



The Coca-Cola Company

Latin America

Investors Meeting – May 2004

Contents



- Introduction to Coca-Cola Latin America
- 2003 Performance Review
- 2004 Highlights
- Summary

How Are We Organized

Mexico

> **2.2 Billion UC**

Martin Machinandiarena

Latin Center

(Central America & Caribbean,
Venezuela, Colombia & Ecuador)

> **680 MMUC**

Dan Sayre

South Latin

(Argentina, Chile, Peru, Bolivia,
Uruguay & Paraguay)

> **760 MMUC**

James Quincey

Brazil

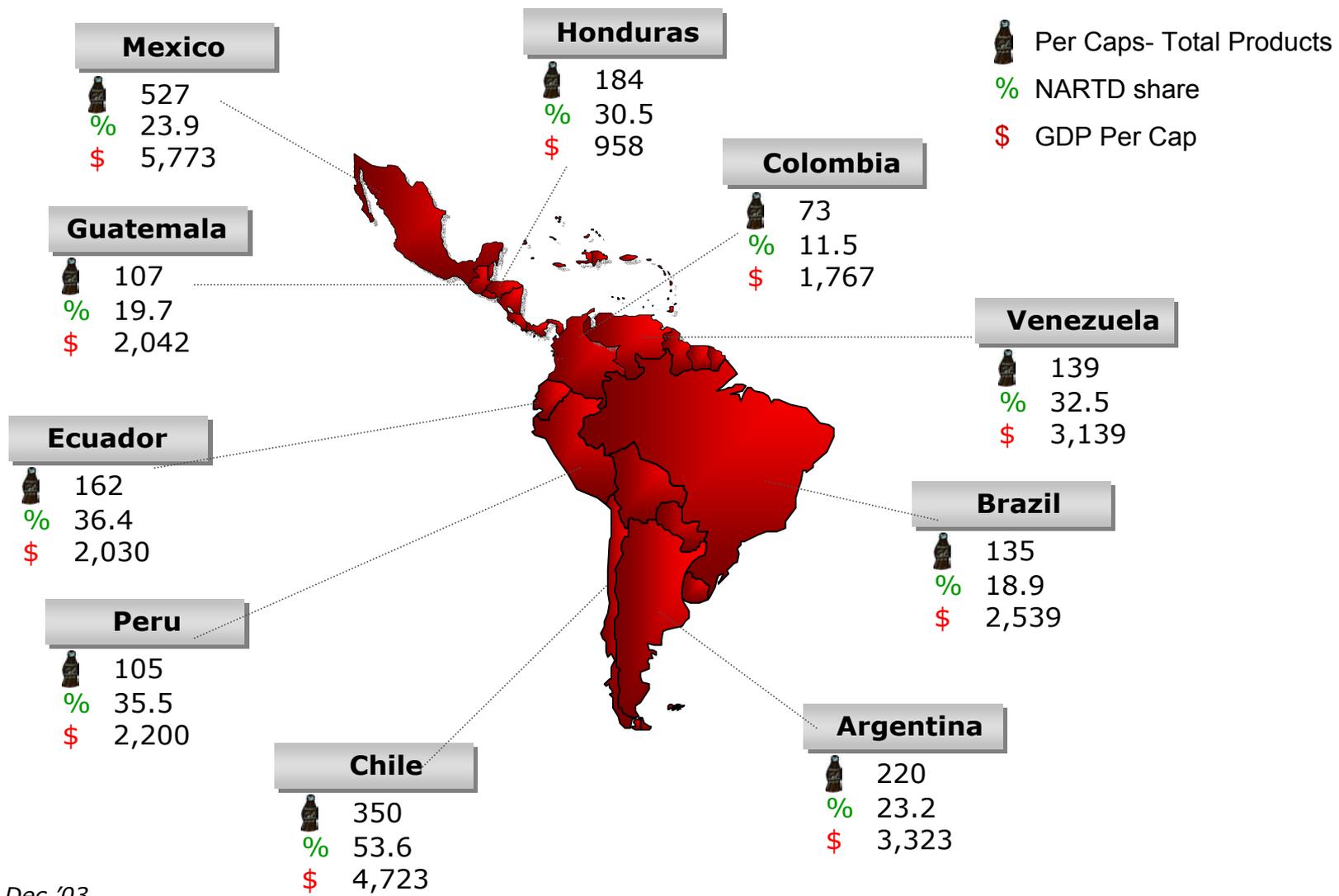
> **1 Billion UC**

Brian Smith



(Volume Figures – 2003)

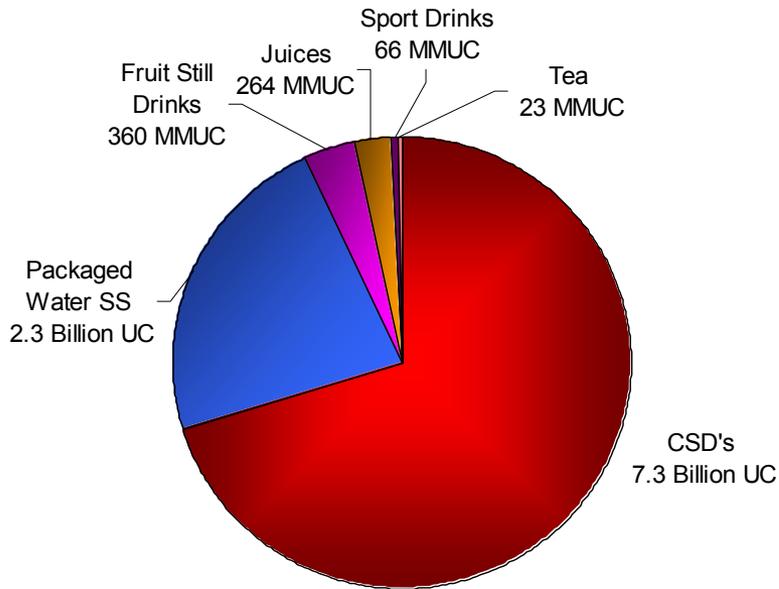
Latin America- 41 Countries, 100+ KO Brands



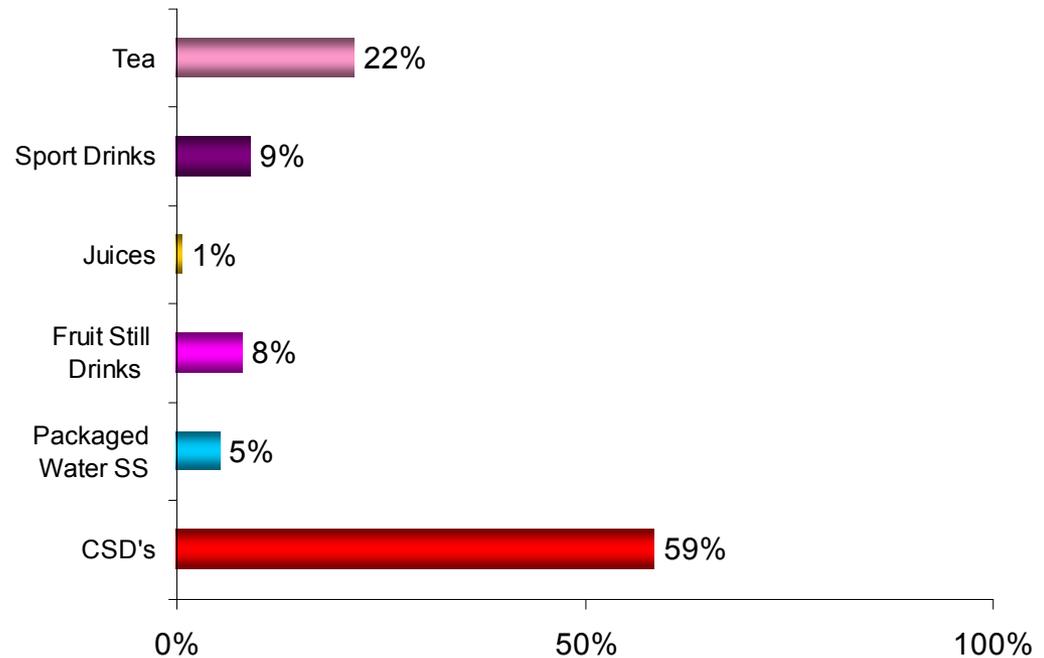
Information Dec '03
 GDP Per Cap Source: March '04, Latin America Monitor
 NARTD Share and Per-capita consumption source: Inform

KO With A Great CSD's Business - The Largest Beverage Category

2003 Latin America NARTD Industry



KO Share of Category



Lead KO System With A Clear Understanding Of Environment Dynamics

2003

Restricted Economic Conditions

Mexico

- Economic slowdown
- Government holding socioeconomic structural changes
- GDP 1.3%

Brazil

- International confidence
- Consumer purchasing power still constrained
- GDP <1%

Venezuela

- 2 month strike
- Unstable conditions
- GDP (-11%)

Evolving Competition



- Peruvian Family
- Operations in Peru, Venezuela, Ecuador, Mexico
- Entering in Costa Rica

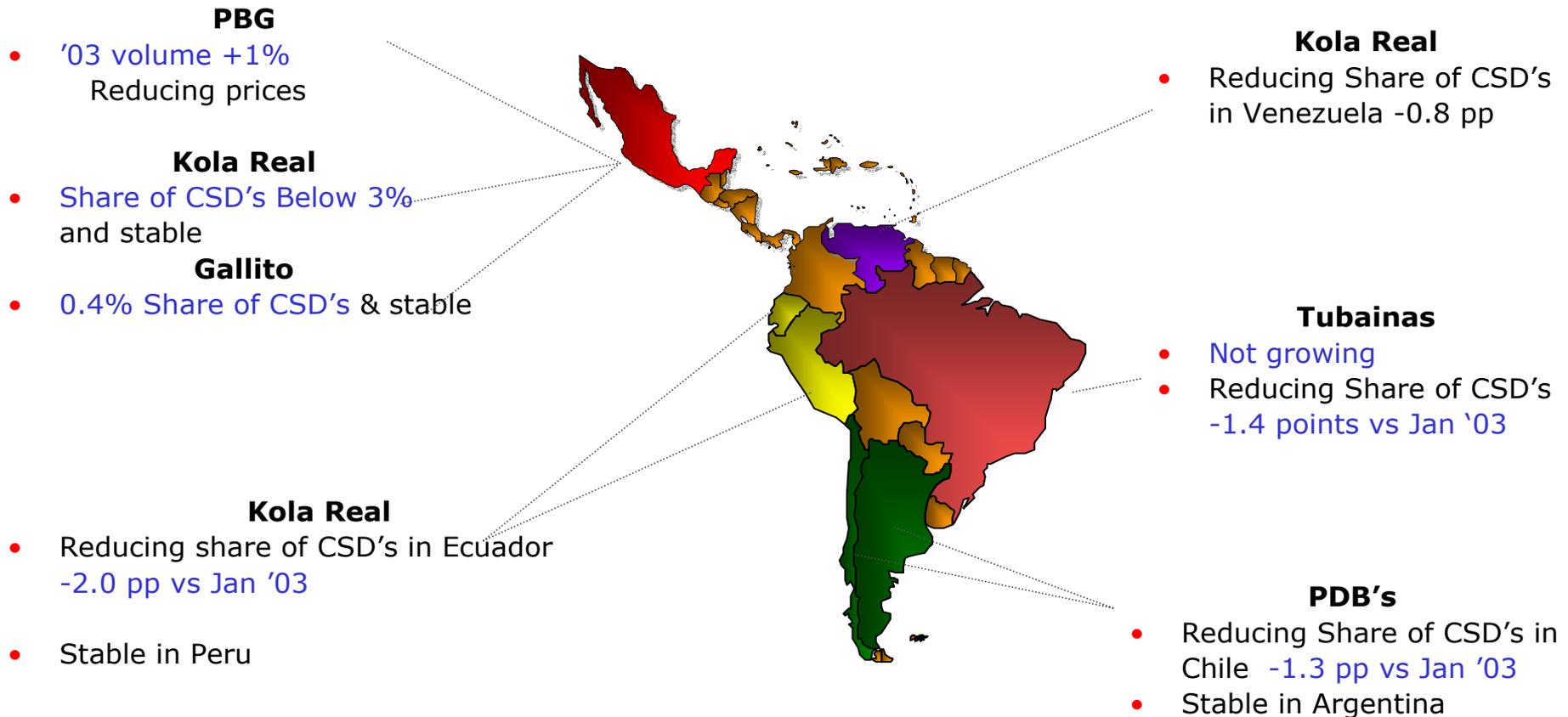


- Moving closer to PDBs
- Shifting strategies to compete more aggressively in Pricing

Other Categories

- Competitor's efforts to gain leadership in Non-CSD's segments

Keeping A Solid Market Position



Information Jan '04
Source: Nielsen / TRAC Worldwide Ltd (Peru & Ecuador) / Datos I.R.I. (Venezuela)

And Continue Producing Solid Results



- Maintained share of NARTD across LA SBU
- Build a New Business Model in Brazil
- Emerge stronger after crisis in Argentina & Venezuela
- 4% volume growth in 2003
- Launched a new Pan-Latin America platform for Coca-Cola
 - “De Verdad” advertising drove efficiency / effectiveness
 - Common platforms for main programs
- Continue successful innovation on CSD’s
 - Vanilla Coke, Coca-Cola Light with Lemon
 - Lift Manzana Verde, Fresca Rosa, Fanta Free, Kuat Naranja, Nativa, etc.



Mexico

Consistent Performance

- **Volume & Profit growth**

- **Healthy Coca-Cola Brand with stable indicators**

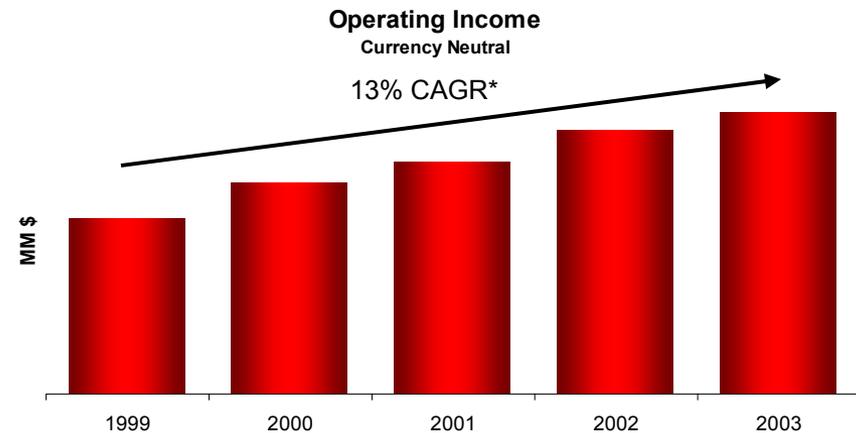
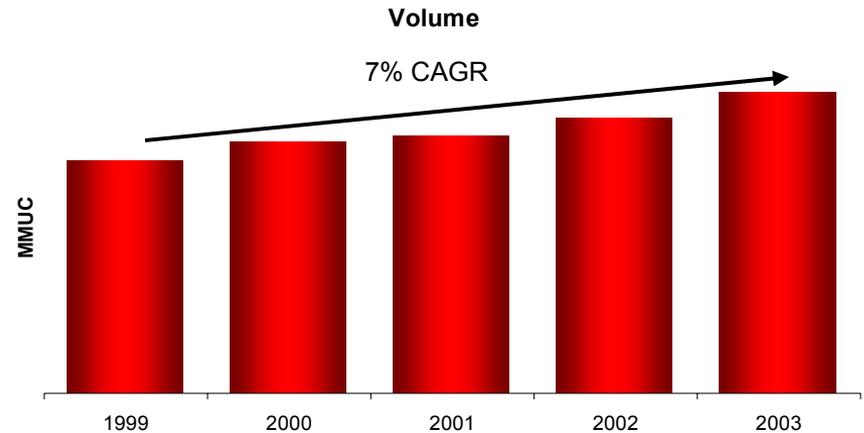
	KO gap vs Nearest Competitor
- Daily Consumers	7 : 1
- Favorite brand	5 : 1
- Positive purchase intent	2 : 1
- Consumer base	3 : 1

- **Successful innovation in CSD's**

Vanilla Coke, Lift Green Apple, Fresca Rosada

- **Leadership in Water Business**

- Acquisition of Risco Brand /100% conversion to Ciel
- Reached Category Leadership in personal packs

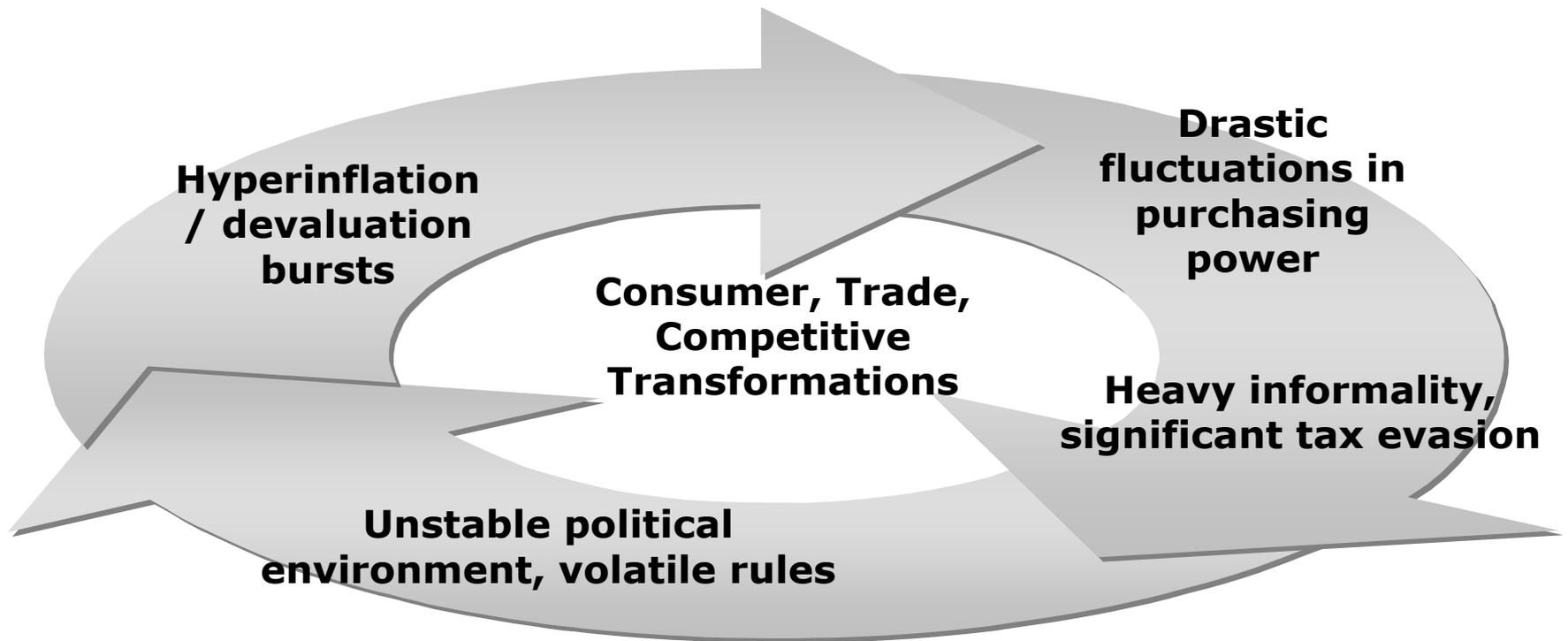


*Reported Operating Income grew by 9%, plus a 4% Negative Currency Impact, resulting in Currency Neutral Operating Income of 13%.



Brazil

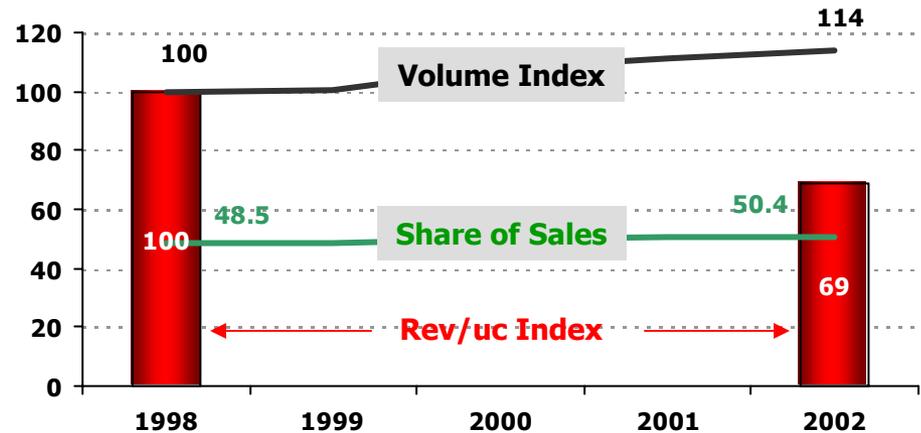
A Couple Of Years Ago...



Our System Confronted Tough Conditions, Developing an Operating Mentality Anchored in ...

**Protecting Volume –
Share / Focus on
pricing**

1998-2002 KO Volume & Rev/uc Indexes, Share Trends



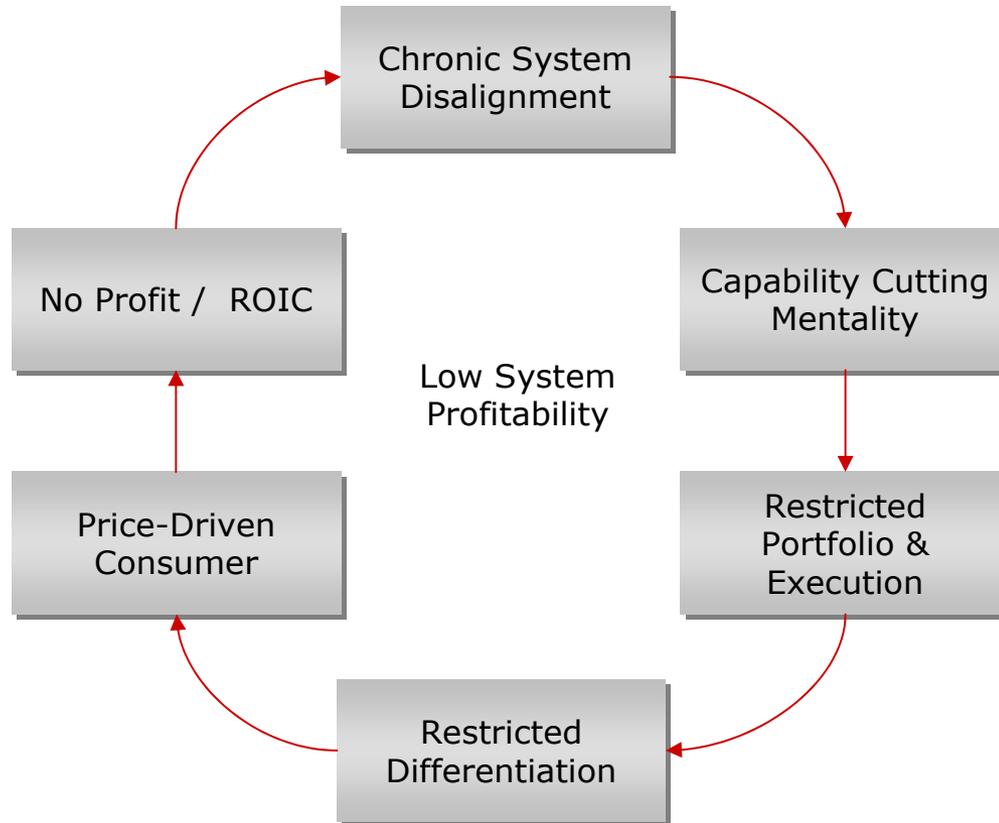
Few Package Options

2002



**2L PET
2/3 of volume Mix**

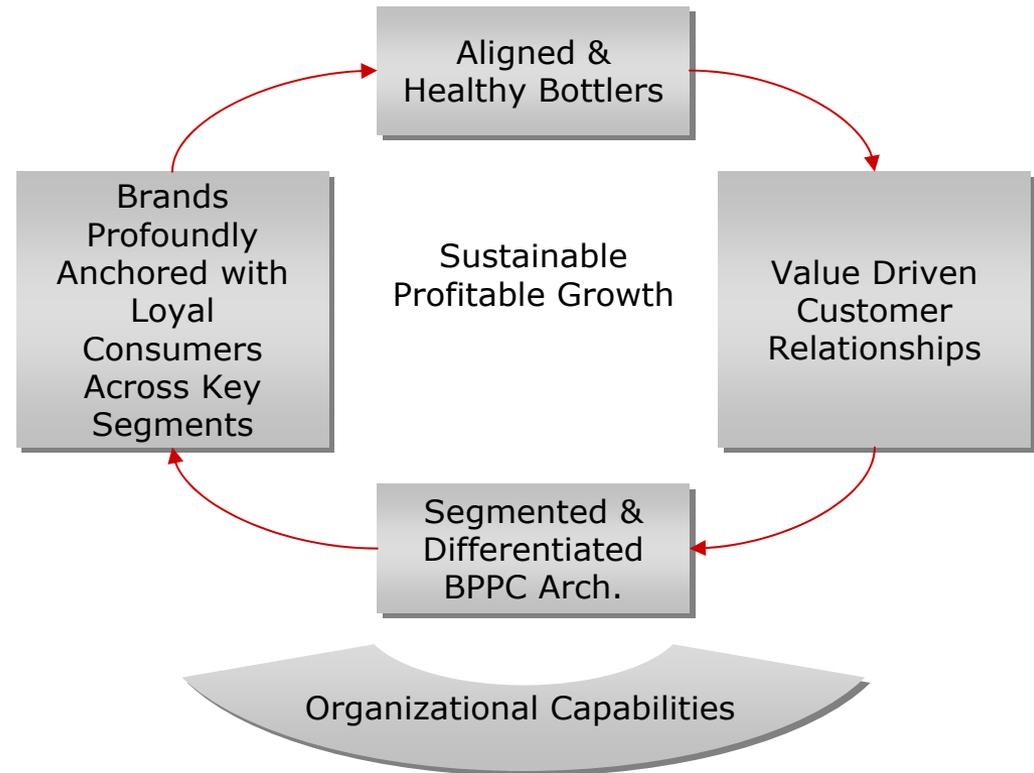
The Dynamics Of The Operating Mentality Created A Vicious Circle...



In 2003, Created A New Business Model

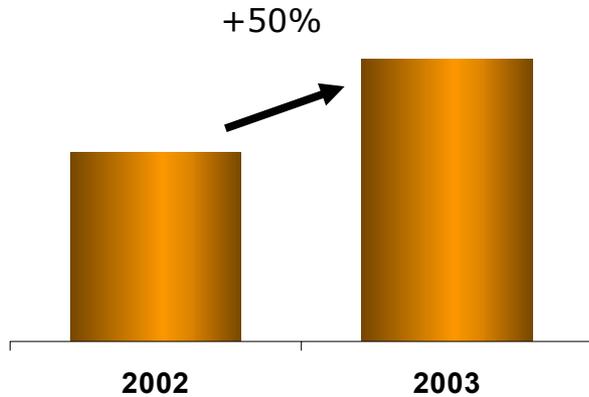
Have taken significant steps

- Agreed to long-term strategy with our bottling partners
- Worked in close partnership with bottlers to offer new packages and tailor customer options to drive revenue & profit growth
- KO organization restructured & realigned with strategic priorities
- Recalibrated prices for value creation
- Rebuilt Execution Capabilities

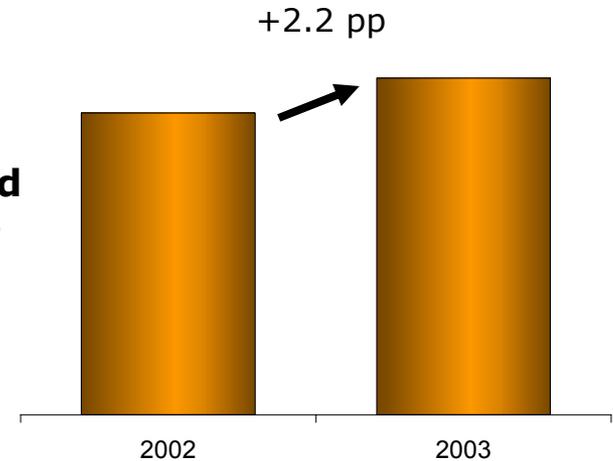


Generating Positive Results

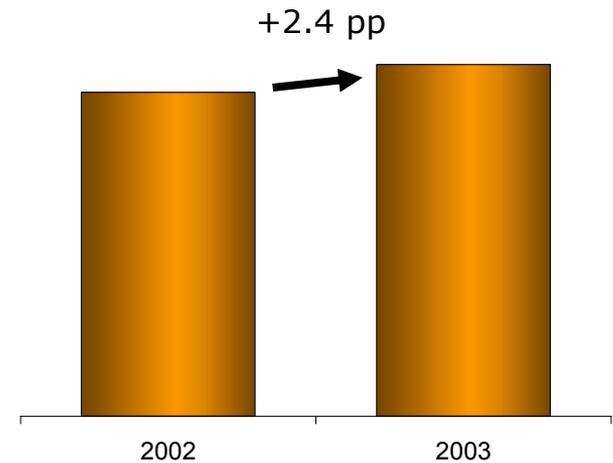
System profit increasing significantly



Coca-Cola brand growing share of volume



And also share of value

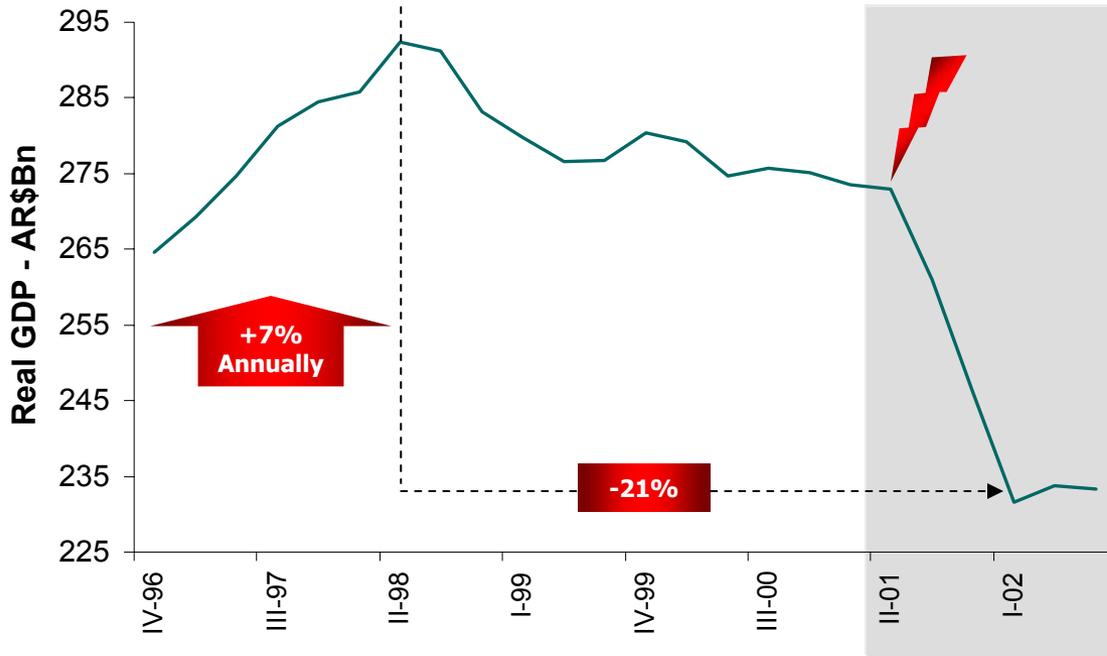




Argentina

From Strong Economic Expansion to Deflationary Recession - To Abrupt Implosion

***21% Decline in GDP
since it's peak***



**Post Default & Chaotic
Devaluation**

*Consumers resetting
values/relationships &
looking for security*

Cohesive plan to *Emergent Stronger*; organization restructured to drive it

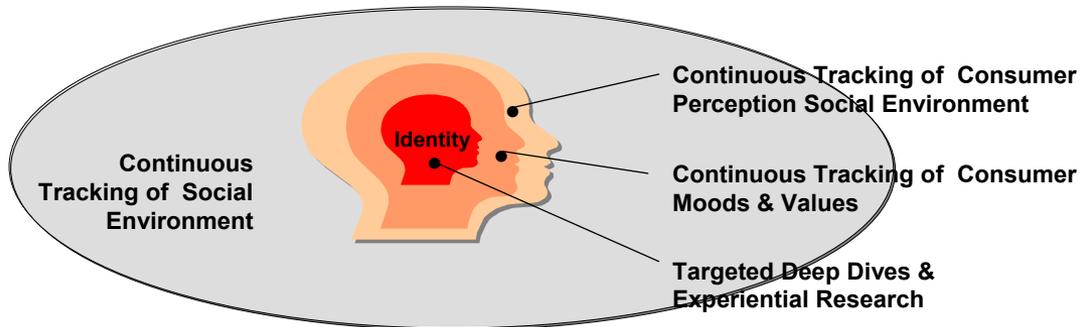


Emergent Stronger

- Protect consumer base with focus on Coke, while strengthening relationship with our brands
- Ensure System financial & operational viability
- Reset Customer relationships & gain execution advantage
- Retain solid foundations in Quality, Government Affairs & Community Relationships

Historic opportunity to strengthen Coca-Cola's connections with consumers

***Committed to deep consumer understanding to define relevant actions
- In real time -***



***Coke plan rebuilt aligning tone,
style, and mechanics to new
reality***

Crisis Engagement

“ Refreshing the mood ”

Universal/Teen

“ Connecting Coke leadership with Argentine dreams ”

Couple/Family

“ Reinforce loyalty thru value with moms and newly unemployed dads ”

Affordable Packages

“ Provide access to the new poor to KO beverages ”

Our Emerge Stronger Strategy Worked



- 13% volume growth
vs
+5% in NARTD Industry
+7.6% in GDP
- 19% growth in Coca-Cola / 15% Rest of CSDs
- Per Capita Consumption +24 vs PY
- Improving Coca-Cola brand indicators
 - Favorite Brand +1.3 vs PY
 - Worth what it costs +1.7 vs PY



Venezuela

KO System Was Strained By A Deteriorating Socio-Economic Situation



Socio-economic Situation

- 2 month general strike in Dec '02 & Jan '03
- GDP declined -11% in '03; unemployment at 24%
- Exchange control during all year
- Inflation accelerating at 27%
- Extreme political uncertainty



Consumer

...dramatically deteriorated purchasing power; changing habits to "make ends meet"

Trade

...Adjusting inventories, focusing in high rotation items, speculating with non-controlled price items

Clear Roadmap to Drive Profit Growth



- Strengthen Coca-Cola Connections with Venezuelans
- Lead Category Package & Price Architectures
- Strengthen In-Market Presence
- Accelerated system costs reductions / efficiency improvements

... Always Maintaining high level of flexibility to cope with uncertainty

We Obtained Exceptional Results With Coca-Cola Brand Despite a Very Challenging Context

- **Volume Increase**
>10% vs. 2002
- **Share of market:**
 - Coca-Cola market share +4.3 pp (Dec'03 vs. Nov'02)
- **Consumer Indicators (Dec'03):**

	Gap vs. Nearest Competitor
• Favorite brand:	2 : 1
• Consumer base:	1.3 : 1
• Daily Drinkers:	2 : 1
- **Positive System Profit Swing**



2004

Improvement in Economic Conditions ...



Total LA GDP from 1.5% in '03 to 3.0% in '04

Mexico

- On the road to recovery
- Potential for a more solid growth

Brazil

- Strengthening economic condition
- Growing internal consumption
- Structural reforms (taxes, energy)

Argentina

- Some positive signs, but some uncertainty remains

Other Countries: the usual mixed picture

Stable (Chile)

Modest (Peru, CA&C)

Volatile (Venezuela, Dominican Republic)

Chaotic (Haiti)

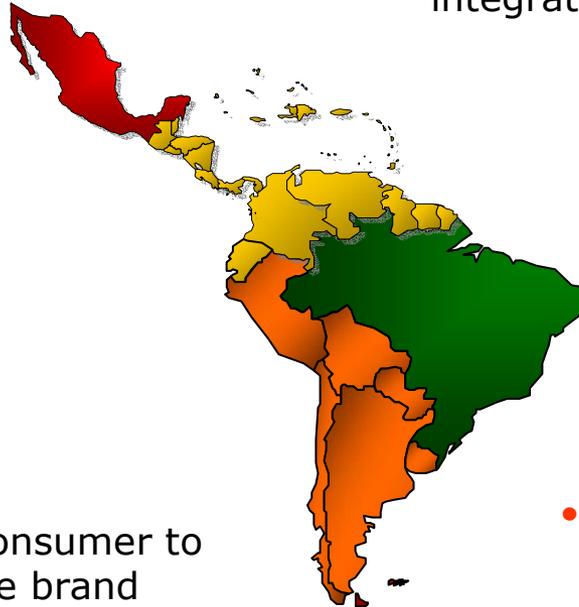
Managing Our Portfolio

Mexico

- Main volume & profit driver
- Will take all reasonable & prudent measures to sustain its momentum

Latin Center

- Accelerate growth in Key Markets, capitalizing on the KOF / PB integration



South Latin

- Continue to remain close to consumer to further differentiate & enhance brand health



Fully capture current growth opportunities

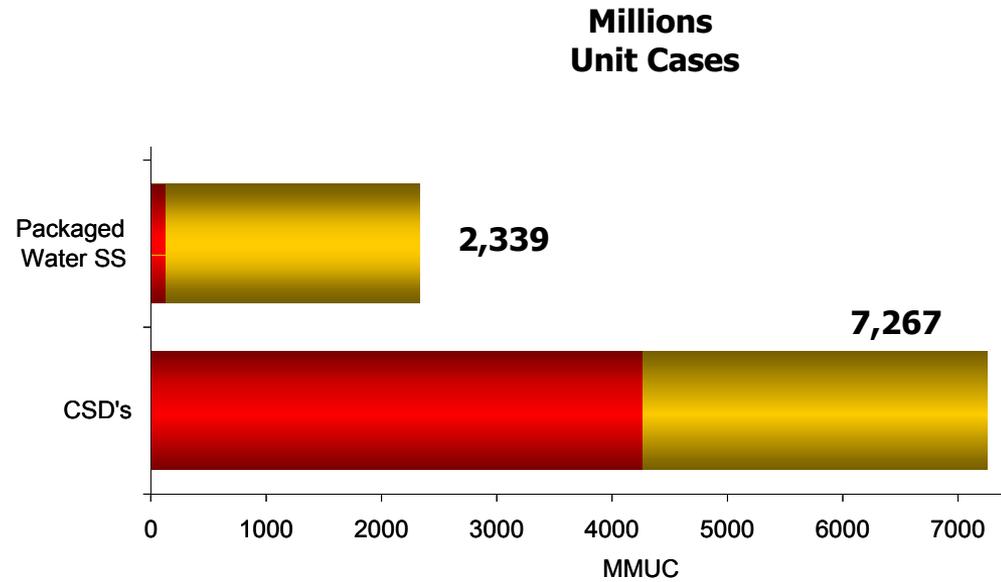
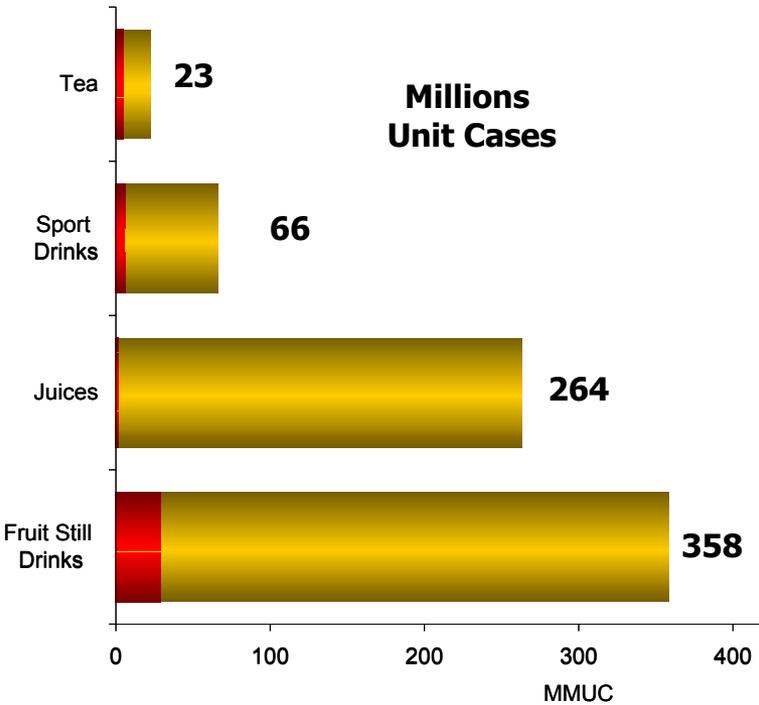
Brazil

- Turn-around opportunity with significant growth potential
- Accelerating our new model approach

Our 23.3% Share In NARTD Shows Ample Potential, Yet CSD's Is Our Main Opportunity

2003 Latin America NARTD

KO **Others**



Source: Canadean '03

Other Beverages Have Started To Play An Important Role in Our Portfolio

- Developing new “Go – to market” approaches that complement existing skills and know how



- Focus in areas where a leading and profitable position can be achieved



- Fully exploit global brands potential, i.e. Powerade & Nestea

- Leadership position in the large and rapidly growing water market, with
 - Strong local brands such as Ciel
 - Rapid expansion of Dasani in multiple countries

Strong Emphasis in Customer Programs & Profitability



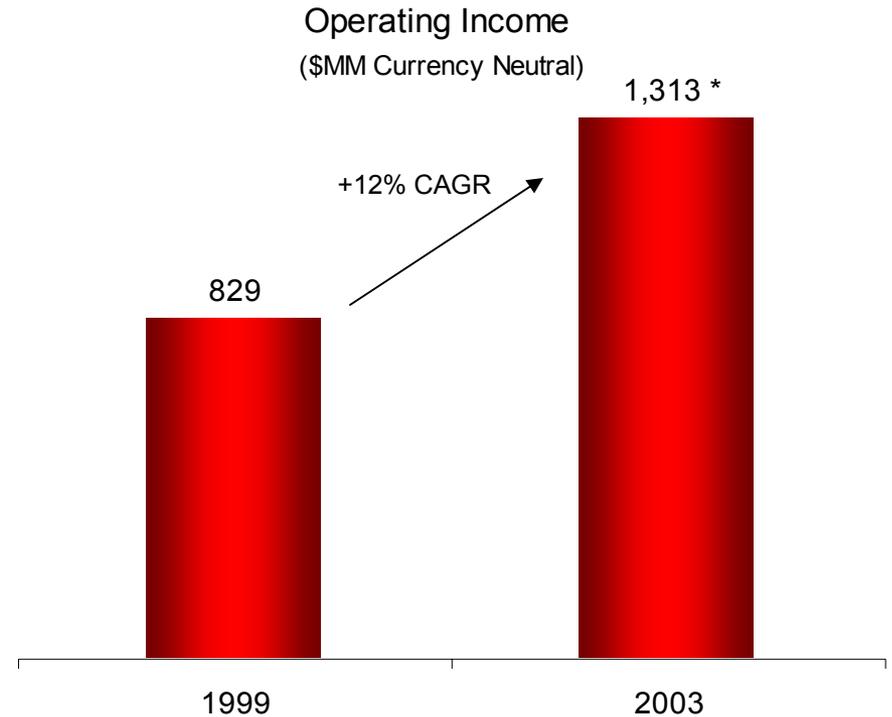
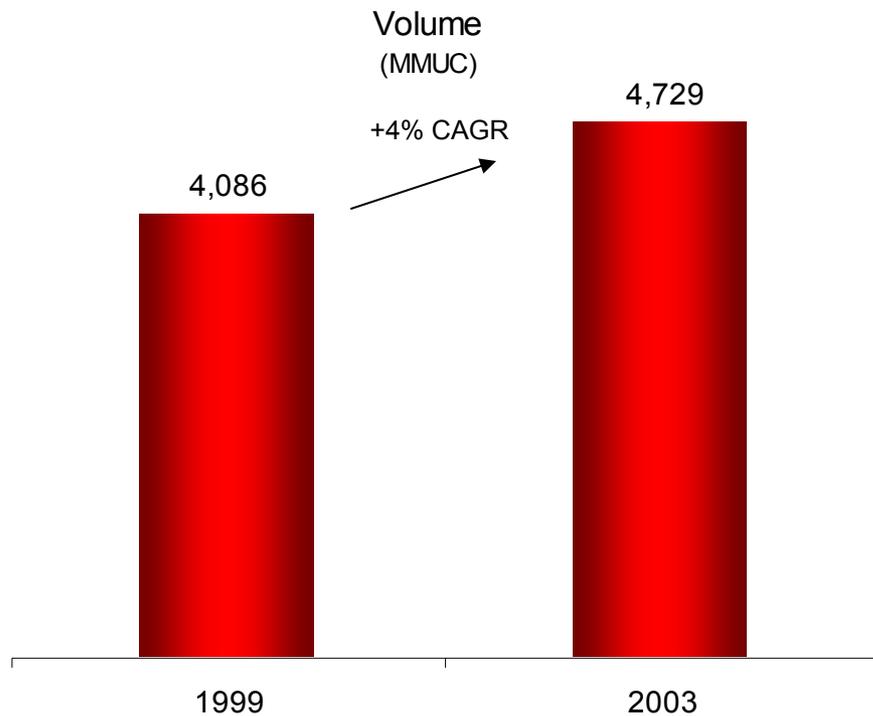
Customers

- 
- Support the development of all customers and channels
 - Specific programs for each channel
 - Dedicated packages and price points

Grow our system profitability

- 
- Further develop revenue growth management capabilities
 - Direct resources to volume & profit driving activities
 - Keep discipline on returns and expense ratios
 - Continue to generate efficiencies in all areas

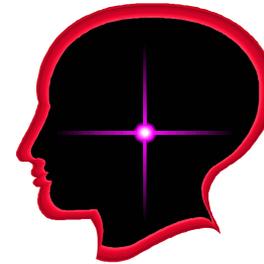
Solid, Consistent Contribution to KO Results



* 2003 currency neutral operating income excludes the impact of \$24 million stock option expenses, \$20 million of charges, and \$299 million currency since 1999.

In Summary

- Strong Management Team and Bottling Partners
 - Understand market
 - Positioned for winning
 - Orientation to effectiveness & efficiencies
- Great CSD's Base Infrastructure
- Building Non-Carbs Business
- Solid, Consistent Contribution To KO Results



4.3 Billion UC

