

Coca-Cola FEMSA



November 2005



**KOF
LISTED
NYSE**

Cautionary Statement

FORWARD-LOOKING STATEMENTS

This presentation contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934 as amended. These forward-looking statements relate to Coca-Cola FEMSA, S.A. de C.V. and subsidiaries (“KOF”) and their businesses, and are based on KOF management’s current expectations regarding KOF and its businesses. Recipients are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside KOF’s control, that could cause actual results of KOF and its businesses to differ materially from such statements. KOF is under no obligation, and expressly disclaims any intention or obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

ADDITIONAL INFORMATION AND WHERE TO FIND IT

Documents filed by KOF are available at the Securities and Exchange Commission’s public reference room located at 450 Fifth Street, N.W., Washington, D.C. 20594. Investors and security holders may call the Commission at 1-800-SEC-0330 for further information on the public reference room. Free copies of all of KOF’s filings with the Commission may also be obtained by directing a request to:

COCA-COLA FEMSA

Guillermo González Camarena No. 600, Col. Centro de Ciudad Santa Fé 01210, México D.F., México

Investor Relations

Alfredo Fernandez / (52) 55 5081 51 20 / alfredo.fernandez@kof.com.mx

Julieta Naranjo / (52) 55 5081 51 48 / julieta.naranjo@kof.com.mx

Oscar Garcia / (52) 55 5081 51 86 / oscar.garcia@kof.com.mx

KOF Evolution

We have faced an evolutionary process since the integration of the new territories, increasing our operating complexity...

	<u>2002</u>	<u>LTM Sep 05</u>	<u>Δ 02-05</u>
Volume (MM UC)	620	1,876	+ 203%
Revenues (MM US\$)	1,685	4,453	+ 164%
Assets (MM US\$)	1,546	6,181	+ 300%
Plants	9	30	+ 21
Distribution Facilities	56	237	+ 181
Population (MM)	41	179	+ 337%
Retailers (Thousands)	568	1,493	+ 163%
Employees⁽¹⁾ (Thousands)	14.5	55.4	+ 282%

(1) Including third parties

Challenges resulting from the acquisition

We acquired operations with a high level of deterioration, markets poorly executed and significant challenges...

Mexico:

- *Contain B-brands expansion*
 - *Deal with a more competitive environment*
-

Central America:

- *Increase per capita consumption*
 - *Develop an integrated profitable business model*
-

Venezuela:

- *Operate under a complex environment*
-

Colombia:

- *Reconfigure manufacture and “go-to-market”*
 - *Regain competitive position within the flavor carbonated segment*
-

Brazil:

- *Define a new business model, feasible and profitable*
-

Argentina:

- *Continue developing revenue growth with profitability*
-

New KOF Operations

- *Integrate values and KOF’s culture*

Initiatives and Strategies Implemented

During this period we focused our efforts on finding strategic and operating solutions to address these challenges...

KOF Operations

- *Development and implementation of multi-segmentation models*
 - *Implement sharing commercial knowledge and best practices replication tools*
 - *Optimize the value chain*
 - *Design a collaborative planning model together with KO*
-

Mexico

- *Implement an operating transformation model, including redesigning the “Go-to-Market” process*
 - *Develop a larger returnable portfolio*
 - *Introduction of a solid non-carb beverages portfolio*
-

Brazil

- *New business model, including redesigning the distribution network*
 - *Reintroduction of returnable packages*
 - *Implement of right execution daily process*
-

Argentina

- *Consolidate the multi-segmentation model*
- *Introduction of a new portfolio of juices*

Initiatives and Strategies Implemented

During this period we focused our efforts on finding strategic and operating solutions to address the challenges...

Colombia

- *Consolidation of manufacturing network*
- *Design a competitive portfolio within the CSD flavor segment, and strengthen brand Coca-Cola at the same time*
- *Redesign Go-to-Market Model*
- *Reorganize organizational structure*

Venezuela

- *Consolidation of manufacturing network*
- *In process to implement a new business model looking for a better control across the value chain*

Central America

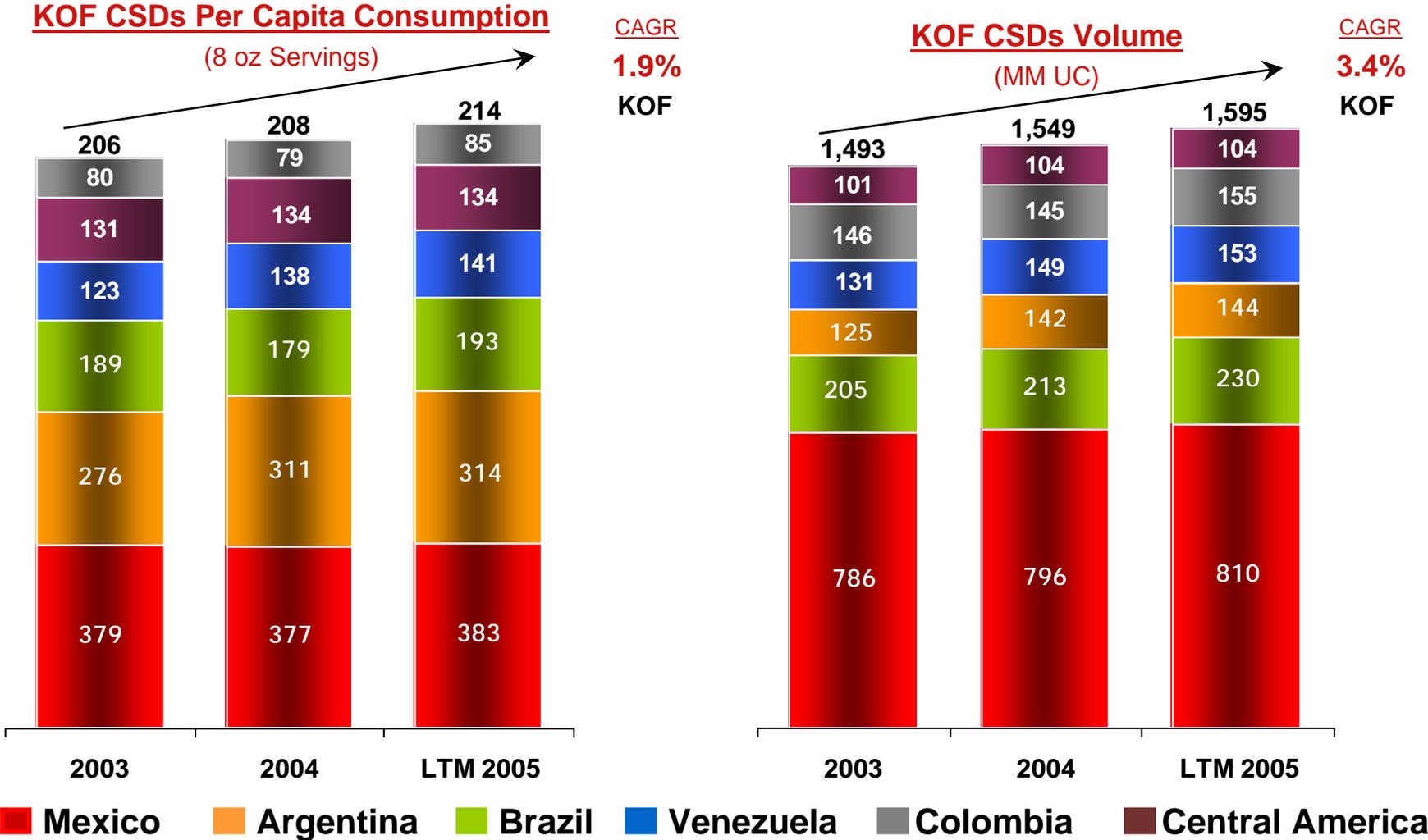
- *Consolidation of regional back-office*
- *Implementation of a share services center*
- *Redesign product and brand portfolio*



***... and we have seen the
results ...***

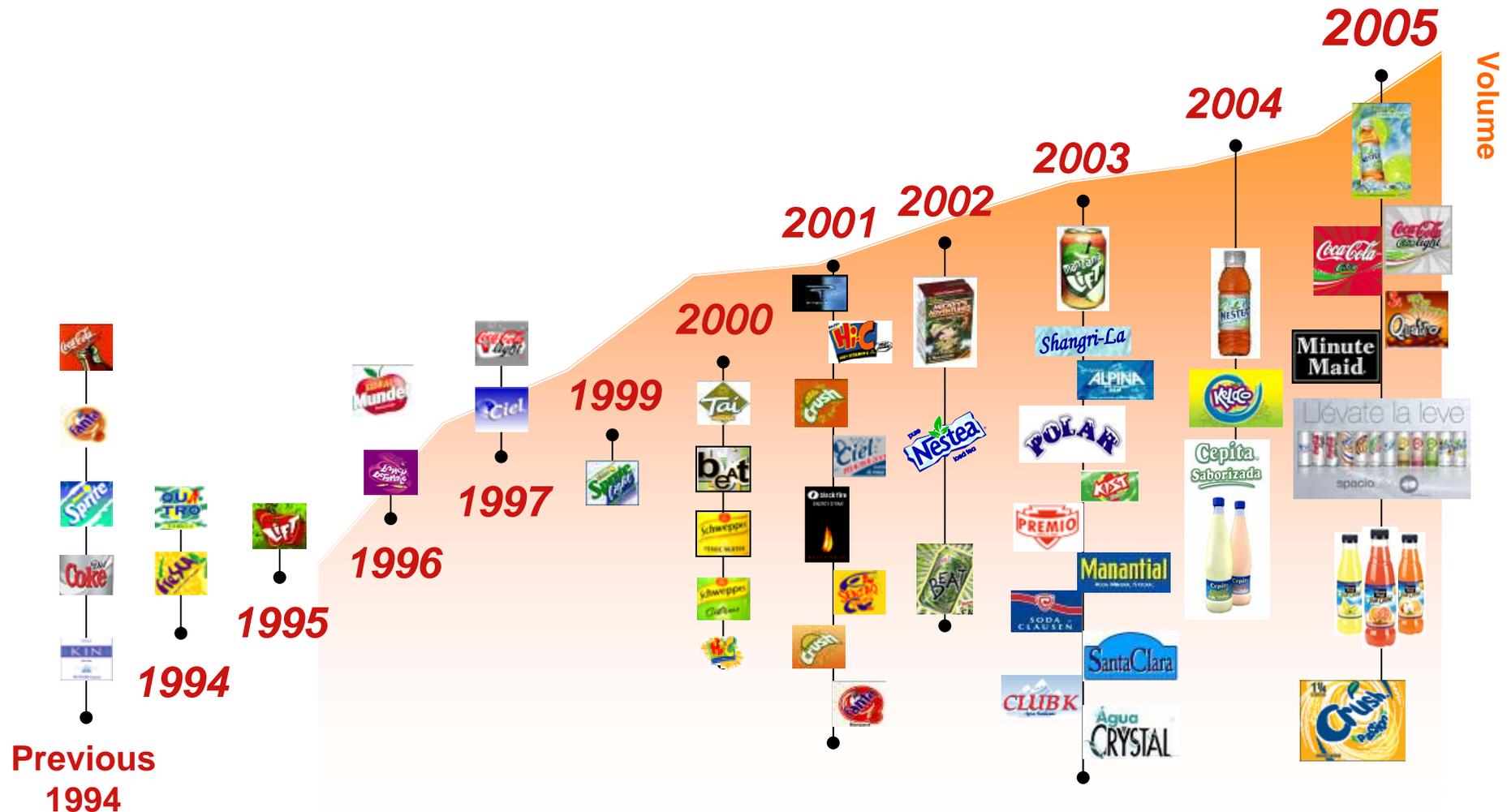
Fostering Market Development

Multisegmentation strategy has allowed us to increase per capita consumption in our territories, resulting in a sustainable volume growth path



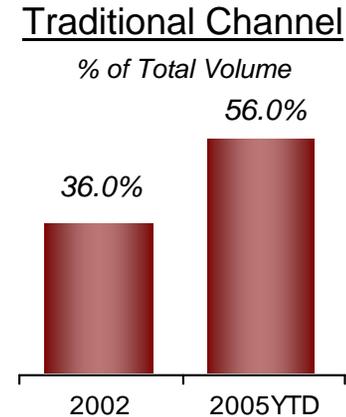
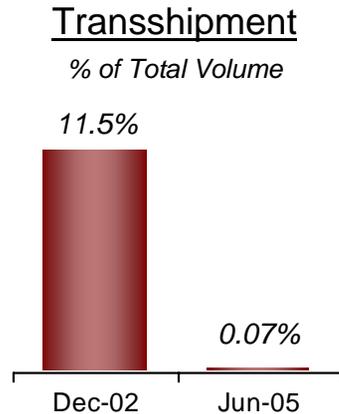
Successful Brand Portfolio Management

The development of our Product and Package Portfolio has been crucial to foster demand, demonstrating our capability to handle successfully a sophisticated portfolio

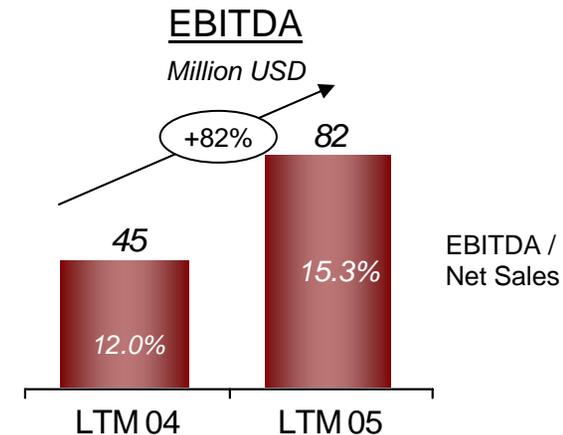
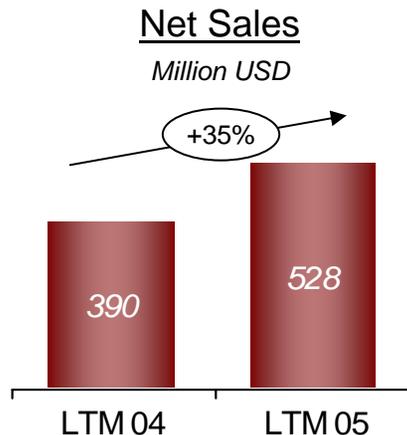
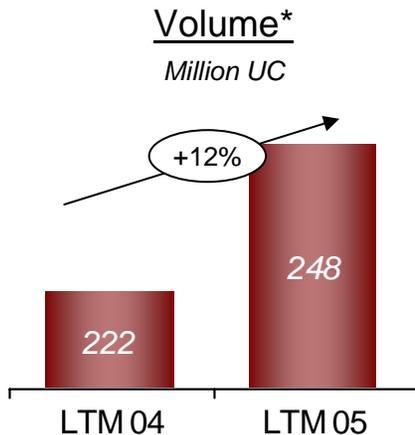


KOF Brazil – A Successful Turnaround Story

This experience provided us with the ability to take over the control of the presale function, developed the traditional channel, eliminating transshipment, improving our competitive position ...



... and at the same time we regained leverage to establish better selling terms



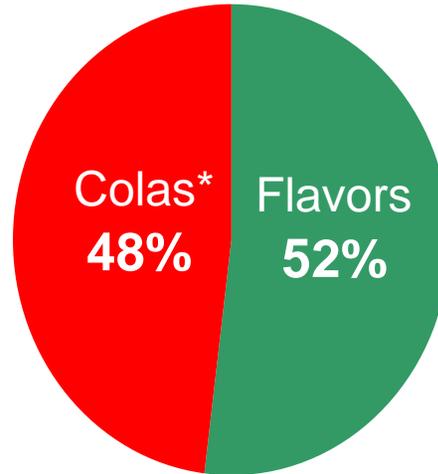
EBITDA /
Net Sales

* Does not include Beer Volume.
LTM information as of September.

KOF Colombia – A Story of Innovation

When we arrived in Colombia, we found an overdeveloped flavor segment and a very weak competitive position of KO Brands

CSD Industry Mix



Together with KO, we built a new flavor portfolio to increase our market share in this segment

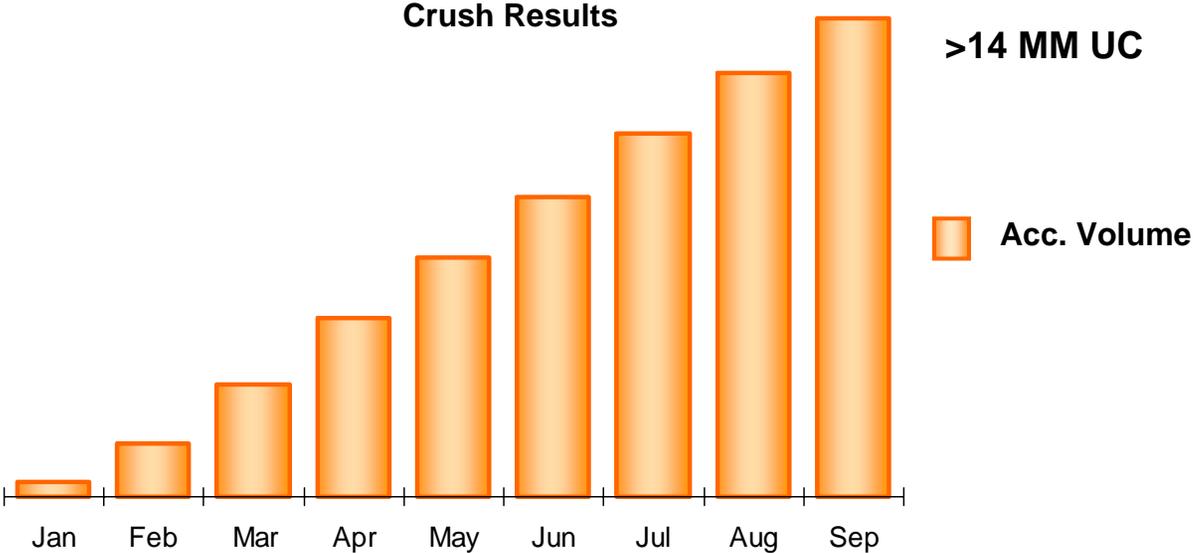
- Launching Crush Multi-Flavor brand
- Creating consumer promotions and activations
- Developing innovative in & out flavor strategy
- Improving brand execution in the point of sale



* In other KOF territories Cola's Segment accounts for 58% of Total CSDs

KOF Colombia – A Successful Innovation

As a result, Crush has exceeded volume expectations and reached a relevant Market Share in the Flavor segment



There have also been many initiatives to increase productivity and asset utilization allowing us to increase key performance indicators

	LTM 04	LTM 05	% Var.
Volume (MM UC)	167.2	175.5	+ 5%
Sales (MM usd)	316.0	412.4	+31%
# Of Plants	17	6	-11
EBIT (MM usd)	35.3	45.1	+28%
EBITDA (MM usd)	53.0	70.7	+33%

LTM information as of September.

Leveraging on a strong and flexible asset base...

Completing the integration and streamlining our asset base, let us develop a more flexible and solid platform to foster growth

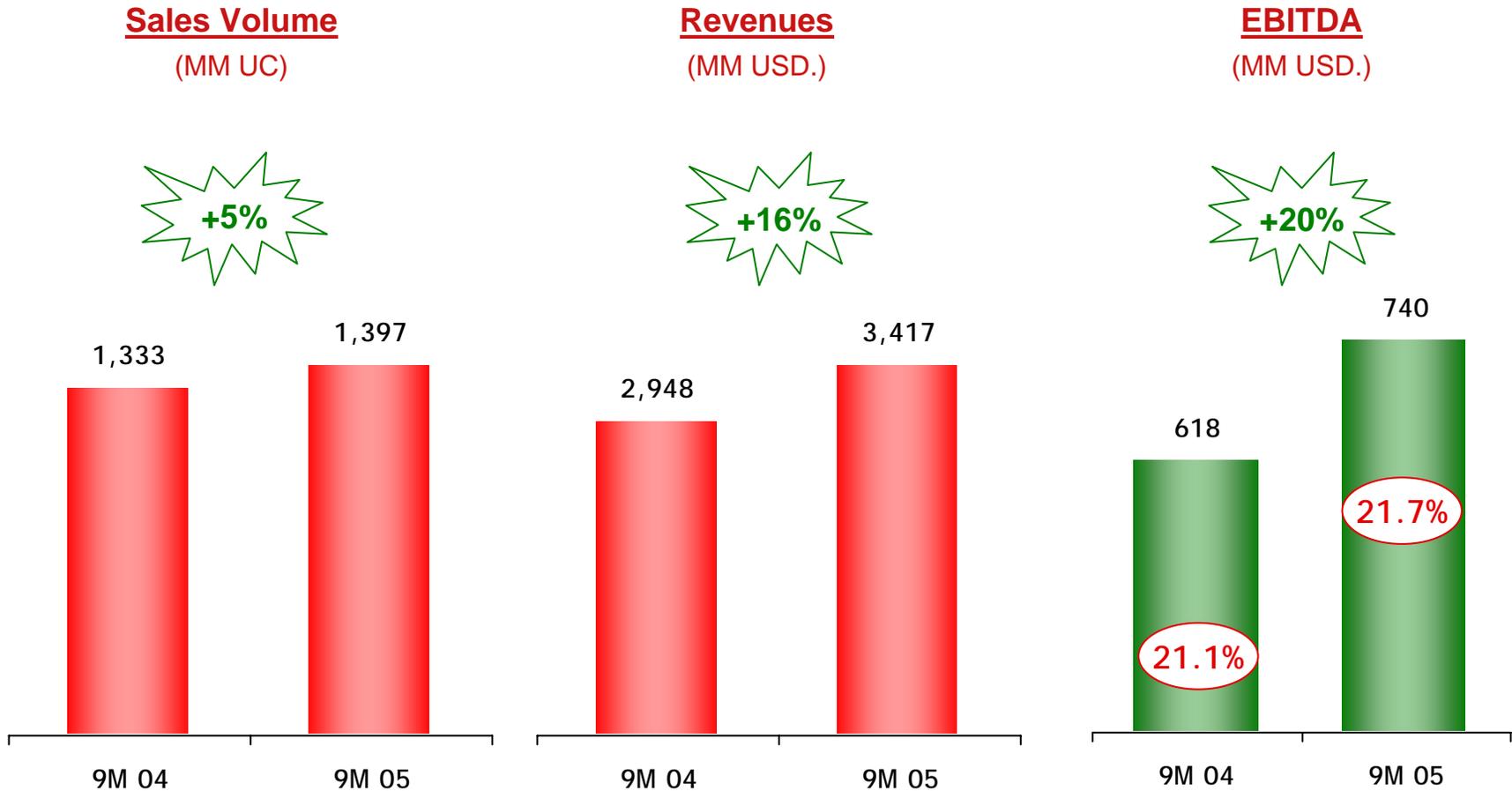
Operating Efficiencies Indicators

	<u>2003</u>	<u>LTM 2005</u>	<u>Var 03-05</u>
Plants	52	30	- 22
Distribution Facilities	284	237	- 47
Line Utilization	45.0%	54.5%	+ 9.5 pp
Total Headcount⁽¹⁾	56,841	55,421	-1,420
CSD Volume (MM UC)	1,493	1,595	+ 6.8 %

(1) Including third parties

...our initiatives are supporting our growth...

Our financial results in the first nine months of 2005 showed the results of our strategic initiatives implemented during the last three years intended to improve our market position and our competitive performance...

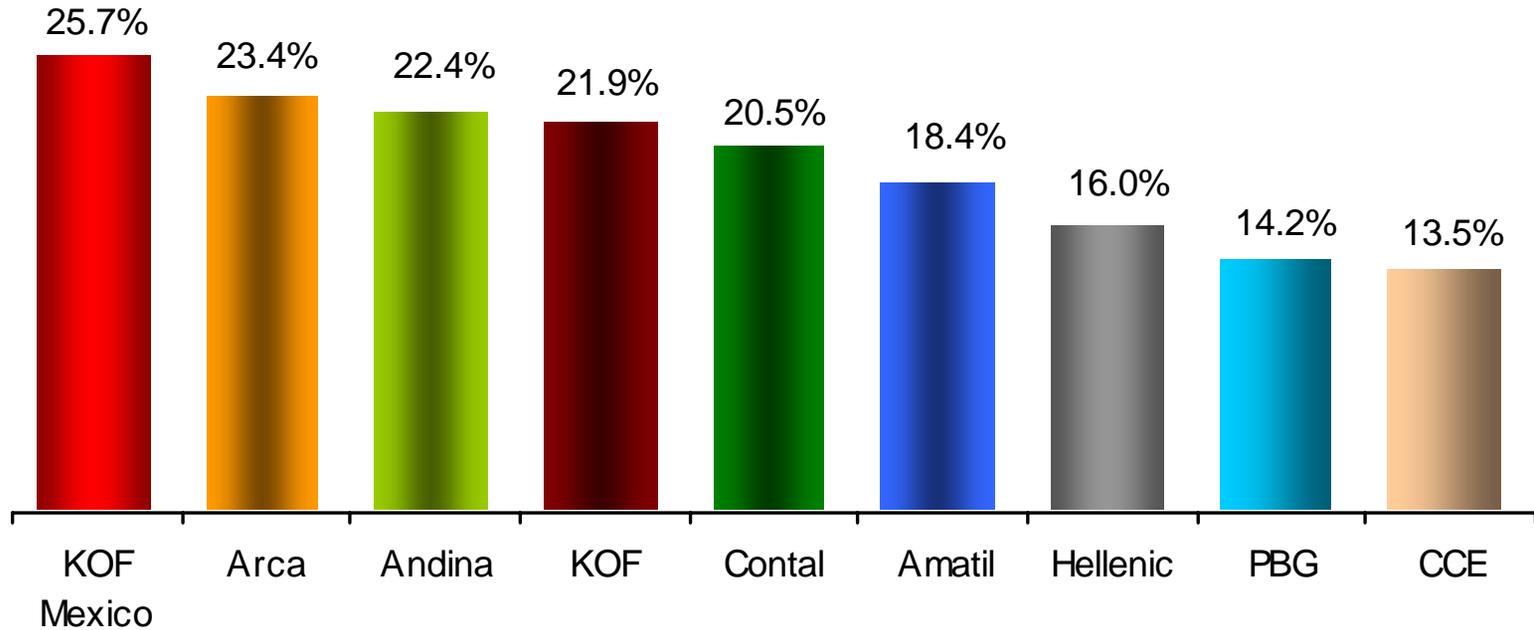


Note: All figures are in nominal Mexican pesos as of the reported year and converted into US\$ for the respective year end exchange rate.

...remaining one of the most profitable bottlers globally...

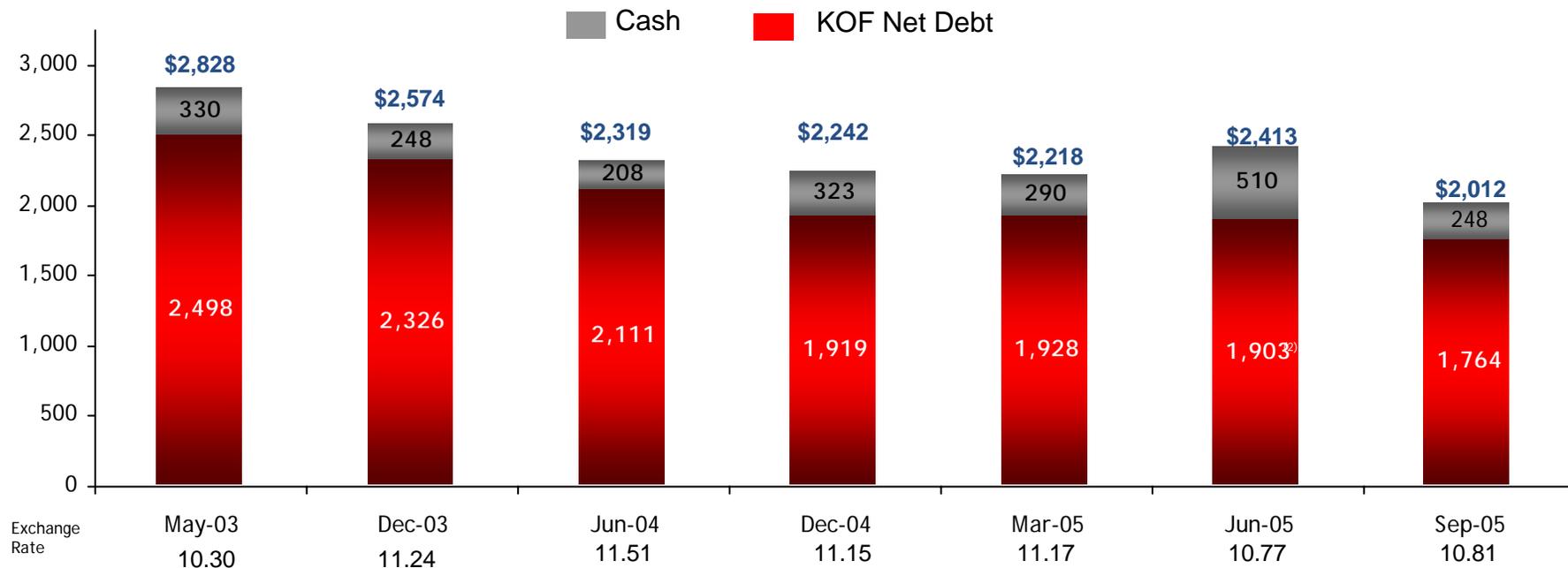
Our profitability levels are one of the highest worldwide...

LTM June 05 EBITDA Margin



...with a healthy and strong balance sheet...

After the acquisition we have managed to reduce net debt by US\$734 mm



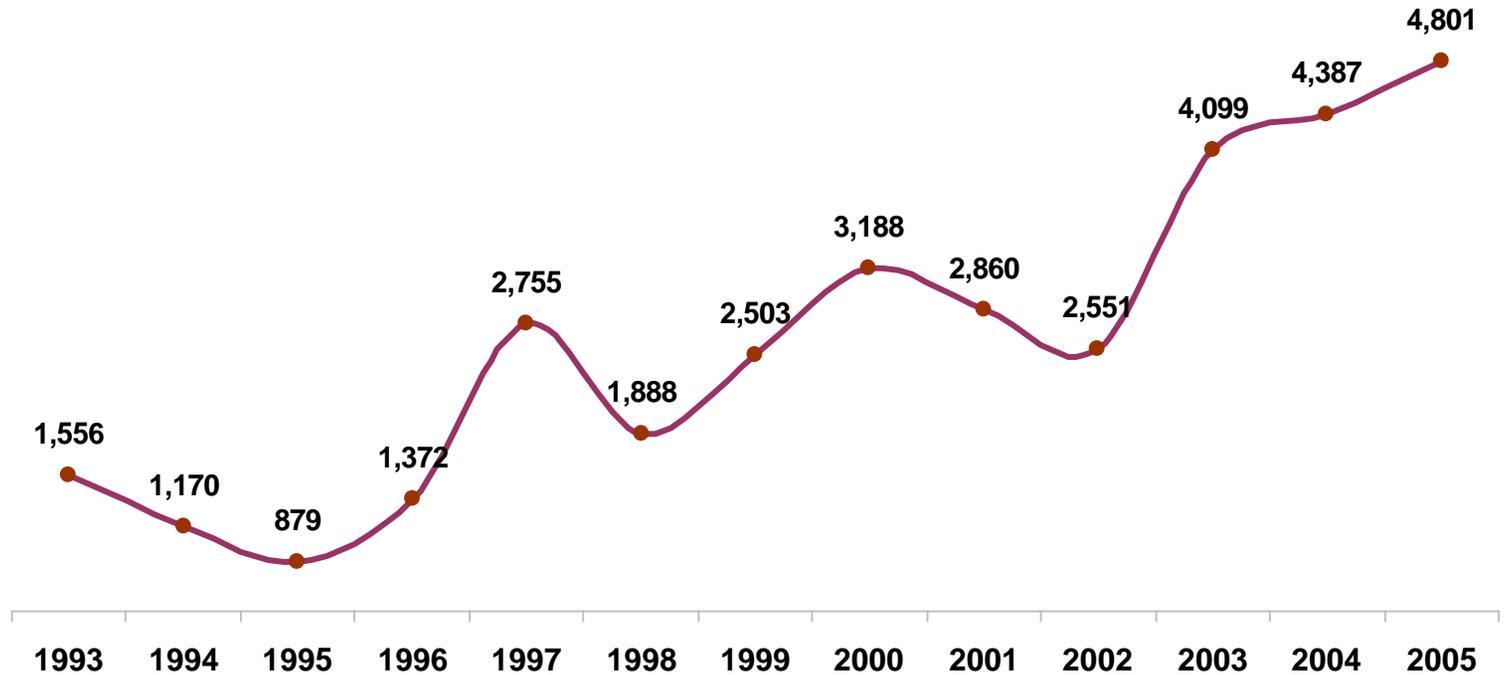
(1) Expressed in millions of U.S. dollars

(2) Includes US\$118 mm of new debt acquired in part to refinance the maturity of one of our "Certificados Bursátiles" maturing on July 15, 2005 in the amount of US\$240 mm

... creating sustainable value for our stakeholders

Our stakeholders have seen significant increases in their investment during the last decade...

Market Capitalization
(Million US\$)



Stock Price ⁽¹⁾ \$10.92 \$8.20 \$6.17 \$9.62 \$19.33 \$13.25 \$17.56 \$22.37 \$20.07 \$17.90 \$22.21 \$23.76 \$26.00

*(1): Prices as of December 31 of each year, except for 2003 when the price is as of May 6, 2003 and for 2005 the price is as of November 3, 2005
Sources: Bloomberg and Company reports*