



Coca-Cola FEMSA



March 2007 – Mexico City

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. The proposed transaction, the financial condition and results of the combined company will be subject to numerous risks and contingencies, including the receipt of financing and regulatory approvals, the ability to realize synergies and successfully integrate operations.

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•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

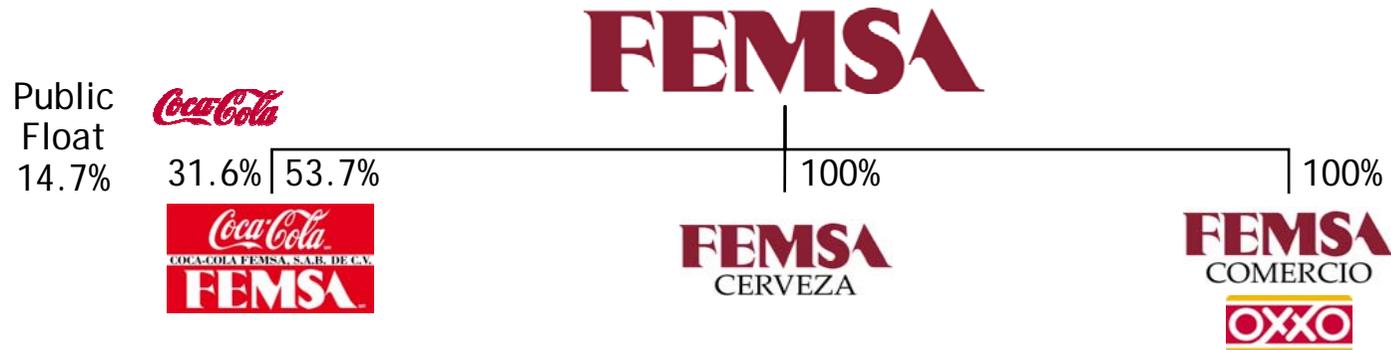
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- *KOF OVERVIEW*

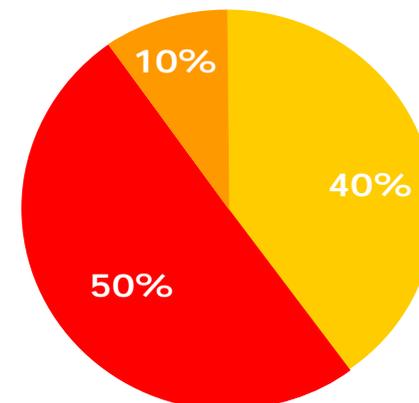
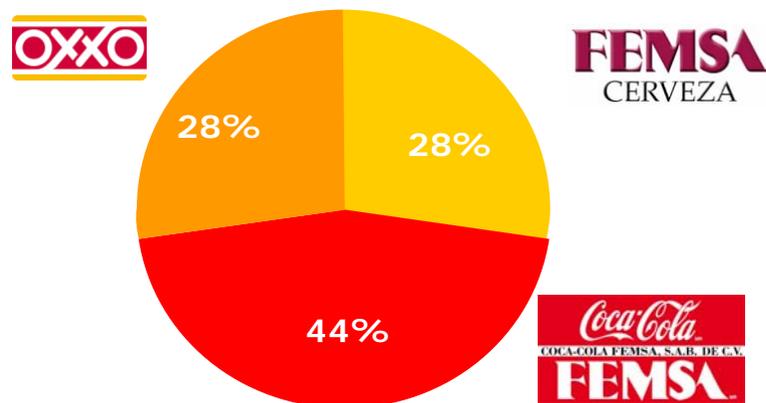
- *KOF – MEXICO*

FEMSA's Structure & Contribution by Business



Total Revenue: US\$ 11,625 million

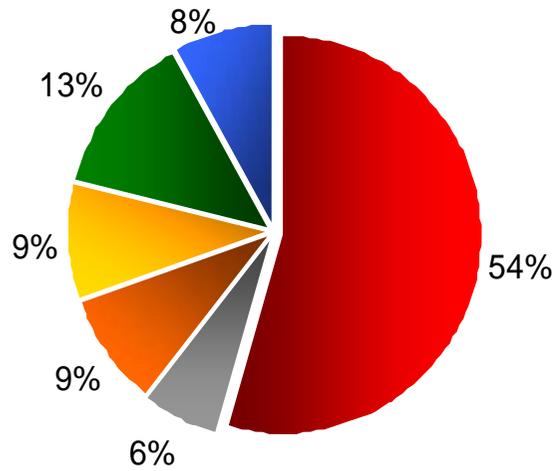
EBITDA: US\$ 2,316 million



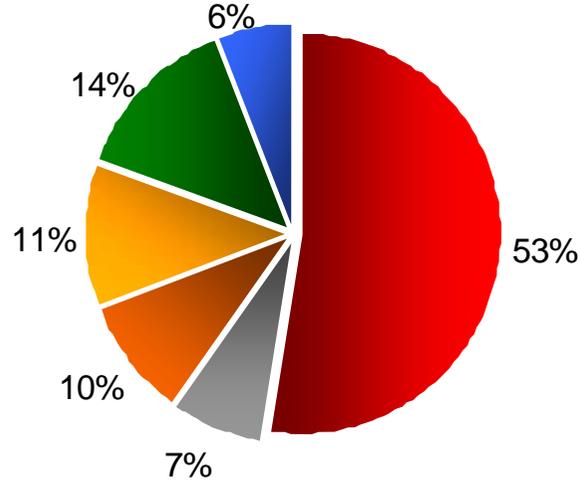
KOF – 2006 Operating and Financial Results



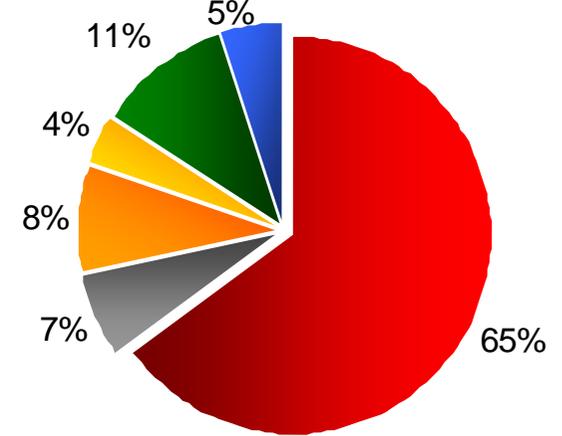
Volume (1,998 MM UC)



Revenues (US\$ 5,346 MM)

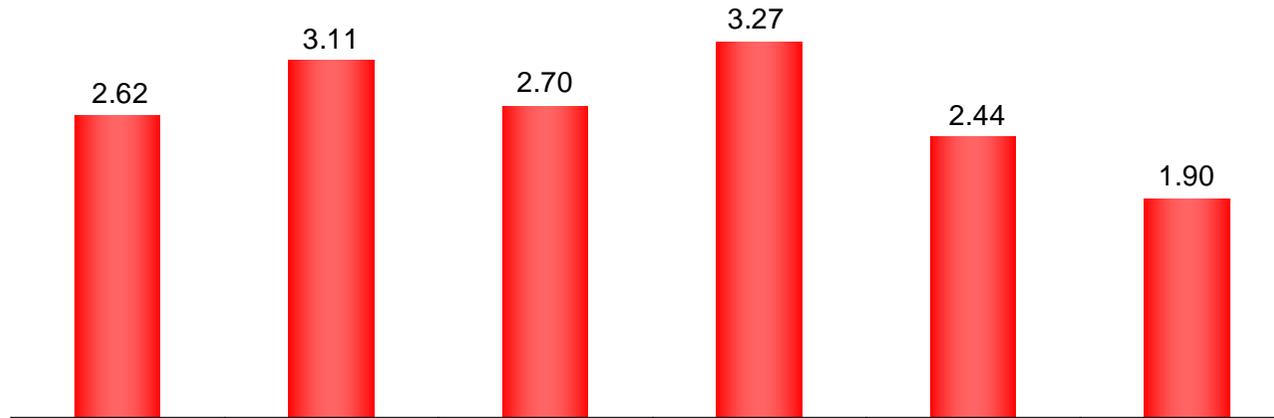


EBITDA (US\$ 1,131 MM)



■ Mexico
 ■ Central America
 ■ Colombia
 ■ Venezuela
 ■ Brazil
 ■ Argentina

2006 - Average Unit Price (USD/UC)



EBITDA Margin

Region	EBITDA Margin
Mexico	26.2%
Central America	20.0%
Colombia	18.6%
Venezuela	7.7%
Brazil	16.6%
Argentina	18.2%

Figures in Mexican pesos converted to US dollars at 10.7995 year-end exchange rate.

KOF's importance within KO System



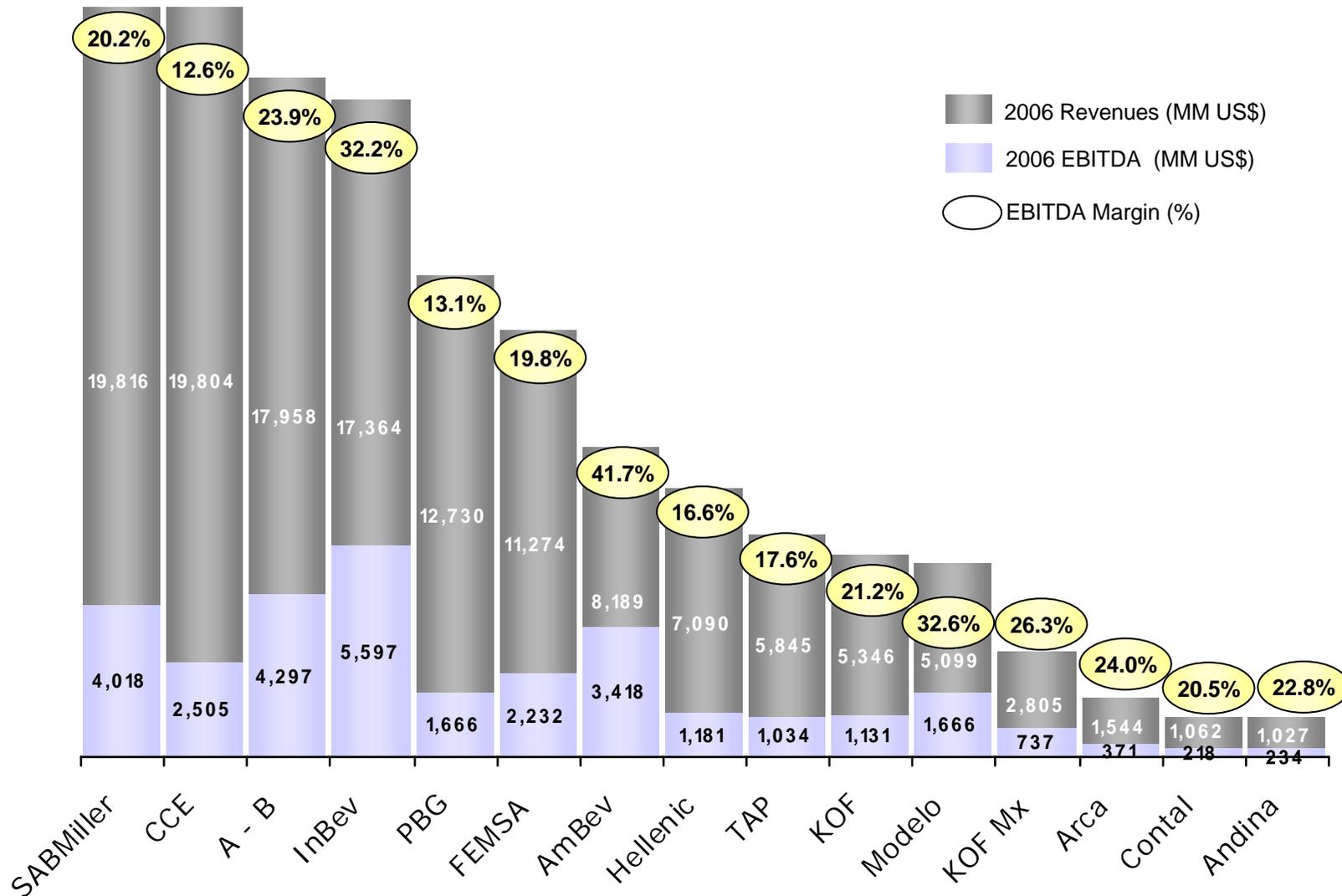
- KOF is the second largest Coca-Cola Bottler in the world, representing:
 - 9% of the world
 - 34% of Latin America
 - 42% of Mexico



KOF in the Beverage World



- KOF continues to be one of the most profitable bottling operators in the world...

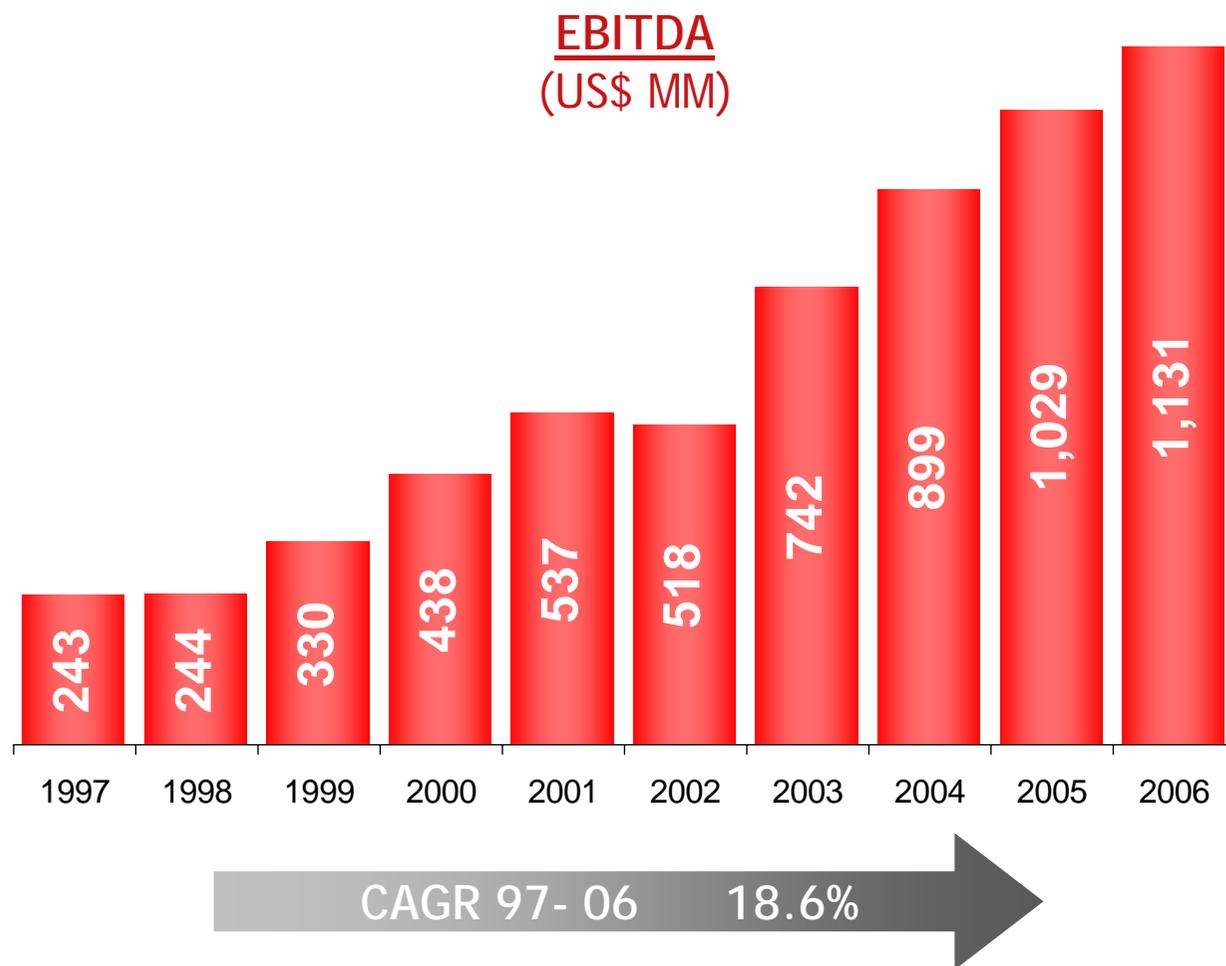


(1) Source: Analysts Reports and Companies files. EBITDA calculation method may differ among companies.

Strong EBITDA Generation



...a clear track record of consistent EBITDA growth during the last 10 years...



Financial information in nominal terms translated into US Dollars using the end of period exchange rate of each year.

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
FX Rate	8.05	9.88	9.50	9.61	9.18	10.46	11.24	11.15	10.71	10.79

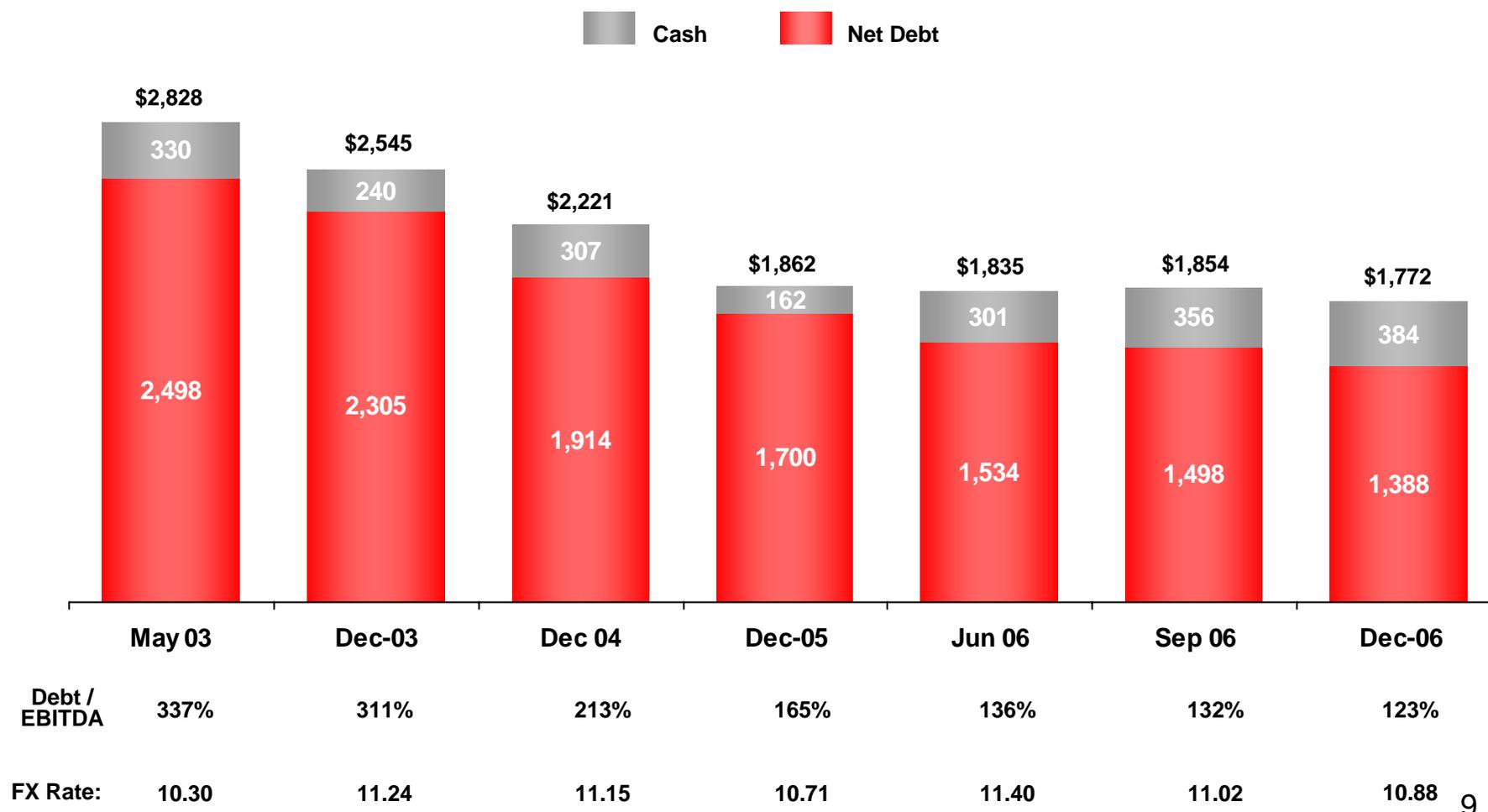
(1) Tax Reimbursement

See reconciliation table on page 27

Significant Debt Reduction



...allowing us to reduce US\$ 1.1 billion of net debt since the acquisition of Panamco...



See reconciliation table on page 27

Attractive Growth Opportunities...



- **New collaborative framework with The Coca-Cola Company**

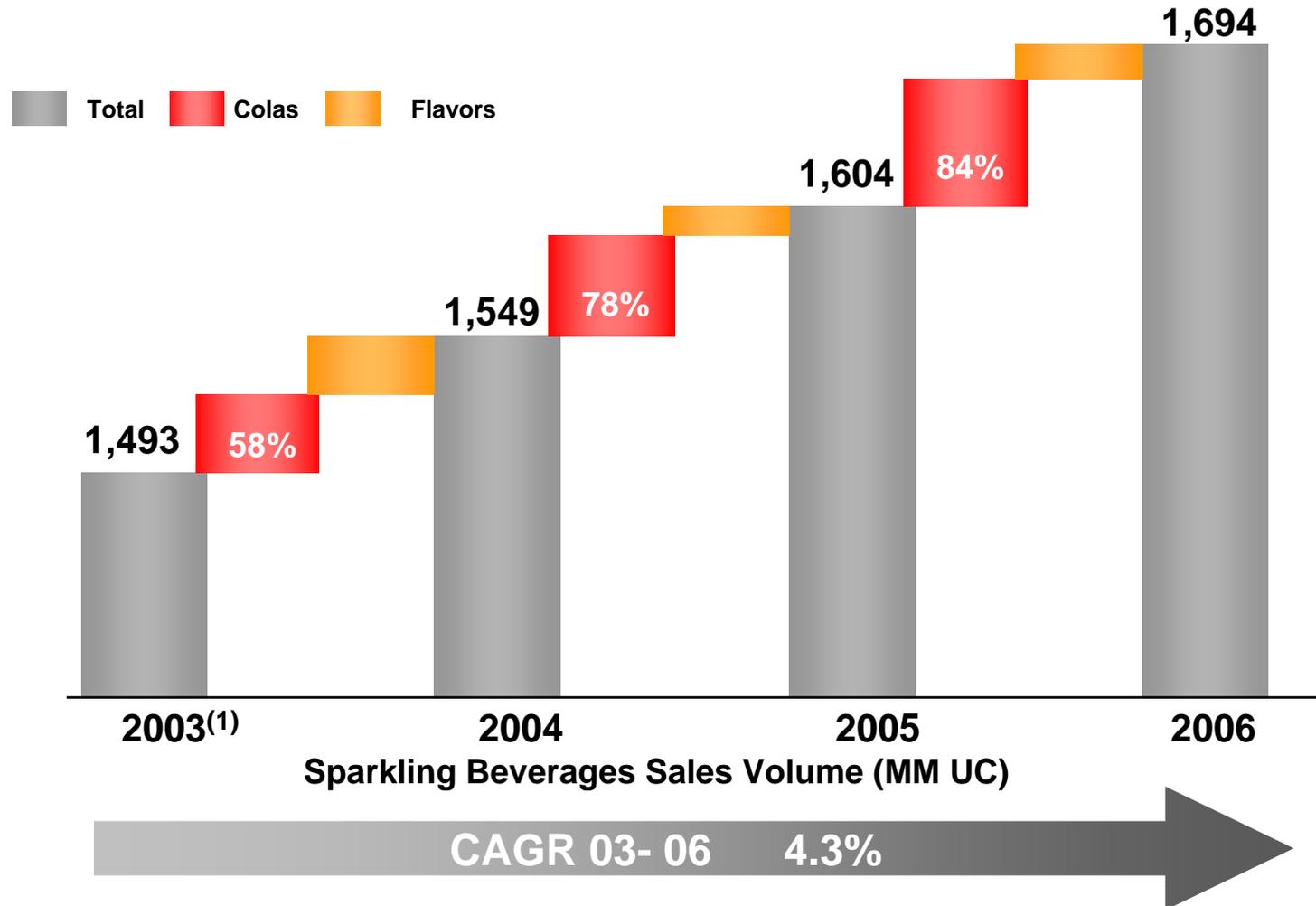
- **The Coca-Cola Company will provide additional marketing focus**
- **A new business model in the still beverages segment**
- **Expansion of our geographic footprint**



... in the Sparkling Beverage Segment...



- Growth mainly driven by the *Coca-Cola* brand.

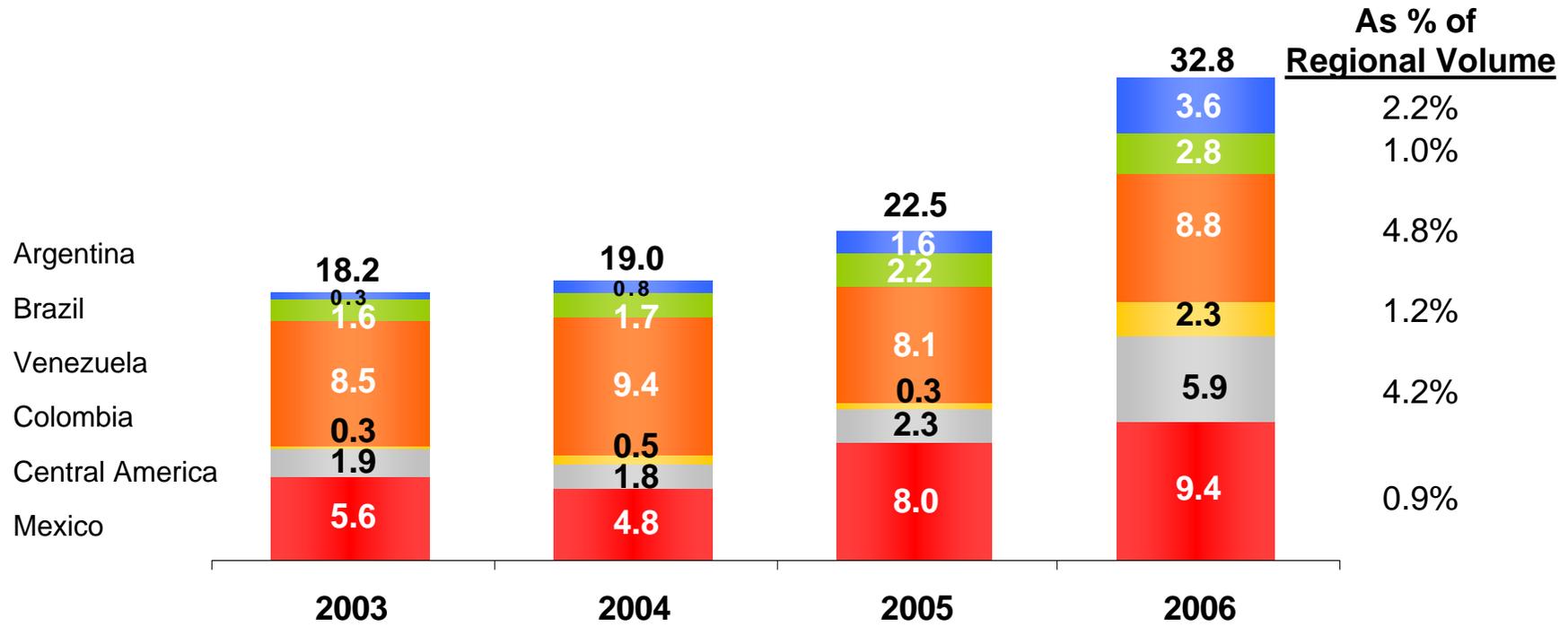


(1) Includes full-year sales volume of our original territories and our new territories acquired from Panamco.

... and in the Still Beverage Segment.



- Important growth opportunities to capture.



Still Beverages Sales Volume (mm UC) ⁽¹⁾



Bottled Water in single serve presentation (as % of Total Vol)				
	5.0%	4.7%	5.0%	5.5%

(1) Excludes non-flavored water and water in jug presentations.

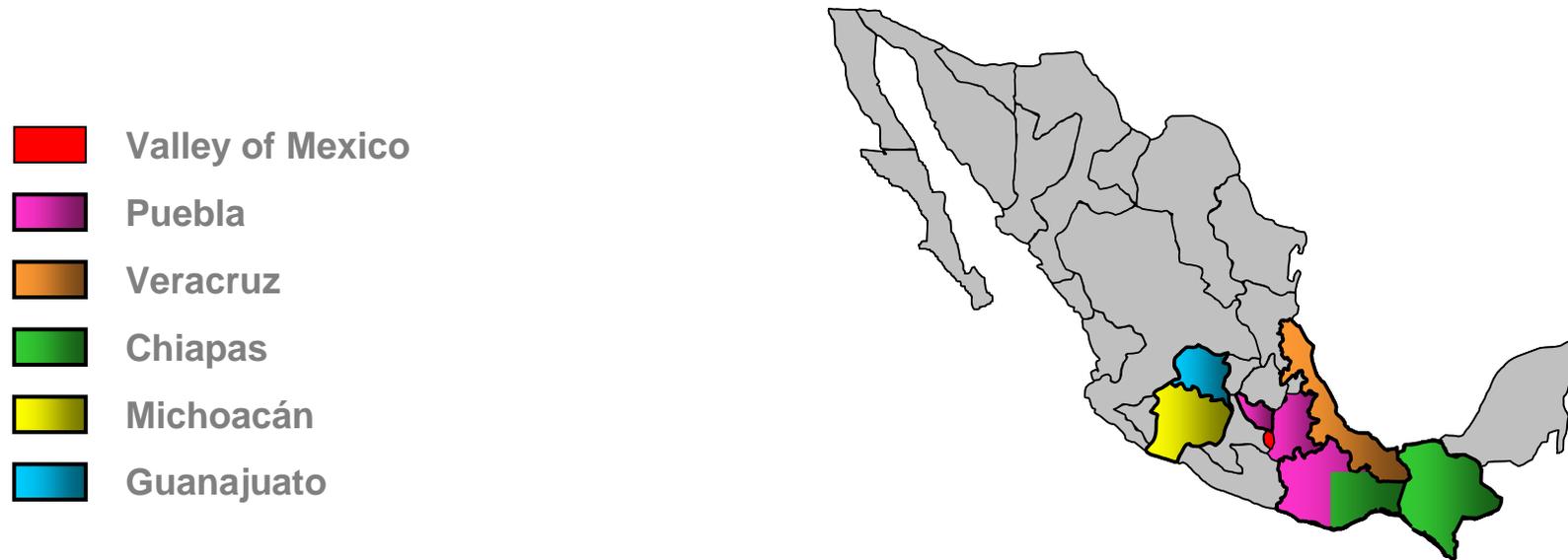
- *KOF OVERVIEW*

- *KOF – MEXICO*

KOF – México is the largest and most dynamic bottler in México...



- Achieving volume growth of 4.5% in México



- More than 1 Billion Unit Cases sold in 2006...



Vs '05	5.2%	1.4%	4.7%	57.9%
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Key success factors for KOF – Mexico:



Powerful brands

Industry Leading Capabilities



Outstanding People

Superior Execution

Effective and efficient distribution Network

Powerful brands...



- A strong Sparkling and Still beverages portfolio based on the strength of the Coca-Cola brands...

KOF Sparkling Beverages Portfolio

Premium	
Core	
In & Out Extensions	
Core Value	
Multiflavor Regional	
VPBs	

KOF Still Beverages Portfolio

Energy	
Water	
Sport drinks	
Juices & Fruit	
Tea	
Aguas Frescas	

Our current portfolio has over 300 SKUs

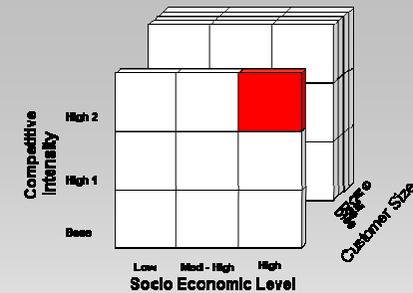
Leading Capabilities - Multi-segmentation



- Multi-segmented approach to serve clients based on socio – demographic variables, competitive intensity, consumption occasion and consumer behavior at the POS...



- We have two clients, within the same route but with different socio – demographic and competitive variables...



We are able to differentiate our execution in terms of:

- Portfolio
- Pricing
- Communication
- Cooler layout

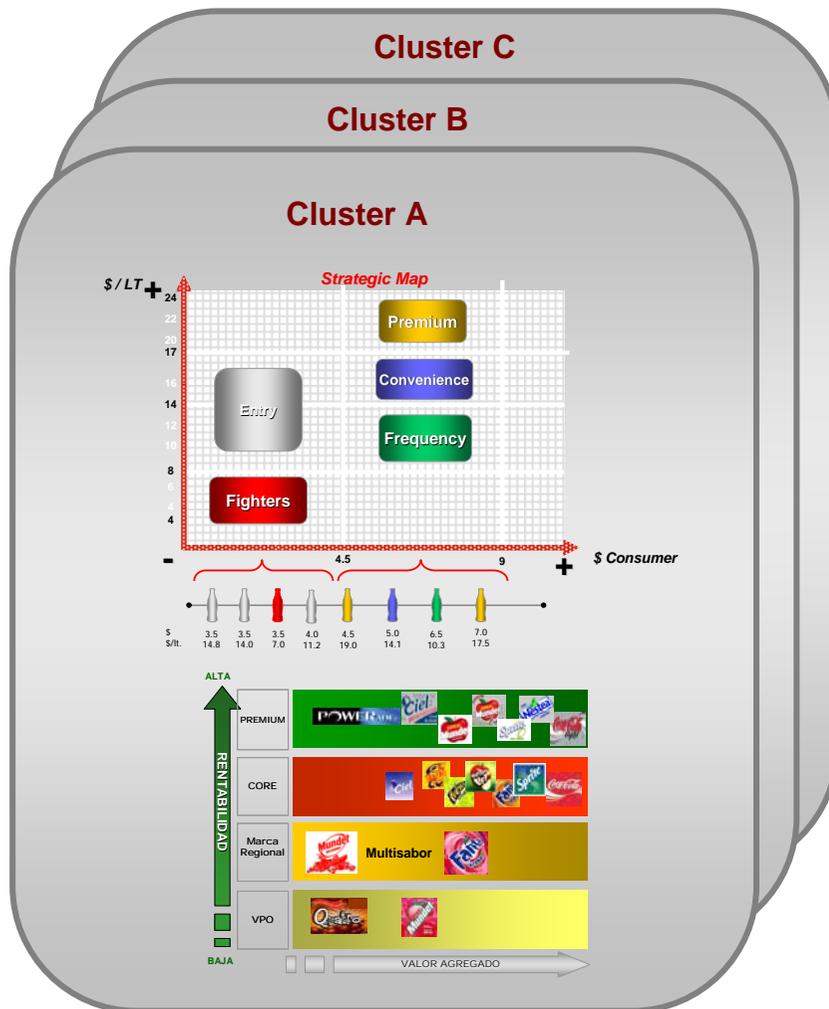
In order to achieve the **RIGHT CUSTOMIZED EXECUTION** for each client

Leading Capabilities - RGM



- We managed to grow our Share of Sales during 2006 due to our Revenue Management Strategies...

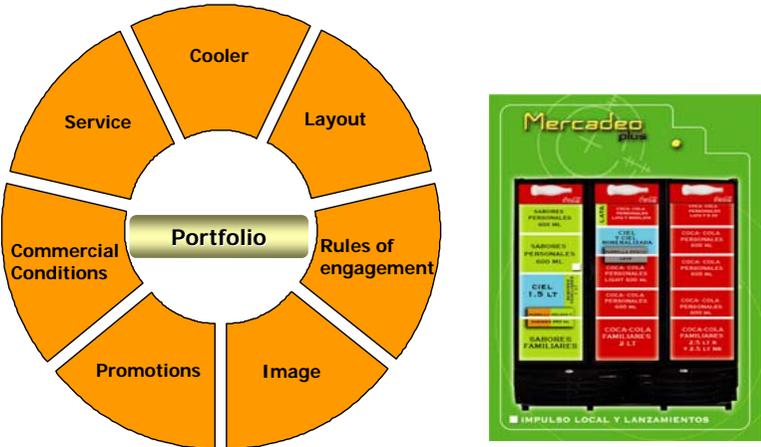
Value based portfolio by Cluster and Segment



RGM Strategies



● Segmented execution and Cooling platform as competitive advantages ...



● Segmented Picture of Success:

- Portfolio
- Cooler / Layout
- Image
- Promotions / Commercial Conditions



● Over 450,000 Coolers

● Weighted by volume cooler coverage over 80%

● Average cooler productivity over 90%

● Over 6,000 Vending Machines

● Over 4,000 Fountain Machines

... Supported by specialized measuring tools...



- POS execution and Strategies are measured by different Systems: RED as an external measuring tool and Score Card as an internal tool (Salesforce)...



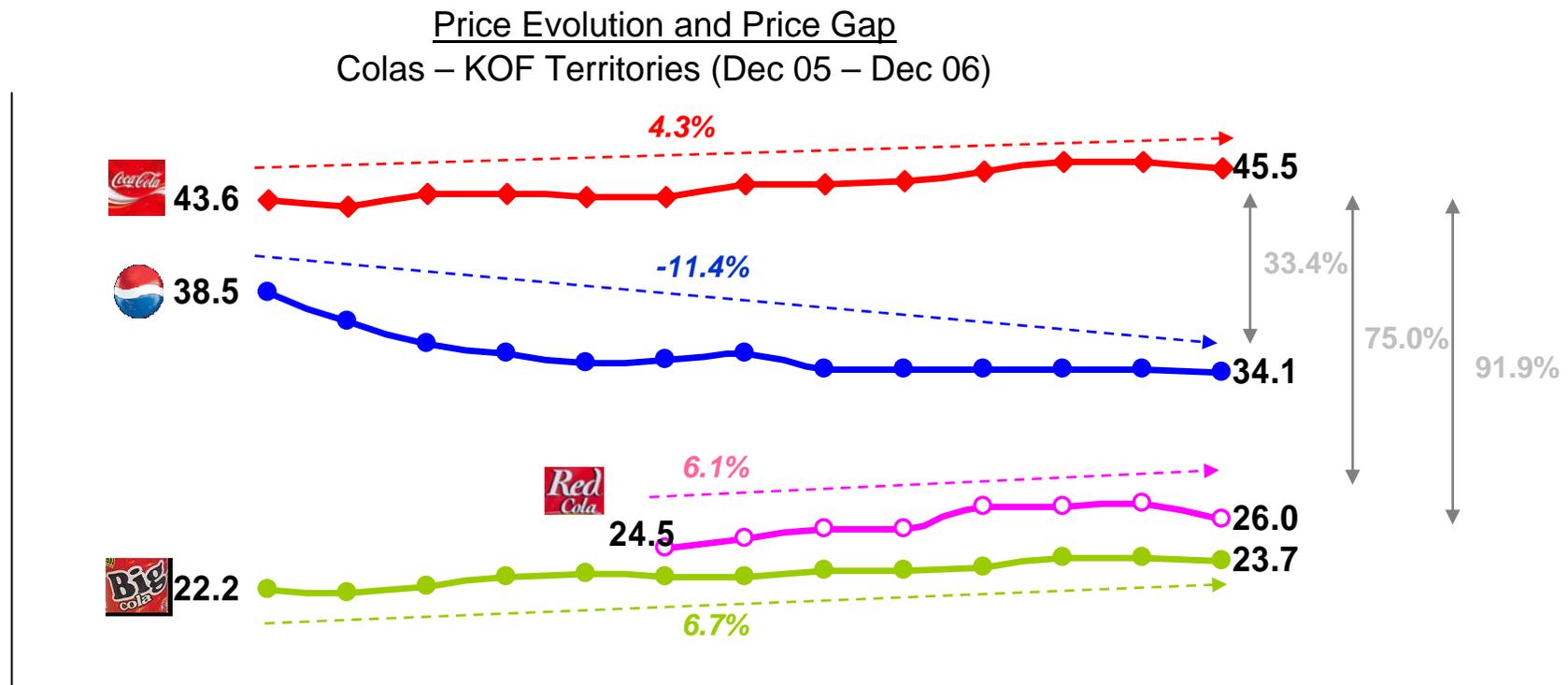
Evaluation criteria

- Cooler
- 1st Position
- Exclusiveness
- Layout
- Additional Exhibition
- Rules of Engagement
- POP
- High Priority SKUs

... Maintaining leadership while facing an aggressive competitive landscape...



- During the last year we managed to grow our Price Gap and gain Share of Sales in Colas in all our territories...

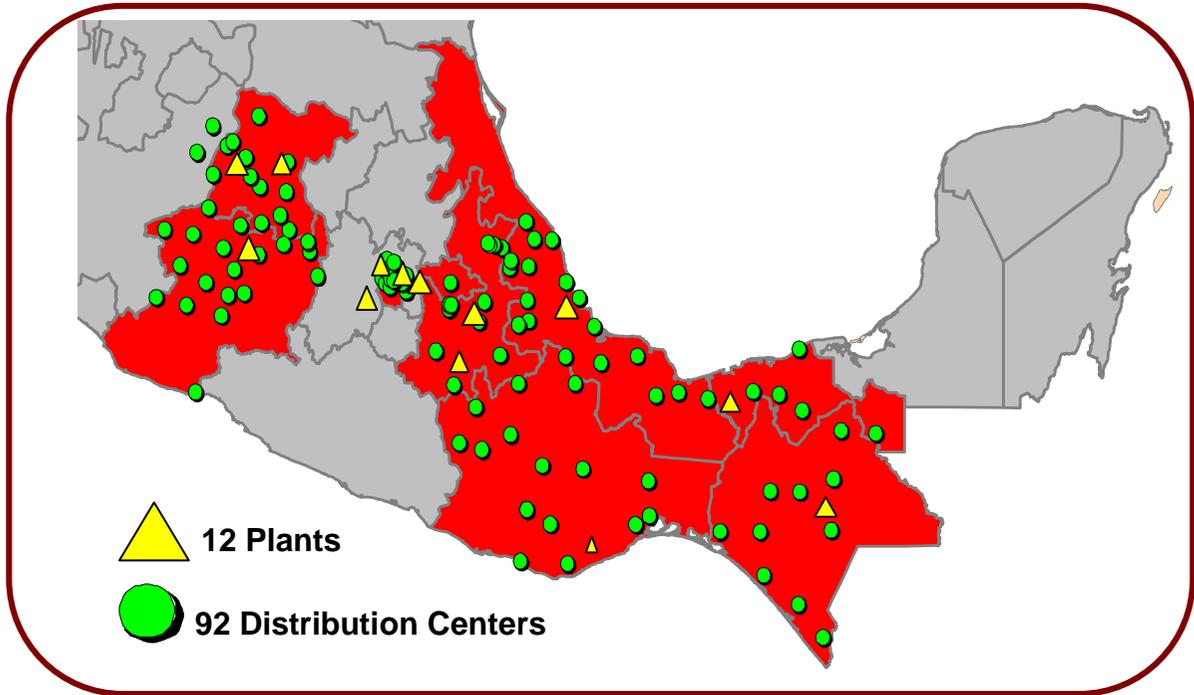


Based on Effective and efficient manufacturing and distribution network:



	2006	2004
Clients	624,191	574,572
Presale Routes	2,748	2,505
Daily Presale Visits	200,604	180,360
Delivery Routes	3,557	3,399

	2006	2003*
Distr. Centers	92	133
Plants	12	18
Headcount	22,989	24,498



* May 2003 right after FEMSA – Panamco merge

...Layered on Efficient Routes to Market...



- Ability to better serve our clients through mix-and-match service models:

CLIENT'S VARIABLES

- Account Size
- Drop Size
- Urban / Rural
- Channel
- Service Requirements



SALES MODELS

- Presale
- Telesale
- Hybrid Route
- Conventional HH



DELIVERY MODELS

- Delivery Partner
- Conventional
- Specialized Delivery



GTM

**Tailored
Sales & Delivery
Models**

...with increasing Collaboration amongst key clients...



- Collaborative Customer Relationship Model (CCRM) routines implemented with Key Modern Trade partners...



Vision

Be the best option in the modern market beverages category, having an optimal value, service and collaboration model with our customers



Portfolio & Activation

Go to Market Models



- **Increase Pricing via Segmented Execution**
- **Continued Reinvestment in Core Brands**
- **Win in Water**
- **Expand our Portfolio toward new categories through *Jugos del Valle***
- **Improve our Point of Sales Execution (UNO)**
- **Continuous internal Capability Development (RGM / Multi Segmentation / GTM / CCRM)**

KOF OVERVIEW AND MEXICO FOCUS

The Coca-Cola logo is positioned in the bottom right corner of the slide. It features the brand name in its signature white script font, with a small 'MR' trademark symbol to the right.

March 2007

Reconciliation table



Coca-Cola FEMSA

In Mexican constant pesos as of the end of each period

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Operating Income	1,210	1,591	2,051	2,940	3,796	4,440	6,707	7,702	8,683	9,456
Depreciation	266	336	551	823	763	558	966	1,237	1,308	1,504
Amortization & others	483	474	532	449	375	417	663	1,081	1,219	1,259
EBITDA	1,958	2,401	3,133	4,212	4,933	5,415	8,336	10,020	11,211	12,219
Fx Rate (Pesos per US)	8.050	9.881	9.495	9.610	9.180	10.459	11.235	11.146	10.711	10.800

In US\$ million

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Operating Income	150	161	216	306	414	425	597	691	811	876
Depreciation	33	34	58	86	83	53	86	111	122	139
Amortization & others	60	48	56	47	41	40	59	97	114	117
EBITDA	243	243	330	438	537	518	742	899	1,047	1,131