

*Coca-Cola*

**FEMSA**

Ahead of  
the curve



# Cautionary Statement

## **FORWARD-LOOKING STATEMENTS**

This presentation contains “forward-looking statements” These forward-looking statements relate to Coca-Cola FEMSA, S.A.B. de C.V. its Subsidiaries (“KOF”) and their businesses, and are based on KOF management’s good faith 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.

## **CONFIDENTIALITY**

The nature of all the information in this presentation is proprietary and confidential.

## **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

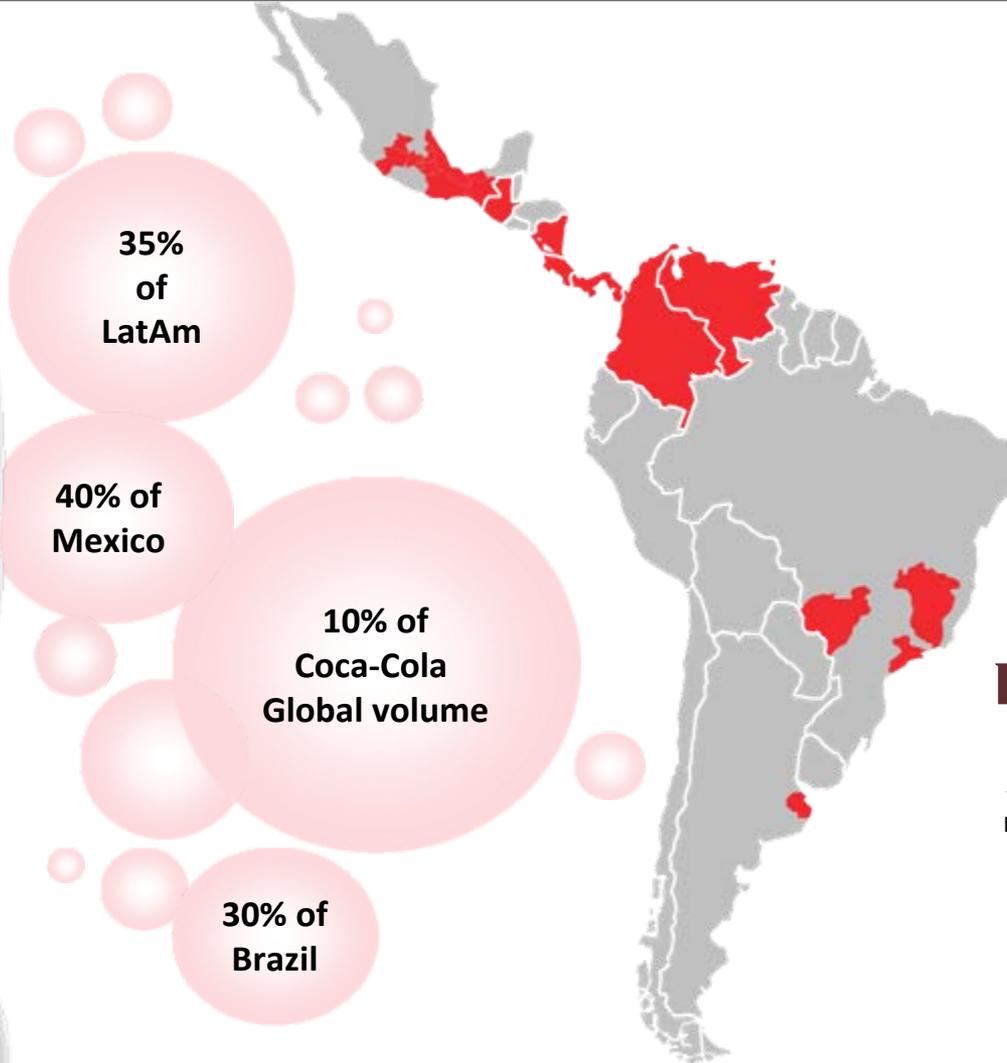
Investor Relations

José Castro / (52) 55 5081 51 20 / jose.castro@kof.com.mx

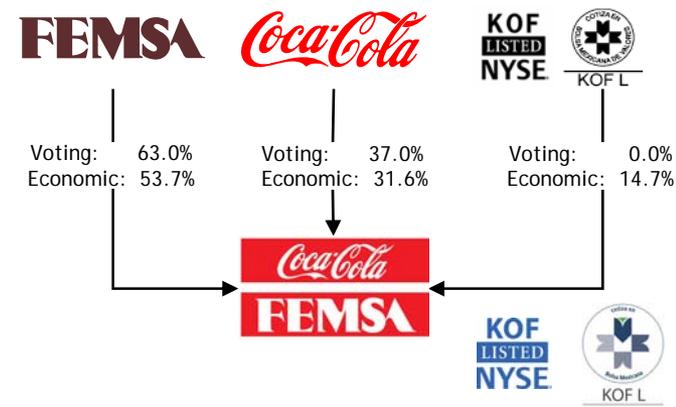
Gonzalo García / (52) 55 5081 51 48 / gonzalose.garciaa@kof.com.mx

Roland Karig / (52) 55 5081 51 86 / roland.karig@kof.com.mx

# Largest public bottler in terms of sales volume



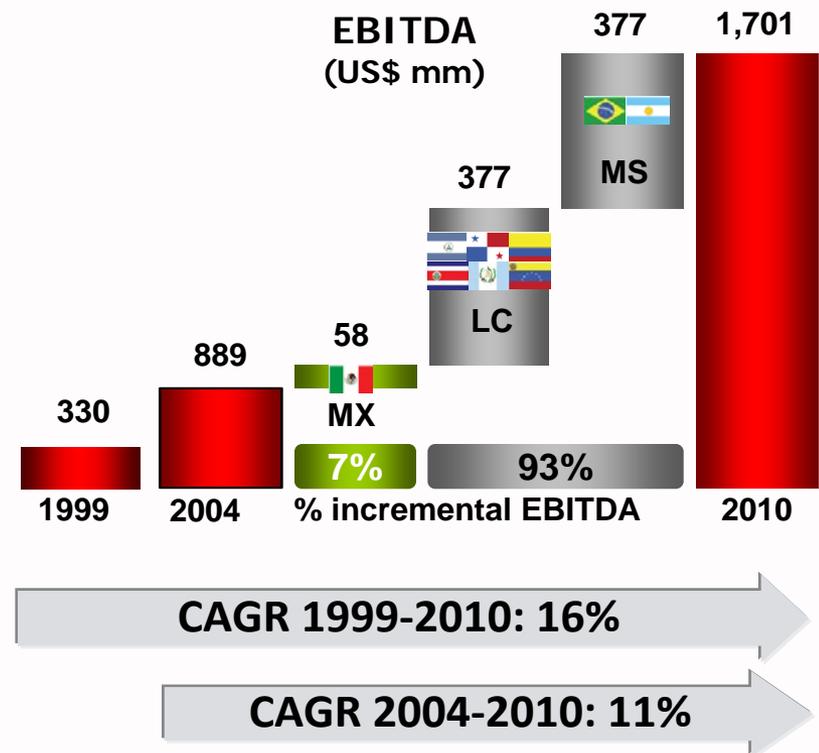
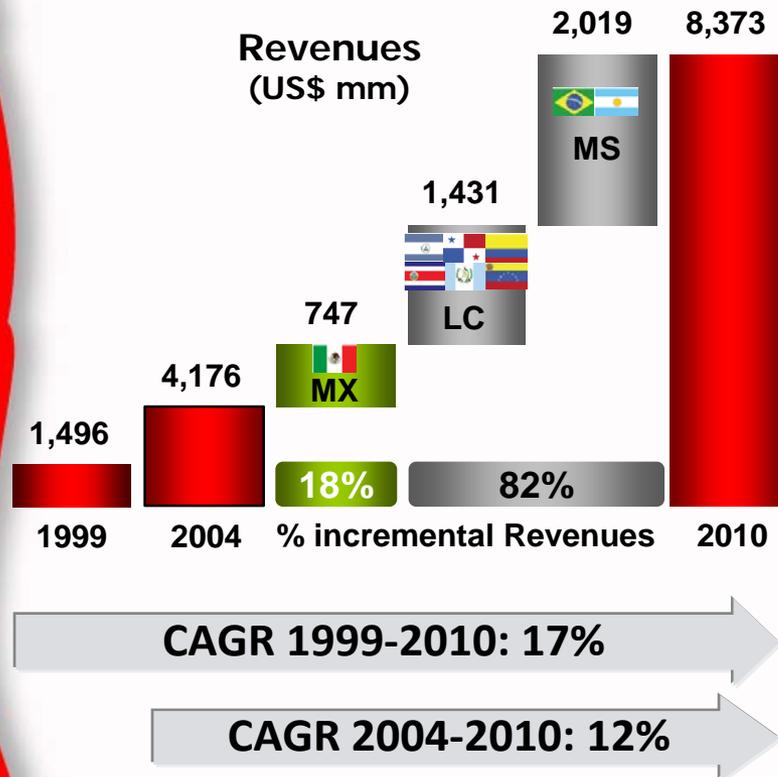
**2.5** Bn Unit Cases  
 US\$ **8.4** Bn in Revenues  
 more than **200** MM consumers  
 Close to **1.6** MM points of sale  
 almost **70,000** employees



Percentage of KO volume: KOF's estimates and KO annual review 2009.  
 KOF figures: Full Year 2010

# A balanced geographic footprint supports our solid track record of growth...

*Mexico continues to be the largest cash flow generator while our operations in the rest of Latin America contribute importantly to both the top and bottom line of our business*



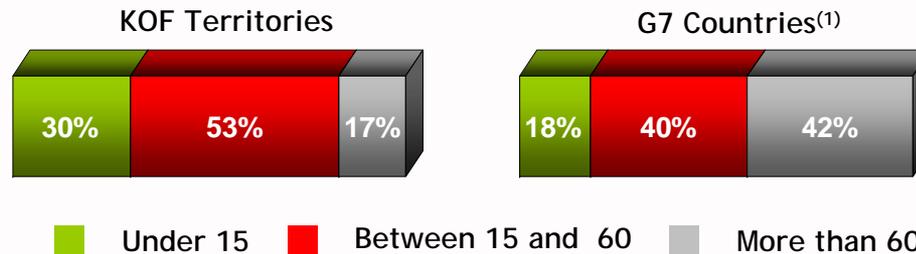
# ...with a dynamic and attractive socioeconomic profile

*KOF's territories throughout Latin America enjoy an attractive profile going forward*

## Population Growth

**+42** MM in KOF Territories    **+29** MM in US  
**+2** MM in W. Europe

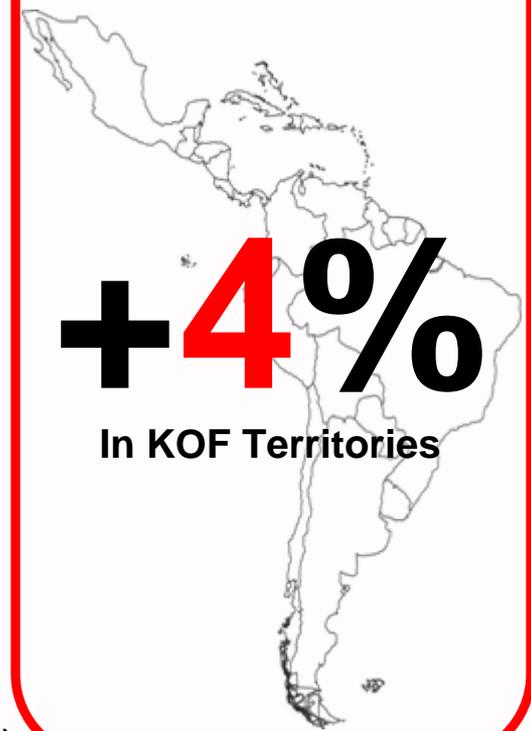
## Age Distribution



## Social Mobility

**+14** MM entering the middle class<sup>(2)</sup> by 2020 in KOF Territories  
**+29%** growth of GDP per capita in KOF territories, reaching ~US\$10,500<sup>(3)</sup>

## GDP Growth



Sources: UN World Population Prospects, 2008, International Monetary Fund, World Economic Outlook Database, October 2010

Population Growth and Social Mobility forecasts for 2020 and GDP growth and GDP per capita improvement forecast for 2015

(1) G7: Canada, France, Germany, Italy, Japan, United Kingdom and United States of America

(2) Annual household income between US\$ 5,000 and US\$ 20,000

(3) Excluding Guatemala and Nicaragua

# The largest bottler in Mexico...

*KOF is the most integrated beverage player in the industry, ranking #1 in Sparkling and Still Beverages and a strong #2 in Water*

As a % of KOF:

Volume	Revenue	EBITDA
50%	37%	40%



1.24 Bn Unit Cases

+US\$ 3.14 Bn in Revenues

+US\$ 672 Mn in EBITDA

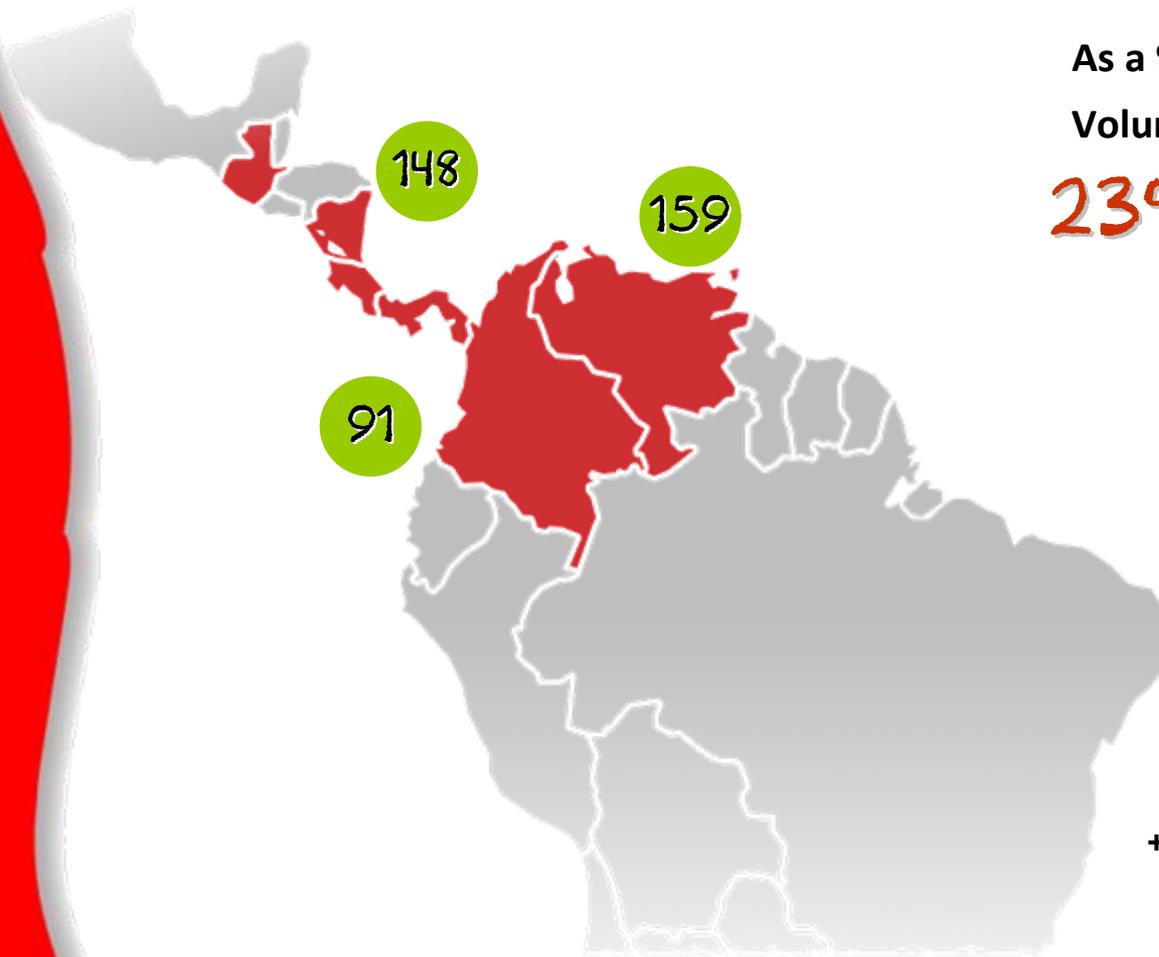
21.4% EBITDA Margin

+ 621 thousand points of sale

50 million consumers

● Sparkling Beverage Per Capita Consumption (8 oz. Servings)

...with a growing presence in **the Latincentro region...**



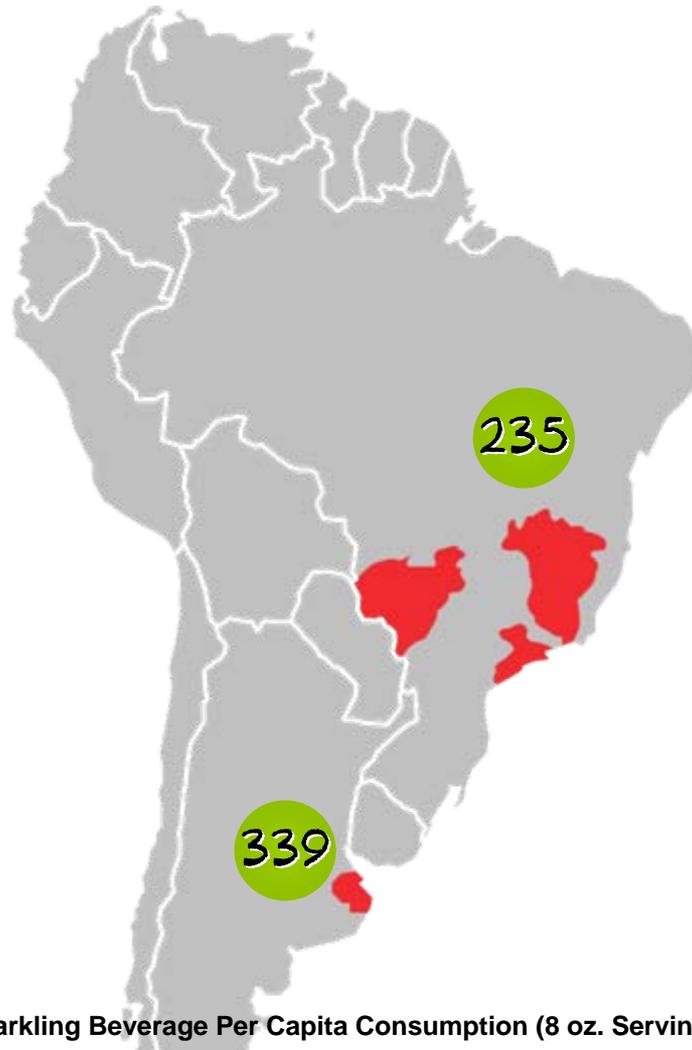
**● Sparkling Beverage Per Capita Consumption (8 oz. Servings)**

As a % of KOF:  
**Volume 23%**    **Revenue 30%**    **EBITDA 32%**

**592** Mn Unit Cases  
 +US\$ **2.53** Bn in Revenues  
 +US\$ **556** Mn in EBITDA  
**21.9** % EBITDA Margin  
 + **685** thousand points of sale  
**95** million consumers

Figures in Mexican Pesos converted into US dollars at the EOP exchange rate of each period  
 KOF Figures: Full Year 2010

# ...and solid growth in South America



As a % of KOF:

Volume	Revenue	EBITDA
27%	33%	28%

665 Mn Unit Cases

US\$ 2.70 Bn in Revenues

+US\$ 473 Mn in EBITDA

17.5 % EBITDA Margin

+ 269 thousand points of sale

56 million consumers

# Our strategic framework **allows us to continue building capabilities...**

Reach our Full Operating Potential

Growth through Innovation

Proactive Environment Management

Growth through Acquisitions

Consolidate KOF as a Multicategory Leader

*On the basis of our strategic framework we focus on three main tasks to continue creating value and building competitive advantages into the future*



**O**PTIMIZE



**I**NNOVATE

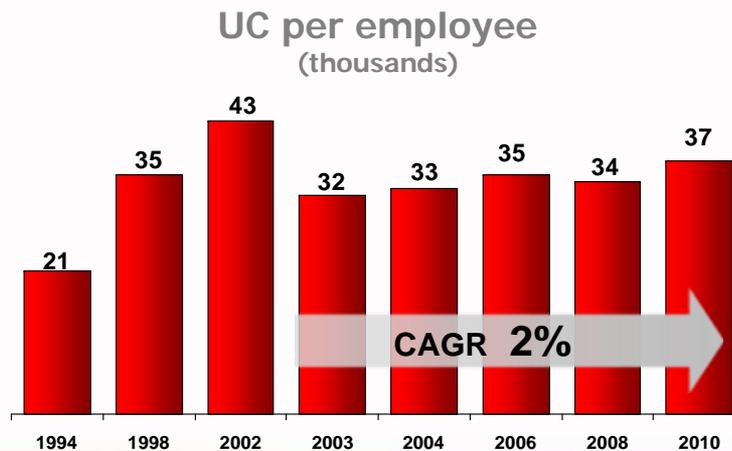
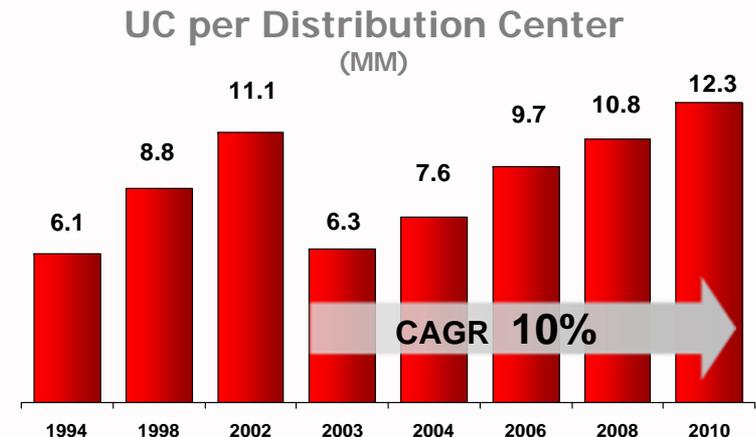
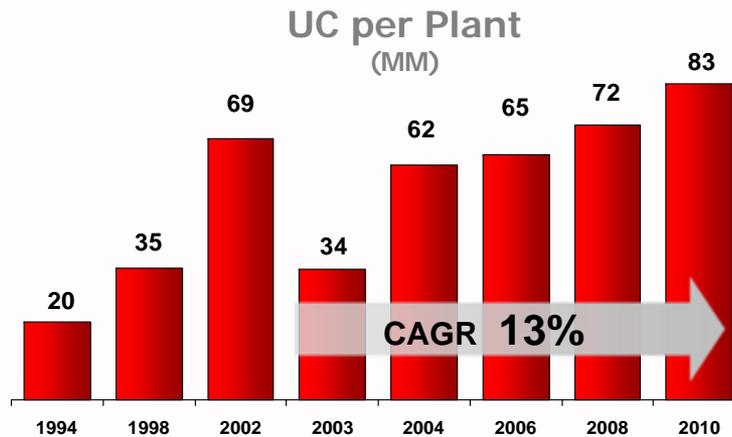


**T**RANSFORM

# ...optimizing our asset structure to drive productivity across the value chain...



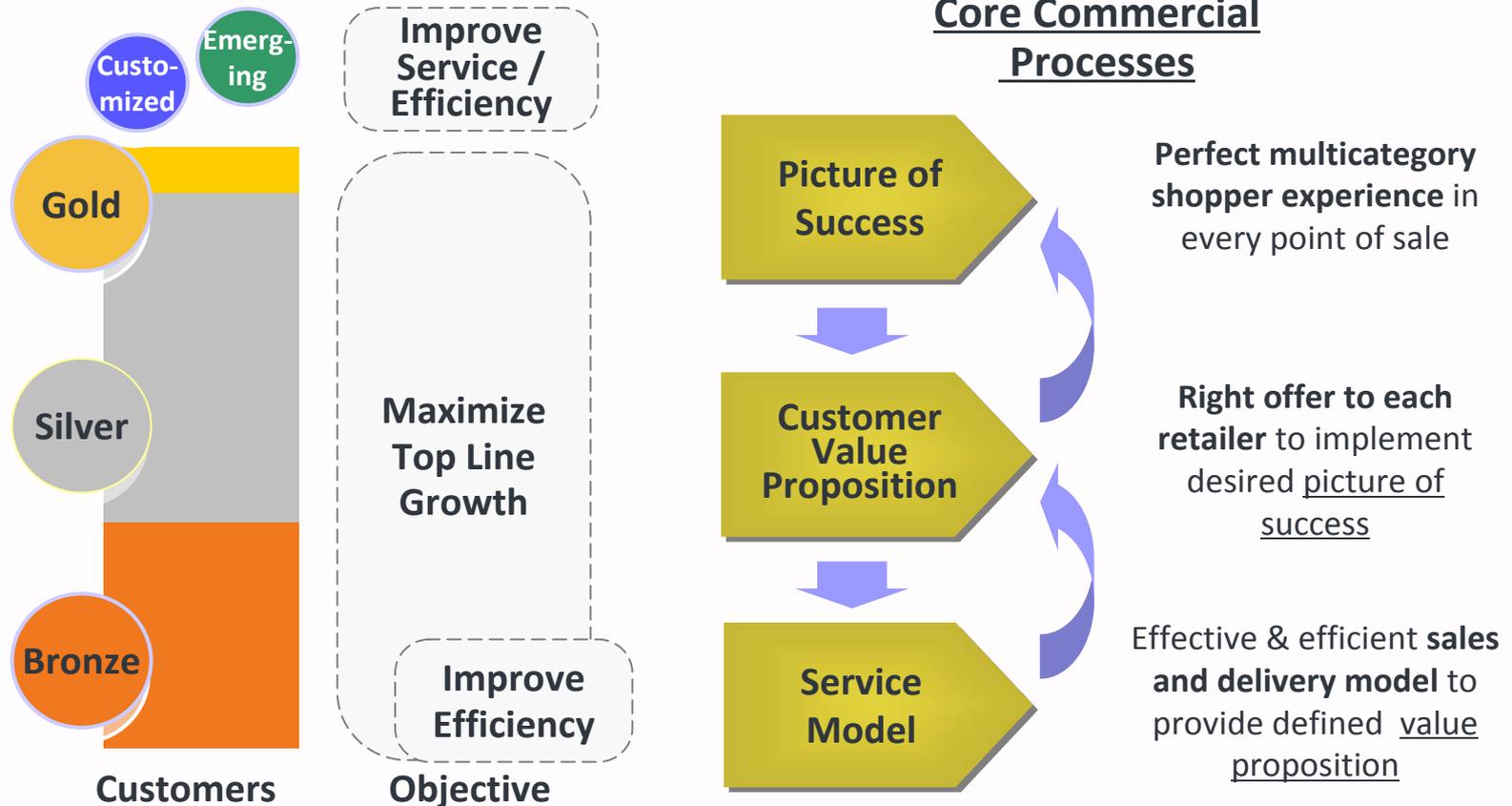
*Continuously optimize our company's processes to be more efficient and reach the full operating potential of our asset base*



# ...transforming our commercial models to focus on our customer's value potential...



*Value based segmentation approach to capture the industry's value potential and reach the full operating potential of our commercial models and processes*



...while innovating to extend our boundaries into new **categories and lines of business...**



*Venturing into new business models that give our clients an additional tool to compete with the small box modern trade*

## Large Execution Muscle

**+5,000**

coffee dispensing machines installed in the Valley of Mexico in less than a year

**~3x**

the number of small box modern trade outlets in the Valley of Mexico

## Ample Potential

**+27 MM**

cups sold in one year on the basis of a daily average of 75,000 transactions

**+10,000**

additional coffee machines in the near future, consolidating Mexico and expanding to 3 more countries



...enhance our customers experience through a growing portfolio of still beverages...



*Through innovation in product development we satisfy our consumers' evolving tastes and drive still beverage volumes*

## Still Beverages

**+136 MM**

unit cases of still beverages sold in our territories during 2010, selling three times the volume sold in 2007

**+10%**

mix of still beverages in the portfolio, including personal water

**+640**

SKU's added to our portfolio with the incorporation of Matte Leao and the Estrella Azul Portfolio\*



KOF Figures: Full year 2010

\*we expect this transaction to close during the first quarter of 2011

# ...and differentiated execution and packaging alternatives...



*Through large scale differentiated packaging and execution initiatives we drive preference for our beverages*

## Returnable Packaging

**+520 MM**

unit cases of beverages sold in returnable packaging during 2010 in our territories



## Cold Execution

**+1,060,000**

coolers in our clients in 9 countries

**+5,000**

coolers placed in one day in our Brazilian operation, setting a record for the Coca-Cola System worldwide



# ...to offer one of the widest portfolio of beverages in the industry

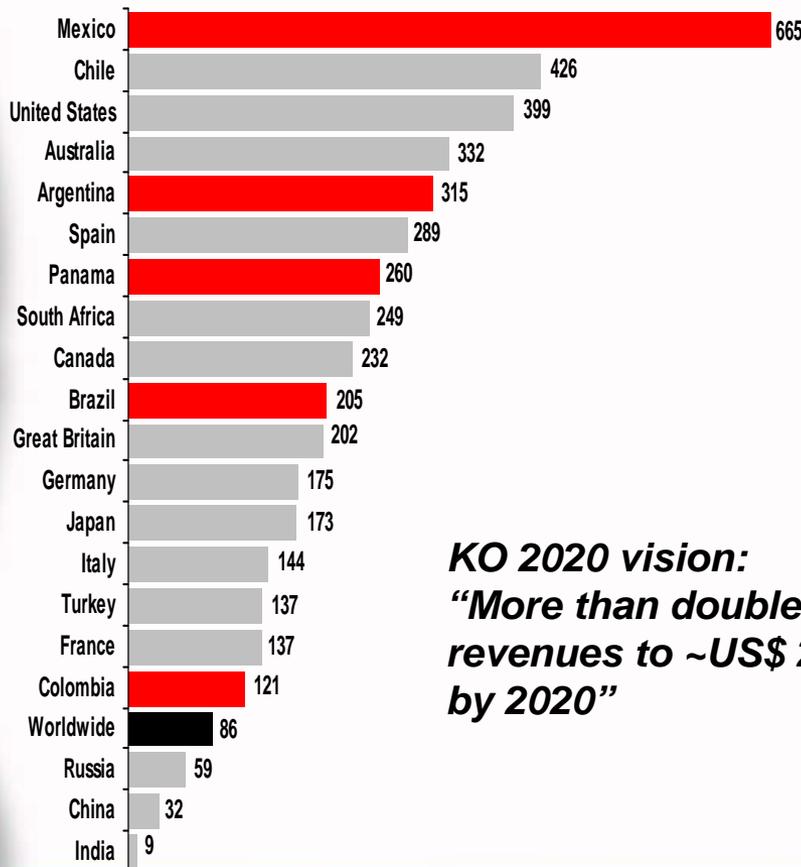
*Broad category diversification, balancing the portfolio and allowing us to capture consumers in the up- and down-trade*



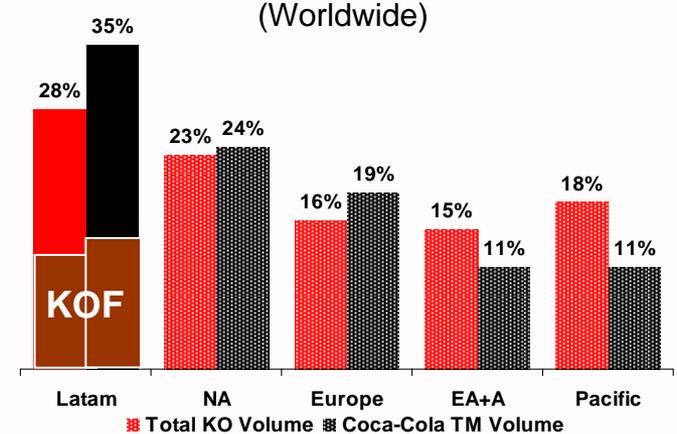
# Strategic partner to the Coca-Cola System towards fulfilling its 2020 vision

*We operate in the most important markets for the Coca-Cola System and will continue to play a key role within one of the largest and fastest growing regions, Latin America*

**2009 Per Capita Consumption of KO Products**

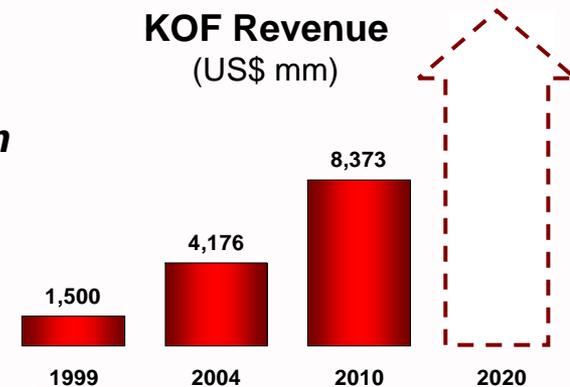


**KO Volume (Worldwide)**



**KO 2020 vision:**  
**“More than double System revenues to ~US\$ 200 Bn by 2020”**

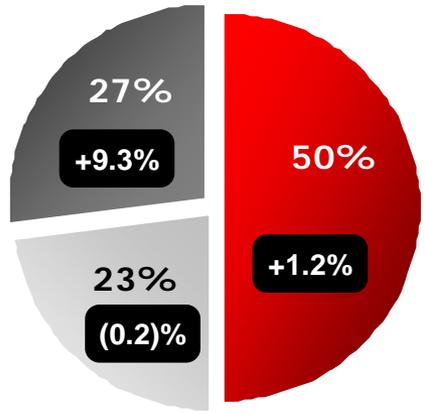
**KOF Revenue (US\$ mm)**



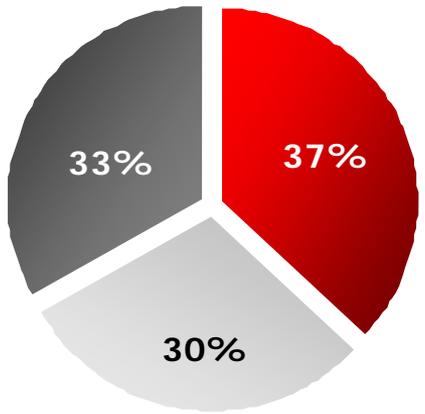
# Solid full year 2010 results

*Balanced portfolio of geographies supported by our ability to take pricing deliver strong local currency growth*

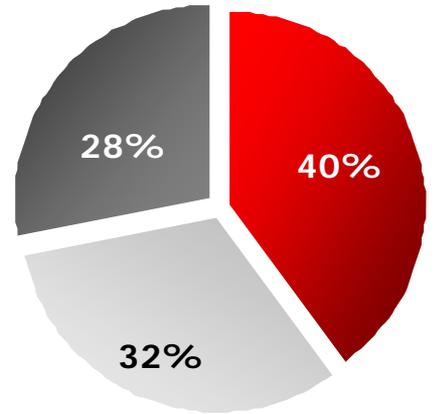
**Volume**  
FY 2010  
(2,500 Mn Unit Cases)



**Revenues**  
FY 2010  
(US\$ 8,373 Mn)



**EBITDA**  
FY 2010  
(US\$ 1,701 Mn)



**Divisional Growth**

■ Mexico division

■ Latincentro division

■ Mercosur division

**Local Currency Revenue Growth**

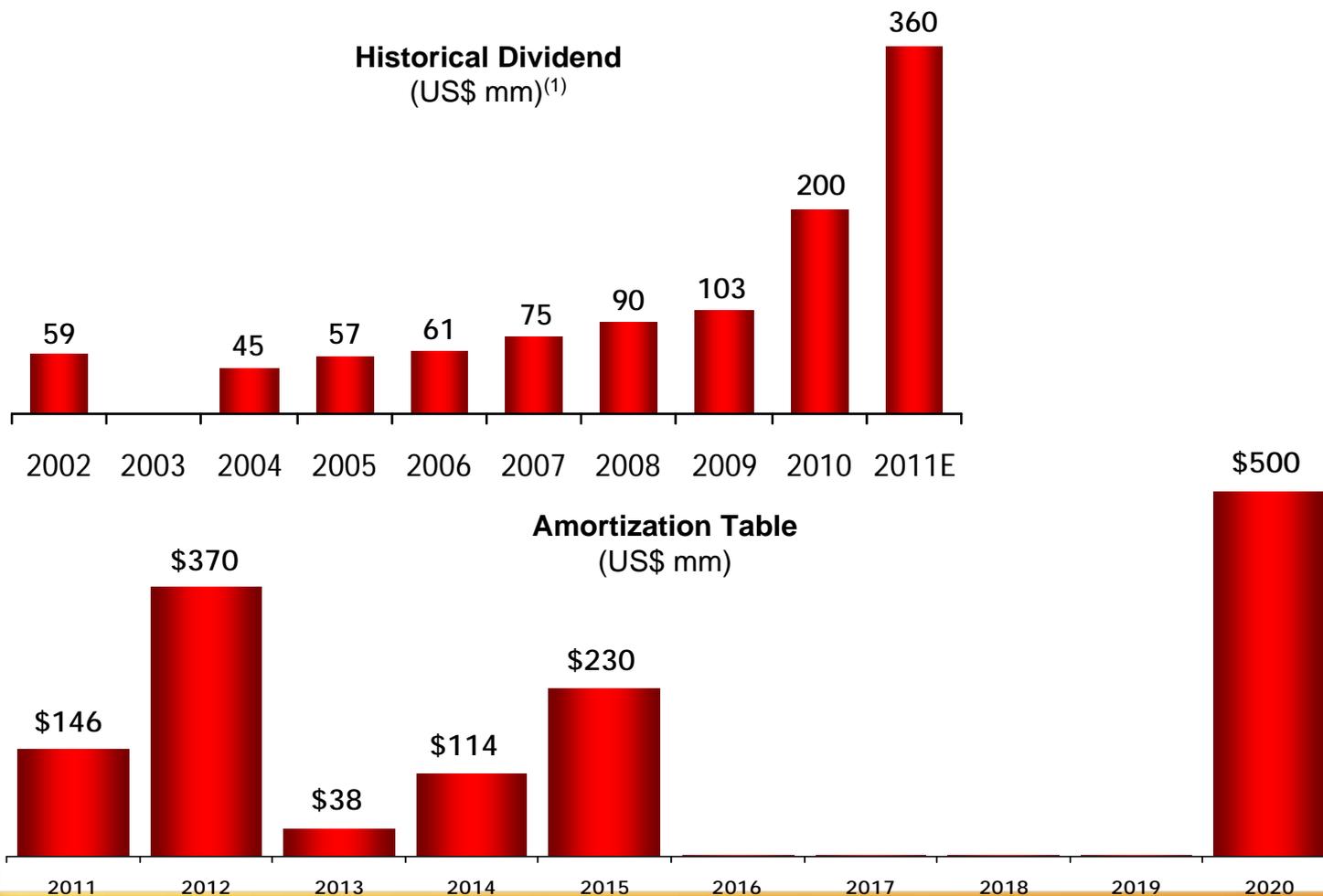
**+ 5%**

**+ 21%**

**+ 19%**

# Strong financial position

*KOF has increased its dividend payout driven by strong cash flow generation*



\*KOF's debt maturity profile as of December 30, 2010

(1) 2011E dividend payment is subject to approval at the Annual Shareholder's Meeting

# Sustainable management of our environment

*Our sustainable development is integral to our strategic framework for business growth*

## Energy Savings

**+200,000**

tons of CO<sub>2</sub> emissions avoided in our facilities since 2004. the equivalent of the annual energy consumption of 100,000 five member families

## Green Energy

**+70%**

of the energy used in our facilities will come from renewable sources by 2013

## Recycled Material

**345,000**

tons of glass, PET, paper & cardboard and wood recycled in our plants since 2004



# Coca-Cola FEMSA is today a **global multicategory company with**



**Strong Partnership With a Winning Business Model**



**Efficient asset utilization & state-of-the-art systems**



**Value creating acquisitions levered by compelling innovation**



**Evolving commercial model & capability transfer mechanisms**



**Strong Cash Flow Generation & Solid Balance Sheet**



**Doing all of this in a sustainable manner**