

# New Horizons

June 2013



# Cautionary Statement

## **FORWARD-LOOKING STATEMENTS**

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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**

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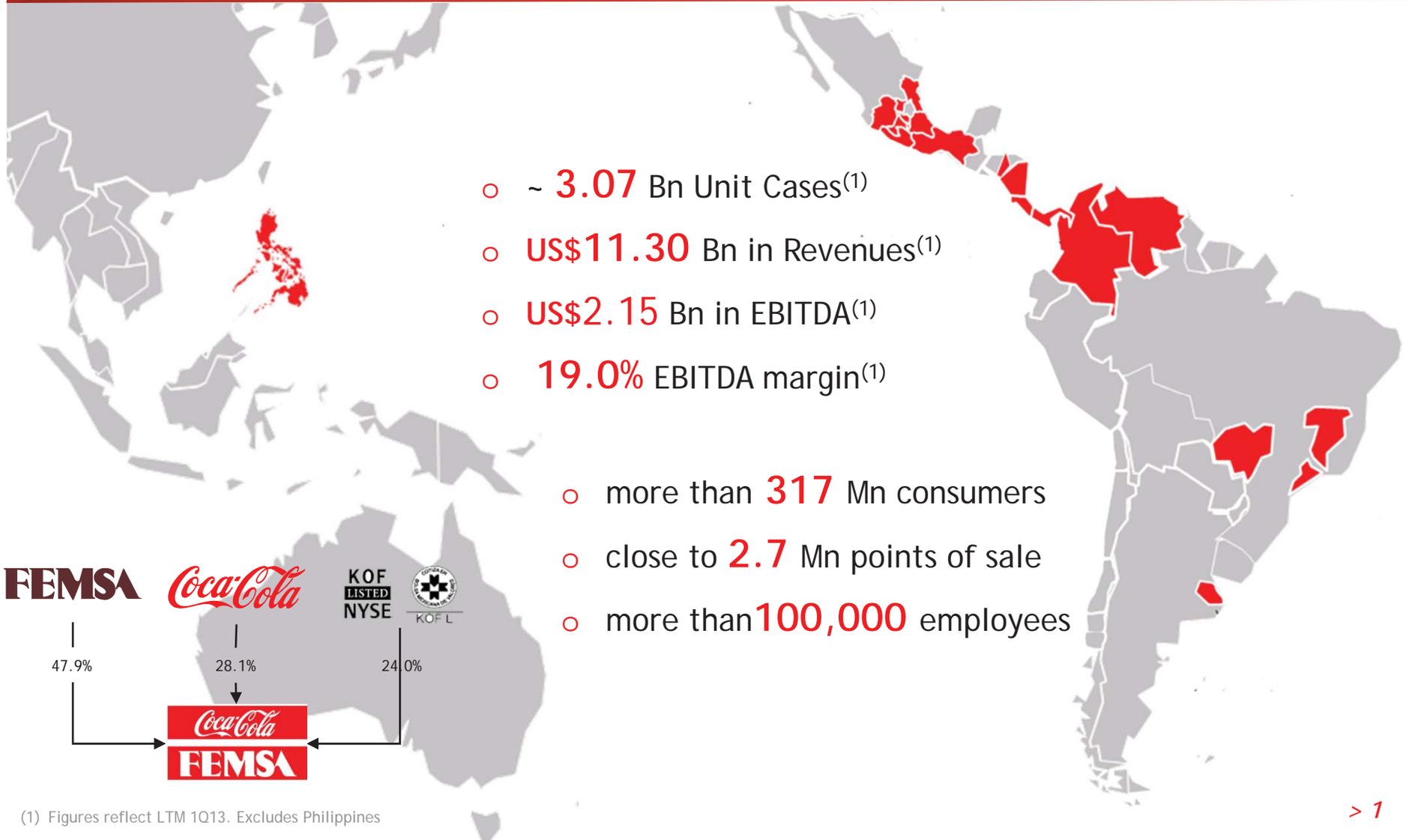
## **INVESTOR RELATIONS**

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# Largest franchise bottler in the world operating in two of the most attractive regions for its industry...



(1) Figures reflect LTM 1Q13. Excludes Philippines

...while building a decade of solid track record of growth

*Our South America Division has contributed importantly to top- and bottom-line ...*

### Revenues

FY 2004  
(US\$ 4,176 Mn)

**11.7 %**  
CAGR 2004-2013

LTM 1Q 2013  
(US\$ 11,303 Mn)



*... growth, balancing the sources of cash flow generation*

Mexico & Central  
America Division

South America  
Division

### EBITDA

FY 2004  
(US\$ 889 Mn)

**10.3 %**  
CAGR 2004-2013

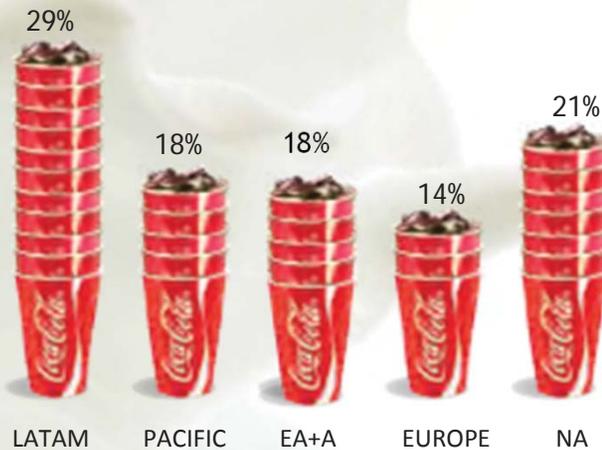
LTM 1Q 2013  
(US\$ 2,146 Mn)



# Strategic partner to the Coca-Cola System

*Within our industry KOF has presence in some of the most important regions and has pursued relevant opportunities in every category to contribute to the system's future growth*

KO Volume (worldwide) <sup>(1)</sup>



"... we partnered with Coca-Cola FEMSA to jointly acquire the Jugos del Valle business in 2007... Today, Del Valle is the first of our \$1 billion brands with its roots in our Latin America region."

*Muhtar Kent, The Coca-Cola Company - President and CEO*

In July 2012, through Jugos del Valle, our joint venture with The Coca-Cola Company, we incorporated **Santa Clara**, a relevant player in the milk, ice cream and value-added dairy categories in Mexico. Through this transaction we can employ the considerable knowledge we have acquired from **Estrella Azul** to continue building on the strong brand equity of Santa Clara.

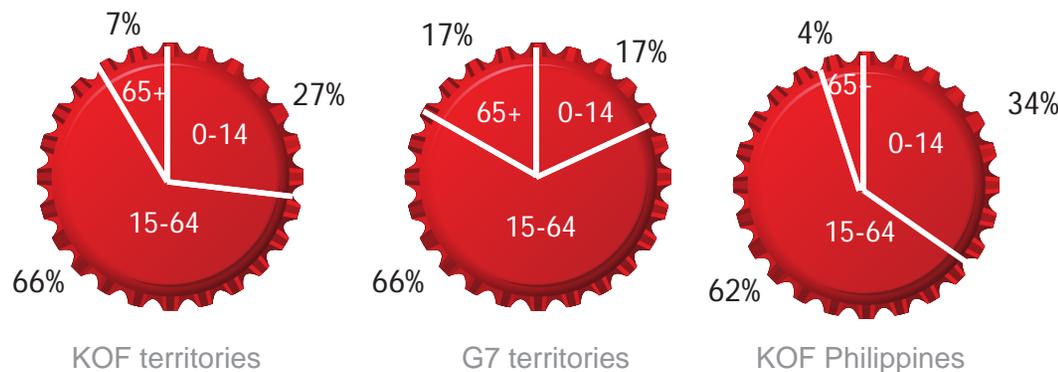


(1) The Coca-Cola Company annual report 2012

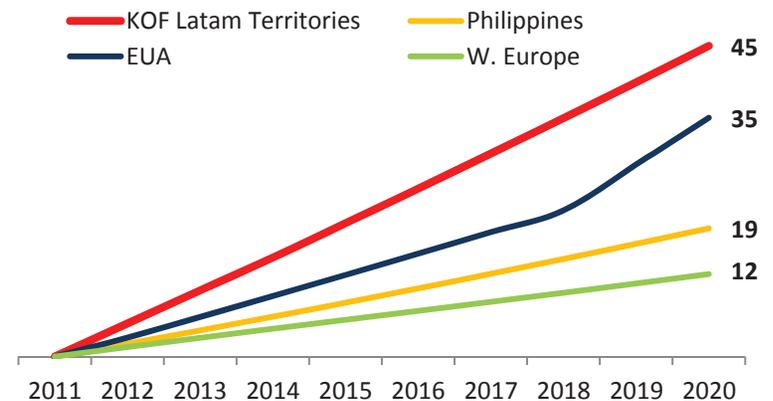
# Dynamic and attractive socioeconomic profile

*Going forward our territories will enjoy an attractive demographic profile*

## Population age distribution<sup>(1)</sup>



## Expected population growth (millions)<sup>(3)</sup>



## Social mobility in Brazil (millions)

	2003	2008	2014e
Population	175	189	200
C-class	66	93	113

GDP per capita in KOF LatAm territories (by 2015)<sup>(2)</sup>

**~US\$11,200**

Sources: CIA - The World Factbook, World Population Prospects. 2012, World Economic Outlook Database, October 2010. Population Growth forecasts for 2020 and GDP per capita improvement forecast for 2015. (1) G7: Canada, France, Germany, Italy, Japan, United Kingdom and United States of America. (2) Weighted Average per population served by country. (3) Western Europe: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom

Our strategic framework allows us to continue building capabilities

Reach our Full Operating Potential

Growth through Innovation

Proactive Environment Management

Growth through Acquisitions





- US\$5,218 Mn in Revenues
- US\$1,086 Mn in EBITDA
- 1,895 Mn of Unit Cases



## Mexico and Central America Division



# Mexico highlights



*New Territories + Yoli*  
 + 524 Mn UC  
 + US\$ 1,267 Mn Revenues  
 + US\$ 279 Mn EBITDA

- **1,743** Mn Unit Cases<sup>(1)</sup>
- ~ **425** Mn UC of returnables<sup>(1)</sup>

### Mix by Size<sup>(2)</sup>

33.8%      66.2%



Singleserve      Multiserve

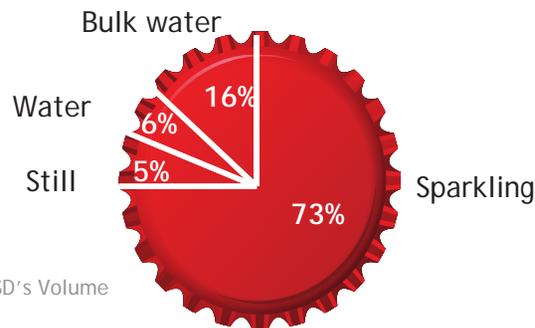
### Mix by Package<sup>(2)</sup>

33.7%      66.3%



Returnable      Non- Returnable

### Diversified portfolio



### Population Age Distribution



- Plants **18**
- Distribution centers **143**
- More than **920** M points of sale
- Close to **68** Mn consumers
- KOF population coverage: **56%**

(1) Figures reflect LTM 1Q13.  
 (2) Figures reflect Full Year 2012. CSD's Volume

# Central America highlights



- **152** Mn Unit Cases<sup>(1)</sup>
- ~ **43** Mn UC of returnables<sup>(1)</sup>

## Population Age Distribution



## Mix by Package <sup>(2)</sup>

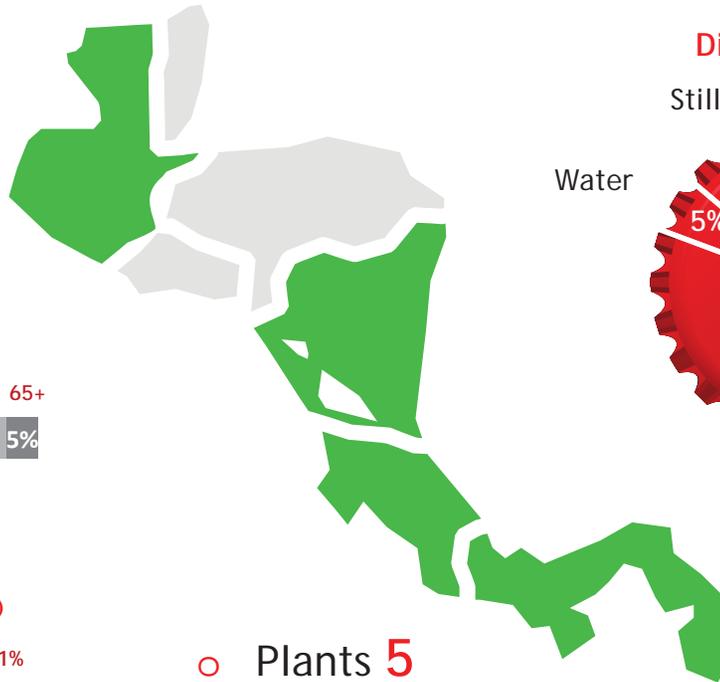


Returnable    Non- Returnable

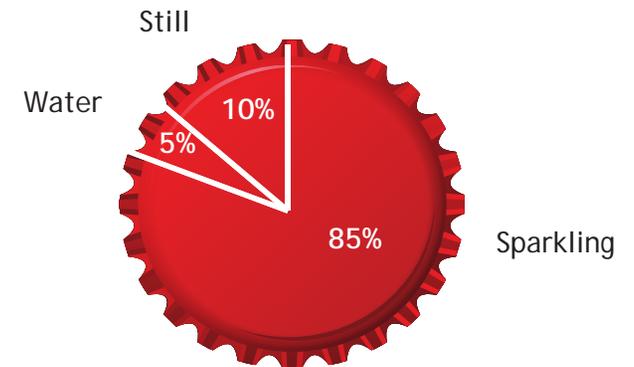
## Mix by Size <sup>(2)</sup>



Singleserve    Multiserve



## Diversified portfolio



- Plants **5**
- Distribution centers **26**
- More than **103** M points of sale
- More than **19.5** Mn consumers
- KOF population coverage: **69%**

<sup>(1)</sup> Figures reflect LTM 1Q13.  
<sup>(2)</sup> Figures reflect Full Year 2012. CSD's Volume

# South America Division



- US\$6,085 Mn in Revenues
- US\$1,059 Mn in EBITDA
- 1,175 Mn of Unit Cases



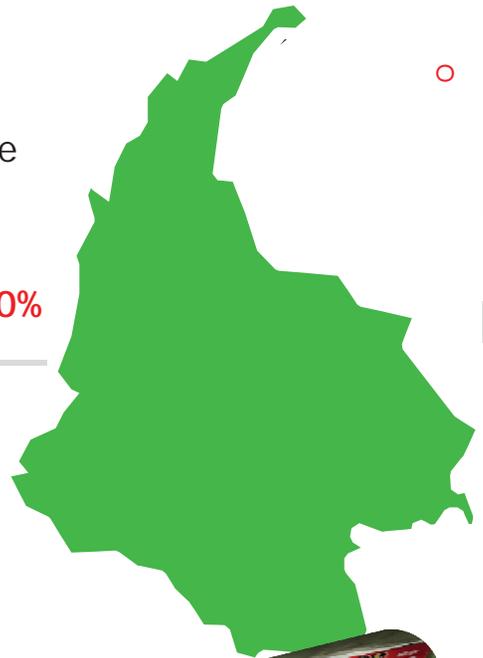
(1) Figures reflect LTM 12/19

# Colombia Highlights



- plants: **6**
- distribution centers: **32**
- more than **395,000** points of sale
- more than **47** Mn consumers
  - KOF population coverage: **100%**

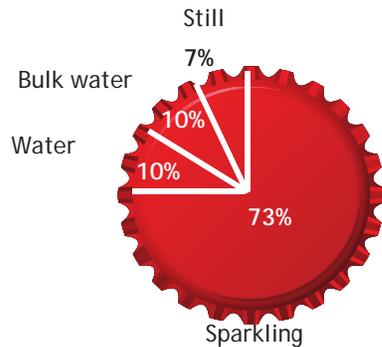
- **260** Mn Unit Cases<sup>(1)</sup>
- ~ **76** Mn UC of returnables<sup>(1)</sup>



### Population Age Distribution

0-14	15-64	65+
26.7%	67.2%	6.1%

### Diversified portfolio



### Mix by Size <sup>(2)</sup>

37.1%      62.9%



Singleserve      Multiserve

### Mix by Package <sup>(2)</sup>

40.4%      59.6%



Returnable      Non- Returnable

(1) Figures reflect LTM 1Q13.  
 (2) Figures reflect Full Year 2012. CSD's Volume

# Venezuela Highlights



- plants: **4**
- distribution centers: **33**
- more than **209,000** points of sale
- more than **30** Mn consumers
  - KOF population coverage: **100%**

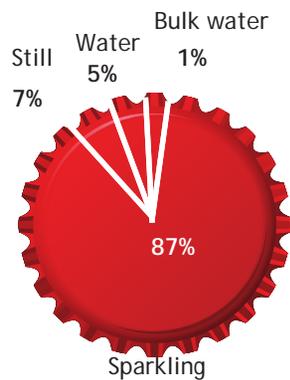
- **213** Mn Unit Cases<sup>(1)</sup>
- ~ **13** Mn UC of returnables<sup>(1)</sup>



## Population Age Distribution



## Diversified portfolio



## Mix by Size<sup>(2)</sup>



## Mix by Package<sup>(2)</sup>



(1) Figures reflect LTM 1Q13.  
 (2) Figures reflect Full Year 2012. CSD's Volume

# Brazil Highlights



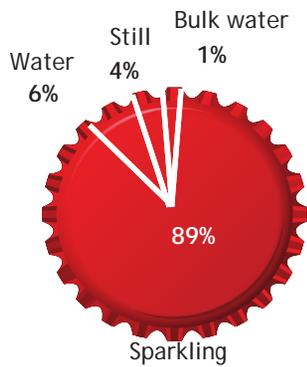
- plants: **4**
- distribution centers: **28**
- more than **179,000** points of sale
- more than **44.5** Mn consumers
  - KOF population coverage: **23%**

- **486** Mn Unit Cases<sup>(1)</sup>
- ~ **64** Mn UC of returnables<sup>(1)</sup>

## Population Age Distribution



## Diversified portfolio



## Mix by Size<sup>(2)</sup>

27.5%      72.5%



Singleserve      Multiserve

## Mix by Package<sup>(2)</sup>

14.4%      85.6%



Returnable      Non- Returnable

(1) Figures reflect LTM 1Q13.  
 (2) Figures reflect Full Year 2012. CSD's Volume

# Argentina Highlights



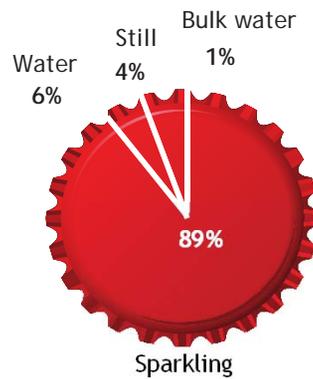
- plants: **2**
- distribution centers: **4**
- more than **78,000** points of sale
- more than **13** Mn consumers
  - KOF population coverage: **30%**

- **216** Mn Unit Cases<sup>(1)</sup>
- ~ **56** Mn UC of returnables<sup>(1)</sup>

## Population Age Distribution



## Diversified portfolio



## Mix by Size<sup>(2)</sup>



## Mix by Package<sup>(2)</sup>



(1) Figures reflect LTM 1Q13.  
 (2) Figures reflect Full Year 2012. CSD's Volume



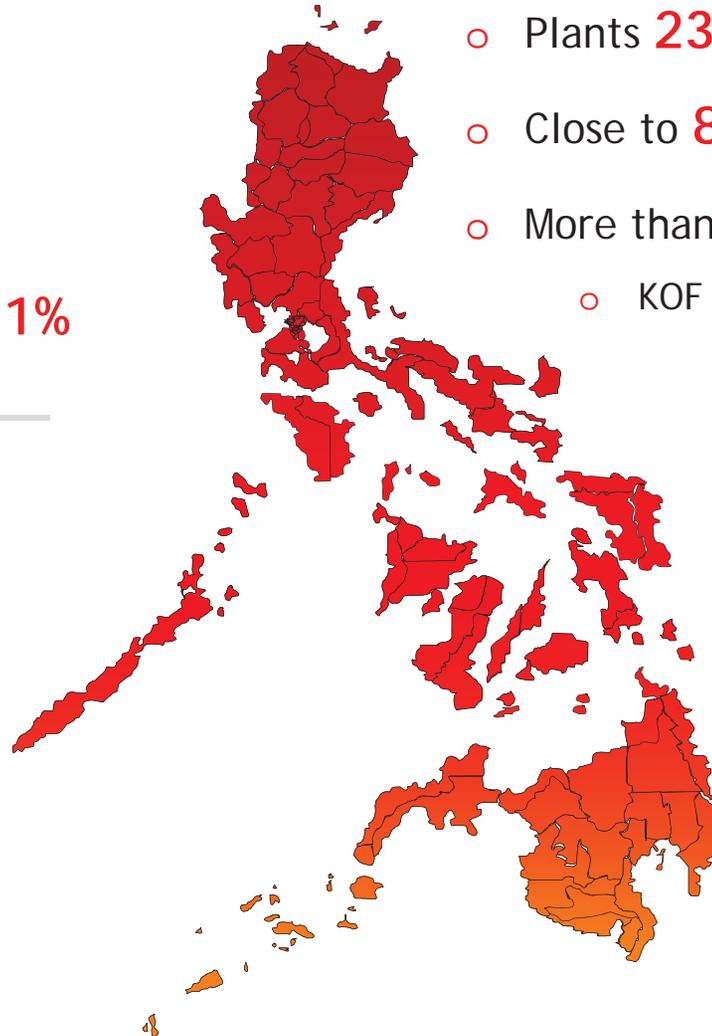
Philippines

# Philippines Highlights



- US\$ **1.1** Bn in Revenues<sup>(1)</sup>
- ~US\$ **100** Mn of Ebitda
- **530** Mn Unit Cases<sup>(1)</sup>
- Important mix of returnables **71%**
- Plants **23**
- Close to **800** M points of sale
- More than **95** Mn consumers
  - KOF population coverage: **100%**

## Strategic Framework



(1) CCBPI: Coca-Cola Bottling Philippines, Inc., estimated for 2012



# We develop capabilities to reach our full operating potential

As the complexity of our business continues to increase, we constantly work towards increasing the efficiencies of our asset portfolio, while evolving from a volume driven commercial model to a value based segmentation approach to capture the industry's value potential.

UC per Plant (MM)



UC per Distribution Center (MM)



## Value Based Segmentation



(1) Acquisition of Panamerican Beverages  
 (2) Mergers with Grupo Tampico and Grupo CIMSA  
 (3) Mergers with Grupo Fomento Queretano



# Innovation as key driver to our growth

## Execution



## Packaging



## Categories



## New lines of Business



I T E N A B L E S I N N O V A T I O N

## Driving a sustainable business



**Coca-Cola FEMSA** was ranked **first place** in its industry by *Newsweek Green Rankings 2012*, an evaluation of the environmental impact and management, and transparent reporting practices of the 500 largest global public companies



*Poder y Negocio* listed **Coca-Cola FEMSA** as one of the top 30 green companies committed to environmental stewardship in Mexico



### Recycling / Solid waste:

We have implemented measures to lighten PET bottles, by 8%, on average, in carbonated beverages and by 7% in noncarbonated beverages since 2000, during 2012 we were able to recycle 64,000 tons of aluminum, plastic, paper, glass, and wood.

### Water stewardship:

We reached the goal of treating 100% of the wastewater from our manufacturing facilities, through our own 30 water treatment plants and 3 municipal plants.

We planted more than 56,500 trees, thanks to the support of 5,000 volunteers

### Carbon footprint:

Committed to “growing our business, not our carbon footprint”, our goal is to maintain the same amount of CO<sub>2</sub> emissions in 2015 as we had in 2004

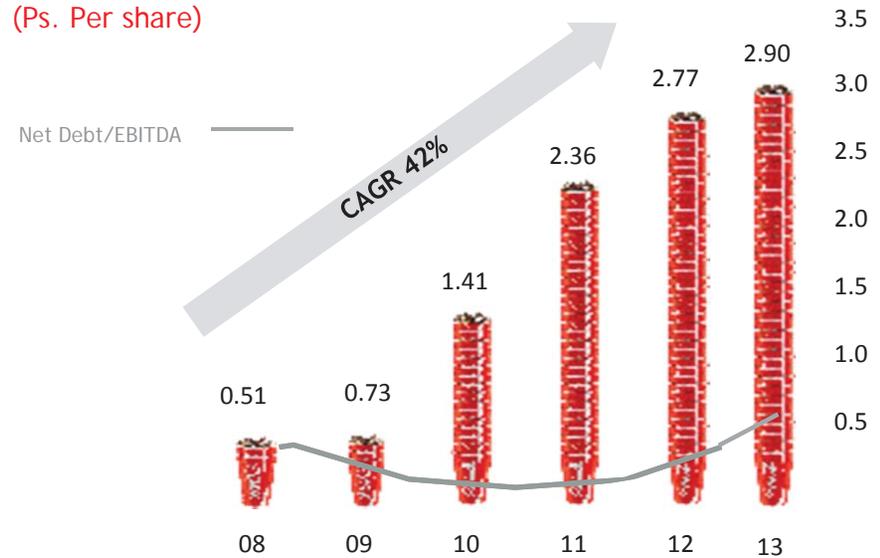
We participated for the first time, confidentially, in the Carbon Disclosure Project, to disclose the carbon emissions of all our operations



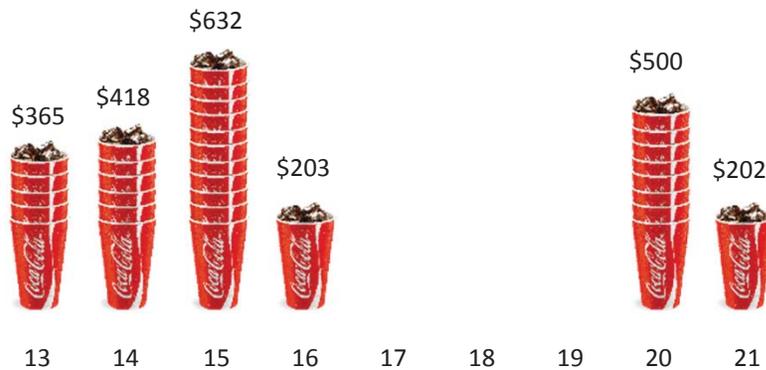
# Solid Financial position

*During 2012, we paid in ordinary dividends an amount representing more than four times the amount we paid in 2009*

Historical Dividend and Net Debt/EBITDA evolution (Ps. Per share)



Maturity Profile<sup>(1)</sup> (US\$ Mn)



(1) KOF Debt Maturity Profile as of March, 2013



## How do we envision growth?

- Strong market execution
- Capture additional value from the industry
- Improving per capita consumption
- Attractive demographic profile
- Doing all of this in a sustainable manner
- Strong Cash Flow Generation & Solid Balance Sheet



Thank you!

