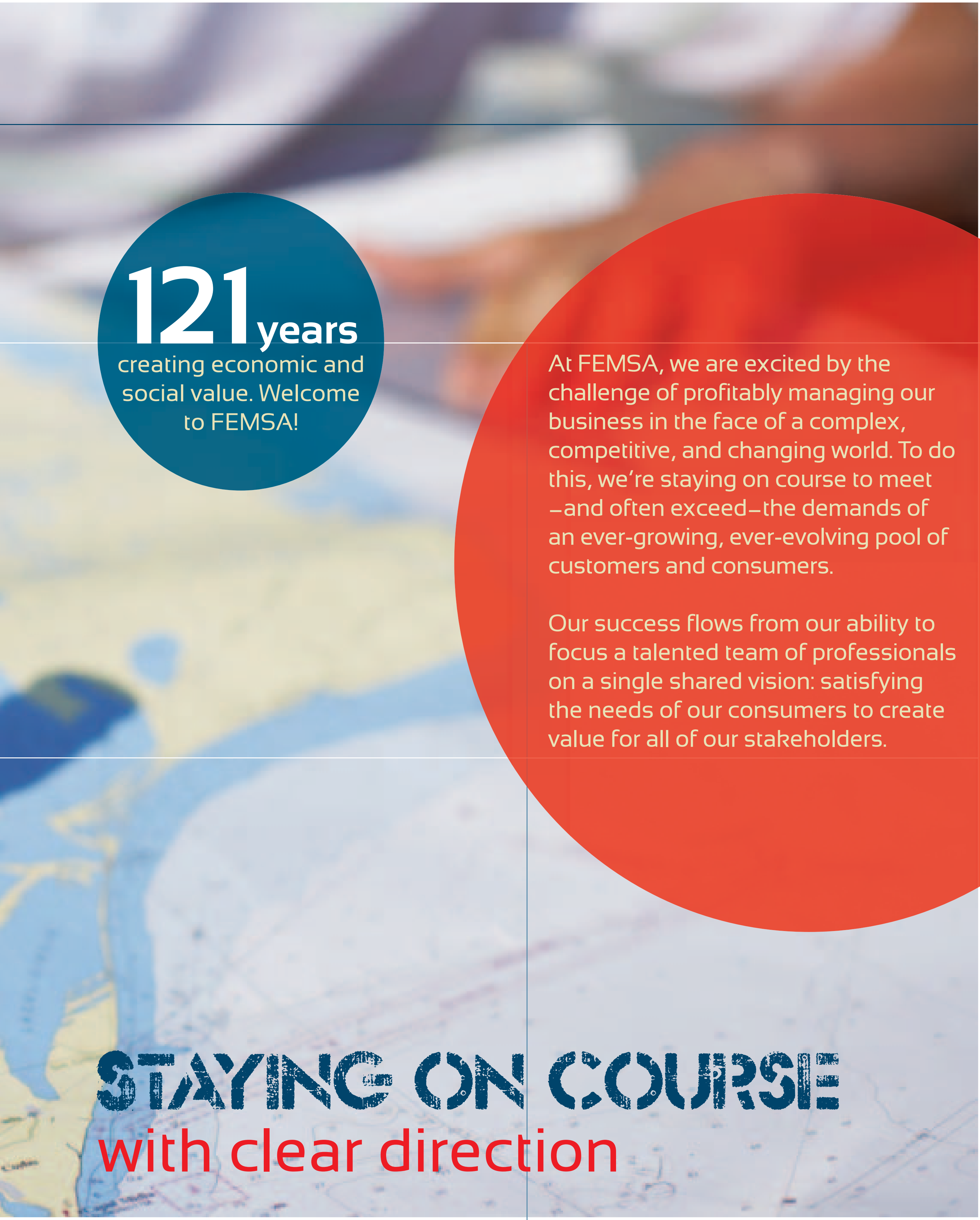
FEMSA

ANNUAL REPORT 2011

STAYING ON COURSE

FEMSA
is a leading company that participates in the non-alcoholic beverage industry through Coca-Cola FEMSA, the largest independent bottler of **Coca-Cola** products in the world in terms of sales volume; in the retail industry through FEMSA Comercio, operating **OXXO**, the largest and fastest-growing chain of convenience stores in Latin America, and in the beer industry, through its ownership of the second largest equity stake in Heineken, one of the world's leading brewers with operations in over 70 countries.

Contents



121 years creating economic and social value. Welcome to FEMSA!

At FEMSA, we are excited by the challenge of profitably managing our business in the face of a complex, competitive, and changing world. To do this, we're staying on course to meet —and often exceed—the demands of an ever-growing, ever-evolving pool of customers and consumers.

Our success flows from our ability to focus a talented team of professionals on a single shared vision: satisfying the needs of our consumers to create value for all of our stakeholders.

STAYING ON COURSE
with clear direction

1.75
million points of sale to satisfy our thirsty consumers! How can we serve you?

CONSUMER Focus

Everybody talks about how focused they are on their consumers. But, at FEMSA, we deliberately design and develop our management processes to fulfill our consumers' evolving needs. We study our consumers and tailor our offerings according to a commercial strategy that caters to their tastes–delivered by a dedicated team committed to their satisfaction.

8 million

shoppers' daily needs were fulfilled at OXXO! What do you need today?

Constant GROWTH

When you wake up, there are three brand new **OXXO** stores waiting for you. Come in and taste the coffee!

425

million unit cases of beverages will be added with our three 2011 mergers. That's close to the sales volume of our territories in Brazil.

Growth is at the core of our value creation. While we aren't alone in pursuing this, we have made the concept a central driver of what we do every day of the year. Whether growth in current operations by increasing sales or by merging with enterprises that share our vision–growth is what we do.

3

billion shoppers served just last year, and we created value doing it. It's a complicated job, but we love it!

Profitable COMPLEXITY

+1,000 products;

more than 79 thousand employees; +1.7 million customers; and over 215.6 million consumers. Complicated? You bet. We did it happily and profitably.

If you grow at a rapid pace for a sustained period, and you build your business around your ability to accommodate changing consumer needs, things get pretty complicated, fast. Fortunately, our passionate team of professionals, utilizing leading-edge technology and management processes, sustains, and often expands, our profitability—even in the face of this ever-growing complexity.

DEAR shareholders

Staying on Course

2011 was a strong year for our company. Despite a volatile economic environment, demand for our products remained healthy. We stayed on course and managed to convert that demand into robust financial results by focusing our time, efforts, and resources on the extraordinary opportunities for Coca-Cola FEMSA and FEMSA Comercio. Moreover, following last year's smooth exchange of our beer business for a 20% economic interest in Heineken, we continue to benefit from the promising long-term growth prospects of the global brewing space.

Business Highlights, Results

Let me now briefly review some of the year's highlights for our non-alcoholic beverage and retail businesses.

Coca-Cola FEMSA

In the face of a challenging commodity cost environment and global market volatility, Coca-Cola FEMSA's balanced portfolio of franchise territories across Latin America delivered double-digit top- and bottom-line growth. During the year, we increased our market share throughout almost every franchise territory and generated growth across our sparkling and still beverage categories.

We leveraged our financial and operating flexibility to firmly advance on our strategy to grow through accretive mergers and acquisitions—from our incursion into the dairy category through our joint acquisition of Grupo Industrias Lácteas in Panama, together with our partner, The Coca-Cola Company, to our mergers with the beverage divisions of Grupo Tampico, Grupo CIMSA, and Grupo Fomento Queretano in Mexico. The aggregate value of these transactions is more than Ps. 28 billion, which represents the most significant investment for our company since our acquisition of Panamerican Beverages Inc. (Panamco) in 2003.

In March 2011, together with our partner, The Coca-Cola Company, we successfully closed the acquisition of Grupo Industrias Lácteas, a leading company with a more than 50-year tradition in the Panamanian dairy and juice-based beverage categories. This transaction, which marked our first foray into dairy products, began an exciting learning experience into marketing, selling, and distributing dairy and value-added dairy products—one of the most dynamic segments in terms of both volume and value in the global non-alcoholic beverage industry. Moreover, this transaction presented us with the opportunity to develop the capabilities to manage a cold distribution system and expand our horizons to other high-value-added segments.

19.4% growth in income from operations for the year

" We leveraged our financial and operating flexibility to firmly advance on our strategy to grow through accretive mergers and acquisitions—from our incursion into the dairy category through our joint acquisition of Grupo Industrias Lácteas in Panama, together with our partner, The Coca-Cola Company, to our mergers with three beverage divisions in Mexico. "

In Mexico, we moved more rapidly than ever to reach—in less than six months—merger agreements with three of the most prominent and respected, family-owned **Coca-Cola** bottling operations, creating an even larger and stronger beverage company. In October 2011, we successfully completed our merger with Grupo Tampico's beverage division, one of the oldest private bottlers in Mexico. In December 2011, we successfully closed our merger with the strategically contiguous Grupo CIMSA, one of Mexico's largest private **Coca-Cola** bottlers. Furthermore, in December 2011, we reached an agreement to integrate Grupo Fomento Queretano's beverage division, another important family-owned beverage player in Mexico, which represents another key geographic link for our organization. As a result of these mergers, we will increase our Mexican operations' volume, revenue, and EBITDA by approximately 30%. In the process, we will achieve an unmatched leadership position in the Mexican **Coca-Cola** bottling system—one of the largest sources of value in the global beverage industry.

Through these mergers, we are privileged to enrich our organization with the track record, talented team of professionals, and entrepreneurial legacy of three of Mexico's most esteemed family-owned **Coca-Cola** bottlers, with whom we share an aligned vision of economic and social value creation. We are now one stronger family that looks to the future with optimism. Together, we will capitalize on the important growth prospects that we envision for our industry, our franchise territories, and the ample opportunities to exchange best practices and market and commercial experience—generating greater value for our new combined entity.

Beyond our considerable merger and acquisition activity, in 2011, we continued to evolve from a volume-driven to a value-driven commercial model to pursue the full potential of the non-alcoholic beverage industry. Indeed, since 2010, we have converted close to 90% of our volume to our new *Gestión de Valor del Cliente* (**GVC or Client Value Management**) commercial model. This model segments our customers in the traditional sales channel into three distinct clusters—gold, silver, and bronze—based on their potential to generate value for themselves, our company, and the industry as a whole. Through this tool, we gain the flexibility to allocate our marketing resources more efficiently and effectively, capture additional industry revenues, improve the performance of our customers in the traditional sales channel, and lay the cornerstone for our business' future organic growth.

2011 marked a historic year for Coca-Cola FEMSA. For the year, our total revenues rose 20.5% to Ps. 124.715 billion. Our gross profit grew 19.4% to Ps. 57.227 billion, resulting in a gross margin of 45.9% of total revenues. Additionally, our income from operations increased 18.0%, while our operating margin remained stable at 16.2% of total revenues.

FEMSA Comercio

In 2011, FEMSA Comercio's top-line growth resulted from our continuing store expansion and our comparable same-store sales growth. For the year, our same-store sales grew 9.2%, which was ahead of the trend, reinforcing our position as an industry benchmark. Our progress in mapping and understanding consumers' needs and adjusting our value proposition to better fulfill those needs significantly contributed to our same-store sales. Moreover, we achieved a healthy balance between store traffic and average customer ticket, which improved 4.6% and 4.3% for the year.

Our stores' performance also benefited from the closer logistics support offered by our addition of one new distribution center in the Valley of Mexico, and the expansion of the one in Monterrey. The growth in our distribution centers brings them nearer to our stores, enabling us to increase the frequency of our centers' store visits and the quantity and variety of SKUs available. This, in turn, drives greater sales growth by allowing

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us to enhance our product offerings to stimulate and satisfy our consumers' needs, without expanding the size of the store.

In addition to our expanded distribution network, we invested in extensive information management systems to optimize our supply chain management. Through our robust information technology platform, detailed processes, and logistics expertise, we manage the complex variables required to run an efficient supply chain profitably. As a result, we are increasingly able to forecast demand patterns for our product categories, significantly improve product availability, minimize stock-outs, increase inventory turnover, achieve high levels of service, and, ultimately, meet the needs of more than 8 million consumers daily.

Building on **OXXO's** leadership position as Mexico's unique national modern convenience store chain, we opened a record 1,135 new stores for a total of 9,561 stores nationwide. We also expanded our store openings to new non-traditional locations, including shopping malls and airports, where we now operate small, high-traffic stores. Given the relatively low penetration of the **OXXO** format across the vast majority of Mexico, we will continue our aggressive domestic store expansion, while we test the **OXXO** platform outside of the country. To this end, we are not only incrementally expanding our network of stores in Bogota, Colombia, but also in the final stages of fine-tuning our value proposition to satisfy local market needs.

In Mexico, a key to our success is our capability to identify sites and launch new **OXXO** stores quickly, successfully, and profitably. We utilize proprietary models that enable us to pinpoint proper store locations, formats, and product categories. Using location-specific demographic data and our extensive knowledge of similar locations, these models allow us to tailor the store's layout, along with its product and service offerings, to suit the target market. Even as the number of our convenience stores climbs, we continue to hone our processes. Consequently, the success rate of our new **OXXO** store openings remains at an all-time high. Additionally, we expect to continue experimenting and testing other small-box store formats under the FEMSA Comercio umbrella.

FEMSA Comercio generated excellent results again this year. In 2011, our total revenues rose 19.0% to Ps. 74.112 billion. Our gross profit grew 21.1% to Ps. 25.476 billion, resulting in a 60 basis point gross margin expansion to 34.4% of total revenues. Additionally, our income from operations increased 20.7%, while our operating margin remained stable at 8.5% of total revenues.

FEMSA

Overall, FEMSA delivered compelling results for our shareholders in 2011. For the full year, our comparable total revenues rose 19.6% to Ps. 203.044 billion (US$ 14.554 billion), and our comparable income from operations grew 19.4% to Ps. 26.904 billion (US$ 1.928 billion). Our net income from continuing operations increased 15.2% to Ps. 20.684 billion (US$ 1.483 billion), while our earnings per unit were Ps. 4.23 (US$ 3.03 per ADR).

With the creation of shareholder value as a key long-term objective, we are encouraged to see that—as the execution of our strategy has generated strong operational and financial results—our performance is being recognized over time and this has been reflected accordingly in the ultimate measure of economic value creation for a corporation: the performance of our shares. Today, FEMSA's market capitalization is commensurate with its role as a leading enterprise not just in Mexico but across Latin America. Moreover, consistent with our

With the completion of our three mergers, we will attain an unparalleled leadership in Mexico's **Coca-Cola** bottling system—one of the largest sources of value in the worldwide beverage industry.

growing financial flexibility, so too has grown our ability to return cash to our shareholders in the form of incremental dividends. During 2012, we intend to pay in ordinary dividends an amount representing almost four times the amount we paid in 2009.

Corporate Citizenship

At FEMSA, we are dedicated to our talented team of employees, who are the foundation for our past, present, and future success. We are committed to the personal and professional development of quality people at all levels of our organization. We offer proprietary training programs and tools to advance the capabilities of all of our people. For example, in 2011, approximately 78,854 employees took a course through **FEMSA University**, our integrated professional development and personalized training platform. We also foster the cross-fertilization and growth of our company's shared pool of knowledge and skills through the exchange of our executives among our international operations network.

Recognizing that people are at the heart of successful companies, I want to take a moment to mourn the passing of a great friend, colleague, and excellent human being, Alexis Rovzar de la Torre, who served as a member of the Boards of Directors of FEMSA and Coca-Cola FEMSA. For more than 30 years, Alexis contributed his talent, leadership, and counsel to help build the company that we are today. Beyond his many professional accomplishments, he was always dedicated and committed to many worthy charitable and non-profit causes. Indeed, he was a benchmark for many on how to nurture a family based on love and devotion. The exemplary way he lived his life will long endure among us.

As we continue with the development of our core businesses, we remain committed to sound corporate governance practices. We comply with all applicable legal standards—including those set forth in the Mexican Securities Market Law and the relevant provisions for foreign issuers in the U.S. Sarbanes-Oxley Act—and pursue a culture of transparency, accountability, and integrity.

Looking Forward

Staying on Course, we are extremely well positioned to keep concentrating our efforts on Coca-Cola FEMSA and FEMSA Comercio. We will continue to work closely with The Coca-Cola Company to pursue further consolidation opportunities for Coca-Cola FEMSA, building on our capability set and taking advantage of the business' proven track record of growth. As a leading bottler in the global **Coca-Cola** bottling system, we also look to continue to expand our non-alcoholic beverage business, maintaining our disciplined, efficient efforts to grow both organically and through targeted transactions that generate value for our stakeholders. We will further continue to emphasize and focus on the extraordinary growth potential of our **OXXO** convenience store chain, strengthening our business platform and further developing the capabilities that we need to operate at the forefront of the industry.

We envision an immensely rewarding future for our company, driven by our passionate team of managers and employees. On behalf of these more than 177,470 dedicated men and women across FEMSA, we thank you for your continued support. The very reason for our existence is to create economic and social value for our stakeholders—including our employees, our consumers, our shareholders, and the enterprises and institutions within our society—now and into the future. «

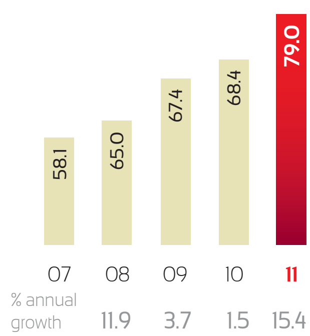
José Antonio Fernández Carbajal
CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Millions of 2011 pesos	2011[1]	2011	2010	Change	2009[2]	Change
Total revenues	14,554	203,044	169,702	19.6%	160,251	5.9%
Income from operations	1,928	26,904	22,529	19.4%	21,130	6.6%
Net income from continuing operations	1,483	20,684	17,961	15.2%	11,799	52.2%
Income from the exchange shares with HKN	0	0	26,623	N/A	0	100.0%
Net income from discontinuing operations	0	0	706	N/A	3,283	-78.5%
Net income	1,483	20,684	45,290	-54.3%	15,082	200.3%
Net majority income	1,085	15,133	40,251	-62.4%	9,908	306.2%
Net minority income	398	5,551	5,039	10.2%	5,174	-2.6%
Total assets	19,691	274,704	223,578	22.9%	225,906	-1.0%
Total liabilities	5,992	83,590	70,565	18.5%	110,077	-35.9%
Stockholders' equity	13,699	191,114	153,013	24.9%	115,829	32.1%
Capital expenditures	897	12,515	11,171	12.0%	9,103	22.7%
Book value per share[3]	0.54	7.47	6.56	13.8%	4.56	43.7%
Net income per share[3]	0	0.85	2.25	-62.4%	0.55	306.2%
Headcount[4]		177,470	153,809	15.4%	139,867	10.0%

1 U.S. dollar figures are converted from Mexican pesos using the noon-buying rate published by Federal Reserve Bank of New York, which was Ps. 13.9510 per US$1.00 as of December 30, 2011.
2 The figures for this year were restated for comparison with 2011 and 2010 as a result of exchange of 100% of FEMSA Cerveza for 20% economic interest in the Heineken Group.
3 Data based on outstanding shares of 17,891,131,350.
4 Includes headcount from Coca-Cola FEMSA, FEMSA Comercio and other FEMSA Businesses.

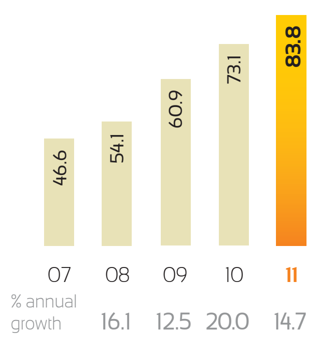
Financial HIGHLIGHTS

Headcount
thousands

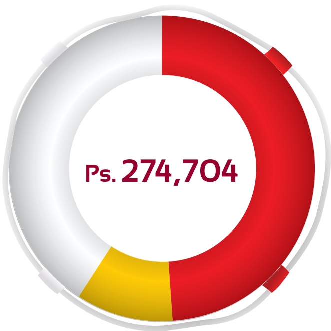


19.6%
total revenues growth during 2011

Headcount
thousands

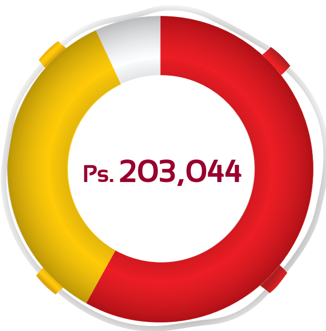


Total Assets
millions of Mexican pesos



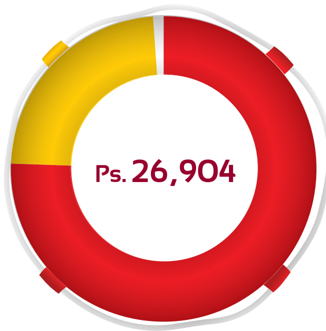
- Coca-Cola FEMSA 53.5%
- FEMSA Comercio 9.5%
- Others* 37.0%

Total Revenues
millions of Mexican pesos



- Coca-Cola FEMSA 58.8%
- FEMSA Comercio 34.9%
- Others* 6.3%

Income from Operations
millions of Mexican pesos

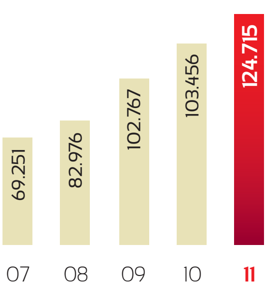


- Coca-Cola FEMSA 74.9%
- FEMSA Comercio 23.3%
- Others* 1.8%

* Includes other companies and our 20% economic interest in Heineken

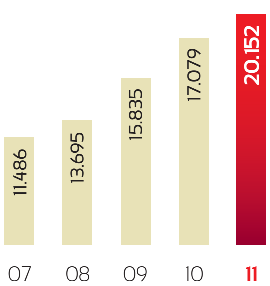
Coca-Cola FEMSA

Total Revenues
billions of Mexican pesos



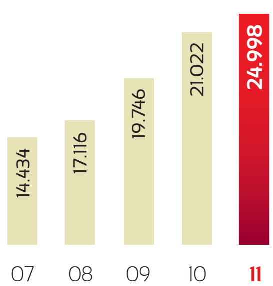
	08	09	10	11
% annual growth	19.8	23.9	0.7	20.5

Income from Operations
billions of Mexican pesos



	08	09	10	11
% annual growth	19.2	15.6	7.9	18.0
% operating margin	16.5	15.4	16.5	16.2

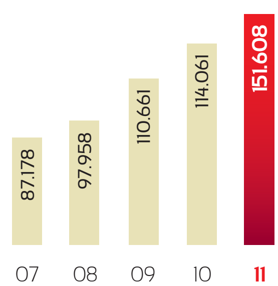
EBITDA*
billions of Mexican pesos



	08	09	10	11
% annual growth	18.6	15.4	6.5	18.9

* EBITDA equals Operating Income plus Depreciation, Amortization and other non-cash items.

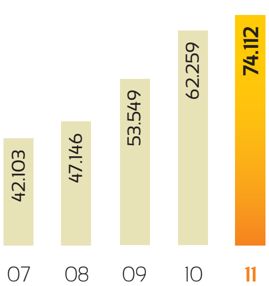
Total Assets
billions of Mexican pesos



	08	09	10	11
% annual growth	12.4	13.0	3.1	32.9

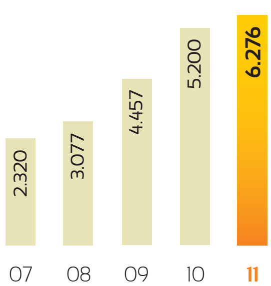
FEMSA Comercio

Total Revenues
billions of Mexican pesos



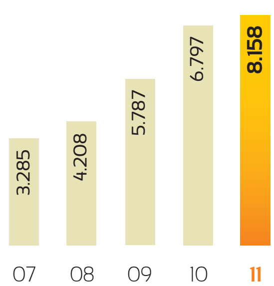
	08	09	10	11
% annual growth	12.0	13.6	16.3	19.0

Income from Operations
billions of Mexican pesos



	08	09	10	11
% annual growth	32.6	44.8	16.7	20.7
% operating margin	6.5	8.3	8.4	8.5

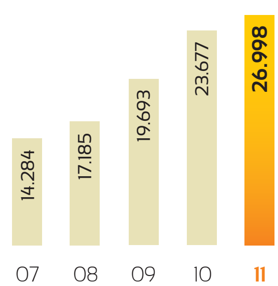
EBITDA*
billions of Mexican pesos



	08	09	10	11
% annual growth	28.1	37.5	17.5	20.0

* EBITDA equals Operating Income plus Depreciation, Amortization and other non-cash items.

Total Assets
billions of Mexican pesos



	08	09	10	11
% annual growth	20.3	14.6	20.2	14.0

4

great companies welcomed into our family just this year.

[redacted] [1]

Plants	14
Distribution Facilities	126
Distribution Routes [2]	4,543
Brands [3]	46
Clients	767,836

Central America [1,5]

Plants	5
Distribution Facilities	26
Distribution Routes [2]	622
Brands [3]	38
Clients	95,573

Colombia [1]

Plants	6
Distribution Facilities	32
Distribution Routes [2]	1,099
Brands [3]	23
Clients	395,331

Argentina [1]

Plants	2
Distribution Facilities	5
Distribution Routes [2]	303
Brands [3]	30
Clients	77,350

Note: Only includes core business information.

1. FEMSA owns 48.9%, the remaining 28.7% and 22.4%, are owned by The Coca-Cola Company and the investing public, respectively*.
2. Includes third-party distributors.
3. Includes brand extensions.
4. Millions of clients per day based on the number of daily transactions.
5. Includes Guatemala, Nicaragua, Costa Rica and Panama.

* Includes Grupo Tampico, Grupo CIMSA and Grupo Fomento Queretano.

Operating OVERVIEW

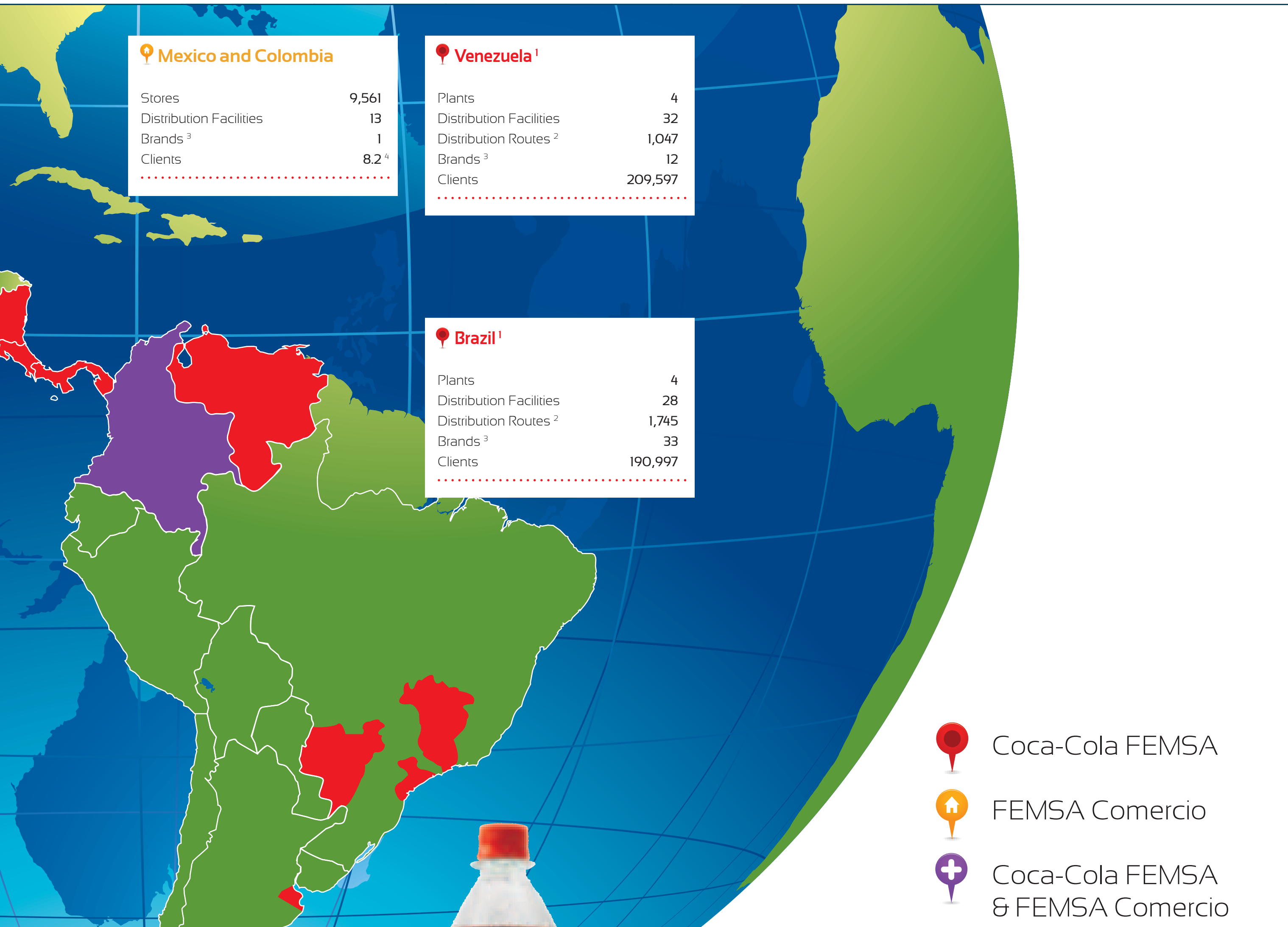
Acquisition of Grupo Industrias Lácteas in Panama This transaction, which marked our first foray into dairy products, began a beneficial learning journey into marketing, selling, and distributing dairy and value-added dairy products,—one of the most dynamic segments in terms of growth, scale, and value in the worldwide non-alcoholic beverage industry.

OXXO strategic growth We opened a record 1,135 new stores to reach a total of 9,561 stores in 2011. We are also growing our network of stores in Bogota, to 23 for the year.

Geographical Presence

15.2%

net income growth from continuing operations



Mexico and Colombia

Stores	9,561
Distribution Facilities	13
Brands [3]	1
Clients	8.2 [4]

Venezuela [1]

Plants	4
Distribution Facilities	32
Distribution Routes [2]	1,047
Brands [3]	12
Clients	209,597

Brazil [1]

Plants	4
Distribution Facilities	28
Distribution Routes [2]	1,745
Brands [3]	33
Clients	190,997

New bottling plant

In 2011 Coca-Cola FEMSA announced the construction of a new bottling facility in Brazil with an annual installed capacity of 2.1 billion liters for 2015.

Robust logistics

13 distribution centers across Mexico including the opening of and additional one in the Valley of Mexico and the recent expansion of the one in Monterrey.

COCA-COLA FEMSA

Embracing industry opportunities

19.4%
gross profit growth to Ps. 57.227 billion

In 2011, our portfolio of franchise territories across Latin America delivered double-digit top- and bottom-line growth in the face of a challenging commodity cost environment and global market volatility. For the year, our total revenues rose 20.5% to Ps. 124.715 billion. Our gross profit increased 19.4% to Ps. 57.227 billion, and our income from operations increased 18.0% to Ps. 20.152 billion.

Consumer Focus

Consumer-driven innovation is a key element of our company's DNA. Through our devotion to innovation, we capitalize on our flexibility to serve the diverse, constantly evolving preferences and practices of our more than 210 million consumers across Latin America each and every day.

215.6
million consumers enjoy our innovative beverages every-day

Reinforcing our position in Costa Rica's sparkling beverage category, we introduced a compelling new 350-milliliter PET bottle for brand **Coca-Cola** with a different shape than our traditional bottles. This new presentation is a substantial success among our consumers.

Together with our partner, The Coca-Cola Company, in 2011 we introduced a number of new products and presentations to stimulate and satisfy consumer demand in multiple beverage categories. Among our portfolio of innovative new products, we launched **Reserva del Valle**, a premium line of cranberry fruit juices that responds to consumers' growing desire for anti-oxidant beverages. This "super fruit" drink is currently marketed in all of our Mexican franchise territories, and we expect to take advantage of opportunities to offer this product in other countries, especially Brazil, where consumer demand for such functional beverages is significant.

In the non-carbonated flavor category, we worked with The Coca-Cola Company to leverage the remarkable success of our **Valle Frut** orangeade, which is now the fourth largest brand in Mexico—with sales of close to 40 million unit cases in 2011. Given this category's ample potential, as well as consumers' demonstrated demand for natural alternatives to flavored beverages, we extended this brand by adding two new flavors, grape and apple. Altogether, **Valle Frut** grape, apple, and orangeade accounted for the majority of our non-carbonated beverage volumes in Mexico for 2011.

On the packaging front, we continued to provide our consumers with a growing array of imaginative alternatives. For **Frutsi**, a "fantasy" fruit drink for children, we introduced a

In the non-carbonated flavor category, we worked with The Coca-Cola Company to leverage the remarkable success of our **Valle Frut** orangeade, which is now the fourth largest brand in Mexico with sales of close to 40 million unit cases in 2011.

Responding to our consumers' growing desire for anti-oxidant beverages, we launched **Reserva del Valle**, a premium line of cranberry flavored "super fruit" juices.

novel 200-milliliter HDPF (High Density Polyurethane Foam) bottle in the shape of a Lego® block. This new presentation is designed to further enhance this product's appeal as the leader in Mexico's children's drink segment. Moreover, for our bottled water products, we recently began offering a new eco-friendly 20-ounce extra light PET container for our customers and consumers in Brazil and Mexico. This environmentally attractive presentation is 75% of the weight of a regular sparkling beverage PET bottle. Furthermore, to reinforce our presence in Costa Rica's sparkling beverage category, we rolled out a compelling new 350-milliliter PET bottle for brand **Coca-Cola** with a different shape than our traditional bottles; a considerable success among our consumers, this presentation alone is responsible for more than 25% of our sparkling beverages volume growth in the Central America region in 2011.

Looking forward, our flexibility to anticipate consumers' evolving needs, to adapt our portfolio to specific markets, and to successfully enter new categories and markets that capitalize on an ever increasing number of consumption occasions will continue to play an essential role in our ability to innovate, grow, and stay at the forefront of our industry.

Growth

In 2011, we generated solid organic growth. For the year, our organic sales volumes and revenues rose 4% and 19%, respectively. The main drivers of our positive performance

For **Frutsi** we introduced a novel bottle in the shape of a Lego® block.

Together with our partner, The Coca-Cola Company, we successfully closed the acquisition of Grupo Industrias Lácteas, a leading company with a more than 50-year tradition in the Panamanian dairy and juice-based beverage categories.

for the year were our revenue management initiatives—implemented over the past 12 months throughout our franchise territories and our volume growth, mainly in Mexico, Argentina, Brazil, and Colombia. The sparkling beverage category, led by the brand **Coca-Cola**, accounted for the majority of our incremental volumes during 2011.

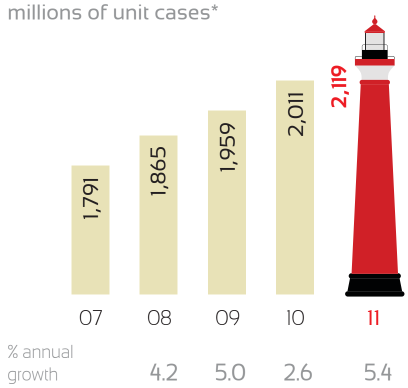
On top of our business' organic growth, 2011 marked a historic year in which we firmly advanced on our strategy to play an important role in the consolidation of the **Coca-Cola** system in our region through accretive mergers and acquisitions—from our incursion into the dairy category through our joint acquisition of Grupo Industrias Lácteas in Panama with our partner, The Coca-Cola Company, to our mergers with the beverage divisions of Grupo Tampico, Grupo CIMSA, and Grupo Fomento Queretano in Mexico. The aggregate value of these transactions is more than Ps. 28 billion, which represents a record investment for our company since our acquisition of Panamco in 2003.

In March 2011, to further leverage our capability set and our beverage platform, together with our partner, The Coca-Cola Company, we successfully closed the acquisition of Grupo Industrias Lácteas, a leading company with a more than 50-year tradition in the Panamanian dairy and juice-based beverage categories. This transaction, which marked our first foray into dairy products, began a beneficial learning journey into marketing, selling, and distributing dairy and value-added dairy products—one of the most dynamic segments in terms of growth, scale, and value in the worldwide non-alcoholic beverage industry.

In Mexico, we moved faster than ever to reach three merger agreements with prominent and respected, family-owned **Coca-Cola** bottling operations—with whom we share an aligned entrepreneurial vision for economic and social value

Sparkling Beverage Volume

millions of unit cases*



*One unit case equals 24 8-ounce bottles.

The still beverage category, mainly driven by the **Jugos del Valle** line of business in Mexico, Brazil and Venezuela, and **Hi-C** orangeade and the **Cepita** juice brand in Argentina contributed with approximately 15% of the incremental volumes and the bottled water category represented the balance.

creation—creating an even larger and stronger beverage company. In October 2011, we successfully completed our merger with Grupo Tampico's beverage division, one of the oldest private bottlers in Mexico. In December 2011, we successfully closed our merger with the strategically contiguous Grupo CIMSA, one of Mexico's largest private **Coca-Cola** bottlers. Furthermore, in December 2011, we reached an agreement to integrate Grupo Fomento Queretano's beverage division, an important family-owned beverage player in Mexico, which represents another key geographic link for our organization. As a result of these mergers, in addition to creating opportunities to capture significant synergies, we will increase our Mexican operations' volume by more than 425 million unit cases of beverages, revenue by more than Ps. 12 billion, and EBITDA by approximately Ps. 2.75 billion.

As we continue to expand our business organically, our strong cash position and high credit ratings provide us with the flexibility to pursue the global beverage industry's continued opportunities for growth through acquisitions, mergers, joint ventures, and other transaction structures that leverage our beverage platform even further.

Profitable Complexity

Over the past several years, the complexity of our business has increased dramatically. At year-end 2011, our more than 85 thousand employees sold more than 2.6 billion unit cases to more than 215.6 million consumers through a network of 1.75 million points of sale across nine countries in Latin America. In contrast, before our acquisition of Panamco in 2003, our approximately 14,500 employees sold 620 million unit cases through a network of approximately 360 thousand points of sale across only three franchise territories in Mexico and Argentina. In order to properly operate and maximize the profit potential of this strikingly more complicated organization, among our other initiatives, we have

For our bottled water products, we recently began offering a new eco-friendly 20-ounce extra light PET presentation for our consumers in Brazil and Mexico. This environmentally appealing container is 75% of the weight of a regular sparkling beverage PET bottle.

2.6

billion unit cases of beverages sold to quench our consumers' thrist!

Through our new value-driven *Gestión de Valor del Cliente* (**GVC or Client Value Management**) commercial model, we lay the cornerstone for our company's future organic growth.

developed a customer-centric commercial model, based on a multi-category beverage platform, supported by a customized, advanced information technology solution, which links our entire value chain—from production to distribution to the ultimate point of sale.

As part of our ongoing efforts to manage our large, growing, and increasingly complex enterprise with maximum operating efficiency and profitability, in 2011, we continued to evolve from a volume-driven to a value-driven commercial model to capture the full potential of the non-alcoholic beverage industry. Since 2010, we have converted close to 90% of our volume to our new *Gestión de Valor del Cliente* (**GVC or Client Value Management**) commercial model. This model segments our customers in the highly fragmented traditional sales channel into three distinct clusters—gold, silver, and bronze—based on their potential to generate value for themselves, our company, and the industry as a whole. Through this tool, we gain the flexibility to allocate our marketing resources more efficiently and effectively, capture additional industry revenues, improve the performance of our customers in the traditional sales channel, and lay the cornerstone for our company's future organic growth. «

Our more than 79 thousand employees produced, marketed, and distributed a multi-category beverage portfolio of more than one thousand products to over 215.6 million consumers throughout nine Latin American countries.

FEMSA COMERCIO

Delivering excellent results

60
basis points gross margin expansion

In the face of a volatile macroeconomic environment, FEMSA Comercio produced another set of excellent results.

Total revenues rose 19.0% to Ps. 74.112 billion. Our revenue growth came from our continued store expansion and our comparable same-store sales growth—driven by a balanced increase in store traffic and an improvement in average customer ticket. For the year, our same-store sales growth came in above the trend, reinforcing our position as an industry benchmark.

Gross profit grew 21.1% to Ps. 25.476 billion, resulting in a 60 basis point gross margin expansion to 34.4% of total revenues. Gain in gross margin largely resulted from our effective revenue management, our positive collaboration with our key supplier partners—combined with a more efficient use of promotion-related marketing resources—and our improved mix of higher margin products and services.

Income from operations increased 20.7% to Ps. 6.276 billion. Our higher operating expenses reflect our growing number of stores, as well as our strengthening of FEMSA Comercio's

1,135
new OXXO stores. Were you in one of them?

Think of it: 9,561 **OXXO** stores all waiting to serve you.

organizational structure—including management and information technology-related projects. For the year, our operating margin expanded 10 basis points to 8.5% of total revenues.

Consumer Focus

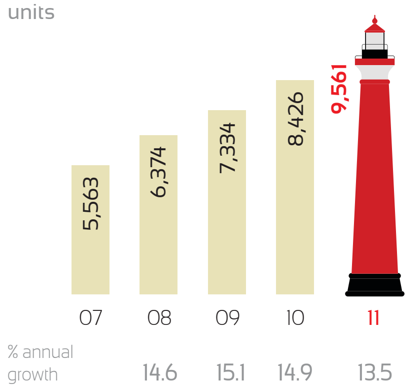
At **OXXO**, we recently re-designed our entire commercial strategy around distinct consumer needs that we seek to satisfy. As opposed to a purely supply-side driven category management model, this new matrix-like structure incorporates demand-side variables that enable us to more effectively operate our retail levers—assortment, price, and promotions—to drive incremental revenues at our stores. By increasingly targeting, understanding, and fulfilling the following eight primary reasons that consumers visit **OXXO**, we are continually improving our ability to use these retail levers to more effectively draw shoppers to our stores. We have identified our consumer needs as: Thirst, Craving, Time Optimization, Hunger, Gathering, Daily and Replenishment.

Through our ongoing analysis and satisfaction of these core consumption occasions, we continually expand and enhance our value proposition to enable our stores to provide consumers with an ever-increasing array of the quality products and services that they have come to expect from **OXXO**.

A key to our success is our capability to identify sites and launch new stores quickly, successfully, and profitably. As the number of our stores climbs, we continue to hone our proprietary models and processes. Consequently, the success rate of our new store openings remains at an all-time high.

OXXO Stores

units



Growth

2011 was a very strong year for our same-store sales growth, increasing an average of 9.2% compared with the prior year. Our progress in mapping and understanding consumers' needs and adjusting our value proposition to better fulfill those needs significantly contributed to our same store sales. Moreover, we achieved a healthy balance between store traffic and average customer ticket, which improved 4.6% and 4.3% for the year.

Our stores' performance—which exceeded the long-term trend—also benefited from the closer logistics support offered by our addition of one new distribution center in the Valley of Mexico and the expansion of the one in Monterrey for a total of 13 across Mexico. The growth in our distribution centers brings them nearer to our stores, enabling us to increase the frequency of our centers' store visits and the quantity and variety of SKUs available at our stores. This, in turn, drives greater sales growth by allowing us to enhance our product offering to stimulate and satisfy our consumers' needs.

In addition to our same-store sales growth, we continued to build on our leadership position as Mexico's largest and fastest growing modern convenience store chain. In 2011, we opened a record 1,135 new stores—an average of 3 per day—for a total of 9,561 stores nationwide. We also expanded our store openings to new non-traditional locations, including shopping malls and airports, where we now operate small, high-traffic stores.

Beyond Mexico, we continue to make progress in Colombia, where we are finding the right value proposition for the stores by experimenting with such variables as size, format, layout, location, and assortment. As we advance our understanding

3

billion transactions annually! How many did you make?

At OXXO, we offer our consumers an array of more than

2,000

products and services. What can we do for you?

In addition to our same-store sales growth, we continued to build on our leadership position as Mexico's largest and fastest growing modern convenience store chain.

of this promising new market, we are incrementally expanding our network of stores in the capital city of Bogota, from 17 at the end of 2010 to 23 at the end of 2011.

Profitable Complexity

We use our robust information technology platform, detailed processes, and logistics expertise to manage the complex variables required to run an efficient supply chain profitably. Today, through our demand planning system, we are able to accurately replenish our stores with the items they need to satisfy our consumers according to the movement of goods in different product categories. To do this, we use information extracted from our point-of-sale databases, as well as historical data, to predict the behavior patterns for our product categories in the different seasons and events of the year. Together, these systems and processes significantly improve product availability, reduce stock outs, increase inventory turnover, and achieve high levels of service.

Furthermore, our 13 distribution centers use the information generated by our demand planning system to design and execute the logistics required to pick, pack, and ship products on-time for sale at our stores. Our centers each serve an average of more than 700 stores, replenishing the inventory of over 1,000 products on average a week through a distribution network synchronized with our warehouse operations to ensure the proper transportation and care of the product. Our centers' operations are conducted through a warehouse management system, which has developed the functionality to manage each task and control every movement of an article from receiving to shipping. Because of the importance of inventory control, we use different devices such as Radio Frequency and Voice-guided Picking to register every transaction in real-time.

Moreover, the modern infrastructure of our new distribution centers enables optimal material handling and a high fill rate of orders, while minimizing the risk of any damage to our merchandise. Our centers are also capable of handling any kind of product—from dry to frozen and perishable foods. As **OXXO** grows, we will continually evolve our supply chain not only to efficiently manage the increasing size and complexity of our growing array of offerings, but also to maximize our profitability. Indeed, we recently enhanced our distribution network to reach our stores more frequently incorporating multi-temperature trucks and setting up dedicated routes for certain product categories.

At the end of the day, **OXXO's** sharpening consumer focus, growing ubiquity, and expanding array of products and services ensure that "we are always ready, and we are always there for you." «

SUSTAINABILITY

Fostering sustainable development

FEMSA is one of the 23 companies selected for the new IPC

In 2011, we grouped all of the actions and programs that we undertake to benefit our society at large under the concept of Sustainability. This concept not only integrates all of our operations' social, economic, and environmental aspects and actions, but also paves the way for our company's sustainable development now and far into the future.

Our firm commitment to sustainability was recognized by the Mexican Stock Exchange for its new Sustainable IPC—its first index of companies that met international standards for environmental and social responsibility and corporate governance. We were one of only 23 companies selected for this exclusive listing.

For the fourth consecutive year, we applied the Global Reporting Initiative (GRI) G3 Sustainable Reporting Guidelines, and, for the first time, when applicable, we used the Food Processing Sector Supplement to produce our 2011 Sustainability Report, achieving an application level of A, the highest level available.

level A

achieved by our 2011 Sustainability Report, according to the GRI

We invite you to read our full 2011 Sustainability Report on our website at www.sustainabilityreport.femsa.com

Together with Macquarie Capital Group Limited and Macquerie Mexico Infrastructure Fund, we are developing the Mareña Renovables Wind Farm Project. When completed in 2013, the project will be the biggest wind farm in Mexico and one of the largest in Latin America, with an installed capacity of 396 megawatts.

Exemplary Sustainability Initiatives

Coordinates for Life is our program developed to help young people, 10 to 18 years old, to make sound decisions in their lives. We also work with the adults who participate in their education including parents, teachers, grandparents, older siblings, and other responsible caregivers—to help them develop those skills. Launched in June 2011, the program currently works with 7,000 young people through schools and nongovernmental organizations (NGOs) in Nuevo León, Puebla, and Veracruz, Mexico, and in Buenos Aires, Argentina.

In 2011, we launched **Youth with Value**, a program that trains young people from 14 to 18 years of age to become social entrepreneurs through the design and implementation of development projects that can benefit their communities. Teams of three to five students develop ideas for actual social enterprises in their communities. Selected ventures receive a maximum of US$ 1,000 of seed capital to implement their project. Thus far, 362 students have participated in this program in the states of Nuevo León, Michoacán, and Veracruz, Mexico.

A third program, **Your Best Move**, works with physical education teachers to apply a methodology that is designed to develop the academic, physical, physiological, and social condition of students through sports and other physical activity. Working with the Center for Integral Development Through Sports and the Ministries of Education, we are training and equipping these teachers with a precise system and routines to instill a broadly applicable culture of sports among students from first through ninth grade at 100 schools in each of three cities, Monterrey, Puebla, and Mexico City, Mexico. We are currently reaching more than 105 thousand students through this program.

Our business strategies include actions focused on the use of renewable energy sources for our operations. In 2011, together with Macquarie Capital Group Limited and Macquarie Mexico Infrastructure Fund, we participated in the development phase of the Mareña Renovables Wind Farm Project. When completed in 2013, the project will be the largest wind farm in Mexico and one of the largest in Latin America, with an installed capacity of 396 megawatts. Located in the Isthmus of Tehuantepec region of the state of Oaxaca, Mexico, the project will include the installation of

132 wind turbines, as well as the construction of a 52-kilometer transmission line to interconnect the wind farm with the national power distribution grid. The wind farm will generate 1,632 gigawatt hours of electricity per year and contribute to the reduction of approximately 825,707 metric tons of carbon dioxide (CO_2) emissions per year, equal to the annual emissions of 161,903 passenger vehicles. All of the clean renewable energy produced by the wind farm will be supplied to FEMSA and Cuauhtemoc Moctezuma's operations in Mexico. «

FEMSA Foundation

Is an independent organization aligned with FEMSA's sustainability strategy. As the company's instrument for social investment, we are committed to the creation of long-term value for the communities where we operate. During the past three years, the key has been to multiply our impact through comprehensive projects where our partners complement our efforts.

In 2011, we supported five times the number of people we benefited in 2010, and quadrupled the number of communities we helped improve. We brought projects to more Latin American countries, while continuing to replicate our initiatives across the region.

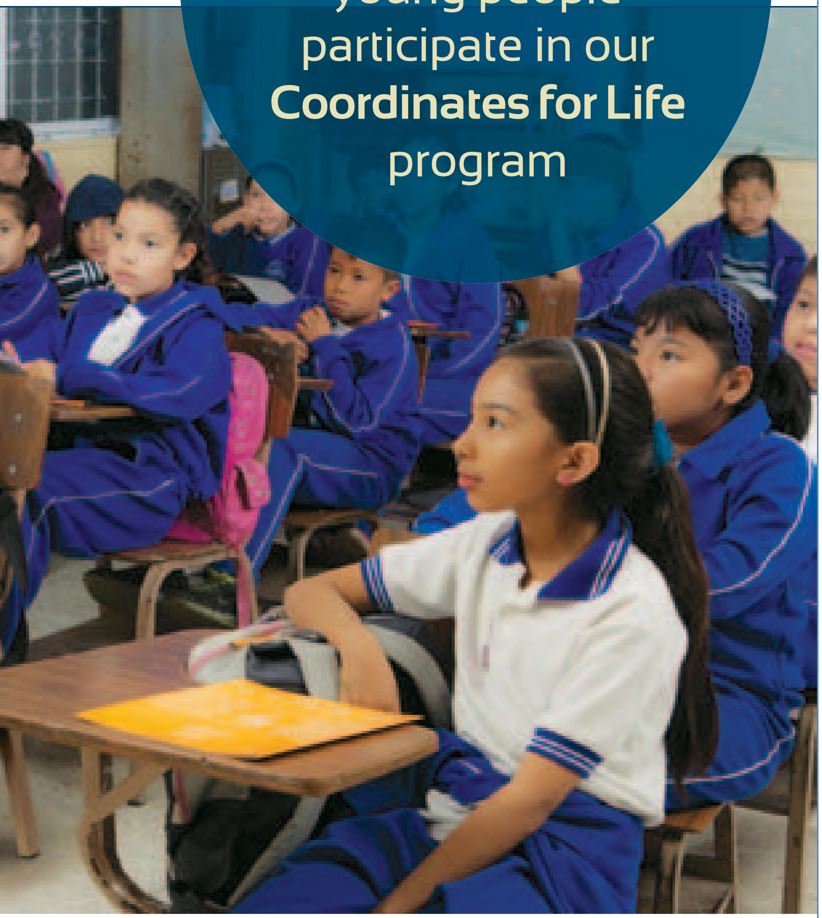
Sustainable Development of Water Resources

With the Colombian government and Coca-Cola FEMSA Colombia, and Coca-Cola Servicios de Colombia we donated 10 stationary water disinfection plants to local communities in 2011. Today, six plants are already installed and have benefited 40,000 people. We also funded the donation and operation of a mobile drinking water plant that generates one liter of clean water per second, helping more than 75,000 people throughout the country. In alliance with *Empresas Públicas de Medellín*, we are funding a two-year project to install 60 drinking water systems in rural schools of the department of Antioquia. To date, 32 plants are already in place, benefiting over 3,600 children, their families, and communities.

Working with the Colombian government and Coca-Cola FEMSA Colombia, we donated 10 stationary water disinfection plants to local communities. The six plants already installed have benefited 40,000 people. We also funded a mobile drinking water plant that generates one liter of clean water per second, providing help to more than 75,000 people during Colombia's worst winter in the past 30 years.

7,000

young people participate in our **Coordinates for Life** program



In 2011, we united with The Nature Conservancy, Inter-American Development Bank (IDB), and Global Environment Facility (GEF) to create the Latin American Water Funds Partnership. With investments of more than US$ 27 million, the Partnership plans to create, implement, and fund at least 32 Water Funds throughout Latin America over the next five years. Revenue from these investments preserve key lands upstream that filter and regulate the water supply.

The Water Center for Latin America and the Caribbean —created with the IDB and the Tecnológico de Monterrey—trained over 200 directors and technical personnel of the water community in 2011. Its research projects have received national and international recognition. One of its young students represented Mexico at the prestigious Stockholm Junior Water Prize, organized by the Stockholm International Water Institute.

Quality of Life

In the Quality of Life area, in October 2011, we partnered with the IDB, Chiapas State Health Institute, Sabin Institute, Global Network for Neglected Tropical Diseases, and Pan-American Health Organization to deploy a strategy aimed at the eradication of trachoma. Chiapas is the only state in Mexico afflicted with this disease, the first cause of infectious blindness in the world. Through an integration of safe water initiatives and health programs, we can eliminate the disease from the country.

We continued the study of the relationship between genes and nutrition through our Nutrigenomics Research Chair. In collaboration with the FEMSA Biotechnology Center and the Salvador Zubirán National Institute for Medical Sciences and Nutrition, the Chair finished a strong second year. Today, it conducts 17 research projects—from techniques to grow plants that are rich in anticancer molecules, to intelligent and biodegradable packaging. «

We partnered with the IDB, Chiapas State Health Institute, Sabin Institute, Global Network for Neglected Tropical Diseases, and Pan-American Health Organization to eradicate trachoma in Chiapas, the only state in Mexico afflicted with this disease that ultimately blinds people.

For more information about FEMSA Foundation, please visit:
www.femsafoundation.org/report2011

EXECUTIVE TEAM

Our deep bench of talented executives leads our unwavering pursuit of excellence as an international industry leader. Our team continues to extend our strong track record of sustainable, profitable growth—creating value year after year. Together, they leverage what we do best to increase our corporate and financial flexibility, to take advantage of strategic opportunities, and to achieve a superior competitive position in our industry. In the process, they ensure and instill FEMSA's legacy of integrity well into the future.

José Antonio Fernández Carbajal
Chairman of the Board and Chief Executive Officer of FEMSA
After eleven years of professional experience in different companies, José Antonio Fernández Carbajal began his career at FEMSA holding various management positions in different businesses. He assumed his current position as CEO on 1995 and, in 2001 he was appointed Chairman of the company. In 2010, he was appointed Vice-President of Heineken NV's Board of Directors and Chairman of Heineken's Americas Committee; which oversees the strategic direction of business in the Americas and evaluates new business opportunities in the region. Additionally, Mr. Fernández was Vice-Chairman of the Tecnológico de Monterrey System since 1997 and is Chairman since 2012. He is also Chairman of the Board of FEMSA Foundation and the U.S. Mexico Foundation. Currently he participates as a board member of Grupo Financiero BBVA Bancomer, Peñoles, CEMEX, Televisa and Volaris Airlines, among others. In addition, he co-chairs the Mexico chapter of the Woodrow Wilson Center. He has a degree in Industrial Engineering and Systems from Tecnológico de Monterrey and in 1976 he earned an MBA at that same institution. For over 20 years, he has been professor of Planning Systems at Tecnológico de Monterrey.

Federico Reyes García
Vice-President of Corporate Development of FEMSA
Mr. Reyes assumed his current position in January 2006, after serving as Vice-President of Finance and Corporate Development of FEMSA since 1999. Starting in 1987, he was associated with FEMSA as an external advisor, and he formally joined FEMSA in 1992 as Vice-President of Corporate Development. Between 1993 and 1999, he was CEO of Seguros Monterrey Aetna and Valores Monterrey Aetna and Executive Vice-President of the Insurance and Pension Division at Bancomer Financial Group. He rejoined FEMSA in 1999. Mr. Reyes holds a Bachelor's degree in Accounting from Tecnológico de Monterrey.

Javier Astaburuaga Sanjines
Chief Financial Officer and Vice-President of Strategic Development
Javier Astaburuaga joined FEMSA in 1982. In 2006, he was named FEMSA's CFO and Vice-President of Strategic Development. Prior to that, Mr. Astaburuaga served as co-CEO of FEMSA Cerveza, Vice-President of Sales for Northern Mexico, CFO of FEMSA Cerveza, Vice-President of Corporate Development for FEMSA, and Chief Information Officer of FEMSA Cerveza. Mr. Astaburuaga earned a Bachelor's degree in Public Accounting from Tecnológico de Monterrey.

Alfonso Garza Garza
Executive Vice-President of Human Resources and Strategic Procurement, Business Processes, and Information Technology
Alfonso Garza joined FEMSA in 1985 and was named Executive Vice-President of Human Resources in 2005. Prior to that, he held various positions at FEMSA Cerveza and FEMSA Empaques, including the management of FEMSA Empaques and Grafo Regia. In January 2009, he was appointed as Vice-President of Strategic Procurement, Business Processes, and Information Technology of FEMSA. Since March 2011, he is President of the Employers Confederation of Mexico (Coparmex) for the state of Nuevo León. Mr. Garza earned a Bachelor's degree in Industrial Engineering from Tecnológico de Monterrey and completed postgraduate courses at IPADE.

José González Ornelas
Vice-President of Administration and Corporate Control of FEMSA
José González assumed the current position in 2002. He first joined FEMSA in 1973, where he held different positions in the organization, such as Finance Information Vice-President. In 1987, he was CFO of FEMSA Cerveza and in 1994, he was named Vice-President of Planning and Corporate Development of FEMSA and CEO of FEMSA Logística. He is a board member of several international companies, he participates as Auditing Committee Secretary of FEMSA's and Coca-Cola FEMSA's board and sits on the controller board at Tecnológico de Monterrey. He is also part of the Instituto de Contadores Públicos de Nuevo León Directive Committee and he is President of the Club de Fútbol Monterrey board. He holds a B.A. in Accounting from Universidad Autónoma de Nuevo León and undertook postgraduate studies in Business Administration from different universities in Mexico and abroad.

Genaro Borrego Estrada
Vice-President of Corporate Affairs
Genaro Borrego joined FEMSA in September 2007 as Vice-President of Corporate Affairs. Prior to that, Mr. Borrego was elected as a Federal Congressman for the LII Legislature from 1982 to 1985. After that, he served as Governor of the Mexican State of Zacatecas from 1986 to 1992 and in early 1992 he was elected President of the political party PRI for one year. From 1993 to 2000, he led the Mexican Social Security Institute (IMSS) and he was the President of the American Conference of Social Security Institutions. In 2000, he was also elected as a Senator of the Federal Congress to represent the State of Zacatecas during the LVIII and LIX Legislatures. He holds a degree in Industrial Relations from Universidad Iberoamericana.

Carlos Salazar Lomelín
Chief Executive Officer Coca-Cola FEMSA
Carlos Salazar joined FEMSA in 1973 and he has held several senior management positions across FEMSA, including: Vice-President of Grafo Regia, Plásticos Técnicos Mexicanos, S.A., the International Division of FEMSA Cerveza, Commercial Planning in Grupo Visa, and CEO of FEMSA Cerveza. Since 2000, he was appointed CEO of Coca-Cola FEMSA. In 2010, he was awarded the medal of Distinguished Citizen by the state of Nuevo León. He was President of the 21st Century Commission and Executive Director of CINTERMEX in Monterrey and since 2010, he leads the Planning Committee on the Reconstruction Council for the same city. He has been a professor in economics for a number of years at the Tecnológico de Monterrey and is the current President of the Advisory Board of the EGADE Business School of this Institution. He holds a B.A. in Economics and a Master in Business Administration from this institution. He also has graduate studies in Economic Development in Italy and a Management Program from the IPADE in Mexico, among other studies in different countries.

Eduardo Padilla Silva
Chief Executive Officer of FEMSA Comercio
Eduardo Padilla joined FEMSA in 1997 as FEMSA's Vice-President of Strategic Planning and Corporate Control. In 2000 he was appointed CEO of FEMSA Strategic Procurement which included Packaging, Logistics and OXXO. Since 2004, he has focused as CEO of FEMSA Comercio. Before joining FEMSA, Mr. Padilla served as CEO of Terza, a subsidiary of Grupo ALFA, from 1987 to 1996. Mr. Padilla earned a Bachelor's degree in Mechanical and Administrative Engineering from Tecnológico de Monterrey and a Master's degree in Business Administration from Cornell University. He also has completed Graduate studies at IPADE.

CORPORATE GOVERNANCE

For more than a century, the FEMSA Board of Directors has guided our company's dynamic growth in accordance with the highest standards of corporate governance. We are committed to the quality of our disclosure practices, and adhere to best corporate governance practices. We comply with the standards set forth in the Mexican Securities Law and the pertinent provisions of the United States' Sarbanes-Oxley Act. Moreover, we were among the leaders to embrace the Code of Best Corporate Governance Practices, established by the Mexican Entrepreneurial Council.

We work to ensure that our company promotes financial transparency, accountability, and high ethical standards. Based on a sound foundation of responsible corporate governance, we can sustainably build our business—delivering the results that our shareholders, consumers, employees, and other stakeholders expect from FEMSA.

Audit Committee

The Audit Committee is responsible for (1) reviewing the accuracy and integrity of quarterly and annual financial statements in accordance with accounting, internal control and auditing requirements, (2) the appointment, compensation, retention, and oversight of the independent auditor, who reports directly to the Audit Committee, and (3) identifying and following up on contingencies and legal proceedings. The Audit Committee has implemented procedures for receiving, retaining, and addressing complaints regarding accounting, internal control, and auditing matters, including the submission of confidential, anonymous complaints from employees regarding questionable accounting or auditing matters. To carry out its duties, the Audit Committee may hire independent counsel and other advisors. As necessary, the company compensates the independent auditor and any outside advisor hired by the Audit Committee and provides funding for ordinary administrative expenses incurred by the Audit Committee in the course of its duties. Alexis E. Rovzar de la Torre(†) served as Chairman of the Audit Committee in 2011 and until he passed away on January 7, 2012. Members include a financial expert, José Manuel Canal Hernando, Francisco Zambrano Rodriguez, and Alfonso González Migoya—all of them independent directors as required by the Mexican Securities Law and applicable New York Stock Exchange listing standards. The Secretary (non-member) of the Audit Committee is José González Ornelas.

Corporate Practices Committee

The Corporate Practices Committee, is responsible for preventing or reducing the risk of performing operations that could damage the value of our company or that benefit a particular group of shareholders. The committee may call a shareholders' meeting and include matters on the agenda for that meeting that it may deem appropriate, approve policies on the use of the company's assets or related party transactions, approve the compensation of the chief executive officer's and relevant officers, and support our board of directors in the elaboration of reports on accounting practices. The Chairman of the Corporate Practices Committee is Helmut Paul. Additional members include: Robert E. Denham and Ricardo Saldívar Escajadillo. Each member of the Corporate Practices Committee is an independent director, as required by the Mexican Securities Law. The Secretary (non-member) of the Corporate Practices Committee is Alfonso Garza Garza.

Finance Committee

The Finance and Planning Committee's responsibilities include (1) evaluating the investment and financing policies proposed by the Chief Executive Officer, and (2) evaluating risk factors to which the corporation is exposed, as well as evaluating its management policies. The current Finance and Planning Committee members are Ricardo Guajardo Touché (chairman), Federico Reyes García, Robert E. Denham, Francisco Javier Fernández Carbajal and Alfredo Livas Cantú. Javier Astaburuaga Sanjines is the appointed secretary (non-member) of this committee.

For more information on how our corporate governance practices differ from those followed by United States companies under NYSE listing standards, please refer to the Corporate Governance section of our website: **www.femsa.com/investor. «**

BOARD OF DIRECTORS

Our Board of Directors is at the head of FEMSA's corporate governance system, guided by what is in the best long-term interests of our company's shareholders and other stakeholders. Our Board is responsible for approving our corporate strategy; advising management on significant issues; defining and overseeing the implementation of our key values and vision; and reviewing and approving related-party transactions and transactions not in the ordinary course of business.

In addition to our executive team, our Board of Directors is supported by its committees: the Audit Committee, the Finance Committee, and the Corporate Governance Committee. Our Board appoints and supervises these committees, which assist and make recommendations to our Board in their respective areas of responsibility.

Series "B" Directors

José Antonio Fernández Carbajal
Chief Executive Officer of Fomento Económico Mexicano, S.A.B. de C.V.
Elected 1984
Alternate Director: Federico Reyes García [c]

Eva Garza Lagüera Gonda
Private Investor
Elected 1999
Alternate Director: Barbara Garza Lagüera Gonda

Paulina Garza Lagüera Gonda
Private Investor
Elected 2009
Alternate Director: Othón Páez Garza

José Calderón Rojas
Chief Executive Officer of Franca Servicios, S.A. de C.V., Servicios Administrativos de Monterrey, S.A de C.V., Regio Franca, S.A. de C.V., and Franca Industrias, S.A. de C.V.
Elected 2005
Alternate Director: Francisco José Calderón Rojas

Consuelo Garza de Garza
Founder and Former President of Asociación Nacional Pro-Superación Personal, A.C.
Non-profit Organization
Elected 1995
Alternate Director: Alfonso Garza Garza [b]

Max Michel Suberville
Private Investor
Elected 1985
Alternate Director: Max Michel González

Alberto Baillères González
Chairman of the Board of Grupo Bal, S.A. de C.V., Grupo Nacional Provincial, S.A, Fresnillo PLC, Grupo Palacio de Hierro, S.A.B. de C.V., Grupo Profuturo, S.A.B. de C.V., and Chairman of the Governance Board of Instituto Tecnológico Autónomo de México.
Elected 1989
Alternate Director: Arturo Fernández Pérez

Francisco Javier Fernández Carbajal [c]
Chief Executive Officer of Servicios Administrativos Contry, S.A. de C.V.
Elected 2005
Alternate Director: Javier Astaburuaga Sanjines [c]

Ricardo Guajardo Touché [c, i]
Chairman of Solfi, S.A. and Director of Grupo Valores Monterrey
Elected 1988
Alternate Director: Alfonso González Migoya [a, i]

Alfredo Livas Cantú [c, i]
President of Praxis Financiera, S.C.
Elected 1995
Alternate Director: Sergio Deschamps Ebergenyi [i]

Mariana Garza Lagüera Gonda
Private Investor
Elected 2001
Alternate Director: Juan Guichard Michel

José Manuel Canal Hernando [a, i]
Private Consultant
Elected 2003
Alternate Director: Ricardo Saldívar Escajadillo [b, i]

Series "D" Directors

Armando Garza Sada [i]
Chairman of the Board of Grupo Alfa, S.A.B de C.V.
Elected 2003
Alternate Director: Enrique F. Senior Hernández [i]

Alexis E. Rovzar de la Torre (†) [a, i]
Executive Partner of White & Case, S.C.
Law firm
Elected 1988
Alternate Director: Francisco Zambrano Rodríguez [a, i]

Helmut Paul [b, i]
Member of the Advisory Council of Zurich Financial Services
Elected 1988
Alternate Director: Moises Naim [i]

Michael Larson [i]
Chief Investment Officer of William H. Gates III
Elected 2011

Robert E. Denham [b, c, i]
Partner at Munger, Tolles & Olson LLP
Law firm
Elected 2001

Secretary
Carlos Eduardo Aldrete Ancira

Alternate Secretary
Arnulfo Treviño Garza

In Memoriam. We mourn the passing of Alexis Rovzar de la Torre, who served as a member of the Boards of Directors of FEMSA and Coca-Cola FEMSA. For more than 30 years, Alexis contributed his talent, leadership, and counsel to help build the company that we are today. We will remember his devotion to FEMSA and the exemplary way he lived his life.

Committees:
a) Auditing
b) Corporate Practices
c) Finance and Planning

Relation:
i) Independent

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Stock Exchange and Symbol
Fomento Económico Mexicano, S.A.B. de C.V. stock trades on the Bolsa Mexicana de Valores (BMV) in the form of units under the symbols FEMSA UBD and FEMSA UB. The FEMSA UBD units also trade on The New York Stock Exchange, Inc. (NYSE) in the form of ADRs under the symbol FMX.

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The FEMSA 2011 Annual Report may contain certain forward-looking statements concerning FEMSA and its subsidiaries' future performance and should be considered as good faith estimates of FEMSA and its subsidiaries. These forward-looking statements reflect management's expectations and are based upon currently available data. Actual results are subject to further events and uncertainties which could materially impact the Company's subsidiaries' actual performance.

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