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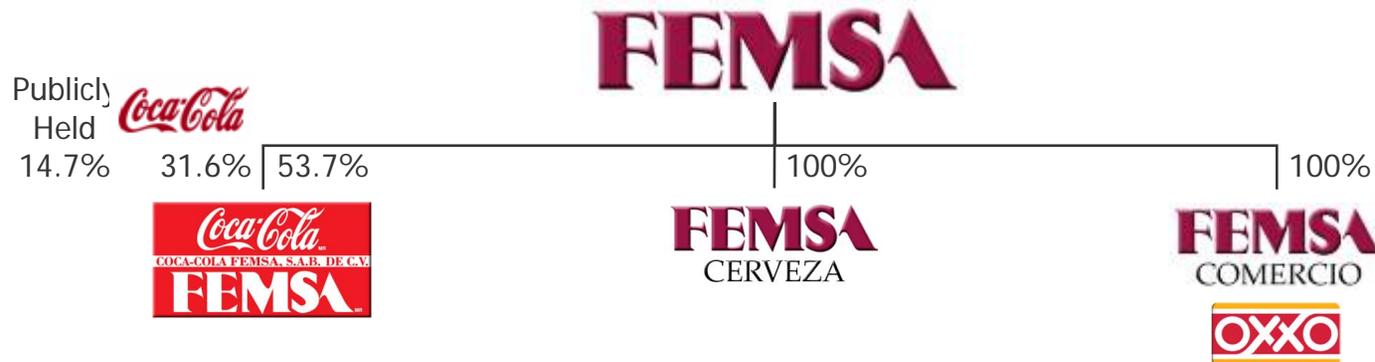


FEMSA

During this presentation management may discuss certain forward-looking statements concerning FEMSA's future performance that should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact FEMSA's actual performance.

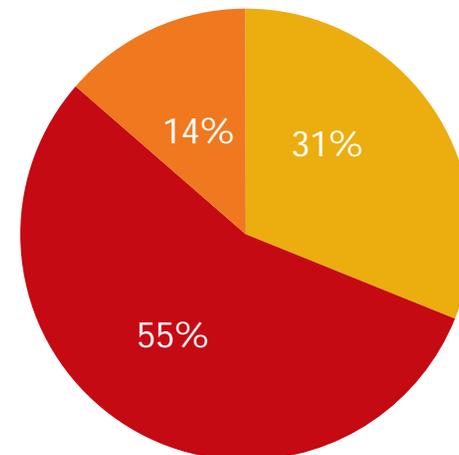
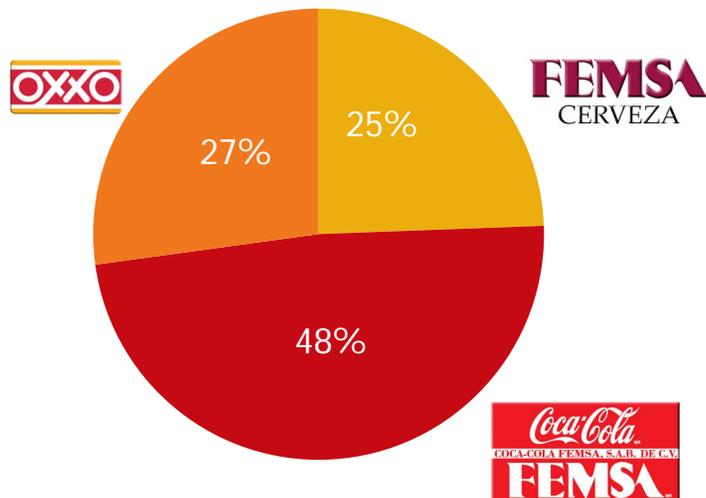
# The Right Business Model...

**FEMSA**



LTM 08 Total Revenue: US\$ 15.1 bn

LTM 08 EBITDA: US\$ 2.8 bn



# ... and an expanding continental footprint

## Large Scale

- 2.2 bn unit cases of soft drinks
- 41 mm hectoliters of beer

## Powerful Brands

- #1 in soft drinks in all regions
- #2 in beer in Mexico
- Significant player in US imports and Brazil

## Efficient Production

- 31 bottling plants
- 14 breweries

## Broad Distribution

- 9,000+ routes

## Growing Consumer Base

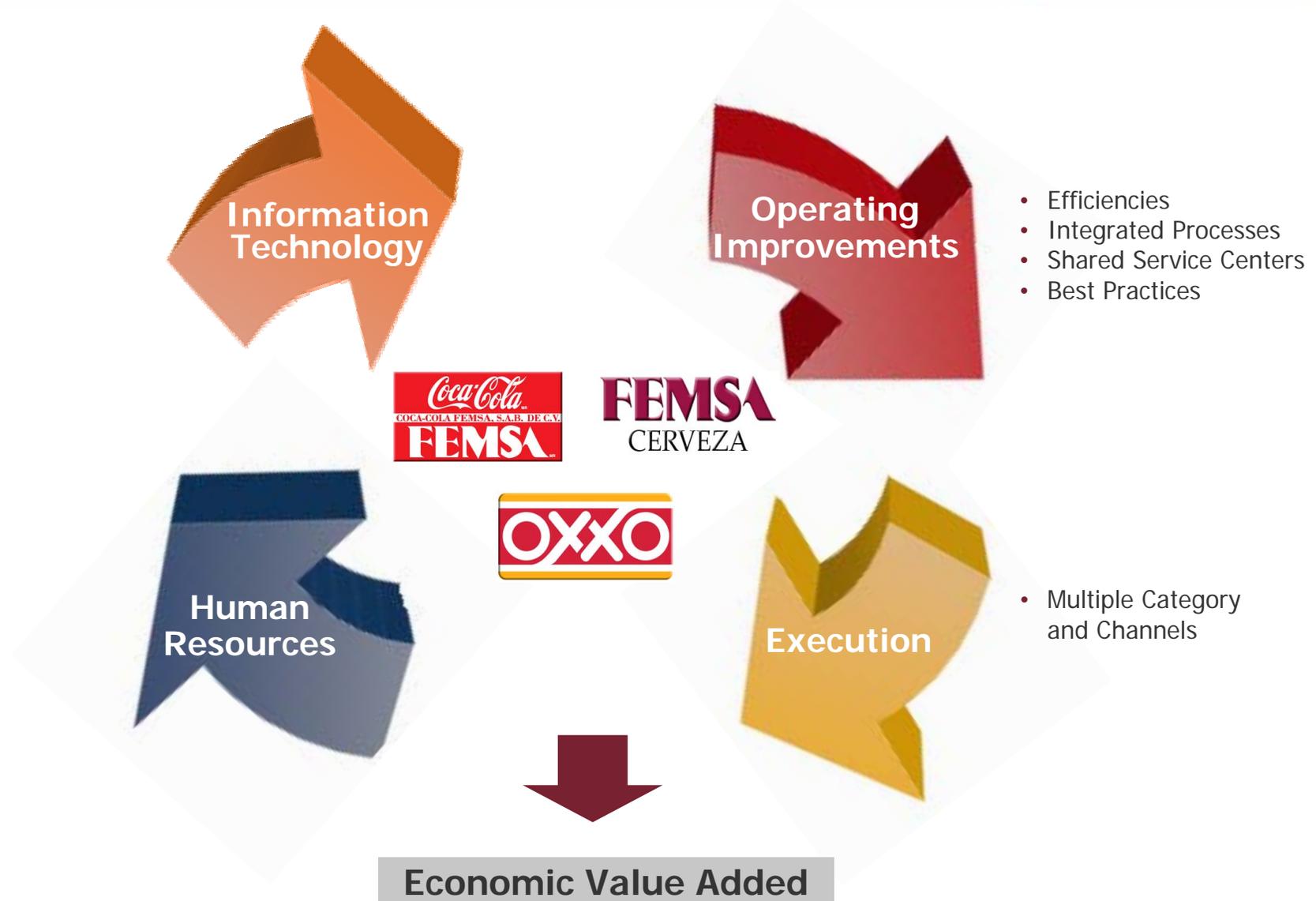
- 1.9 mm+ retailers
- 214 mm+ consumers

## Dynamic C-Store Platform

- Over 6,300 OXXO stores



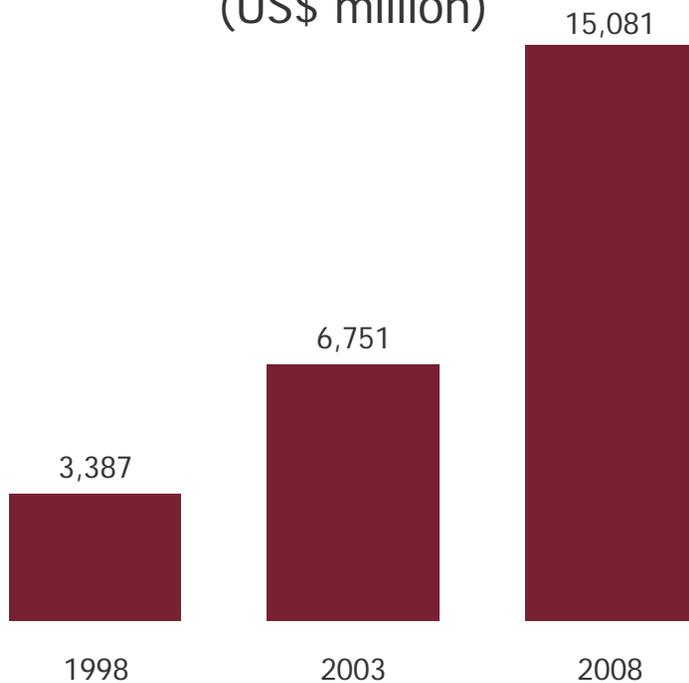
# Strategic framework driving competitive advantage



# Delivering consistent growth



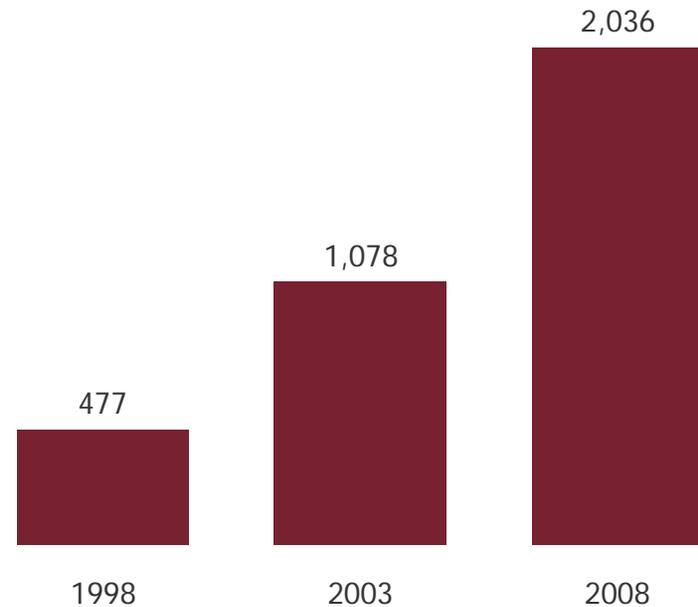
### Total Revenue (US\$ million)



**CAGR 98-08: 16%**

**CAGR 03-08: 17%**

### EBIT (US\$ million)



**CAGR 98-08: 16%**

**CAGR 03-08: 14%**

Note: 2008 figures in nominal Mexican pesos converted to US dollars using average exchange rate of the year, prior figures in constant pesos as of year end and converted to US dollars using the period-end exchange rate.



**FEMSA**  
CERVEZA

# Significant player in three top beer markets

- **Mexico**
  - Brand health indicators at all-time high
- **United States Imports**
  - Double-digit compound annual volume growth from 03-08
  - Strategic complementary fit with Heineken
- **Brazil**
  - Business turnaround on track
  - Long-term profitable growth objective
  - Volume growth ahead of the industry for second consecutive year



**USA**  
302 mm people  
79 lt per capita  
34 mm HI<sup>(1)</sup>

**Mexico**  
106 mm people  
58 lt per capita  
63 mm HI



**Brazil**  
188 mm people  
53 lt per capita  
102 mm HI

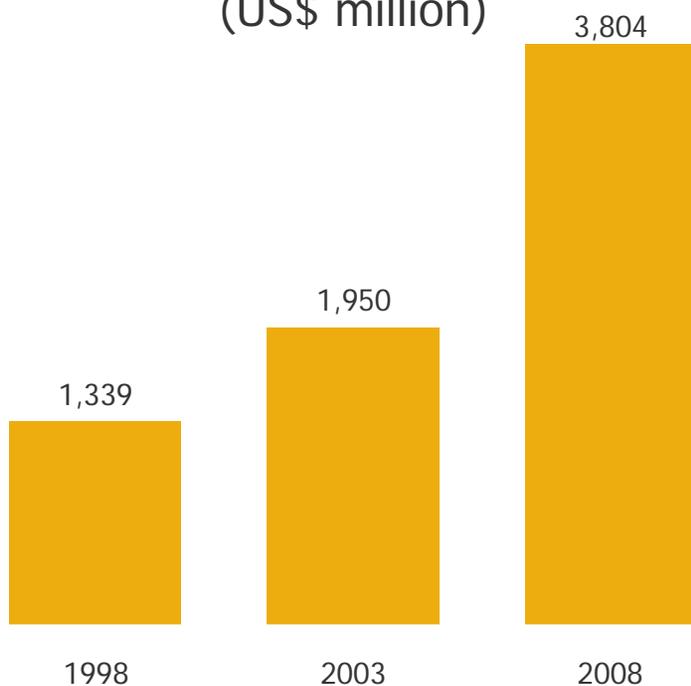
~ 200 mm HI  
**Operating Profit Pool**  
~ US\$ 6.0 billion

(1) Includes only volume of U.S. import category.  
Source: 2007 Impact Databank.

# Delivering consistent growth



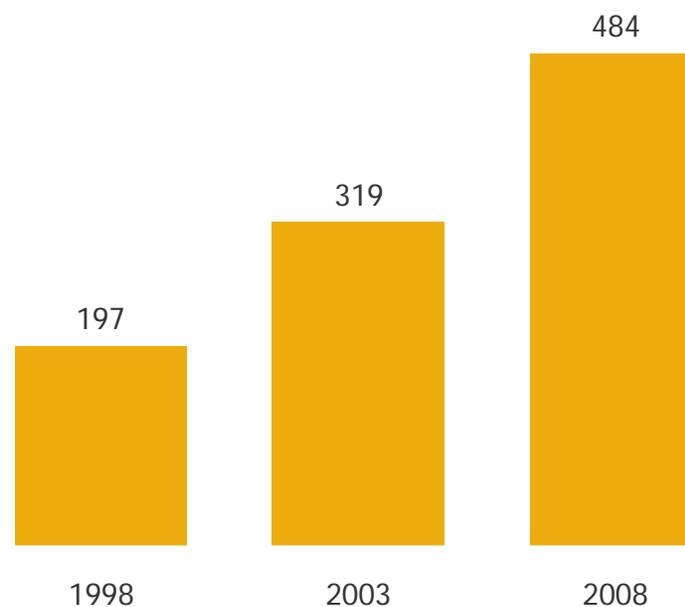
### Total Revenue (US\$ million)



**CAGR 98-08: 11%**

**CAGR 03-08: 14%**

### EBIT (US\$ million)



**CAGR 98-08: 9%**

**CAGR 03-08: 9%**

Note: 2008 figures in nominal Mexican pesos converted to US dollars using average exchange rate of the year, prior figures in constant pesos as of year end and converted to US dollars using the period-end exchange rate.



## Brand Value Building Process

### Emerging Brands

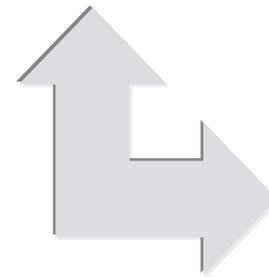


Frequency

Preference

Favorite Brand

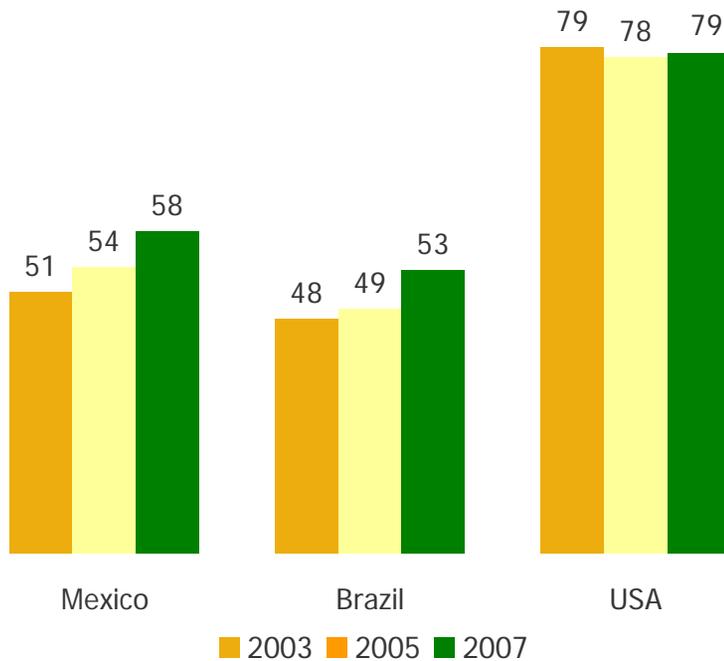
Developed Brands



Market Position	Favorite Brand ( $\Delta$ Pp 07 vs 04)	Consumer Base ( $\Delta\%$ 07 vs 04)
Strong	+3.7	
Balanced	+7.2	+6.2
Developing		+15.3

# Driving per capita consumption through innovation and segmentation...

Per Capita Consumption (Lt)



# ..while improving efficiencies along the value chain



2003      2005      2007

### HL Production per Employee

1,272    1,303    1,358

### % Capacity Utilization

74        78        86



2003      2005      2007

### Distribution Centers

448       442       347

### % Direct Distribution

76        77        75



2003      2005      2007

### % Presale

80        86        87

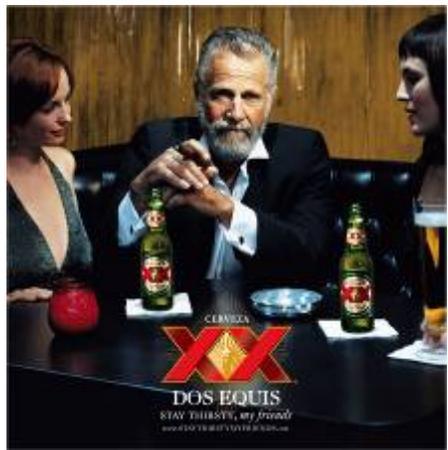
### HL Distribution per Route

11,225    12,025    12,617

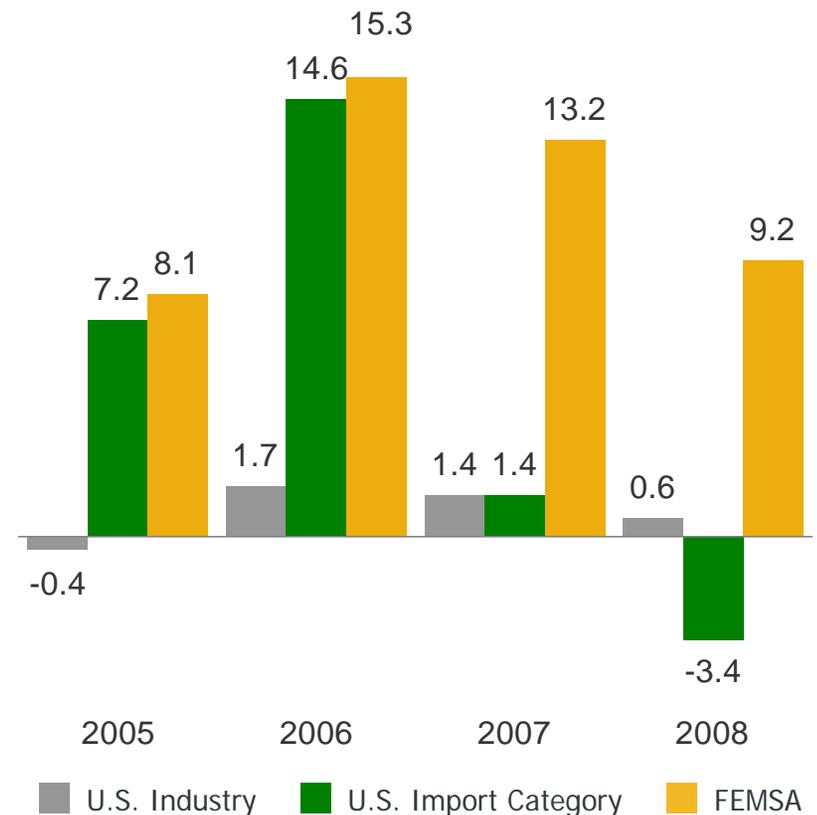
# USA: Long-term partnership Heineken USA-FEMSA Cerveza brands



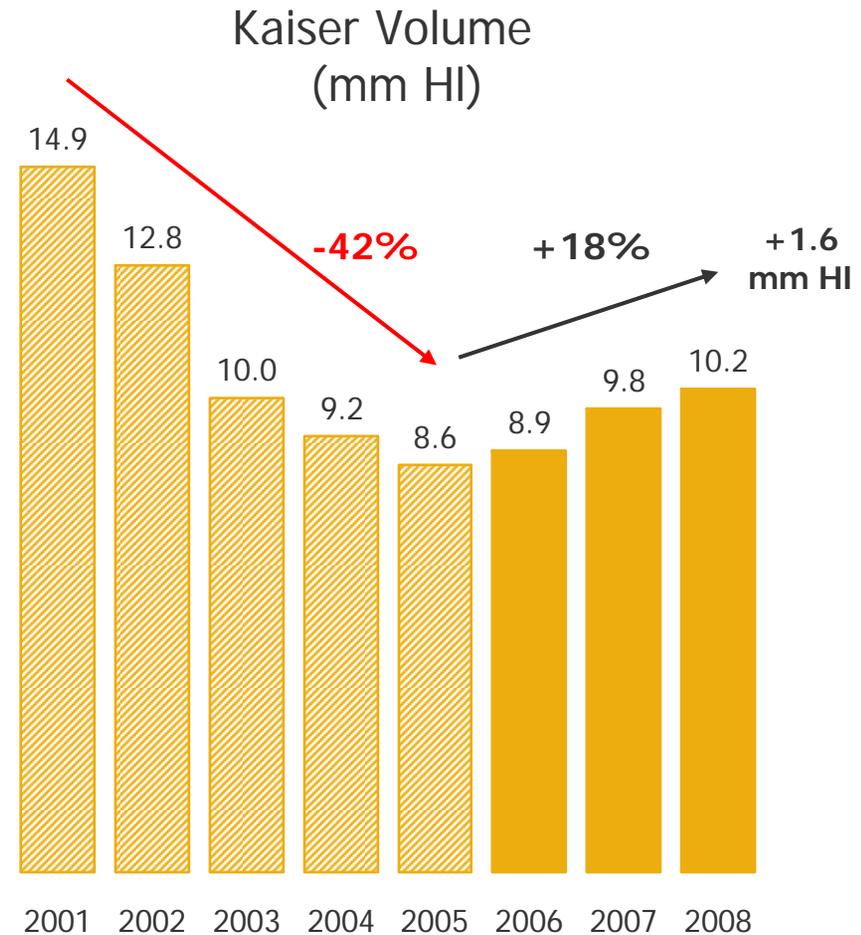
- Segmenting portfolio through pricing, product and channel
- Reinforcing distribution and product offering
- Strengthening presence in on-premise channel and East Coast
- High single-digit growth in both on- and off-premise channels



## Vol. Growth of FEMSA Exports vs. U.S. Beer Industry (%)



- Revert sharp volume decline trend
- Stabilize financial losses, sourcing marketing funds
- Improvements along the value-chain
- Adjust product portfolio
  - Repositioning existing brands
  - Complementing product portfolio through the successful introduction of *Sol* and new packages
  - Adjusting price architecture
- Improved alignment and coordination with the Coca-Cola system



## Mexico and Brazil

- Low beer per-capita consumption markets
- Broad-based, growing demographic pyramids
- Strong competitive position in Mexico and developing in Brazil
- Room for advanced multi-segmentation strategies and go-to-market models

## USA

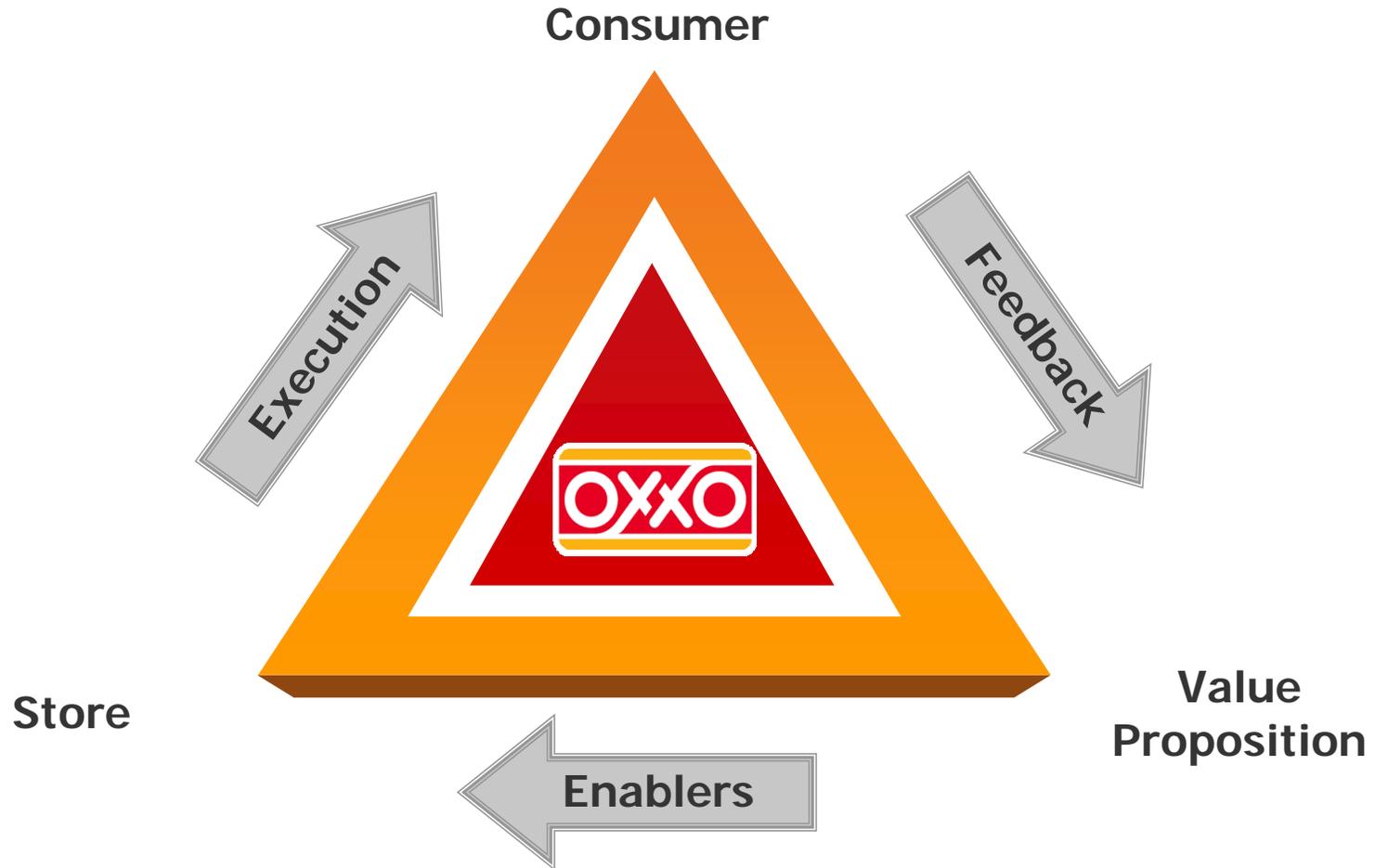
- Differentiated and complementary portfolio
- Room for increased coverage in on-premise segment and East Coast
- Fast-growing Hispanic demographic



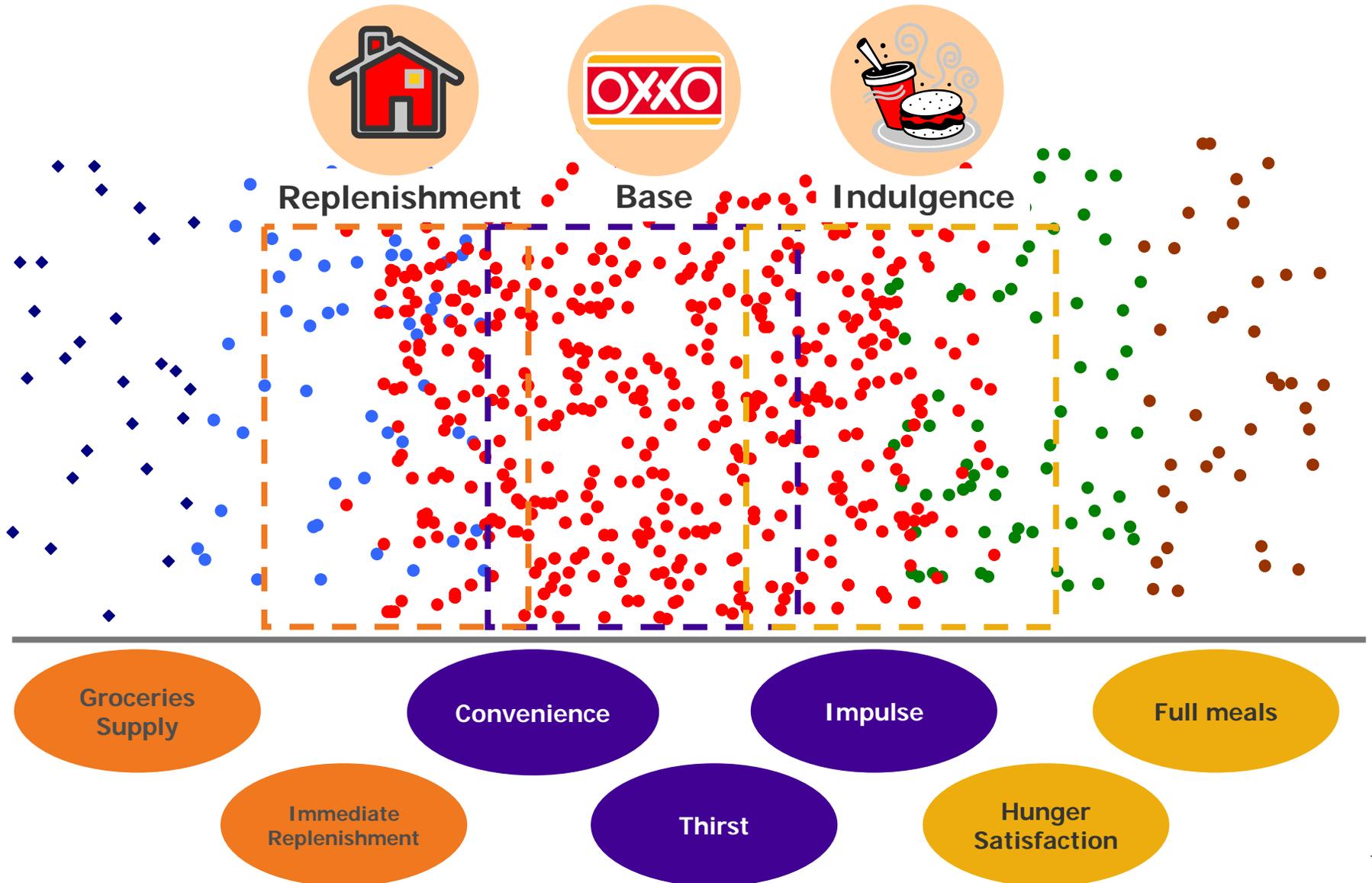
andatti  
café

OXXO

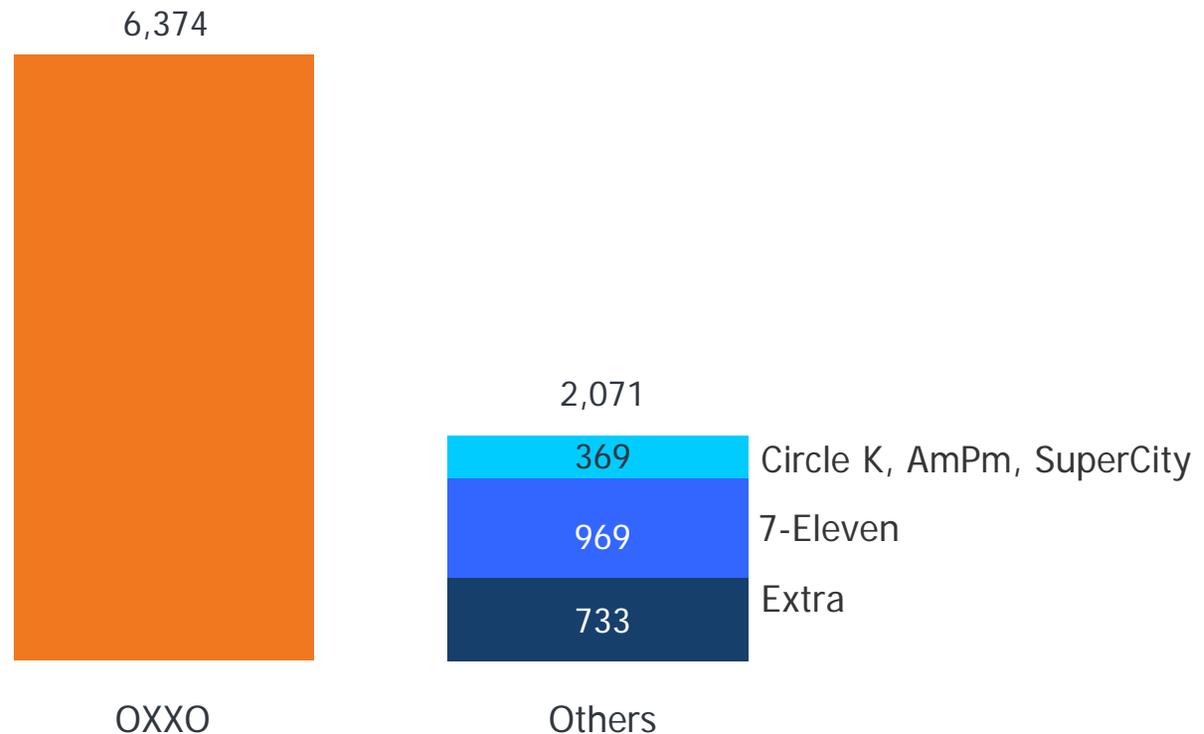
# A dynamic feedback model...



# Developing store segmentation



# Mexico's leading convenience store chain

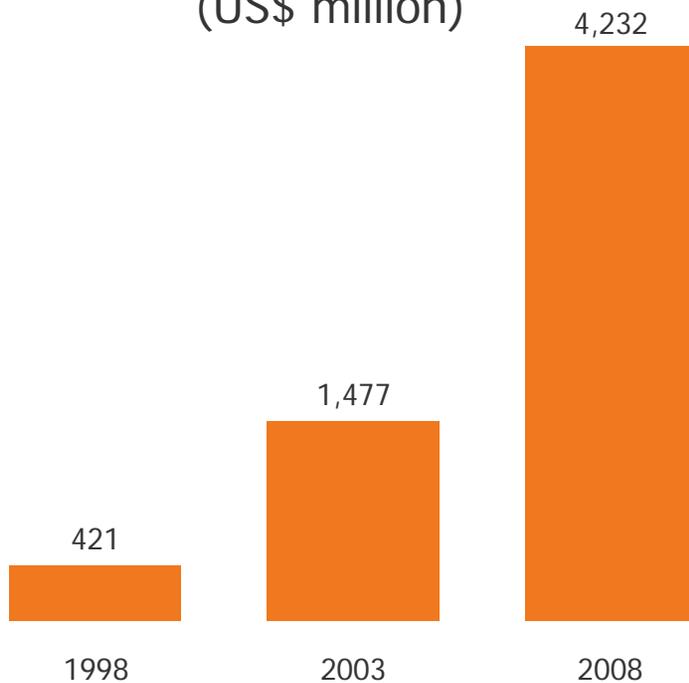


- > 800 net new store openings per year
- Over US\$ 3.8 bn in revenues in 2008
- Reciprocal leverage with FEMSA beverage operations
  - Approximately 40% of OXXO sales are beverage-related

# Accelerated profitable growth



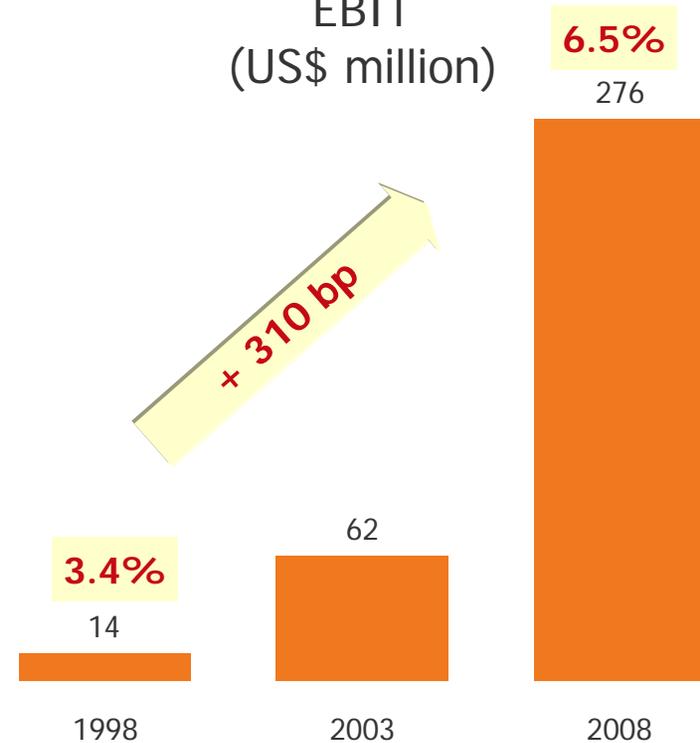
Revenue  
(US\$ million)



CAGR 98-08: 26%

CAGR 03-08: 23%

EBIT  
(US\$ million)



CAGR 98-08: 34%

CAGR 03-08: 35%

Note: 2008 figures in nominal Mexican pesos converted to US dollars using average exchange rate of the year, prior figures in constant pesos as of year end and converted to US dollars using the period-end exchange rate.



## 12,000 OXXO's by 2015

### OXXO Penetration Level by Population



# Driving efficiency based on a strong infrastructure backbone



2003    2005    2007  
**Sales per Sq Ft (US\$)**

430    546    580

**Transactions per Store (MM)**

628    978    1,357



2003    2005    2007  
**Distribution Centers**

6    7    9

**% Direct Distribution**

21    42    44



2003    2005    2007  
**OXO Stores**

2,798    4,141    5,563

**# SKU's**

2,723    2,103    1,800



- Changes in consumption habits towards convenience
- Low OXXO penetration in Central and Southern Mexico
- Unmatched footprint for service-provider partners
- IT systems in place to enable future incremental revenues and profit streams
- Potential to take OXXO model beyond Mexico in the medium-term

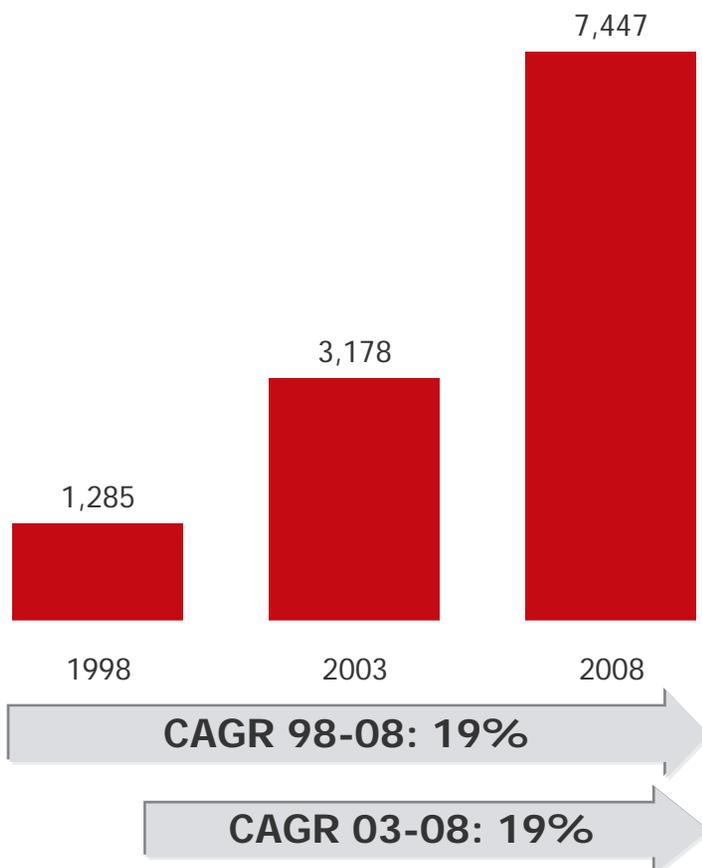


COCA-COLA  
**FEMSA**

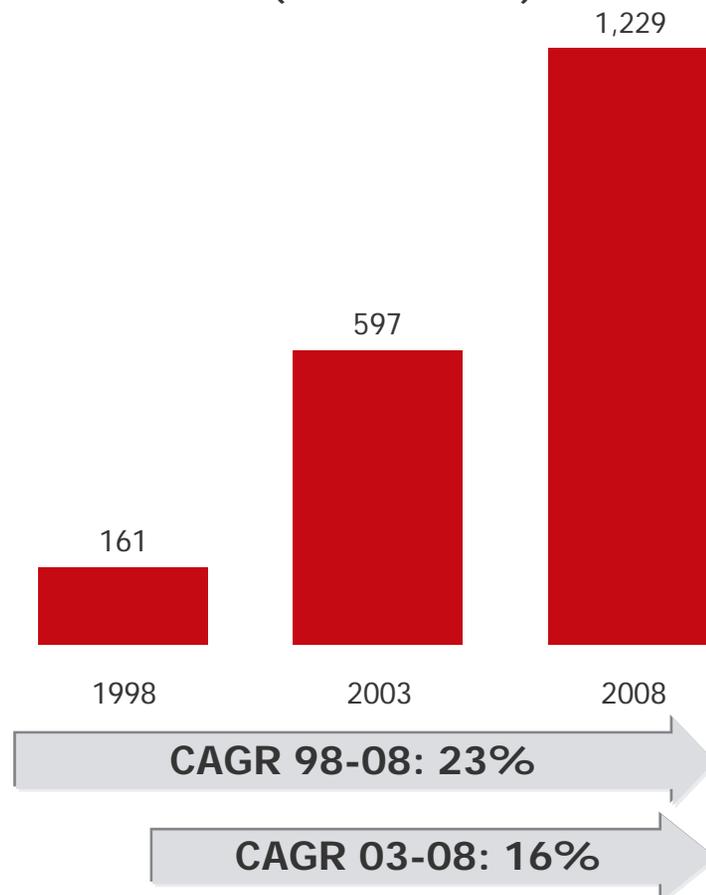
# Delivering consistent growth



### Total Revenue (US\$ million)



### EBIT (US\$ million)



Note: 2008 figures in nominal Mexican pesos converted to US dollars using average exchange rate of the year, prior figures in constant pesos as of year end and converted to US dollars using the period-end exchange rate.



# The framework at a glance

## Tailored POS Execution



**6 million unit cases  
sold every day**

## Powerful Multi-category portfolio



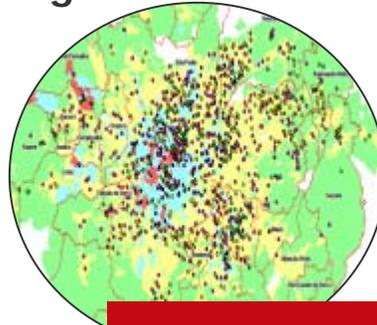
**Over 1,200 SKU's**

## State of the Art Facilities



**100% productivity  
increase since '03**

## Highly concentrated fragmented markets



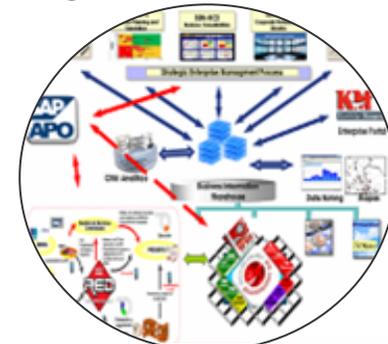
**1.6 million clients**

## Tailored Service Models



**14 different ways  
to go to market**

## Robust, Customized Systems Platform



**Over 12 million  
transactions daily**

# Driving higher efficiencies



2003      2005      2007

## Per Capita Consumption (8 OZ)

244      252      273

## # Brands

56      64      79



2003      2005      2007

## Points of Sale (MM)

1.6      1.5      1.5

## Sales per Point of Sale (M UC)

0.9      1.2      1.4



2003      2005      2007

## Productivity per Employee (M UC)

25.5      34.0      36.5

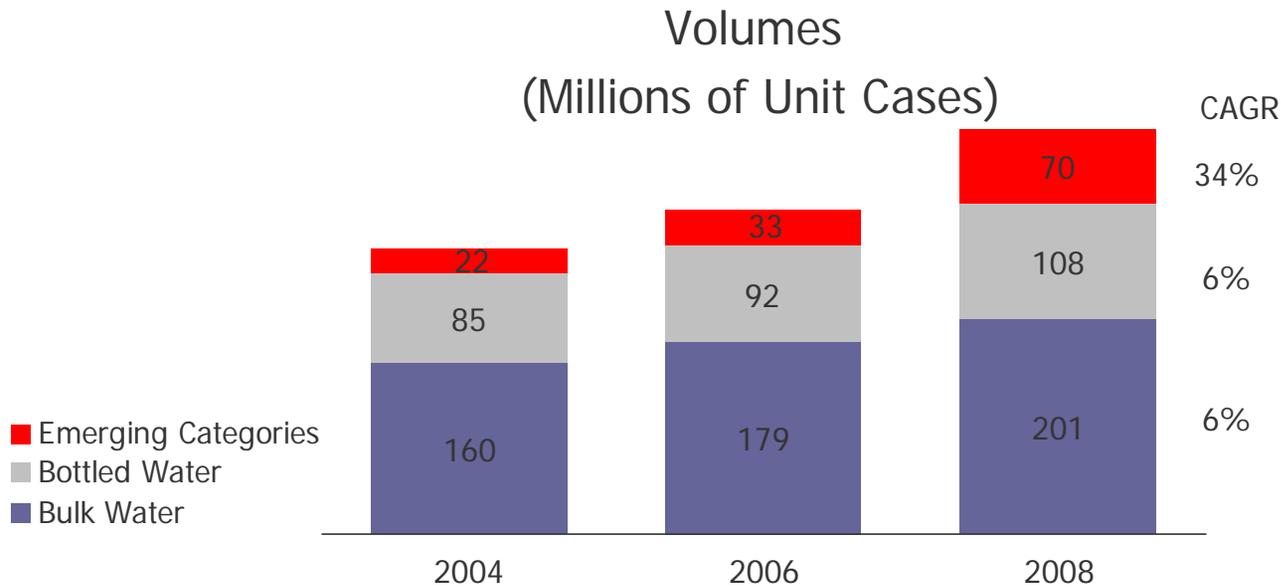
## Plants

52      30      30

## Distribution Centers

287      228      199

# ...bottled water and emerging categories growing at superior rates



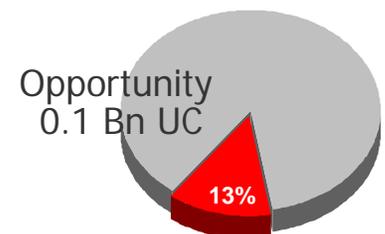
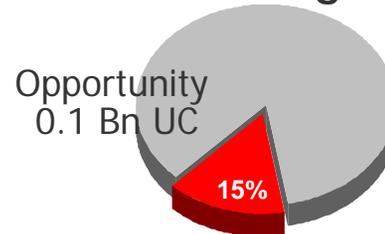
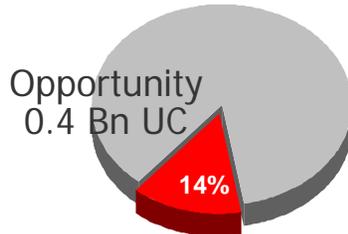
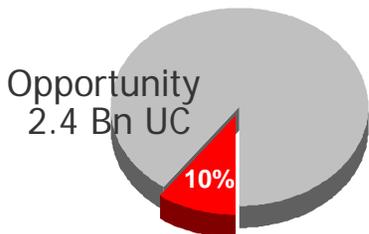
...with important opportunities of growth within the industry

## Bottled Water

## Fruit & Vegetable Juices

## Other Still Beverages

## Sports Drinks



Source: Euromonitor International 12/02/2008.

- Evolving a successful execution model
- Boosting our learning capacity to constantly reinvent our business model to face new challenges
- Broad-based, growing demographic pyramid
- Water and emerging categories growing at superior rates
- Multi-segmentation and go to market capabilities, better positioning to capture opportunities in a challenging macro economic environment



**FEMSA**

- Largest beverage company in Latin America
- Proven track record of profitable growth
- Leading market position with strong brands
- Unique and dynamic business model and capabilities
- Defensive products in nature
- Flexible organization that allow us to rationalize costs, expenses and investments

# EBITDA Reconciliation By Division



In US\$ million

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Consolidated FEMSA</b>											
Income from Operations	477	638	737	896	910	1,078	1,232	1,467	1,610	1,793	2,036
Depreciation	137	178	201	212	194	232	298	338	375	399	446
Amortization	102	137	179	192	198	232	280	314	346	355	362
<b>EBITDA</b>	<b>717</b>	<b>952</b>	<b>1,117</b>	<b>1,300</b>	<b>1,303</b>	<b>1,542</b>	<b>1,810</b>	<b>2,119</b>	<b>2,332</b>	<b>2,547</b>	<b>2,844</b>
<b>FEMSA Cerveza</b>											
Income from Operations	197	277	297	344	340	319	425	504	548	495	484
Depreciation	64	81	90	102	107	104	132	139	153	148	154
Amortization	54	72	108	121	134	151	182	202	219	221	228
<b>EBITDA</b>	<b>315</b>	<b>430</b>	<b>494</b>	<b>567</b>	<b>581</b>	<b>574</b>	<b>739</b>	<b>844</b>	<b>920</b>	<b>864</b>	<b>866</b>
<b>Coca-Cola FEMSA</b>											
Income from Operations	161	217	302	415	426	597	690	817	876	1,049	1,229
Depreciation	37	60	73	71	50	86	111	123	139	151	227
Amortization	46	54	59	53	44	59	97	115	117	123	80
<b>EBITDA</b>	<b>244</b>	<b>331</b>	<b>434</b>	<b>539</b>	<b>519</b>	<b>742</b>	<b>898</b>	<b>1,055</b>	<b>1,131</b>	<b>1,322</b>	<b>1,536</b>
<b>FEMSA Comercio</b>											
Income from Operations	14	24	29	31	47	62	82	118	149	212	276
Depreciation	4	5	7	8	9	12	19	30	38	50	60
Amortization	3	4	6	9	9	12	21	26	34	39	42
<b>EBITDA</b>	<b>22</b>	<b>33</b>	<b>42</b>	<b>48</b>	<b>64</b>	<b>85</b>	<b>122</b>	<b>175</b>	<b>221</b>	<b>301</b>	<b>378</b>
Fx Rate (Pesos per US\$)	9.90	9.48	9.62	9.16	10.43	11.24	11.15	10.63	10.80	10.92	11.14

Note: 2008 figures in nominal Mexican pesos converted to US dollars using average exchange rate of the year, prior figures in constant pesos as of year end and converted to US dollars using the period-end exchange rate.