





POWERADE:

We have applied the expertise that made Coca-Cola the world's number one brand to accelerate the growth of our global brands—not just Sprite and Fanta, but also POWERADE. Together, these offer thirsty people all around the world the refreshment they desire.

POWERADE is adding to the global brand success story—fast. In 2001, POWERADE and our other sports drinks accounted for nearly 40 percent of the growth in the worldwide sports-drink category.

Borrowing from a marketing concept that resulted in rapid growth in the Japanese sports-drink category, in July we relaunched POWERADE in the United States with innovative advertising and new packaging for the reformulated beverage, creating volume growth of 24 percent in the second half of the year.

In 2001 we introduced POWERADE in major Western European markets as well as Mexico and other Latin American markets. Worldwide in the sports-drink category, these launches contributed to a total volume increase of 22 percent in 2001.



POWERADE.

Qoo: from local brand to regional success

How did a little blue cartoon character and a nutritious fruit drink become one of Asia's most recognized brands? The answer is the story of Qoo, a noncarbonated juice drink that appeals to both kids and parents alike—and the lovable Qoo character who is taking Asia by storm.

We introduced Qoo two years ago in Japan with a double appeal: Kids like Qoo because it is a delicious, colorful fruit drink packaged with the popular Qoo character. Parents like it because it is enhanced with calcium and vitamin C and their kids love to drink it.

Qoo became part of children's lives in many ways, including appearances every morning on six Tokyo television networks, where the Qoo character teaches kids new dances—from salsa to disco—and concludes with a refreshing glass of Qoo. This campaign strengthened the bond between Qoo and millions of Japanese schoolchildren who routinely perform the character's latest dance on playgrounds before school. Qoo has become the second-most recognizable icon in the country among young children.

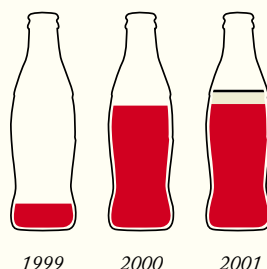
These marketing initiatives elevated Qoo to the number-one juice drink in Japan and the fastest growing brand in the Japanese juice-based beverage category.

By carefully tailoring Qoo to the tastes of other Asian markets, we expanded this phenomenal Japanese success across the region, making Qoo the leading juice drink in Asia. Contributing to the rapid growth of Qoo in other countries were customized, technology-based marketing campaigns that built relationships with consumers. Efforts included Web sites, "viral" campaigns using short text messages on cell phones, fan clubs, stuffed animals and teen ambassadors to spread the excitement. Every campaign used techniques unique to each market for this regional brand.

The result? In Korea, within six months Qoo became our third-best selling brand and the leading juice drink. In Singapore, Qoo became the number-one juice beverage within two months, where we expect its volume to more than double in 2002.

Our successful Qoo launches in 2001 culminated with Taiwan, Hong Kong and targeted parts of China during the fourth quarter. With innovative marketing and promotion, Qoo is already taking off in these new markets, and we plan to expand Qoo to even more Asian markets, including the rest of China and Thailand, in 2002.

REGIONAL VOLUME GROWTH OF QOO



IN ASIA, UNIT CASE SALES OF QOO GREW 23 PERCENT IN 2001

■ JAPAN ■ KOREA ■ SINGAPORE





Kuat: local appeal, dramatic growth

In Brazil, the Amazon jungle is the source of guaraná—a berry known for its distinctive taste and invigorating properties. Guaraná-flavored drinks are a local favorite. Second to the cola category, they comprise 28 percent of the carbonated soft-drink segment, which represents 73 percent of the \$6 billion nonalcoholic ready-to-drink segment in Brazil.

Our experience with Kuat, a guaraná drink launched in 1997, is another example of how we expand our family of brands and connect with consumers in ways that appeal to local tastes.

This year, Kuat broke away from the pack of 10 other guaraná brands and achieved a strong second-place position within the \$1 billion category, just behind the 80-year-old established leader. With volume growth of 25 percent in 2001, Kuat easily outpaced the competition's growth rate.

The carefully developed flavor of Kuat appeals to local guaraná drinkers. This authentic taste, combined with our deep understanding of the Brazilian market and our creative marketing initiatives, established Kuat as a premium guaraná brand.

In 2001, we developed campaigns to coincide with celebrations around Brazil. At these street events, including Rio de Janeiro's Carnivale, we covered buses and buildings with images of Kuat, bringing the dense, seductive feeling of the Amazon into the city.

Our marketing has increased the appeal of Kuat as the contemporary guaraná beverage. Kuat became the leading guaraná brand in supermarkets regionally; and in some bottler areas it achieved the number-one position within the category across all sales channels.

In the second half of 2001, we built on that momentum and focused on growing our sales in cafes and bars. In these outlets, Brazilians typically ask for "guaraná," instead of distinguishing between brands. We increased volume of Kuat by 14 percent in these outlets through marketing that featured local celebrities asking for Kuat by name.

We recognize that continued growth of Kuat requires investment in local resources. That is why in 2001, we planted additional acres of guaraná to meet future increased demand. Through these enhancements, combined with sustained localized marketing, we expect to grow volume by double digits again in 2002.

UNIT CASE SALES OF KUAT
(in millions)

