For the Coca-Cola Company, 2002 was a decisive year in our drive to create value. You can see the evidence in our new products and breakthrough packaging and fresh approaches to our consumers. You can see it in our broadening geographic reach and deepening partnerships. And you can see it in our commitment to the communities in which we do business. Renewed innovation and reinvigorated execution are leading The Coca-Cola Company to a new era of growth and enduring economic value.
Creating Perspectives
Last year, I made a simple assertion: When the brands, employees and bottling partners of The Coca-Cola Company are working together, we are an unbeatable team. We were successful in doing just that in 2002, as evidenced by our financial and operational performance. The Coca-Cola Company in 2002 achieved worldwide unit case volume growth of 5 percent. Cash from operations was a record $4.7 billion, a 15 percent increase over 2001. After investing activities, we generated $3.6 billion of cash flow in 2002, a 22 percent increase. Throughout the year, we outpaced the rest of the industry in each of the major beverage categories in nearly every global market. Our results this past year were very encouraging, and were achieved in spite of a challenging global economic and political environment.

One of the hallmarks of the Coca-Cola Company throughout its 117-year history is the belief that we can never be satisfied with our performance, and that we must always aspire to what we have yet to achieve. To better realize opportunities for growth in 2002, I focused the Company on: 1) profitable diversification and expansion of our range of products while advancing our core brands; 2) improving working relationships with our bottling partners around the world; 3) building an integrated team operating with heightened focus on corporate governance and financial transparency. I can report steady progress in all three areas. Further, there are countless opportunities to expand our current brands and to create new ways to connect with even more consumers.

BUILDING BRANDS,
EXPANDING OUR FAMILY
OF BRANDS

In 2002, Coca-Cola—the world’s most popular brand regained its marketplace momentum in North America. Now, that same excitement is around the globe. Vanilla Coke brought in eight million new consumers who were not drinking Coca-Cola; in addition, diet Coke with lemon attracted over three million consumers to diet Coke. It was nearly 100 years before we launched the first extension of Coca-Cola—diet Coke, in 1982. It took another ten years to build diet Coke into a worldwide brand. Responsibility for the world’s most beloved and valuable brand requires extreme care in how, when, and why we extend it. We don’t risk consumer loyalty to the brand or seek an artificial bump in volume by spinning out product after product to chase the latest fad. We ask ourselves continually how we can bring more people to Coca-Cola. By staying close to the brand’s identity, we have created in Vanilla Coke, diet Vanilla Coke, and diet Coke with lemon new products with lasting appeal that we expect to generate equally lasting value for share owners. Historically, the carbonated beverage segment has been the primary driver of our business performance and it still accounts for 85 percent of our worldwide sales volume. The quality and reliability of our products, our unparalleled brand appeal and distribution, combined with valuable consumer insights and strong customer relationships have generated profitability for Coca-Cola, Fanta, Sprite and our other carbonated soft drinks. As we expand our range of non carbonated beverages we are applying
that match or even exceed those of our
carbonated business. By continuing to build
successful non carbonated brands and
by optimizing our scale and distribution
system, we expect to further improve
total profitability. That is why we are
so encouraged by our non carbonated
beverage growth this year: a rate of 28
percent which was driven by strong
performance in all key categories. Over the
past three years, we have grown internally
and through strategic acquisitions to
become the world’s largest producer of
ready-to-drink juices and juice drinks.

Outside the United States, our share of
sales for the sports-drink category is one
of the largest in the world. Across 70
countries, POWERade grew 25 percent
and increased its share of the category. We
have also been successful in strategically
building a water business that enhances our
offerings to our customers. The acquisitions
and licensing agreements we completed
in 2002-principally with Groupe Danone
and their brands, including Evian give us
a family of products in the United States
with multiple price points and packaging
choices. Together with Dasani, which grew
volume 40 percent last year as the number-
two bottled water brand, we have become
one of the leading players in the water
category in North America, both in terms
of share of sales and dollar value. I am
pleased with our accomplishments. We have
put in place a strategy that will position
our simple business providing moments
of refreshment to people everywhere to
succeed in this complex world. We have
a clearly defined strategy, and we are
determined to execute against it this
coming year.

**IMPROVING THE SYSTEM TO GROW VALUE**

We must intelligently focus our resources-
talent, time, dollars and business
relationships on those opportunities with
the greatest potential to create new value.

I am committed to building a best-in-class
collaborative management team at the top
of The Coca-Cola Company. As part of this
effort, I recommended the election of Steve
Heyer as President and Chief Operating
Officer to help drive the focused, team
effort that will intensify the execution of
our strategy. To build on the success of
reshaping the Company in these past few
years, we remain open to new opportunities
and are better equipped to capitalize
on them. Our organization will draw its
strength from the core competencies that
drive our business: unparalleled brand
building experience, unique geographic
knowledge, marketing excellence and
a commitment to innovation. In North
America, we lent our support to our
bottlers as they formed the Coca-Cola
Bottlers’ Sales & Services Company. We
believe this new organization, together with
our other initiatives, will result in enhanced

efficiency.

Sincerely,

Douglas N. Draft
Chairman, Board of Directors
and Chief Executive Officer
## Financial Review Incorporating Management Discussion and Analysis

### Analysis of Consolidated Statements of Income

<table>
<thead>
<tr>
<th>YEAR ENDED DECEMBER 31,</th>
<th>2002</th>
<th>2001</th>
<th>2000</th>
<th>Percent Change 02 vs 01</th>
<th>01 vs 00</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET OPERATING REVENUES</strong></td>
<td>$19,564</td>
<td>$17,545</td>
<td>$17,354</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>7,105</td>
<td>6,044</td>
<td>6,204</td>
<td>18</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>GROSS PROFIT</strong></td>
<td>12,459</td>
<td>11,501</td>
<td>11,150</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td><strong>GROSS PROFIT MARGIN</strong></td>
<td>63.7%</td>
<td>65.6%</td>
<td>64.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>7,001</td>
<td>6,149</td>
<td>6,016</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Other operating charges</td>
<td>-</td>
<td>-</td>
<td>1,443</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td><strong>OPERATING INCOME</strong></td>
<td>5,458</td>
<td>5,352</td>
<td>3,691</td>
<td>2</td>
<td>45</td>
</tr>
<tr>
<td><strong>OPERATING MARGIN</strong></td>
<td>27.9%</td>
<td>30.5%</td>
<td>21.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>209</td>
<td>325</td>
<td>345</td>
<td>(36)</td>
<td>(6)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>199</td>
<td>289</td>
<td>447</td>
<td>(31)</td>
<td>(35)</td>
</tr>
<tr>
<td>Equity income (loss)</td>
<td>384</td>
<td>152</td>
<td>(289)</td>
<td>153</td>
<td>*</td>
</tr>
<tr>
<td>Other income (loss) - net</td>
<td>(353)</td>
<td>39</td>
<td>99</td>
<td>*</td>
<td>(61)</td>
</tr>
<tr>
<td>Gains on issuances of stock by equity investee</td>
<td>-</td>
<td>-</td>
<td>91</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td><strong>INCOME BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE</strong></td>
<td>5,499</td>
<td>5,670</td>
<td>3,399</td>
<td>(3)</td>
<td>67</td>
</tr>
<tr>
<td>Income taxes</td>
<td>1,523</td>
<td>1,691</td>
<td>1,222</td>
<td>(10)</td>
<td>38</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>27.7%</td>
<td>29.8%</td>
<td>36.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE</strong></td>
<td>3,976</td>
<td>3,979</td>
<td>2,177</td>
<td>-</td>
<td>83</td>
</tr>
<tr>
<td>Cumulative effect of accounting change for SFAS No. 142, net of income taxes:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company operations</td>
<td>(367)</td>
<td>-</td>
<td>-</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Equity investees</td>
<td>(559)</td>
<td>-</td>
<td>-</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Cumulative effect of accounting change for SFAS No. 133, net of income taxes</td>
<td>-</td>
<td>(10)</td>
<td>-</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>$3,050</td>
<td>$3,969</td>
<td>$2,177</td>
<td>(23)</td>
<td>82</td>
</tr>
<tr>
<td><strong>PERCENTAGE OF NET OPERATING REVENUES</strong></td>
<td>15.6%</td>
<td>22.6%</td>
<td>12.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET INCOME PER SHARE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>$1.23</td>
<td>$1.60</td>
<td>$0.88</td>
<td>(23)</td>
<td>82</td>
</tr>
<tr>
<td>Diluted</td>
<td>$1.23</td>
<td>$1.60</td>
<td>$0.88</td>
<td>(23)</td>
<td>82</td>
</tr>
</tbody>
</table>
Coca-Cola Company is the largest manufacturer, distributor marketer of nonalcoholic beverage concentrates and syrups in the world. When used in this report, the terms “Company,” “we,” “us” or “our” mean The Coca-Cola Company and its divisions and subsidiaries. Our Company manufactures beverage concentrates and syrups as well as some finished beverages, which we sell to bottling and canning operations, distributors, fountain wholesalers and some fountain retailers. We are also the largest producer of ready-to-drink juices and juice drinks in the world. In addition, we have ownership interests in numerous bottling and canning operations. Our Company exists to benefit and refresh everyone who is touched by our business: consumers, customers, bottlers, business partners, government agencies, communities, employees and share owners. In order to serve and create value for these constituents, our Company executes a business strategy to drive profitable volume growth focused on the following strategic priorities:

1. Accelerate carbonated soft-drink growth, led by Coca-Cola;
2. Selectively broaden our family of beverage brands to drive profitable growth;
3. Grow system profitability and capability together with our bottling partners;
4. Serve customers with creativity and consistency to generate growth across all channels;
5. Direct investments to highest potential areas across markets;
6. Drive efficiency and cost effectiveness everywhere.

Leading-edge markets generated 47 percent of the company’s unit case volume in 2002. Annual per capita consumption of our Company’s beverages in these leading markets is 250 or more servings. However, even in our highest per capita consumption market, Mexico, less than one third of the population drinks brand Coca-Cola on a daily basis. Emerging markets, where annual per capital consumption is less than 50 servings, contributed only 11 percent of the Company’s unit case volume in 2002. More than 4 billion people live in these emerging markets. In developed and leading edge markets, our approach to consumers is more sophisticated. Along with ensuring our products are affordable and building brand preference, we must activate points of purchase so that consumers have greater connections with our brands.
THE EXPANDING
COCA-COLA BRAND FAMILY

In 2002, Coca-Cola added pop to a category that many believed had lost its fizz in North America. In May, after just six months in development, Vanilla Coke became the first extension of the Coca-Cola brand since 1985 and immediately generated profitable volume. Vanilla Coke helped boost sales of Coca-Cola branded beverages while inviting new consumers to re-discover the cola category through a completely original flavor experience. In product formulation, the Vanilla Coke team struck a balance that lets the taste of Coca-Cola come through—intriguingly new, yet undeniably Coca-Cola. Already one of our top 10 brands in the United States, Vanilla Coke is performing well in its initial international markets—including Australia and New Zealand, with more countries planning launches for 2003. In response to consumer demand, diet Vanilla Coke e was introduced to the U.S. marketplace in October, just three-and-a-half months after it was given the green light. In 2002, we also celebrated the 20th anniversary of diet Coke e and the expansion of diet Coke with lemon, which made strong debuts in several international markets after its U.S. launch in 2001.

Coca-Cola Company is offering more products to more people than ever before.

PRODUCING GROWTH IN NON CARBONATED BEVERAGE CATEGORIES

Through our strategic investment in non carbonated beverage brands, The Coca-Cola Company is offering more products to more people than ever before. In 2002, our juice and juice drink business was driven by innovation, from a broadening of the kid-focused relationship between Minute Maid and The Walt Disney Company to the introduction of Simply Orange, with its natural appeal to adult consumers. Our ready-to-drink tea and coffee business continued to grow in Japan, with flavor and packaging innovations in our GEORGIA coffee brand and the highly successful launch of Love Body diet tea. Our sports-drink business, fueled by POWERade, outpaced industry growth last year. Also, in 2002, we accelerated our strategy in our bottled water business to strengthen our system, increase our potential to reinvest in this fast-growing segment and support our ability to satisfy consumers with a variety of brands, packaging and price points.
NORTH AMERICA
OPERATING SEGMENT
Population: 324 million Average Consumer: enjoys at least one serving of our products every day. In North America, our focus on innovation in 2002 produced the strongest unit case volume growth in more than three years: an increase of 6 percent versus 2 percent in 2001.
The significant improvement in performance was led by excellent growth in brand Coca-Cola products and driven by a series of major product initiatives, including the highly successful launch of Vanilla Coke and diet Vanilla Coke, and the relaunch of Cherry Coke and diet Cherry Coke. Strong growth from Fanta also contributed to the solid performance. While Dasani continued its impressive performance as the fastest-growing packaged water in the industry, we also expanded our water offerings with strategic transactions involving Groupe Danone’s water brands, including Evian. By executing our strategy of innovation through multiple distribution channels, we achieved record volume and share of sales results for our Minute Maid brands in North America. Growth in chilled juices was led by the expansion of Simply Orange not-from-concentrate orange juice, while the bottler-produced Minute Maid Refreshments line solidified its leadership in the rapidly growing and profitable juice drink category. We built upon our leadership within the food service and hospitality segment by providing innovative products and service solutions that address specific customer needs. The result was a pace of fountain volume growth in excess of industry traffic. Through events and promotions ranging from the Olympic Games to American idol to Harry Potter, we strengthened connections between our brands and our consumers. And, in the Coca-Cola tradition of supporting the communities we serve, we continued our emphasis on positive youth development with continued support of the Coca-Cola Scholars Foundation, Camp Coca-Cola, Reading Is Fundamental and a new physical activity program for youth, called “Step With It!”

LATIN AMERICA
OPERATING SEGMENT
Population: 530 million Average Consumer: enjoys nearly four servings of our products each week. Economic and political conditions in Latin America. In spite of this situation, we remained focused on strategy and execution, and believe we were able to position our business better than the rest of the industry to take advantage of an eventual economic recovery. We increased our unit case volume by 2 percent in 2002. In Mexico, core brands continued to strengthen in 2002, while we also focused on selectively introducing new brands. Performance in Mexico has been strong, with volume growth of 7 percent despite economic difficulties and currency devaluation. A strong platform for future competitiveness is taking shape throughout Latin America. Even in shrinking markets where there were significant declines in volume, such as Argentina, we increased our share of the nonalcoholic ready-to-drink beverages category by being sensitive and responsive to reduced consumer buying power. In the North Andean region (Peru, Bolivia and Ecuador), we ended 2002 significantly stronger, with volume growth up 7 percent. In spite of economic volatility in Brazil, our volume increased 3 percent in 2002.
ASIA OPERATING SEGMENT

Population: 3.3 billion Average Consumer: enjoys at least two servings of our products each month. Our strong momentum in Asia continued in 2002, with healthy growth across our markets. On a full-year basis, we have continually grown our Company share in China. Our ability to create innovative and effective marketing programs was seen in the exceptional campaigns for Coca-Cola in Singapore and Thailand. In non carbonated products, fast-growing Qoo is now one of the leading juice drinks in Asia. In Japan, our fruit juice-drink business recorded an exceptional volume growth of 24 percent in 2002, while GEORGIA coffee continues to exceed our expectations, recording further share gains this year in this competitive category. And in India, we have rapidly built Kinley into the number-one retail packaged water brand in the country. Our strong results in Asia have been driven by new initiatives to bring the most affordable package sizes to powerhouse markets such as China and India. Our overall business in India produced high growth.

AFRICA OPERATING SEGMENT

Population: 831 million Average Consumer: enjoys nearly three servings of our products each month. The Coca-Cola system’s long-term and continuing investment in Africa is yielding handsome dividends and underscoring the significant growth potential of this continent. Brand Coca-Cola continues to lead volume for our business. Total unit case volume grew 7 percent last year, led by our largest market, South Africa, where total unit case volume grew 5 percent. We are experiencing significant growth in markets with new product introductions including such brands as Bibo, Mazoe, BonAqua bottled water, new Fanta flavors and Minute Maid. The Coca-Cola Company and our independent bottling partners continue to achieve business success while operating as responsible corporate citizens.

EUROPE, EURASIA & MIDDLE EAST OPERATING SEGMENT

Population: 1.2 billion Average Consumer: enjoys nearly two servings of our products each week. This year saw satisfactory performance in all key countries, driven by the strength of our core brands, 30 successful new brand launches or relaunches in a variety of categories. Our most notable innovations in our core brands were the launches of diet Coke/Coca-Cola light with lemon, introduced to eleven markets including Great Britain and France, and Vanilla Coke, which made its European debut in the Nordic markets in late 2002. Bottled water continues to show encouraging signs across the region with a strong performance by BonAqua in Russia.

Our business in Turkey was also helped by water sales and our brand Turkuaz has become the leading bottled water brand after only 16 months. Our new business strategies in Germany, in combination with a control agreement with the largest bottler, stabilized the business and gave our brands the opportunity to connect with German consumers. The introduction of POWERade, the acquisition of several regional water brands and the launch of Qoo (our highly successful juice drink from Asia).