

# THE COCA-COLA COMPANY

## Improving investor relations for strategic growth

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*“As I look back at 2009, it was a successful year. And I’m very happy with our results. Despite challenging economic conditions, we delivered against our volume and profit growth targets. We strengthened our brands, our company and our global system. And thanks to the efforts of our experienced management team and our system bottling partners, we are much better positioned as we begin to emerge from these difficult economic times.”*

— Gary Fayard, CFO, The Coca-Cola Company, Jan. 9, 2010

### SUMMARY

The Coca-Cola Company is the world's largest beverage company. During the economic downturn, declining consumer confidence in general and several business setbacks worried investors.

FTI Consulting helped assess Coca-Cola’s messaging and perceptions in the investment community. Using this information, FTI Consulting was able to conceive and execute a plan to radically improve the company’s investor relations (IR).

Starting with its first large investor event in a decade, Coca-Cola has made a determined and aggressive effort to improve its IR. This has allowed the company to mitigate investor concerns about many potential problems. Additionally, it received best IR program awards from *Institutional Investor* and *IR* magazines.

### SITUATION

In 2009, Coca-Cola was facing a challenging economic environment. At a time when the faltering economy had sent consumer confidence to near-record lows, the company also faced:

- Increasingly difficult relationships with bottling partners.
- Scrutiny of its North American operations from the investment community.
- An acquisition unexpectedly canceled by the Chinese government.
- Accusations of contributing to U.S. obesity problems.
- A crumbling reputation in Colombia, a key South American market.
- Major acquisitions subsequently announced by the company’s largest competitor.

As a result, the company found itself needing to launch a number of major communications initiatives simultaneously. Coca-Cola also realized it was under-informed about investor concerns and, because of this, was unable to respond to them.

## SOLUTION

To deal with these situations, FTI Consulting created and executed communications efforts focusing on three strategic areas:

### 1: IMPLEMENTING A BEST-IN-CLASS IR PROGRAM

To improve investor confidence, Coca-Cola needed to completely rethink how it handled investor relations. Working closely with management, FTI Consulting conducted surveys to find out Wall Street's assessment of challenges facing Coca-Cola and updated its messaging accordingly.

Under the direction of a new CEO, Coca-Cola developed a long-term vision statement, dubbed its 2020 Vision, and set out to make investors, bottlers, customers and consumers believers in it. To that end, FTI Consulting initiated a research-based program to reshape the overall perception of the company. This research culminated in the company's first large-scale investment community function in more than 10 years. The event brought greater attention to the 2020 Vision by using additional data from the research program to further refine key messages and content. Overall, the event let management better communicate the company's strategy and growth prospects while enhancing its standing in the investment community.

### 2: PROVIDING COUNSEL ON M&A ACTIVITIES

On Feb. 25, 2010, Coca-Cola announced an agreement to acquire its largest bottler, Coca-Cola Enterprises. FTI Consulting provided strategic counsel to Coca-Cola about the merger announcement, including drafting and editing all communications materials and creating a website providing the public with information about the acquisition.

Following the announcement, FTI Consulting worked with Coca-Cola to provide communications that reinforced the deal's rationale as part of the company's long-term plan. This involved:

- Identifying enablers and barriers to successfully implementing the necessary operational changes.
- Developing strategies to communicate directly with key internal and external stakeholders.
- Assessing communications milestones through analysis of sell-side and market reaction, benchmarked against comparable transactions.
- Developing an integrated communications infrastructure.

### 3: IMPROVING CORPORATE REPUTATION IN COLOMBIA

In Colombia, FTI Consulting helped Coca-Cola increase customer loyalty by highlighting the company's roots in the country. The company was better able to showcase its commitment to both sustainable development and Colombians' well-being.

This was accomplished by:

- Positioning the management team as a reference for corporate governance, industry knowledge and leadership.
- Leveraging this position in Coca-Cola's corporate social responsibility programs and care for the environment.
- Demonstrating strong roots within the country and linking the company to Colombia's social and economic development.
- Improving the Colombians' sentiment toward Coca-Cola.
- Anticipating and shielding the company from crisis situations.

## RESULTS

Coca Cola has radically improved investor communications as shown by the best IR program awards it received from *Institutional Investor* and *IR* magazines. This has allowed the company to mitigate investor concerns about several potentially negative legislative and business issues that the company has faced. Additionally, since FTI Consulting has worked with Coca Cola, the company has decreased its share price volatility and, as a result, achieved more balanced financial media coverage.

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#### About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. With more than 3,700 employees located in 22 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring. The company generated \$1.4 billion in revenues during fiscal year 2010. More information can be found at [www.fticonsulting.com](http://www.fticonsulting.com).