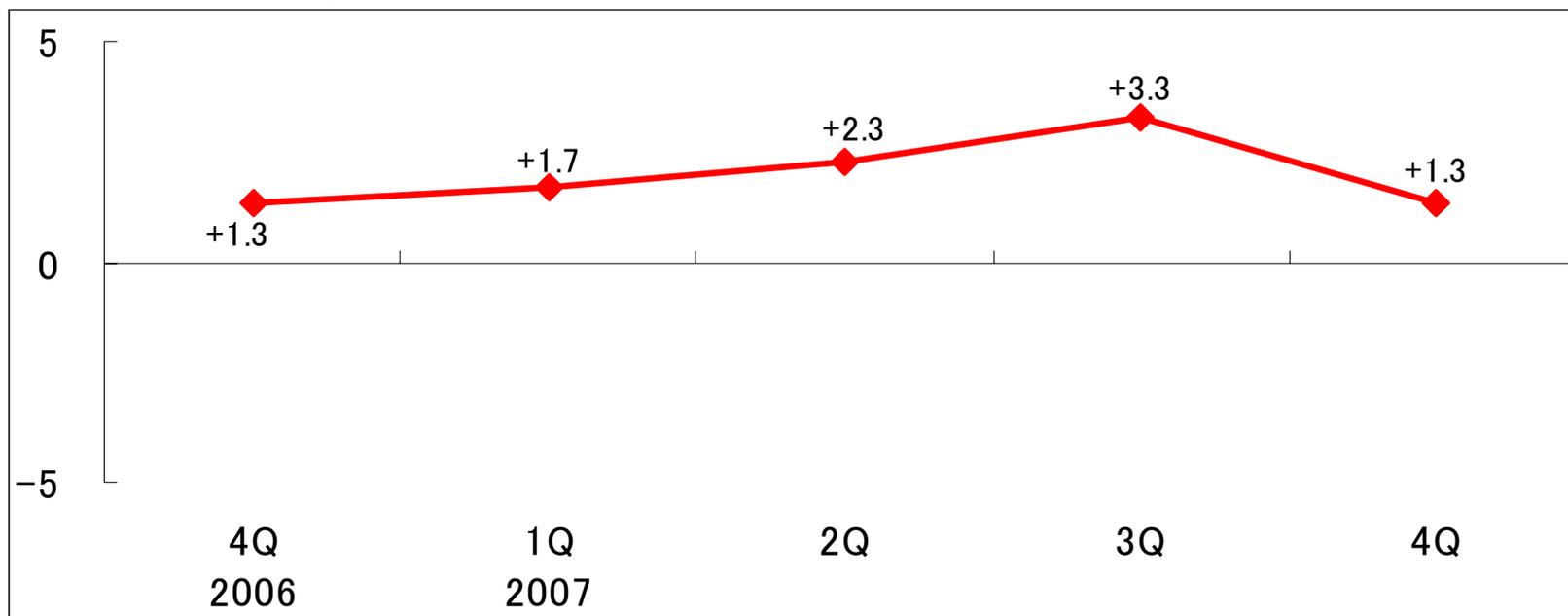
(thousand case, %)

2006 actual ※	2007					
	plan	actual	vs.plan		vs.last year	
			change	%	change	%
182,207	186,845	186,237	-608	-0.3	+4,031	+2.2

※ The actual is the total of CCWJ, Kinki and Mikasa actual.

<Sales volume by quarter (vs.last year) >

(%)



# 2007 Highlight – Sales volume by brand

## Sales volume by brand

(thousand case, %)

		2007				
		actual	vs.plan		vs.last year	
			change	%	change	%
C o r e	Coca-Cola	16,973	+829	+5.1	+2,338	+16.0
	Georgia	42,373	-884	-2.0	-292	-0.7
	Soukenbicha	15,659	+215	+1.4	+947	+6.4
	Aquarius	19,417	-40	-0.2	+119	+0.6
	Priority	13,791	+949	+7.4	+4,142	+42.9
	Complement	24,957	-1,619	-6.1	-3,459	-12.2
	Other	53,068	-58	-0.1	+235	+0.4
	Total	186,237	-608	-0.3	+4,031	+2.2

※ The actual figure is the sum of CCWJ, Kinki and Mikasa.

\*Priority brand : Sprite, Karada Meguricha, Mineral Water, Minute Maid

\*Complement brand : Hajime, Fanta, Qoo, Koucha Kaden, Canada Dry, Hung Oolong Tea

## Review

### ■ Coca-Cola

- Strengthen new campaign “the CSOL”
- Improve double digit by developing 3 color strategy
- Bumper sales of Coca-Cola Zero

### ■ Georgia

- Sales of main flavors were down due to the negative effect of renewal

### ■ Soukenbicha

- Sales have been up four consecutive quarters due to the bumper sales of seasonable flavors

### ■ Aquarius

- Exceed the previous year sales due to the bumper sales of blue and launch of Vitamin Guard

<Priority> (vs.last year)

- Sprite : Strengthen by renewal (+104%)
- Minute Maid: Get health-conscious customers (+42%)
- Karadameguricha: Develop as non-sugar tea brand (+37%)
- Water: Develop two brands (+37%)

# 2007 Highlight – Georgia

## <Sales volume by main flavor (full year) >

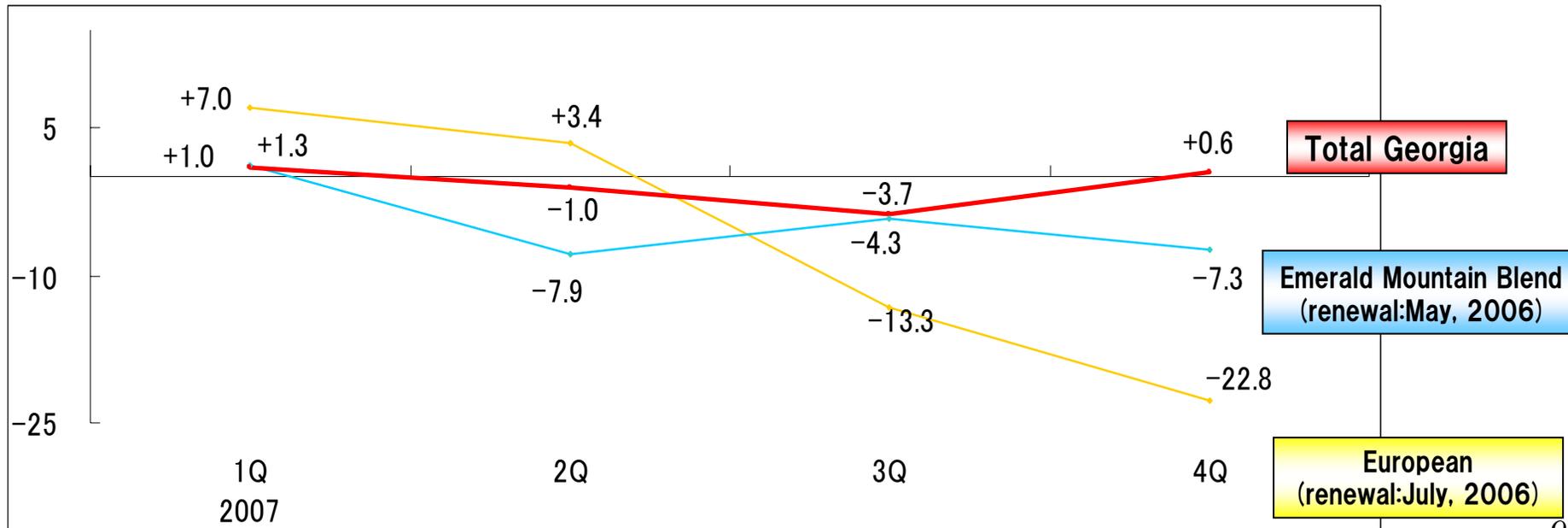
(thousand case, %)

	Sales	Change	%
European	8,223	-655	-7.4
Emerald Mountain Blend	6,077	-298	-4.7
Emblem Black	4,737	170	+3.7
New products	5,618	570	+11.3
<b>Total Georgia</b>	<b>42,373</b>	<b>-292</b>	<b>-0.7</b>



## <Growth by quarter (vs.last year) >

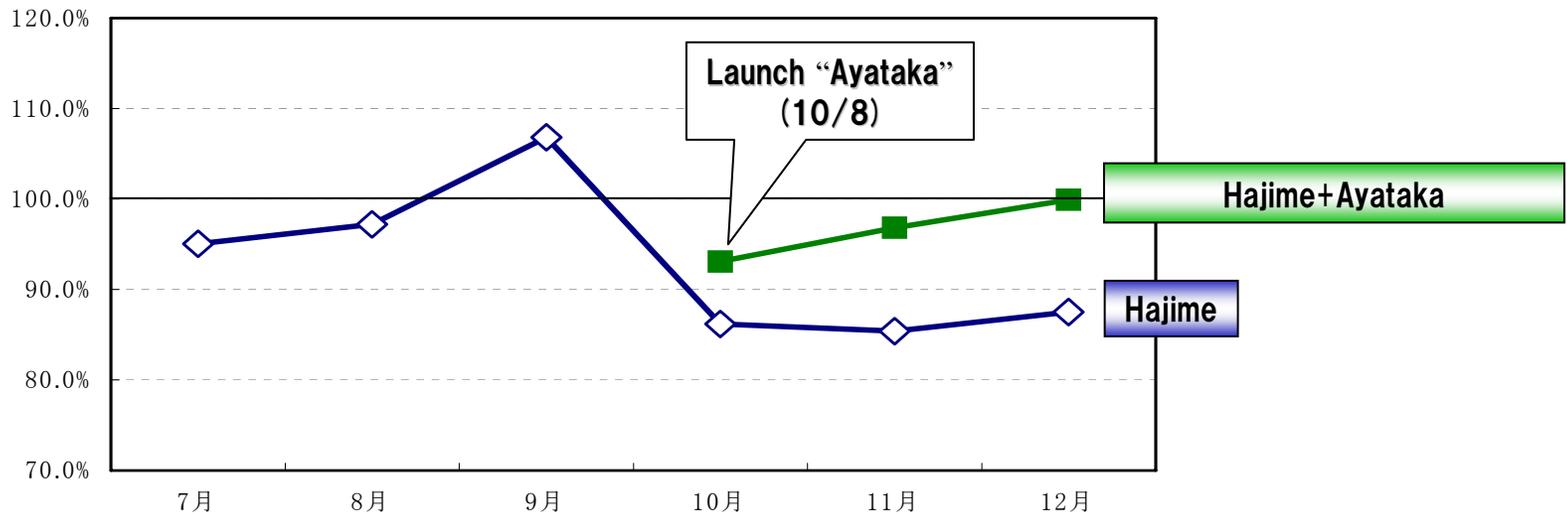
(%)



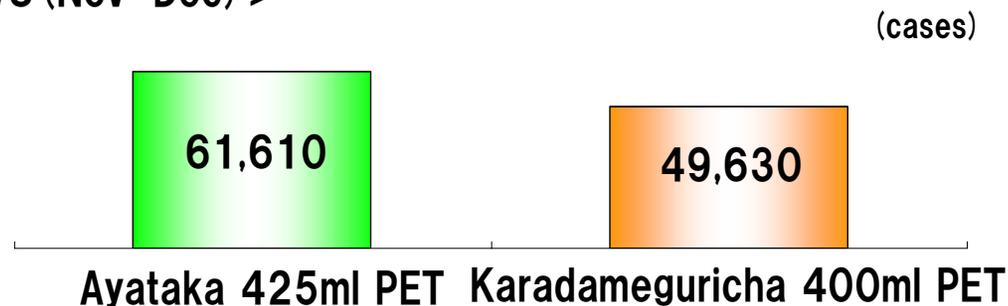
# 2007 Highlight – Value added products

- Launch “Ayataka”, premium green tea, as a value added product
- Sales of green tea category touched bottom in vending channel by launching “Ayataka”, and it gained much more support than “Karadameguricha” in CVS.

## <Sales of green tea category at Vending machine (vs.last year) >



## <Sales volume at CVS (Nov-Dec) >



# 2007 Highlight – Sales volume by channel

## Sale volume by channel

(thousand case, %)

	2007				
	actual	vs.plan		vs.last year	
		change	%	change	%
Vending	59,002	-670	-1.1	+244	+0.4
Chain store	39,369	+610	+1.6	+2,613	+7.1
CVS	18,601	-397	-2.1	-231	-1.2
Retail	25,825	-2	-0.0	-834	-3.1
Food service	18,371	+124	+0.7	+1,240	+7.2
Other	25,070	-274	-1.1	+1,000	+4.2
<b>Total</b>	<b>186,237</b>	<b>-608</b>	<b>-0.3</b>	<b>+4,031</b>	<b>+2.2</b>

※ The actual figure is the sum of CCWJ, Kinki and Mikasa.

When the influence accompanying CCWJ/NNB enterprise adjustment (\*) is removed,

CCWH Vending (vs.ly): **+2.9%**

CCWJ Vending (vs.ly): **+4.9%**

\*CCWJ/NNB enterprise adjustment :

transferred CCWJ's cup machines to NNB

transferred NNB's Coca-Cola vending machines to CCWJ

(Sales volume of NNB is accounted in 'Other' section)

## Review

<Sales volume by area (vs.last year) > (%)

	CCWJ	Kinki	Mikasa
Vending	-0.2	+0.9	+1.9
Chain store	+5.7	+9.8	+3.4

### ■ Vending

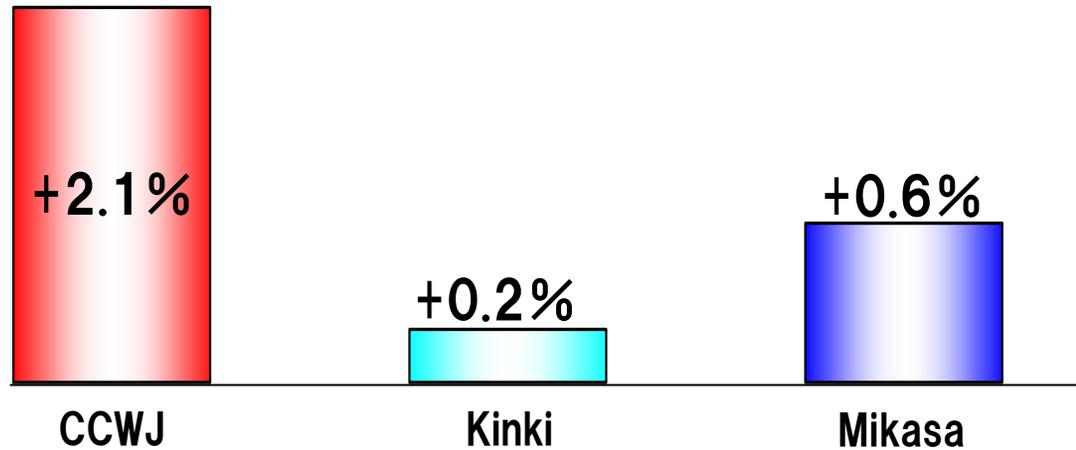
- Volume per machine improved at all areas
  - Concentrate activities on core brands which account for 60% on total sales in vending (core brand sales improve 4.1%)
  - Expanding IT-machines

### ■ Chain store

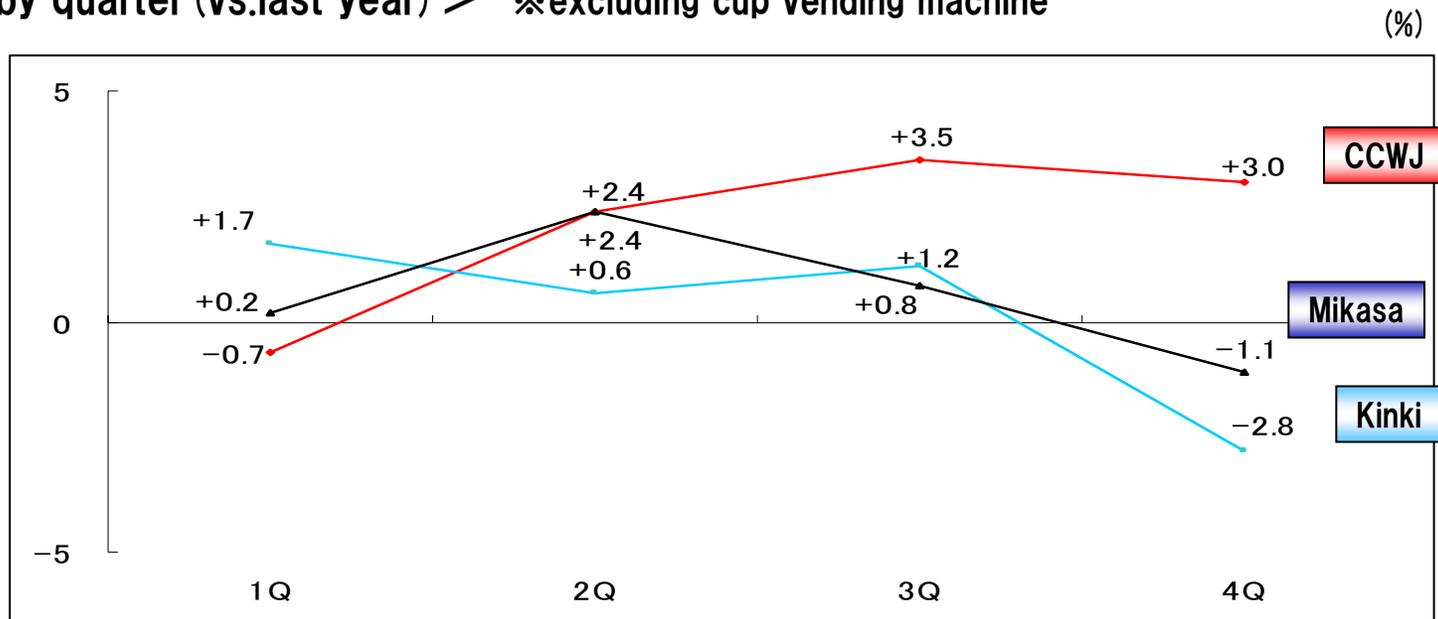
- Emphasize the profitability
  - Expanding the sales of 500PET products (+14.6% vs.last year)
  - Maintain and expand the big bottles of core brand mainly

# Vending – Volume Per Machine (VPM)

<VPM (vs.last year) > ※excluding cup vending machine

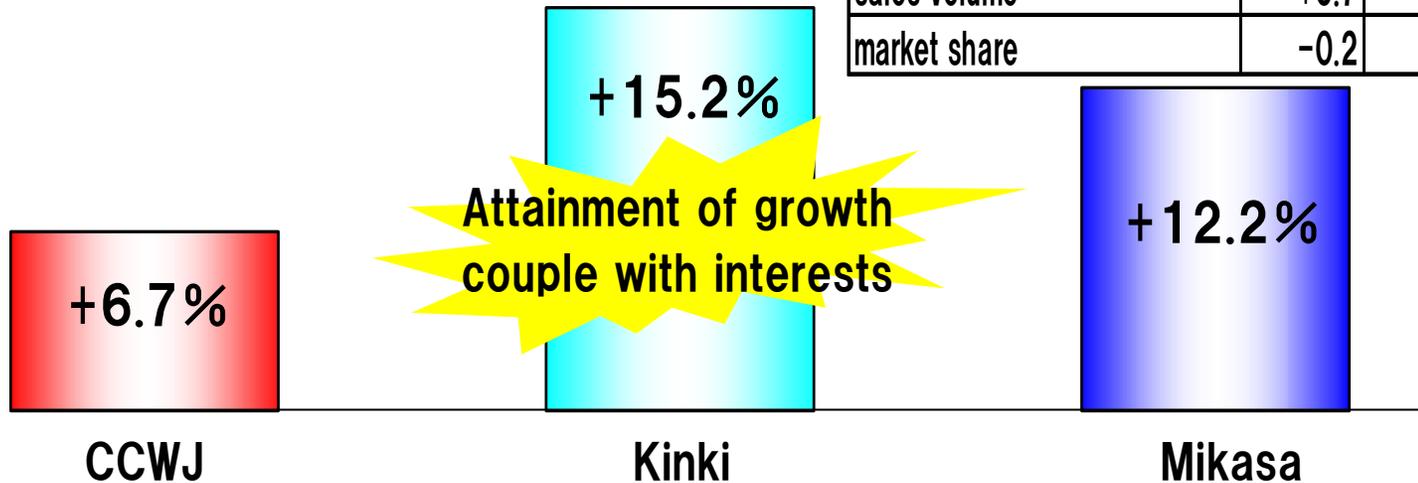


<VPM by quarter (vs.last year) > ※excluding cup vending machine



# Chain store/Food service – Earnings

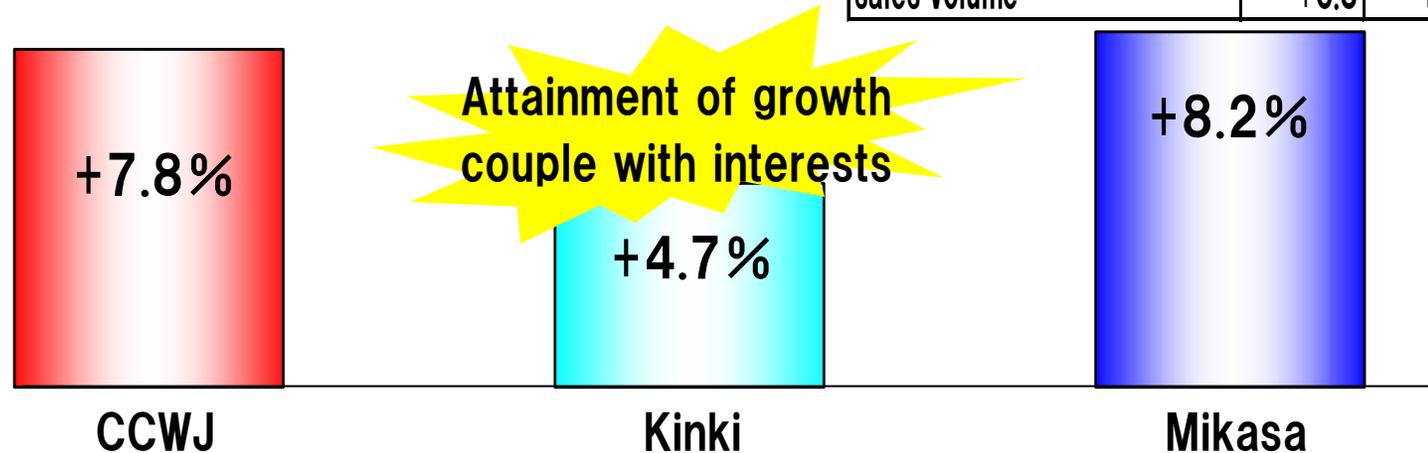
<Chain store – Gross profit (vs.last year) >



<vs.last year>

	CCWJ	Kinki	Mikasa
sales volume	+5.7	+9.8	+3.4
market share	-0.2	+0.5	+0.2

<Food service – Gross profit (vs.last year) >



<vs.last year>

	CCWJ	Kinki	Mikasa
sales volume	+6.8	+7.8	+5.7

# 2007 Highlight – Consolidated P/L

(million yen, %)

	2006 actual ※1	2007					
		plan ※2	actual	vs.plan		vs.last year	
				change	%	change	%
Revenues	327,821	412,600	409,521	-3,079	-0.7	81,699	24.9
COGS	186,265	235,800	234,313	-1,487	-0.6	48,047	25.8
Gross profit	141,556	176,800	175,208	-1,592	-0.9	33,651	23.8
SG&A	129,235	161,800	159,151	-2,649	-1.6	29,916	23.1
Operating income	12,321	15,000	16,056	1,056	7.0	3,734	30.3
Non-Operating income	1,836	2,500	2,433	-66	-2.6	597	32.5
Non-Operating expenses	932	1,200	996	-203	-17.0	67	6.9
Recurring income	13,225	16,300	17,493	1,193	7.3	4,268	32.3
Extraordinary income	1,569	700	671	-28	-4.1	-898	-57.2
Extraordinary losses	1,686	1,200	3,910	2,710	225.8	2,223	131.8
Income before income taxes, minority interests	13,108	15,800	14,254	-1,545	-9.8	1,146	8.7
Income taxes	5,627	6,386	4,866	-1,519	-23.8	-760	-13.5
Minority interests	-89	14	12	-1	-9.9	101	—
Net income	7,570	9,400	9,375	-24	-0.3	1,804	23.8

Impact on  
Minami Kyushu  
CCBC: +523

※1: 2006 actual figure is the total of CCWJ, KINKI CCBC, MIKASA CCBC actual.

※2: The above plan is based on the performance forecast announced as of August 9, 2007.

<Ref. : In case of not reviewing of depreciation method>

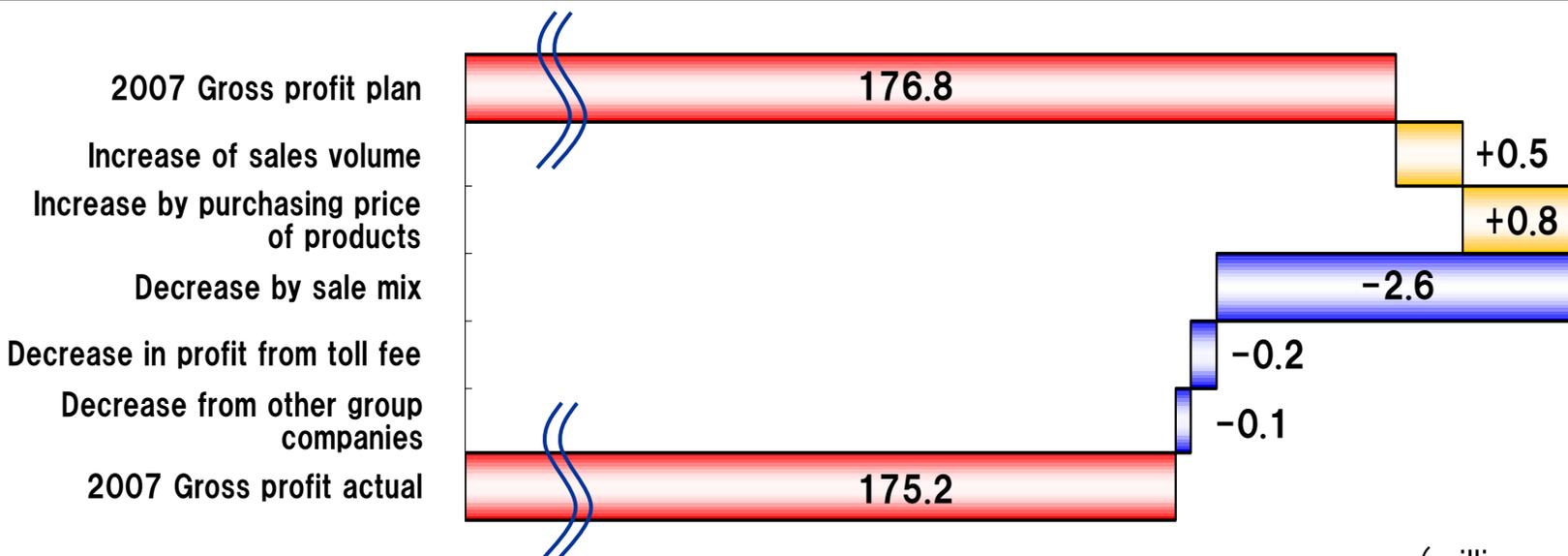
(million yen, %)

	2006 actual	2007		
		actual	vs.last year	
			change	%
Operating income	12,321	15,335	3,033	24.6
Recurring income	13,225	16,792	3,566	27.0

Impact on review of  
Depreciation method:  
+701

# Full year Gross Profit Change Factors (vs.plan)

(billion yen)

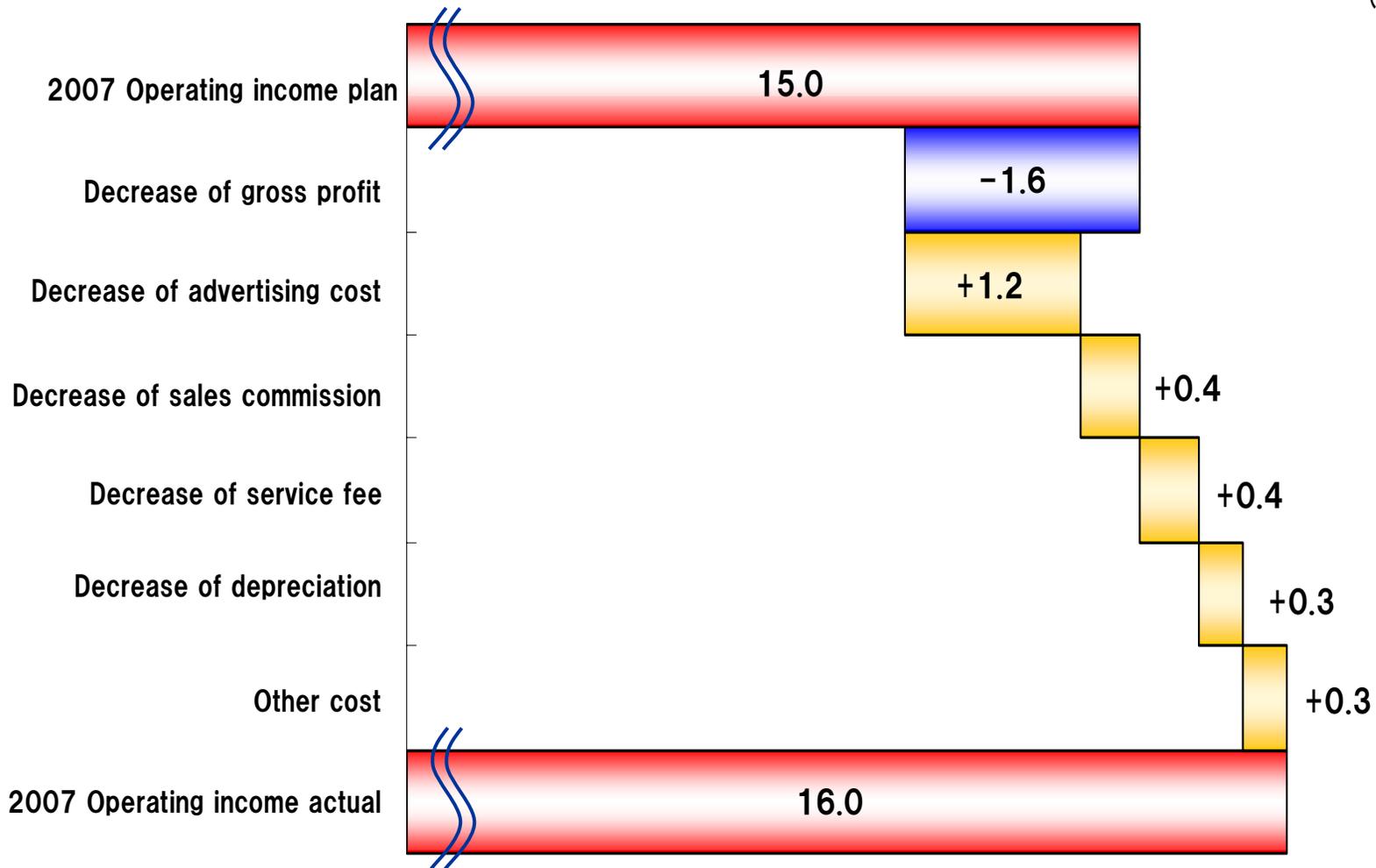


(million yen)

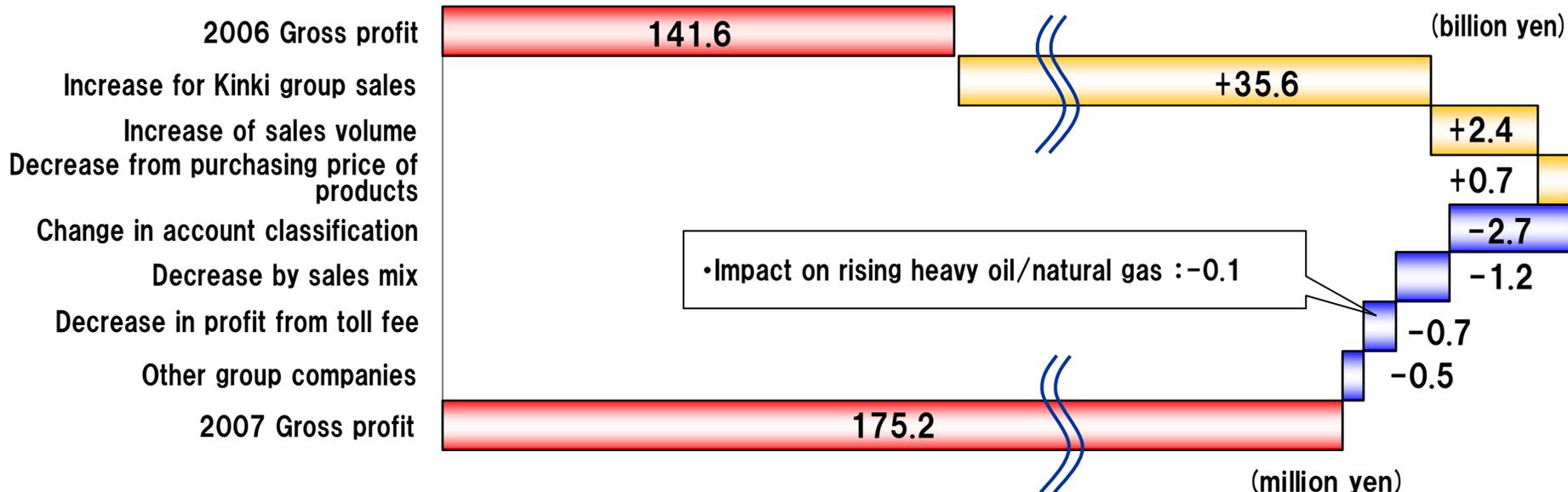
		Revenues	COGS	Gross profit
CCWJ	Sales(+423,000 cases)	858	463	395
	Sales mix	-1,760	-402	-1,358
	subtotal	-902	61	-963
Kinki	Sales(+146,000 cases)	252	138	114
	Sales mix	-1,684	-727	-957
	subtotal	-1,432	-589	-843
Mikasa	Sales(-67,000 cases)	-117	-68	-49
	Sales mix	-316	-74	-242
	subtotal	-433	-142	-291
Increase by purchasing price of products			-805	805
Decrease in profit from toll fee		-257	-26	-231
Other		-54	15	-69
Total		-3,078	-1,486	-1,592

# Full Year Operating Income Change Factors (vs.plan)

(billion yen)



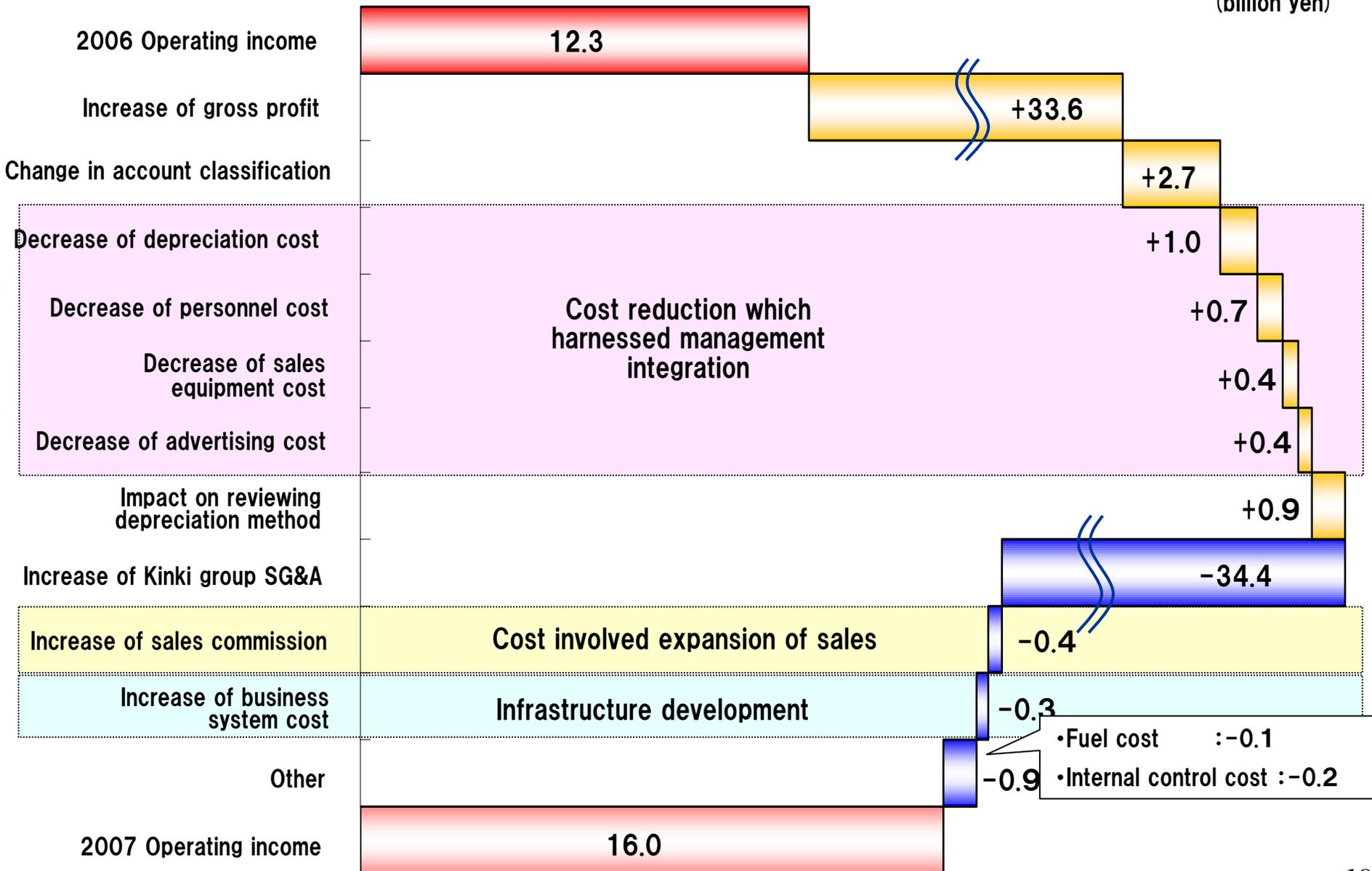
# Full Year Gross Profit Change Factors (vs.last year)



		Revenues	COGS	Gross profit
<b>Increase for Kinki group sales</b>		<b>80,601</b>	<b>45,029</b>	<b>35,572</b>
<b>CCWJ</b>	Sales (+1,334,000 cases)	2,713	1,471	1,242
	Sales mix	-1,093	-531	-562
	<b>subtotal</b>	<b>1,620</b>	<b>940</b>	<b>680</b>
<b>Kinki (2nd half)</b>	Sales (+1,360,000 cases)	2,362	1,302	1,060
	Sales mix	-1,565	-924	-641
	<b>subtotal</b>	<b>797</b>	<b>378</b>	<b>419</b>
<b>Mikasa</b>	Sales (+145,000 cases)	251	149	102
	Sales mix	-114	-129	15
	<b>subtotal</b>	<b>137</b>	<b>20</b>	<b>117</b>
<b>Purchasing price of products</b>			<b>-705</b>	<b>705</b>
<b>Change in account classification</b>		<b>-336</b>	<b>2,339</b>	<b>-2,675</b>
<b>Profit from toll fee</b>		<b>-182</b>	<b>505</b>	<b>-687</b>
<b>Other group companies</b>		<b>-938</b>	<b>-459</b>	<b>-479</b>
<b>Total</b>		<b>81,699</b>	<b>48,047</b>	<b>33,651</b>

# Full Year Operating Income Change Factors (vs.last year)

(billion yen)



# Ref. Full Year Results – Consolidated P/L

## In case of adding ex-Kinki group's actual

(million yen, %)

	2006 actual ※1	2007		
		actual	vs.last year	
			change	%
Revenues	407,914	409,521	1,606	0.4
COGS	233,529	234,313	783	0.3
Gross profit	174,384	175,208	823	0.5
SG&A	161,457	159,151	-2,305	-1.4
Operating income	12,927	16,056	3,128	24.2
Non-Operating income	2,232	2,433	201	9.0
Non-Operating expenses	1,360	996	-364	-26.8
Recurring income	13,799	17,493	3,694	26.8
Extraordinary income	1,570	671	-899	-57.2
Extraordinary losses	3,624	3,910	286	7.9
Income before income taxes, minority interests	11,745	14,254	2,509	21.4
Income taxes	4,876	4,866	-9	-0.2
Minority interests	7	12	4	58.0
Net income	6,860	9,375	2,514	36.7

※1 The 2006 actual is adjusted based on a total of ex-CCWJ and ex-Kinki CCBC, eliminating inter-company transaction.

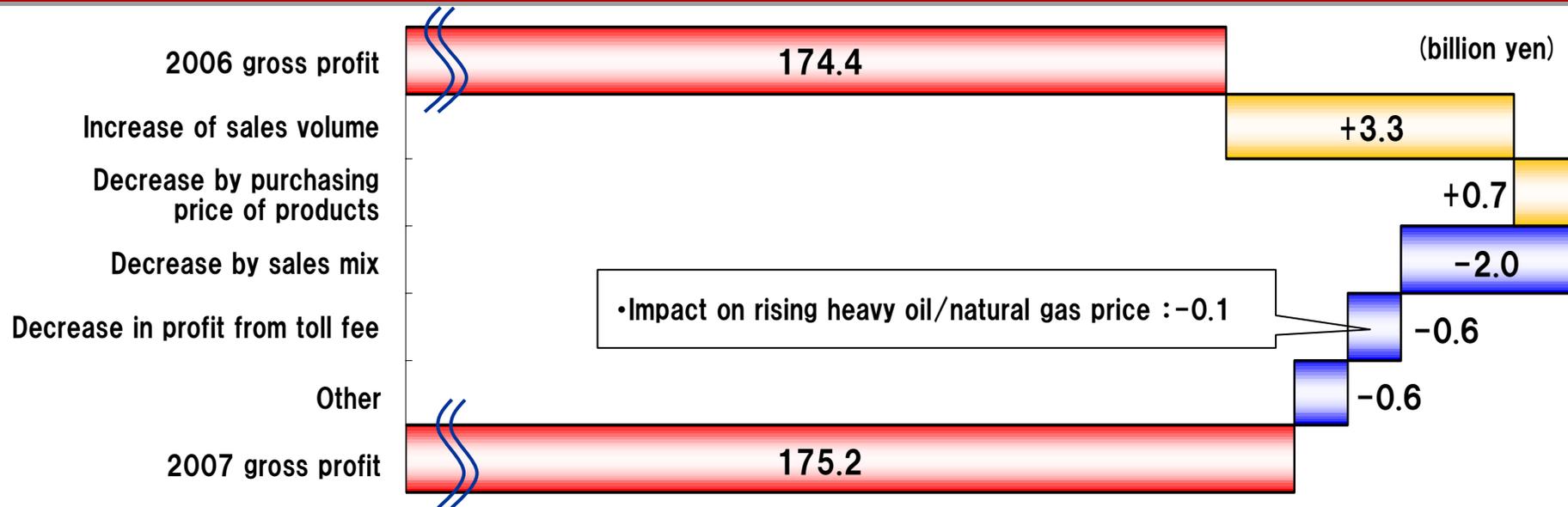
<In case of not reviewing of depreciation method>

	2006 actual ※1	2007		
		actual	vs.last year	
			change	%
Operating income	12,927	15,355	2,427	18.8
Recurring income	13,799	16,792	2,993	21.7

Impact on review of  
depreciation  
method: +701  
million yen

# Ref. Full Year Results – Gross Profit Change Factors

## In case of adding ex-Kinki group's actual

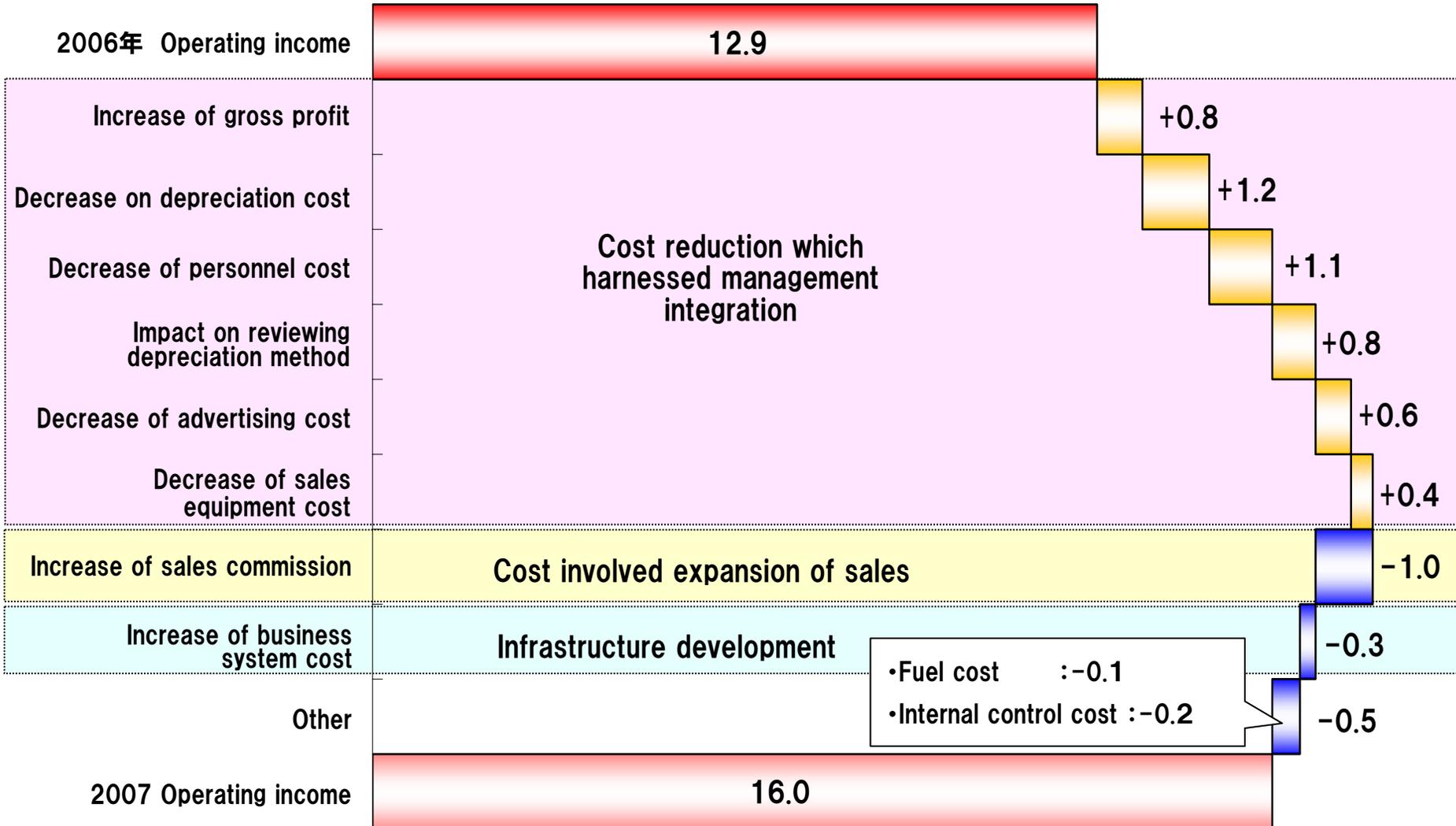


		(million yen)		
		Revenues	COGS	Gross profit
CCWJ	Sales (+1,334,000 c/s)	2,713	1,471	1,242
	Sales mix	-1,093	-531	-562
	subtotal	1,620	940	680
Kinki	Sales (+2,550,000 c/s)	4,429	2,440	1,989
	Sales mix	-2,630	-1,190	-1,440
	subtotal	1,799	1,250	549
Mikasa	Sales (+145,000 c/s)	251	149	102
	Sales mix	-114	-129	15
	subtotal	137	20	117
Decrease by purchasing price of products			-705	705
Decrease in profit from toll fee		-494	157	-651
Other		-1,456	-879	-577
Total		1,606	783	823

# Ref. Full Year Results – Operating Income Change Factors

## In case of adding ex-Kinki group's actual

(billion yen)

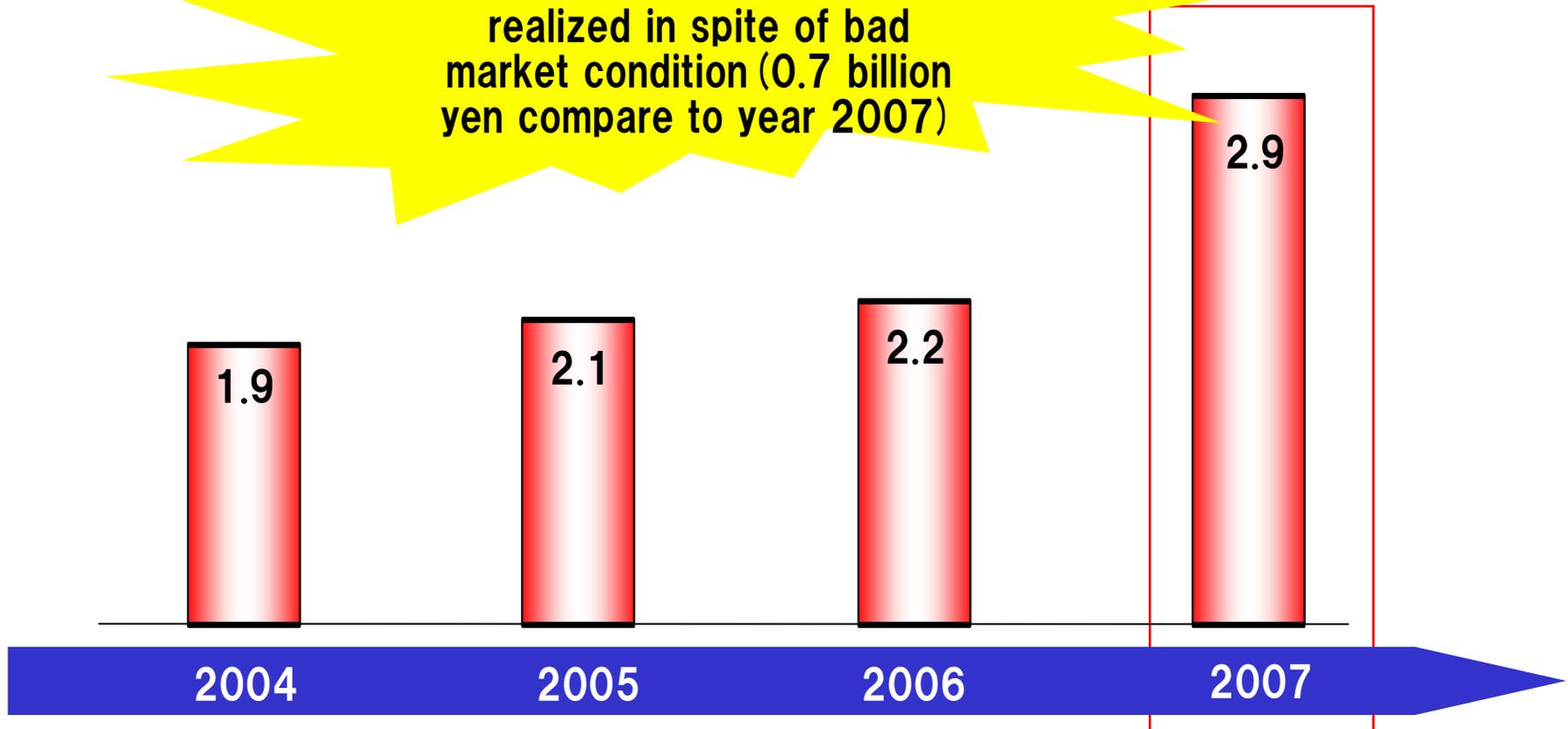


# Cost reduction related to CCNBC (compare to year of 2003)

\*CCNBC : Coca-Cola National Beverage Co., Ltd

(billion yen)

Cost reduction has been realized in spite of bad market condition (0.7 billion yen compare to year 2007)



※The actual of 2004 and 2005 is ex-CCWJ's actual.

※The actual of 2006 is ex-CCWJ actual added ex-Kinki's actual

- **At the first year of mid-term plan, CCWH has started creating the company which keeps growing**
- **Initiatives harnessed management integration have proceeded steadily**
- **Financial results have improved steadily**
  - **Increase sales volume with profitability**
  - **In spite of bad market condition, cost reduction is realized due to the impact on functional strengthening which harnessed management integration**