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Special Issue: Neville Isdell Named Chairman and CEO of Coca-Cola.

Coke Veteran Will Succeed Daft. Keough Says Isdell Was Only One Offered Job. Isdell Will Conduct 120-Day Review. Says He 'May or May Not' Tweak Strategy.

At around 5pm on Tuesday, May 4, Coca-Cola announces its board has named Neville Isdell chairman/CEO to succeed Doug Daft. Don Keough -- former Coke president and head of board's search committee -- says Isdell likely takes reins in early June from outgoing chairman/CEO Doug Daft. Personal. Asked his thoughts on becoming Coke's chairman, Isdell tells BD: "This is something I really wanted to do. I whistled my way to work in the Coca-Cola business for 35 years. How can I not go back in and lead a business with which I've been so happy for such a long time, when the offer's given to me." Adds: "In life, there are mountains that you climb, and I've just been offered the ability to climb Mt. Everest."



E. Neville Isdell

Timing. Re actual CEO transition, Keough tells BD that Isdell "will be stepping into the job probably in early June. We're going to have an orderly transfer. He and Doug (Daft) have already talked, they'll be seeing each other tomorrow (May 5). They'll be going through the process of handing the baton ... over the next few weeks."

Isdell only person offered job; Keough praises Heyer. Over past several weeks, much speculation has focused on who would be Coke's next chairman/CEO. About three weeks ago, it appeared that Gillette chairman/CEO Jim Kilts was under consideration and might take job. But that did not happen. Speculation has also centered on role/future of Coke president/COO Steve Heyer. But recently, Isdell buzz began to get louder (BD 4/30/04). Only and first. Keough calls Isdell "best candidate" and says "Neville is the only person who was offered this job. He was offered it last night (May 3), and we asked him, if the board of directors today (May 4) elected him as chairman and CEO of the company, would he accept it? He said, 'yes.'" Keough adds: "He was the first outside candidate that we talked to." Heyer; other candidates. Keough says search committee "had a number of very outstanding external candidates. And we had a superb internal candidate in Steve Heyer. He was a formidable candidate with an outstanding record. But Neville is the one we chose for obvious reasons, because he's the best candidate for the job ... He is unique among all the candidates."

Heyer's future? BD asks about Heyer's future role at company. Keough: "I talked to Steve just a few hours ago (on May 4), after the board made its decision. He was in Brazil, working as president and COO of the company. He was doing his work. We had a very good talk. He was glad to receive the news. He knows of Neville, he's met him a few times. He's looking forward to good meetings with him in the future." Plus. General consensus is that Isdell and Heyer "have some talking to do" -- in words of one Coke source -- and decisions will evolve fairly quickly. Other source notes that, at present, Coke's global unit chiefs report to Heyer and that Isdell may want -- at least for now -- more direct contact with them.

Talk with Isdell. BD talks to Isdell hours after announcement. Your priorities over the next year? Isdell: "I believe that the strategy of the company is a very sound strategy. All of the key strategic elements are things that I support. Therefore, I

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don't see that I've been brought in to manage a crisis. I've been brought in to manage the company to the next level." Next 120 days. Adds: "I'm going to spend 120 days re-acquainting myself in detail on what the issues are out there ... I just want to see if the pre-conceived ideas that I have -- or that other people have given me -- are based on fact. I want to go out into the field ... Out of that is going to come a list that I will prioritize which will form the 2005 budget plan and may or may not involve tweaking, to some degree, the strategy."

Important to rebuild bench strength? "This a people business ... It's all about people and motivation and skill sets. That's always been something I've spent a disproportionate amount of my time on, building the people within the business and making sure the skills are there. That's going to be a key area of focus, and making sure they feel really proud to be part of the Coca-Cola system." 'Good people.' Adds: "That does not mean that I do not believe that there are many, many wonderful people within the business ... There are good people just waiting for the opportunity to perform (and) I need to motivate them, uncover, train them, encourage and lead them, and that I intend to do."

Will you still have time to occasionally speak to Mr. Keough? "Well, I'll tell you what. I've spent 25 years of my life occasionally talking to Mr. Keough. I don't know why I should change the habit of years."

Views I. In wake of Isdell's appointment, BD asks bottlers/others their views. Coca-Cola Enterprises. Chairman Lowry Kline: "I know Neville very well and have a lot of respect for him and his capabilities. He served on our board of directors, he has extensive knowledge and experience in the Coke system and Neville has been actively involved in the bottling business." Adds: CCE president/CEO "John Alm and I are looking forward to working with Neville, as we continue to execute our revenue management and value strategy in North America and Europe." Former Coke executive. Executive who knows Isdell well: "He's a people guy, he's going to raise morale."

Views II. Wall Street. J.P. Morgan's John Faucher. "The appointment is more about continuity than change. It signals that the board is comfortable with the current strategy. With recent financial results improving, this is a safe play, not a game-changing move." Morgan Stanley's Bill Pecoriello: "Isdell is a veteran of the global soft drink business and shouldn't require a learning curve beyond a brief immersion

period. (But the) key unknown is whether an insider will be able to successfully lead Coke in the new directions required to address a lengthy list of fundamental challenges the company faces." Lehman Brothers' Michael Branca: "We would not expect Coke to make any severe left turns or right turns with him steering the ship."

Isdell the person. BD talks to multiple sources who have worked with, and know, Isdell. He is seen as someone with: sharp mind and much charm; tremendous knowledge of system, company and people. People expect him to manage various constituencies -- including Coke board -- well, but will be lead based on his own convictions.

Isdell background. Isdell is 60; native of Ireland. Joined Coke in 1966 at its Zambian bottler. Worked his way up in various jobs in South Africa, Australia, Philippines, etc. In 1989, became president Coke Northeast Europe/Middle East/Africa. 1995-1998: president Greater Europe Group.

1998: left Coke to become chairman of new bottler Coca-Cola Beverages in Europe which then merged with Coke Hellenic in 2000; stepped down as head of merged bottler in 2001. 2001 to present, Isdell has been consultant to Daft and ran own investment company.

History. Table above shows Coke chairmen since company went public in 1919.

<u>Coca-Cola Chairmen 1919 to Present</u>	
1919-1920	Charles C. Candler
1920-1934	William C. Bradley
1939-1942	Robert W. Woodruff
1942-1952	Harrison Jones
1952-1954	Robert W. Woodruff
1955-1958	H.B. Nicholson
1958-1961	William E. Robinson
1961-1970	Lee Talley
1970-1981	Paul Austin
1981-1997	Roberto C. Goizueta
1997-2000	M. Douglas Ivester
2000-2004	Doug Daft
2004-?	Neville Isdell