

OPPORTUNITY OUTLOOK

We see virtually unlimited opportunities to refresh more people on more occasions through a true “360-degree Coca-Cola landscape.”

BUSINESS ENVIRONMENT

Our sales continue to outpace the rest of the industry, despite a highly competitive pricing environment.

STRATEGIC FOCUS

- Build brands locally
- Focus on local market management
- Develop marketing programs for all thirst occasions
- Reinforce strong customer partnerships

SYSTEM HIGHLIGHTS

United States

For the ninth consecutive year, we increased our share of soft-drink sales. Notably, we made major strides in our lower per capita markets such as Southern California and New York, where sales significantly outperformed the industry average, thanks to ongoing system investments, focused local market management and strong customer partnerships.

Brands

Our brands continue to grow in the United States, with Coca-Cola classic still refreshing more people every day, diet Coke dramatically increasing its growth rate and Sprite again significantly outperforming the industry average and gaining share. We have aggressive plans to further accelerate momentum in 1999. Following a powerful 1998, POWERāDE got off to a great start in 1999 with two new flavors: Arctic Shatter, a “chilling burst of cherry and peach flavors,” and Dark Downburst, a “bold explosion of berry and citrus flavors.” We also introduced the newest taste for Fruitopia — Kiwiberry Ruckus, a combination of kiwi, raspberry, pear and apple flavors — on the heels of spectac-

ular volume growth last year. To refresh bottled water drinkers, we’ll launch Dasani, a purified water with added minerals, later this year.

Customer Relationships

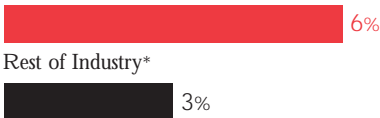
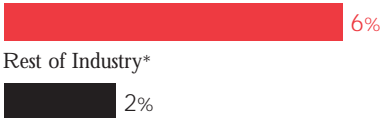
Unbeatable brands. Dependable delivery. Superior service. We offer fountain and bottle/can customers a customized package of goods and services to improve their profitability. Last year, a number of our fountain customers affirmed the value we bring to their businesses by recommitting or converting their entire franchisee systems to our products.

Coca-Cola Fountain

To better support our customers, we continue to enhance our already strong fountain infrastructure — a customer support center open around the clock, state-of-the-art syrup plants to ensure the highest quality, and more than 1,000 service agents located throughout the United States. We’re also helping increase customer profitability through customized promotions, increased cup sizes and other programs.

Canada

With a strong, focused anchor bottler, we’re accelerating our momentum in this high-potential growth market where per capita consumption is about half that of the United States. In 1998, we boosted volume 10 percent and increased our share of sales for the fifth year in a row. This strong performance reflects significant investment by our system. We’ve put in place new account managers to support our bottling system, mirroring our successful U.S. operational structure. With the creation of our North American marketing organization, we’re aligning our marketing efforts throughout Canada and the United States. Last year, our system also began a five-year commitment to fuel growth by hiring 500 new sales and merchandising representatives and increasing fourfold our cold-drink placements.

AVERAGE ANNUAL GROWTH U.S. UNIT CASE VOLUME	GROUP PROFILE	Population 305 million Per Capita 377 High Per Capita Rome, Georgia, at 821 Low Per Capita Quebec, Canada, at 142																		
<p>1 Year</p> <p>Coca-Cola USA</p>  <p>5 Years</p> <p>Coca-Cola USA</p>  <p>*Rest of industry includes soft drinks only.</p>	<p>BRAND HIGHLIGHTS 1998 vs. 1997 Unit Case Sales Growth</p>	<table border="1"> <tr><td>Coca-Cola classic</td><td>3%</td></tr> <tr><td>diet Coke</td><td>4%</td></tr> <tr><td>Sprite</td><td>9%</td></tr> <tr><td colspan="2">Also Notable:</td></tr> <tr><td>Fruitopia</td><td>105%</td></tr> <tr><td>POWERāDE</td><td>33%</td></tr> <tr><td>Minute Maid soft drinks</td><td>29%</td></tr> <tr><td>Nestea</td><td>20%</td></tr> <tr><td>Barq’s</td><td>18%</td></tr> </table>	Coca-Cola classic	3%	diet Coke	4%	Sprite	9%	Also Notable:		Fruitopia	105%	POWERāDE	33%	Minute Maid soft drinks	29%	Nestea	20%	Barq’s	18%
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FULL SPEED AHEAD WITH NASCAR — What do you get when you combine the passion of stock car racing with the world's strongest brand? An unbeatable team. In 1998, we brought racing fans closer to their favorite sport through our sponsorship of NASCAR and NASCAR events such as the Coca-Cola 600. Our Coca-Cola Wall of Speed, an interactive virtual-reality experience, also thrilled fans with a firsthand experience in stock car competition. After just our first year of sponsorship, NASCAR saluted our contributions to the sport with its Marketer of the Year Award. We're increasing our sponsorship involvement in 1999, adding to our Coca-Cola Racing Family roster of drivers and launching a consumer contest.



THE STORY BEGINS WITH DIET COKE — The notion of curling up with a good book and your favorite drink is taking on a whole new meaning. As part of this year's first-quarter promotion, diet Coke is inserting free excerpts of new books from some of America's best-selling authors in 12- and 24- packs of diet Coke and caffeine free diet Coke.

THE COCA-COLA CARD — Last summer, we distributed around 50 million Coca-Cola Cards in one of our most successful promotions ever. The card, which offered discounts at more than 10,000 retailers across the United States, quickly became a "must have" for consumers, helping increase beverage sales as much as fivefold for our customers.



COCA-COLA WITH MEALS — In Argentina, family time is special, but Coca-Cola isn't always part of family plans. We're addressing that opportunity through new advertising connecting Coca-Cola with family occasions, and a "dress your dinner table" promotion encouraging families to make Coca-Cola part of their mealtimes.

SPRITE SUCCESS — 1998 was a slam-dunk year for Sprite in Mexico, with volume growth of 26 percent. This performance was driven by the brand's tie-in with basketball — an increasingly popular pastime with teens — through events like Sprite Ball basketball tournaments and recreational programs featuring Sprite backboards and basketballs.



RED EXPERIENCE '98 — In Venezuela, we're connecting the authenticity, taste and refreshment of Coca-Cola to sensational events such as "Red Experience '98." This day-long mega-concert featured popular international and local bands, dancing, games and fireworks, attracting nearly 200,000 people.

Latin America Group

OPPORTUNITY OUTLOOK

With 45 countries and 492 million thirsty consumers — and more than 530 million predicted by the year 2003 — our opportunity for growth is tremendous.

BUSINESS ENVIRONMENT

Latin America continued its strong momentum last year with a solid increase in unit case volume, despite economic and political uncertainty in several countries, including Brazil, Venezuela and Colombia. With our extremely capable bottling partners, the strength of our brands and our consumer focus, we're poised for future growth.

STRATEGIC FOCUS

- Invest in core brands, equipment and system capabilities
- Focus on flawless retail execution
- Continue to focus on better understanding our consumers

SYSTEM HIGHLIGHTS

Mexico

In 1998, we increased per capita consumption of our products to 412, the highest of our major markets. We sold 1.6 billion unit cases, an increase of 13 percent over last year — strong results in a market that just a few years ago was suffering economic woes much like those experienced around the world in 1998. Since that crisis, our system has significantly increased volume and widened our share of sales by investing for long-term growth. Last year alone, our system invested \$283 million in plants, cold-drink equipment and trucks, including new plants in Toluca and Piedras Negras. We continued our aggressive cold-drink equipment program, carrying it forward into 1999. With this expanded capacity, we continue to build on our strong

momentum, executing a full calendar of promotional activities for all our core brands.

Brazil

We've put a new management team in place to guide our business in this market of 166 million people, where we've been doing business for more than a half-century. That team is committed to seizing the potential this market offers, in good times and bad. For example, we're implementing comprehensive strategies to compete with local products — or *tubainas* — in the market. Those strategies include leveraging our distribution system, reinforcing value with consumers, pricing our products competitively, clearly differentiating our brands and offering packages that deliver the most value to our consumers. In 1998, we continued to strengthen our bottling system, as three Brazilian bottling partners joined together into one strong operation serving the northeast region, while also opening three additional bottling facilities.

Argentina

We continue to drive volume growth in this country of 36 million people by focusing on our core brands through year-round advertising and promotional activities, while enhancing execution and system efficiencies. Our system invested close to \$200 million during 1998 in this market, expanding production capacity in most plants and placing new cold-drink equipment. We plan to keep up the pace and reinforce our leadership. Over the next five years, our system will invest \$1 billion to build three new plants, upgrade our delivery fleet and expand our vending and cooler placements.

LATIN AMERICA GROUP 1998 UNIT CASE SALES		GROUP PROFILE	
		Population	492 million
		Per Capita	196
		High Per Capita	Mexico at 412
		Low Per Capita	Montserrat at 11
GROWTH RATE 1998 vs. 1997 Unit Case Sales		Argentina	7 %
		Brazil	1 %
		Chile	3 %
		Colombia	(2) %
		Mexico	13 %
		TOTAL	7 %
		BRAND HIGHLIGHTS 1998 vs. 1997 Unit Case Sales Growth	
diet Coke/Coca-Cola light	30 %		
Sprite	14 %		
Also Notable:			
Fresca	28 %		
Lift	33 %		