



EXCELLENCE IN EVOLUTION

A decorative graphic consisting of a grid of circles in various shades of red and white, arranged in a pattern that tapers to the right.

Investor Relations

2016

Coca-Cola FEMSA has traveled to become the largest franchise bottler in the world, in terms of volume, operating in two of the most attractive regions for its industry

~ 27 Bn Transactions⁽¹⁾

~ 4 Bn Unit Cases⁽¹⁾

US\$ ~10 Bn in Revenues⁽¹⁾

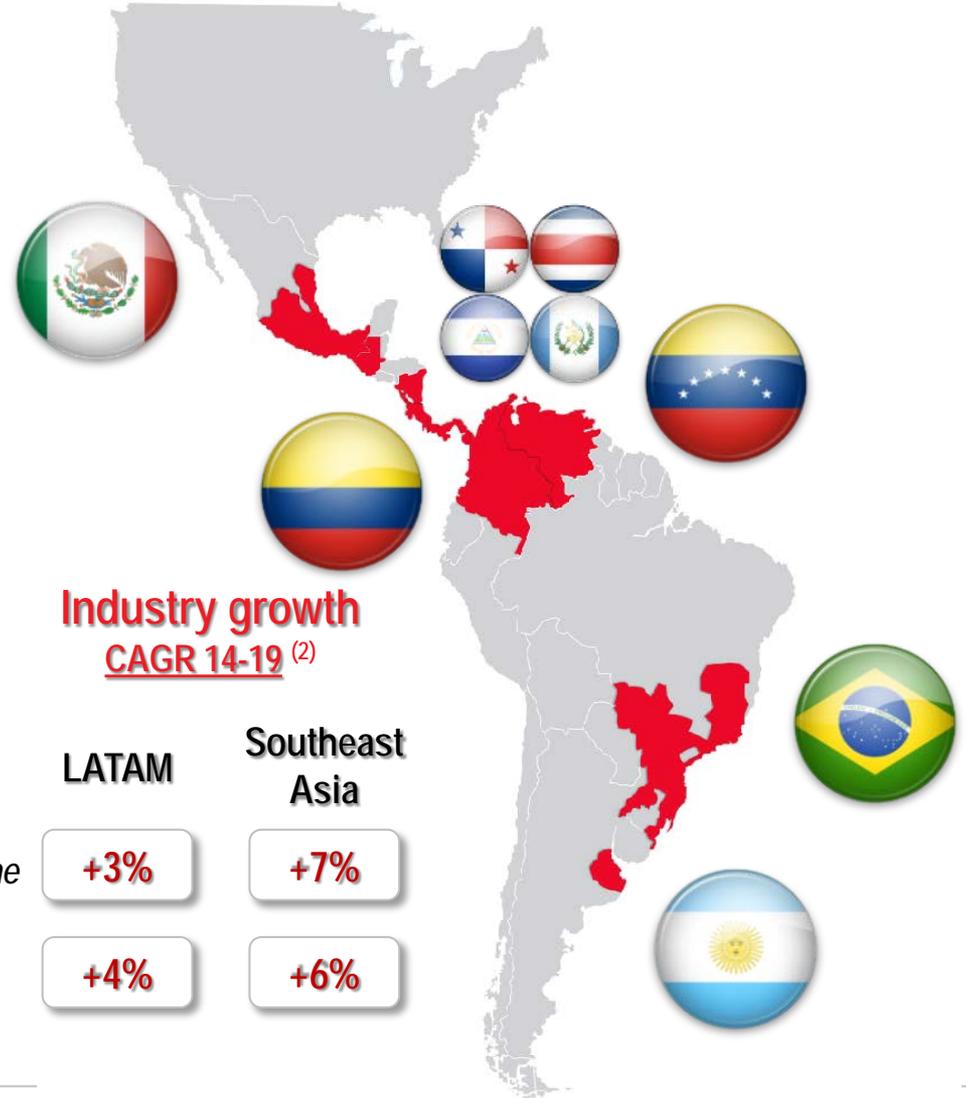
US\$ ~2 Bn in EBITDA⁽¹⁾

10 years
CAGR⁽¹⁾

+8%

+12%

+11%



(1) Figures reflect LTM 3Q 2016 including the Philippines on a proforma basis
 (2) Source Euromonitor, NARTD industry
 (3) We operate the Philippines through a joint venture with The Coca-Cola Company

Our footprint...

Mexico and Central America division



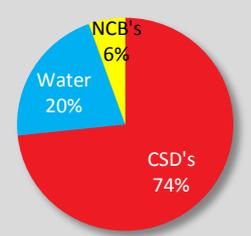
	LTM 3Q16
Volume (MMUC)	2,022
Transactions (Millions)	11,380
Revenues (USD Billions)	~4.4
EBITDA Margin	22.9%

Population served (millions)	93.8
Points of sale	996,773
Plants	22
Distribution centers	174

(1)

product mix by category

% of volume of total beverages



product mix by package

% of volume of sparkling beverages

Non-Returnable	63%
Returnable	37%

product mix by size

% of volume of sparkling beverages



(1) Figures reflect FY 2015

Our footprint... South America division



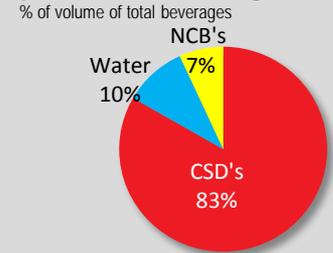
	LTM 3Q16
Volume (MMUC)	1,375
Transactions (Millions)	8,806
Revenues (USD Billions)	~4.0
EBITDA Margin	16.8%

*Including Venezuela

Population served (millions)	162
Points of sale	1,006,206
Plants	22
Distribution centers	100

(1)
*Including Venezuela

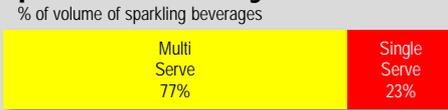
product mix by category



product mix by package



product mix by size



Product Innovation



(1) Figures reflect FY 2015

Our footprint...

Asia division ⁽¹⁾



Volume (MMUC)
Transactions (Millions)
Revenues (USD Billions)
EBITDA Margin

LTM 3Q16

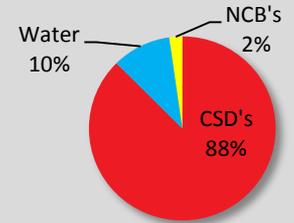
565
 6,444
 ~1.1
 ~10%

Population served (millions) 101.8
Points of sale 806,369
Plants 19
Distribution centers 53

⁽²⁾

product mix by category

% of volume of total beverages



product mix by package

% of volume of sparkling beverages. Excluding Fountain

Non-Returnable 40%
Returnable 60%

product mix by size

% of volume of sparkling beverages. Excluding Fountain

Multi Serve 55%
Single Serve 45%

Product Innovation

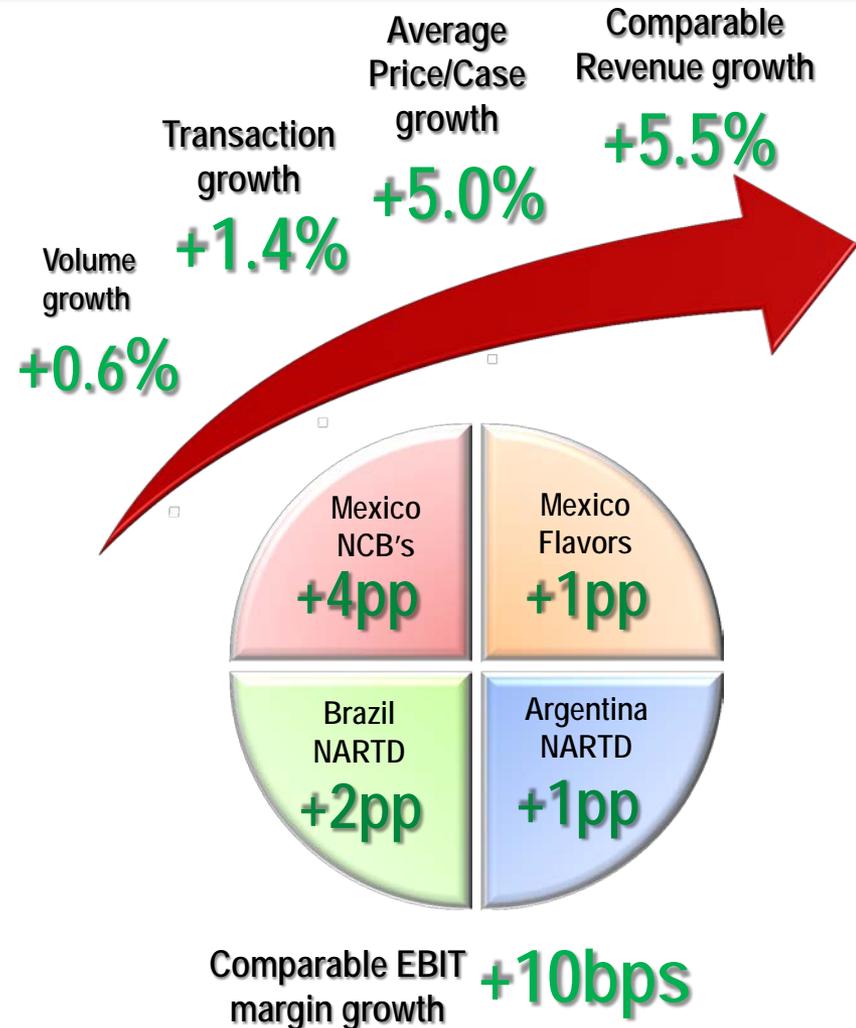


(1) We operate the Philippines through a joint venture with The Coca-Cola Company

(2) Figures reflect FY 2015

Despite a very challenging environment we continue to generate a solid set of comparable results across our markets

- ✓ In the last twelve months we have **generated close to 20 billion transactions, outperforming volume growth** in our key markets
- ✓ **Leveraging on pricing and transaction growth** to deliver solid top line performance in local currencies across operations
- ✓ We continue to **strengthen our market position**, maintaining or gaining market share in sparkling beverages and NCB's in key territories
- ✓ **Expanding comparable EBIT margins** despite currency, raw material volatility and a very challenging consumer environment in South America



(1) Comparable means, with respect to a year-over-year comparison, the change in a given measure excluding the effects of (i) mergers, acquisitions and divestitures, (ii) translation effects resulting from exchange rate movements and (iii) the results of hyperinflationary economies in both periods. From our operations, only Venezuela qualifies as a hyperinflationary economy.

Our Strategic Framework continues to be the guide for our business

Become a multi-category beverage leader with global footprint

CATEGORIES: Protect and grow Sparkling, while diversifying aggressively in Stills, Dairy and new categories

GEOGRAPHIES: Expand footprint in LatAm & Asia, monitoring other opportunities within TCCC System

Winning Portfolio
Buildup



Operating Model
Transformation



Cultural
Evolution



Disciplined Capital Allocation

Business Sustainability

Strategic M&A

Accretive relationship with KO

Strategic Imperatives

Accelerate performance with distinctive capabilities

- Focus on **Analytics** and a **streamlined RTM**.
- **Compensate incidence** increase through pricing and CoE initiatives



Ensure operational stability to exploit market leadership

- Tackle current **labor challenges**
- **Sustain margins** despite the economic environment

Turnaround focus

- **Improve POS execution** and exploit **Coolers** as a driver for growth
- **Vonpar** Integration & **Leao** Transformation



Capture transformational opportunities

- **Turnaround** in **Panama**
- **Structural changes** in **Guatemala**
- **Costa Rica's** volume growth into **profit growth**
- **Improve capacity** in **Nicaragua** to maintain growth

Create basis for sustainable and profitable growth

- **Adjust cost structure & recover margins**
- Continue developing **affordable CSD's** portfolio
- Keep **improving our RTM** capabilities



Ensure business continuity

- **Rescale business** to continue operating
- Maintain **labor stability**



Accelerate turnaround

- **Leverage volume growth** to offset cost

Portfolio initiatives - Maximizing value in each segment through innovation and affordability

CSD's

✓ Innovation



✓ Low-calorie



✓ Affordability



NCB's

✓ Juices

- A portfolio for each segment



✓ Sport Drinks

- Market leadership in Mexico



✓ Energy Drinks



Dairy

✓ Innovation



✓ Neo natural



Water

✓ Innovation



Continued focus on improving execution across our territories



In Brazil KOF is the bottler with **the largest growth in the national execution index**

+20pp



Our **refrigeration platform** continues to be **a benchmark for the industry**

Number of new coolers installed across our territories

+150,000



2014

+160,000



2015

+165,000



2016

+200,000



2017

Transformation of our operating model...

Become a multi-category beverage leader with global footprint

CATEGORIES:

Pr

ty and new categories

GEOGRAPHIES:

Ex

TCCC System

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Business sustainability

Strategic M&A

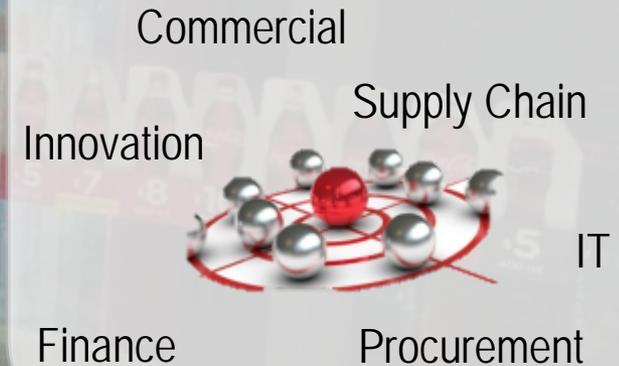
Accretive relationship with KO

... driven by our centers of excellence

Current transformational efforts:

- ✓ Kofmmercial Digital Platform
- ✓ Supply Chain Planning
- ✓ Digital Distribution
- ✓ Global Business Services

Through our centers of excellence to scale growth:



Facing a more complex management model

Commercial Center of Excellence transformational efforts



Advanced Analytics for Revenue Transformation

- ✓ Segmentation
- ✓ POS Benchmark
- ✓ Commercial Lever Optimization
- ✓ Portfolio & Pricing
- ✓ POS Potential
- ✓ Scenario Planning
- ✓ More than 7,000 KPIs analyzed by POS



Trade Marketing Next Generation

- ✓ Agile & user friendly tool
- ✓ Internal & External variables
- ✓ Granular segments creation
- ✓ Assign Targeted Initiatives by segment
- ✓ Complete Integration with back office
- ✓ End-to-End organization



SalesForce Automation



- ✓ Sales Quota Progress
- ✓ ICE Score
- ✓ Coverage (Priority Portfolio)
- ✓ Targeted Activities
- ✓ Faster Order Entry
- ✓ Promo-Push

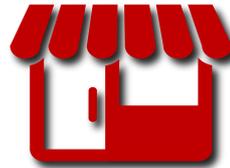
Feedback

Enablers

Transform Commercial & BackOffice Processes

Driving results through an aggressive deployment

Implementation progress over 5 month period



5 territories

2,607 Routes

473 K Customers



Results after implementation in five territories



- Volume growth of **+4%**
- Value growth of **+5%**

KDP territories vs not implemented

Next steps:



- 81% of volume covered



- Rollout

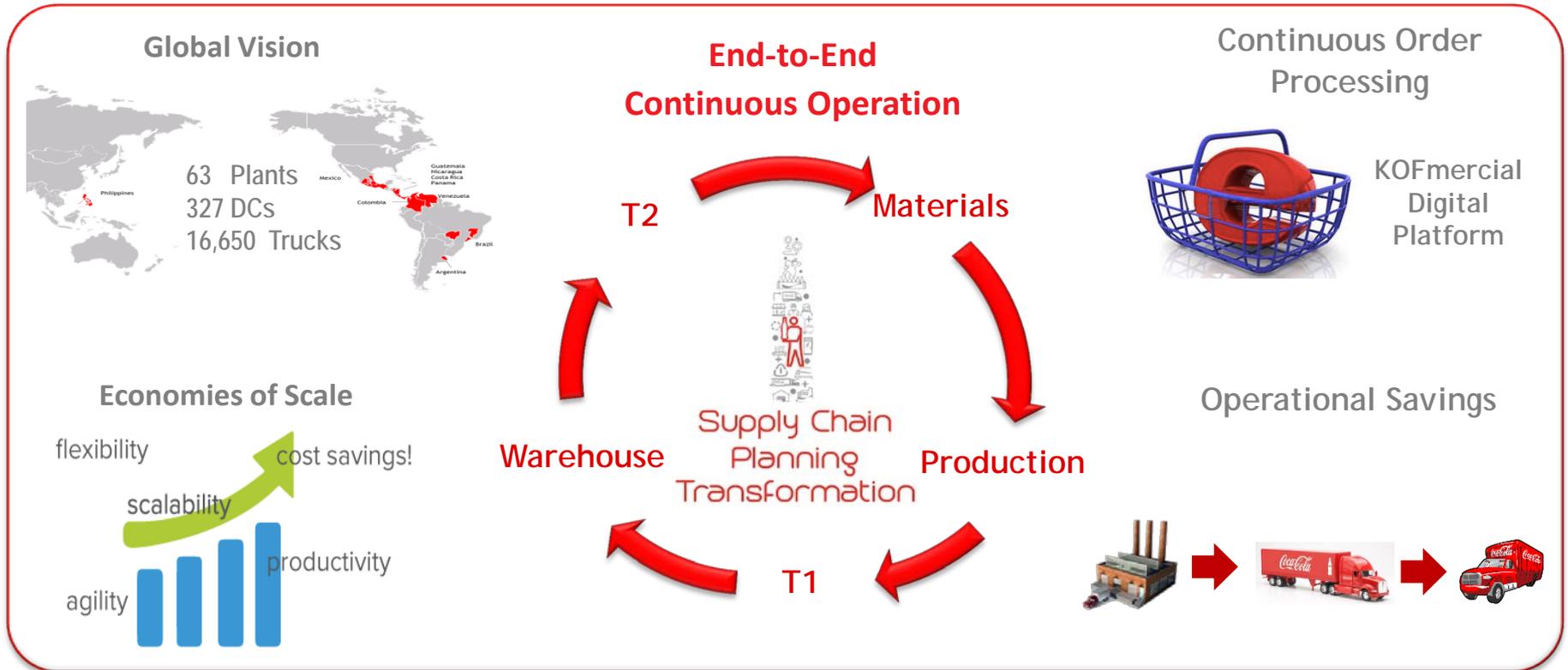


- Pilot and rollout



Integrated supply chain transformational efforts

Centralize the **Supply Chain Planning Organization** to increase customer service and optimize costs and capital by leveraging KOF's scale and expertise...



- Process simplification and standardization.
- Optimal technological tools to support our processes on Cloud.
- Organizational design with new capabilities and competencies.



Mobile App



Telematics



Live WEB
Platform



Systemic Management Distribution Model

- **Service level** improvement
- Increased **client & KOF connectivity**
- **Time optimization** due to remote settlement
- **Resource optimization**: routes, maintenance, fuel consumption
- New **operational management culture**
- **Quality of life** improvement: 1 hour per day reduction of working time

Capturing a new wave of growth...

Become a multi-category beverage leader with global footprint

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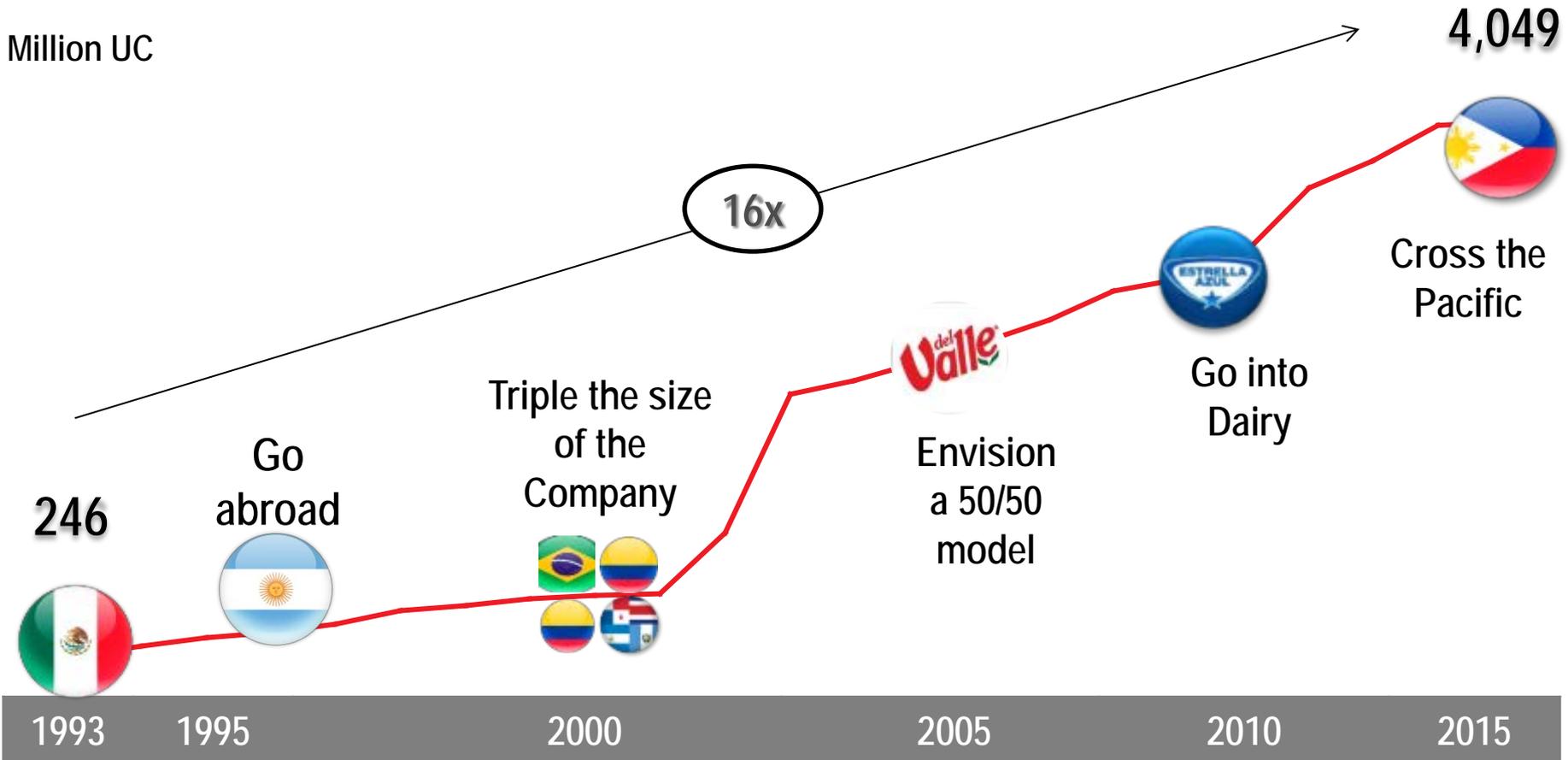
Business Sustainability

Strategic M&A

Accretive relationship with KO

... after 30+ years as a Coke bottler through steady & bold investments

Million UC



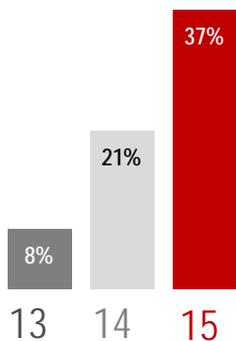
After 4 years, the Philippines is better positioned to continue its profitable transformation ahead of being consolidated in 2017...



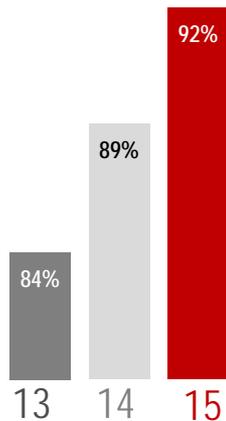
- ✓ A profound **RTM transformation**
- ✓ **Improving the mix** of one-way PET packaging and the core sparkling beverage portfolio
- ✓ Strengthened our **supply chain**, gained control of **distribution** and **logistics** and **modernized** our production capacity
- ✓ Installing **the fastest bottling lines in the world**



one-way presentation mix
% of single-serve volume
in the traditional trade



core brand mix
% of CSD's volume

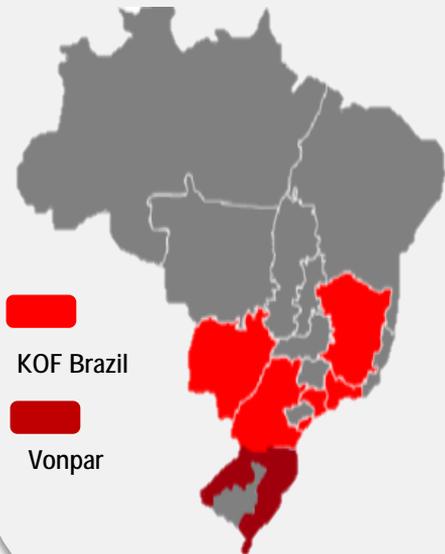


Consumers (Million)	100
Volume (Million UC)	556
Transactions (Million)	5,892
Revenues (USD Million)	~1,100
EBITDA Margin	~11%

... while our company consolidates its geographic footprint and evolves to meet our consumer's ever-changing needs...

Expanding our footprint in Brazil to serve 88 million consumers and ~50% of the Coca-Cola system's volume

- ✓ Through our Brazilian subsidiary, KOF reached an agreement to acquire Vonpar for an EV of R\$3,578 million



Vonpar

Volume: 190 MM UC
Sales: R\$ 2,026 m
EBITDA: R\$335 m

Diversifying our portfolio, providing our consumers with a wider range of choices

- ✓ AdeS works as a platform to enter the Neo Natural Nutrition category
- ✓ Latam's leading soy-based beverage





...as we strengthen our relationship with our partner,
The Coca-Cola Company...

“Our new, broad cooperation framework seeks to maintain a **mutually beneficial business relationship** over the long-term, allowing both companies to focus on continuing to **drive the business forward** and generating **profitable growth**; including a 3-year concentrate adjustment in Mexico”

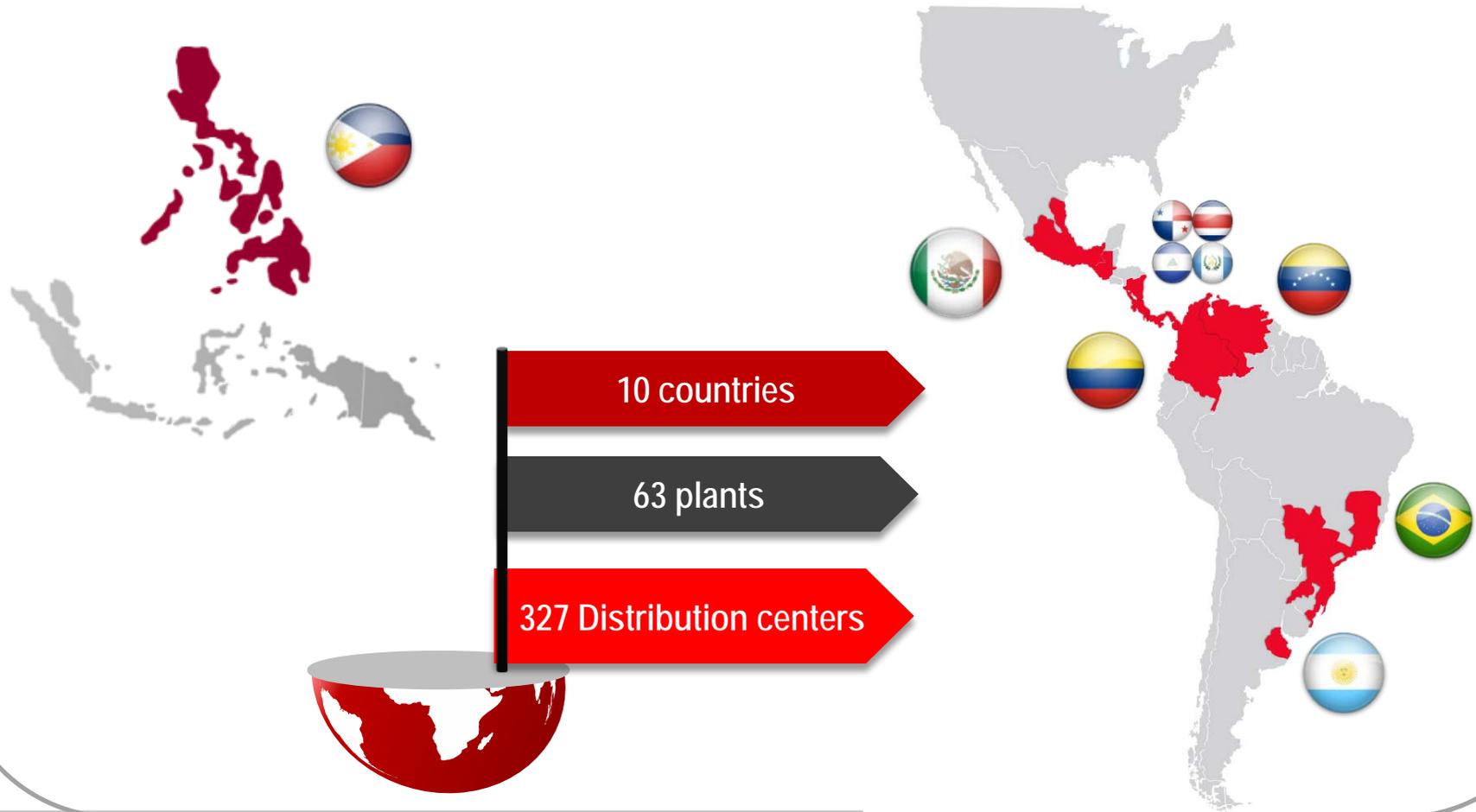
The Coca-Cola Company



“We have reached **an understanding** to assess, on a preferred basis, **the acquisition of specific territories within KO’s BIG** in **Latin America**, the **United States** and other regions”

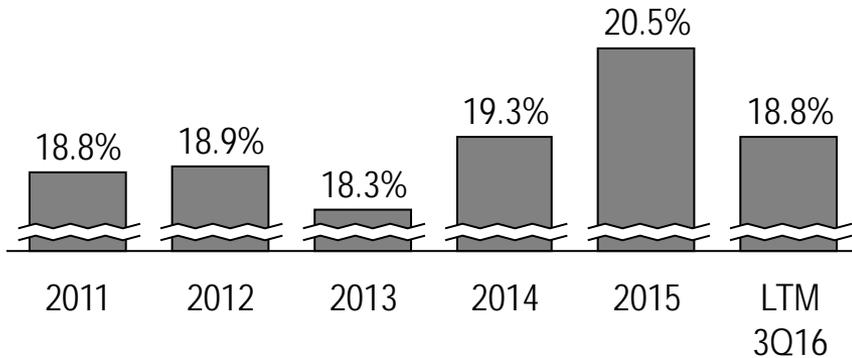
...to maintain our leading position...

Becoming a beverage leader with global footprint



...and continue generating shareholder value through our operating and financial discipline

KOF EBITDA margins

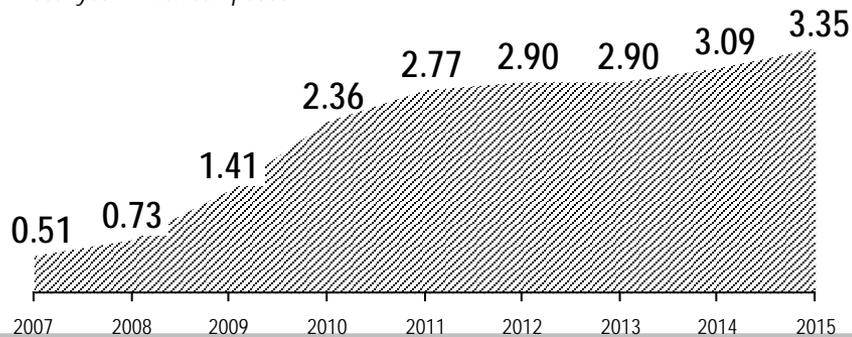


Free Cash Flow generation LTM 3Q16

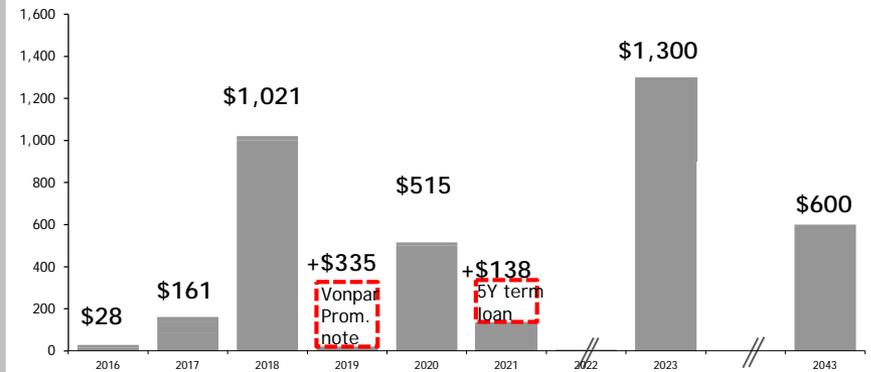
~US\$620 MM
before dividend payments

Dividends per share

Fiscal year – Mexican pesos



Debt Maturity Profile



Promoting the simultaneous generation of social, economic and environmental value in all of our actions

More than 145 thousand volunteer hours since 2015



OUR PEOPLE



More than 798 thousand people benefited with our healthy lifestyle programs since 2015



OUR COMMUNITY



We return more than 100% of the water used in our production processes in Mexico & Brazil



OUR PLANET



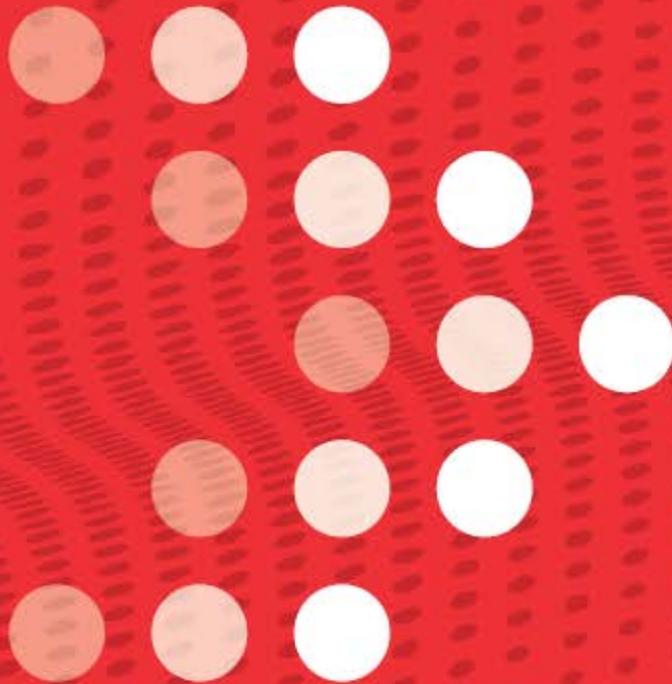
MEMBER OF

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM



ROBECOSAM
Sustainability Award
Industry Mover 2015



Q&A