FEMSA

2012 *Annual Report*

Building on our Strengths

FEMSA is a leading company that participates in the beverage industry through Coca-Cola FEMSA, the largest franchise bottler of Coca-Cola products in the world; in the retail industry through FEMSA Comercio, operating OXXO, the largest and fastest-growing chain of small-format 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

FEMSA

It takes hard work for a musician to reach proficiency in their instrument. It is a journey that never ends. It takes even more work to combine this ability with that of others and, together, create a higher level of music. At FEMSA, we are fortunate to have a talented ensemble of players who always strive to improve their performance, as part of a greater team, to sustain and often expand our profitability in an increasingly complex, competitive, and rapidly changing environment. Indeed, we can never afford to stand still in our effort to satisfy the ever-evolving needs and discriminating tastes of our customers and consumers. Working in concert, we will continue to grow our company, building on our strengths to create economic, social, and environmental value for all of our stakeholders.

Consumer Focus

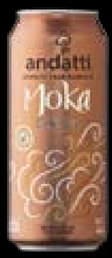
When it comes to our consumers, we play second fiddle to no one. At FEMSA, we're serious about identifying and satisfying our consumers' needs on each and every occasion. That's why we care so much about our consumers' particular preferences and harmonize our offerings according to a commercial strategy that caters to their distinctive tastes—each and every day.

+ 2.5

million points of sale to serve thirsty consumers

+ 2,000

products and services for OXXO shoppers to choose from



9

million shoppers' needs fulfilled daily at OXXO

+ 3

billion unit cases of beverages sold last year

+ 10,000

OXXO stores

5

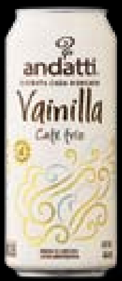
mergers and acquisitions announced in 18 months

You know that tune that's always on your mind—the one that never goes away? At FEMSA, that tune is "growth." It's the driving force behind much of what we do: satisfying more consumers to boost our business; expanding our operations to serve new markets; and acquiring or merging with enterprises that share our vision. We're always growing—it keeps us going.

Constant Growth

Profitable Complexity

Great pianists make it look easy. Never-ending practice on their extremely complex instrument brings delight to multitudes of people. Likewise, at FEMSA, through years of experience running a system that grows bigger and more complicated every day, our team of professionals is mastering the art of profitably serving millions of consumers what they want, when they want it.



+3

billion shoppers served at OXXO last year

24,700

new employees from M&A

+ 8

million people served at OXXO every day

Dear Shareholders

José Antonio Fernández Carbajal
Chairman of the Board and Chief Executive Officer

Building on Our Strengths

2012 was a positive, eventful year for our company. We again enjoyed strong performances across our core businesses, driven by their strengths to serve and satisfy our consumers' needs, to generate new avenues for growth, and to profitably convert complexity into opportunity. In addition, through our 20% economic interest in Heineken, we continued to benefit from the positive evolution of our investment as the company again made great progress in the execution of its global strategy. Through its consolidation of Asia Pacific Breweries, Heineken becomes an even more diversified global brewer, with an increasing presence in fast growing markets.

As a consequence of such concerted efforts, we produced solid financial results. For the full year, FEMSA's total revenues rose 18.2% to Ps. 238.3 billion (US$ 18.4 billion). Our income from operations grew 19.4% to Ps. 29.2 billion (US$ 2.3 billion). Our net income increased 34.2% to Ps. 28.1 billion (US$ 2.2 billion), and our earnings per unit were Ps. 5.79 (US$4.46 per ADR).

Since we at FEMSA have always focused on the long-term creation of sustainable economic, social, and environmental value, usually, the more immediate measurable metrics—such as our share price—are consequences that tend to take care of themselves in the long run. We understand that there are many complex factors that impact such metrics. However, it was encouraging to see a broadly positive performance from our shares during 2012, reflecting a constructive view from the markets regarding our performance and, more importantly, our opportunities that lie ahead. Furthermore, the flexibility of our balance sheet and our businesses' healthy cash generation again put us in a position to increase the amount of cash returned to our shareholders through our ordinary dividend. During 2013, we intend to pay ordinary dividends of Ps. 6.7 billion, representing an increase of 7.8% over the dividend paid in the prior year and 45.3% over the dividend paid in 2011.

Let me now briefly review some of the year's highlights for our businesses.

Coca-Cola FEMSA

In the face of a tough commodity cost and volatile currency environment throughout much of the year, Coca-Cola FEMSA's balanced portfolio of franchise territories across Latin America delivered double-digit top- and bottom-line growth. Benefiting from its integration of the beverage

In a positive, eventful year, we enjoyed strong performances from our core businesses, building on their strengths to serve and satisfy our consumers' needs, to generate new avenues for growth, and to profitably convert complexity into opportunity.

operations of Grupo Tampico, Grupo CIMSA, and Grupo Fomento Queretano, Coca-Cola FEMSA's total revenues rose 19.9% to Ps. 147.8 billion. Gross profit increased 21.4% to Ps. 68.6 billion, and income from operations increased 19.4% to Ps. 22.0 billion.

Coca-Cola FEMSA leveraged its financial and operating flexibility, as well as the standardization of its manufacturing, commercial, and logistics processes, to firmly advance on its strategy to grow through accretive mergers and acquisitions—from the integration of its three recently merged franchises, to its incursion into the Philippines through the acquisition of a majority stake in Coca-Cola Bottlers Philippines, Inc. (CCBPI), to its latest announced merger agreement with Grupo Yoli in the Mexican state of Guerrero. Altogether, this marks five transactions in the Coca-Cola bottling space in the last 18 months, representing an aggregate value of more than US$3.5 billion.

In a matter of months, Coca-Cola FEMSA's talented team of professionals worked closely with their new colleagues to swiftly and smoothly integrate the recently merged franchise territories of Grupo Tampico, Grupo CIMSA, and Grupo Fomento Queretano—three of the most prominent and respected, family-owned Coca-Cola bottling operations in Mexico. As part of the integration process, the team rolled out its value-driven commercial model; significantly increased the placement of new coolers in the market; implemented revenue management initiatives; launched the popular *Sidral Mundet* brand of apple-flavored sparkling beverages; and relaunched relevant local flavored sparkling beverage brands. Together, they accomplished all of this while restructuring the manufacturing and distribution network to further improve the efficiency of these new territories. Indeed, as a result of these efforts, targeted synergies increased from Ps. 800 million to Ps. 900 million.

As with every integration that this team has undertaken, we know that the migration of talent and the cross-fertilization of best practices are key ingredients to success. This was no different with these territories, as many of the talented executives of the merged franchises now occupy pertinent positions in Coca-Cola FEMSA's existing territories. Moreover, in terms of best practices, Grupo CIMSA, along with Grupo Tampico, have each developed vast experience with home delivery routes in connection with their large and profitable jug water businesses. Additionally, Grupo Fomento

15%

sales volume growth at Coca-Cola FEMSA

Given the relatively low penetration of OXXO across vast areas of Mexico, we will continue our aggressive domestic store expansion, while we analyze other potential markets and formats where our small-box retail expertise may apply.

Queretano has achieved a prominent market share and high per capita consumption as a result of their effective execution at the point of sale. Clearly, their combined expertise will help Coca-Cola FEMSA to reach consumers more efficiently and effectively with our multi-category portfolio of products.

For a long time, Coca-Cola FEMSA has prepared itself to pursue opportunities beyond Latin America, developing and institutionalizing processes, and building a deep bench of talent—always reinventing itself to do what it does, only better. Accordingly, extending our rich history of successful value-creating transactions with our partner, The Coca-Cola Company, in January 2013, Coca-Cola FEMSA closed the acquisition of 51% of Coca-Cola Bottlers Philippines, Inc. (CCBPI), The Coca-Cola Company's bottling operations in the Philippines. The first incursion of a Latin American bottler outside of the region, this milestone transaction represents an important strategic expansion of our company's bottling footprint beyond Latin America—reinforcing our exposure to fast growing economies and our commitment to the Coca-Cola system.

The Philippines provides a unique opportunity to operate in a country with very promising economic growth prospects, a private consumption-driven economy, an attractive socio-economic and demographic profile, and a cultural and structural resemblance to many Latin American territories. In fact, the Philippines features one of the highest per capita consumption rates of Coca-Cola products in Southeast Asia; however, when compared with the per capita consumption of Coca-Cola FEMSA's products in Latin America, the market offers significant opportunities for further growth.

Moreover, the Philippines plays to our company's strengths. The country's fast-growing non-alcoholic beverage industry and complex retail landscape will enable our team to leverage its proven know-how and operating expertise to generate revenue growth opportunities and important operating efficiencies. From our world-class point-of-sale execution, to our value-driven commercial model, to our continuous investment in our most important asset—our people—we welcome the prospect of learning and sharing new capabilities to grow, together with our communities. As in our foremost franchise territory, we will put forth our best effort to improve and perform in this new market.

As we take the first steps to build a broader emerging-market footprint, we remain focused on the set of opportunities that Latin America presents. With this in mind, in January 2013, Coca-Cola FEMSA reached an agreement with Grupo Yoli to merge their bottling operations. Once again, our team joins forces with one of the oldest and most respected family-owned Coca-Cola bottlers in Mexico, with whom we share an aligned entrepreneurial vision and values. Together, we will capitalize on the geographic proximity of the operations' contiguous territories, the mutual benefit of shared best practices, and the broad consumer appeal of our integrated multi-category portfolio of beverages to create value for all of our stakeholders.

Furthermore, in addition to our dairy operations in Panama, we entered the Mexican milk and value-added dairy segment through the joint acquisition of Santa Clara with our partner, The Coca-Cola Company, and the rest of the Coca-Cola bottlers in Mexico. This transaction will enable us to broaden our knowledge and increase our presence in this category.

In this way, Coca-Cola FEMSA's footprint continues to grow in geographies that fit well with our skill set, no matter on what side of the ocean they may be. Its portfolio keeps growing as well, as we advance our multi-category strategy across markets—learning about dairy today, as we learned about juices some years ago. We are enticed by the opportunities and the road ahead.

FEMSA Comercio

For its part, FEMSA Comercio produced another year of excellent results. In 2012, total revenues rose 16.6% to Ps. 86.4 billion. Gross profit grew 18.7% to Ps. 30.2 billion, result-

24.4%

growth in the still beverage category

ing in a 60 basis point gross margin expansion to 35.0% of total revenues. Additionally, income from operations increased 22.7%, resulting in a 30 basis point operating margin expansion to 7.8% of total revenues.

In reviewing FEMSA Comercio's results, top-line growth reflected our continuing store expansion and our comparable same-store sales growth. For the year, same-store sales grew 7.7%, 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 both improved 3.8% for the year.

Our stores' performance also benefited from the closer logistics support offered by the addition of two new distribution centers, for a total of 15 as of the end of 2012. The growth in 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 the stores. This, in turn, drives greater sales growth by allowing us to enhance our product offerings to stimulate and satisfy our consumers' needs.

In addition to FEMSA Comercio's expanded distribution network, we continue developing a system of specialized distribution routes to deliver prepared foods to our stores fresh daily. Already covering two thirds of our OXXO stores across Mexico, these routes use a refrigerated fleet of dedicated smaller trucks that can transport and deliver food at controlled temperature and visit over 6,000 stores at least three times a week. On top of that, we now have two food preparation facilities in northern Mexico, which allow us to better understand the prepared food supply chain and to ensure the quality and fulfillment of our value proposition for consumers in this category. Through these initiatives, we are just beginning to unlock the potential of this promising consumption occasion.

Our initiatives to further improve our offering of prepared foods benefit from our experience developing our very successful *andatti*® brand of coffee. In only a few years, this brand has not only become the leader in Mexico's freshly brewed coffee category, but also a strong player in specialty and ready-to-drink coffee product and brand extensions. To better enable us to maintain this leadership position and ensure the quality of our coffee across the country, in 2012, we established a long-term partnership with our coffee supplier, Café del Pacifico, further strengthening a proven, productive relationship with a key supplier.

At OXXO, we also continue to broaden the scope of our convenient one-stop services. For example, our expanded correspondent bank program with Mexico's largest financial institutions enables customers to make cash deposits to their bank accounts and payments toward the balance of their bank credit cards at any one of OXXO's stores across the country. As consumers adopt this new functionality, we look forward to eventually expanding this program to the majority of banks operating in Mexico.

On top of our enhanced value proposition, we carried on building OXXO's leadership position as the largest and fastest growing small-format store chain in Latin America. In 2012, we surpassed the 10,000-store mark, opening 1,040 new stores for a total of 10,601—serving more than 8 million customers daily. Recognizing that

45

***Bitz* brand products available only at OXXO**

it took us 20 years to reach our first 1,000 stores, this is a major landmark that not only illustrates how far we have come, but also how far we can grow. Given the relatively low penetration of OXXO across vast areas of Mexico, we will continue our aggressive domestic store expansion, while we continue to selectively test the small-box retail platform outside of the country. To this end, we continue to steadily fine-tune our value proposition in Colombia to satisfy local market needs and to analyze other potential markets and formats where our small-box retail expertise may apply.

Beyond the pursuit of geographical growth, in 2012, FEMSA Comercio took an important first step in a parallel, complementary avenue for growth that aims to leverage our capability and our platform across formats rather than across countries. In our view, the combination of similar small-box store formats and a similarly fragmented industry structure, coupled with the considerable, transferable capabilities we have built managing our business in the past, represents a very compelling opportunity set. To this end, we agreed to acquire a 75% stake in Farmacias YZA, partnering with a leading local drugstore operator in southeast Mexico, with 333 stores in five states. We believe that we can contribute our significant expertise in the development of small-box retail formats—along with a value proposition designed to meet our consumers' needs—to what is already a successful regional player in this industry, with a view to grow rapidly in different geographies.

We also continued to advance in our strategy to focus and strengthen our Strategic Businesses' operations, particularly those that provide significant support to our core businesses and present attractive growth potential. On this front, we are working to consolidate Imbera as the leader in the design and production of refrigeration solutions for retail applications, spearheading innovation and achieving the highest efficiency ratings in the Americas. At FEMSA Logística, we continued to make progress restructuring its operations, while positioning it to drive growth organically and through selective acquisitions. Conversely, during the year, we divested Quimiproductos, another step in our effort to exit non-core operations.

Sustainable Development

In 2012, we updated and developed a comprehensive long-term sustainability strategy for our organization. This strategy integrates sustainability into our company's and our business units' overall strategic planning and reinforces it in our day-to-day decision-making processes. Focused on three governing pillars—our people, our planet, and our community—this strategy enables us to concentrate and more efficiently allocate our resources on those areas that will generate the greatest positive impact on our company, the environment, and the communities we serve. Founded on our corporation's 122-year-old value-based work ethic, our vision is to ensure the sustainability of our business by positively transforming our communities through the simultaneous creation of economic, social, and environmental value.

To this end, FEMSA Foundation, together with the Nature Conservancy, the Inter-American Development Bank, and the Global Environment Facility, continued to make considerable progress on the Latin American Water Funds Partnership. Over five years, the Partnership plans to implement at least 32 Water Funds throughout Latin America with investments of over US$27 million. Revenue from these investments will preserve key watersheds upstream that filter and regulate the water supply of some of the most important cities in the region. Already, the Partnership

We are dedicated to the personal and professional development of our employees at all levels of our organization.

has launched 12 Water Funds, benefiting 12 cities in five countries.

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 2012, 79,438 employees were trained online 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 across our international operations network.

Recognizing that people are at the heart of every successful organization, I want to take a moment to mourn the passing of a dear friend and colleague, Shankar Dadoo, who, among other senior management positions, served as Chief Executive Officer of our non-alcoholic beverage business when we began those operations in 1979 in the Valley of Mexico. Shankar contributed his talent, leadership, and counsel to help build the company that we are today. The exemplary way he conducted himself will long endure among us.

Looking Forward

Building on our strengths, we will continue focusing our time, efforts, and resources on the extraordinary opportunities for Coca-Cola FEMSA and FEMSA Comercio. We will continue to work closely with The Coca-Cola Company to pursue further avenues of growth for Coca-Cola FEMSA, building on our capability set and taking advantage of the business' proven track record. 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. In addition, we will redouble our efforts to develop innovative products that emphasize health and nutrition. We will further continue to emphasize and concentrate on the considerable growth potential of FEMSA Comercio, strengthening our business platform and further developing the capabilities that we need to excel in our existing retail enterprises—capitalizing on the knowledge gained from our industry-leading OXXO store chain, as well as new small-box retail opportunities that leverage our skill set across formats and markets.

As we maintain our focus on driving growth at Coca-Cola FEMSA and FEMSA Comercio, we remain alert to capture strategic opportunities that may arise in the future, where we can leverage the capabilities that we have developed over time, as well as FEMSA's substantial and growing business platform.

We envision an immensely rewarding future for our company, driven by our passionate team of managers and employees. On behalf of these more than 182 thousand dedicated men and women across FEMSA, we thank you for your continued support. We reiterate our belief that the very reason for our existence is to create economic, social, and environmental 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

Financial **Highlights**

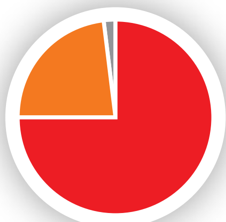
Millions of 2011 pesos	2012 [1]	2012	2011[2]	% Change
Total revenues	18,383	238,309	201,540	18.2%
Income from operations (3)	2,255	29,227	24,484	19.4%
Consolidated net income	2,164	28,051	20,901	34.2%
Controlling Interest (4)	1,597	20,707	15,332	35.1%
Non-Controlling Interest	567	7,344	5,569	31.9%
Total assets	22,829	295,942	263,362	12.4%
Total liabilities	6,617	85,781	71,191	20.5%
Total equity	16,212	210,161	192,171	9.4%
Capital expenditures	1,200	15,560	12,609	23.4%
Controlling interest book value per share (5)	0.67	8.68	8.06	7.7%
Net controlling interest income per share (5)	0.09	1.16	0.86	35.1%
Headcount (6)		182,260	168,370	8.2%

[1] U.S. dollar figures are converted from Mexican pesos using the noon-buying rate published by U.S. Federal Reserve Board, which was Ps. 12.9635 per US$1.00 as of December 31, 2012.
[2] The figures for this year were restated for comparison with 2012 as a result of transition to International Financial Reporting Standards (IFRS).
[3] Company's key performance indicator, calculated using IFRS figures.
[4] Represents the net income that is assigned to the controlling shareholders of the entity.
[5] Data based on outstanding shares of 17,891,131,350.
[6] Includes headcount from Coca-Cola FEMSA, FEMSA Comercio and Other Business of FEMSA.

Total Revenues
millions of Mexican pesos

- Coca-Cola FEMSA 59.1%
- FEMSA Comercio 34.6%
- Others* 6.4%

Income from Operations
millions of Mexican pesos



- Coca-Cola FEMSA 75.1%
- FEMSA Comercio 23.2%
- Others* 1.7%

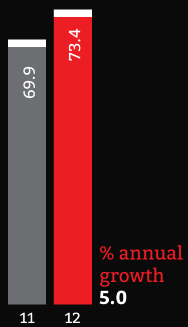
Total Assets
millions of Mexican pesos

- Coca-Cola FEMSA 54.0%
- FEMSA Comercio 10.1%
- Others* 35.9%

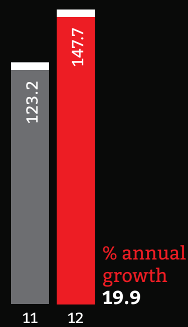
* Includes other companies and our 20% economic interest in Heineken

Coca-Cola FEMSA

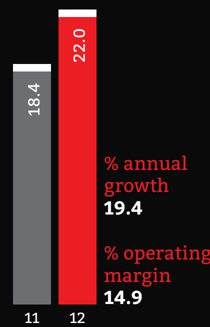
Headcount
thousands



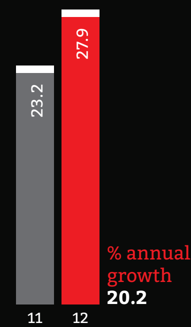
Total Revenues
billions of Mexican pesos



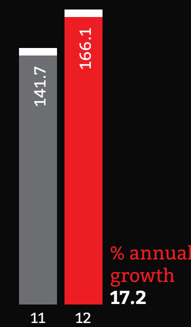
Income from Operations (1)
billions of Mexican pesos



EBITDA(2)
billions of Mexican pesos

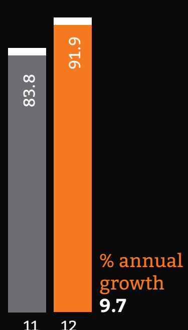


Total Assets
billions of Mexican pesos



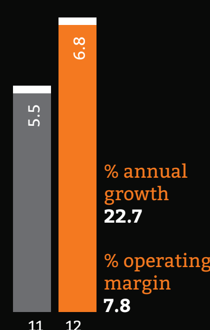
FEMSA Comercio

Headcount
thousands

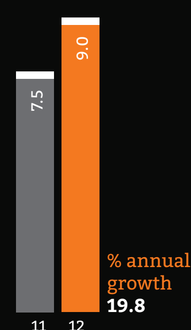


Total Revenues
billions of Mexican pesos

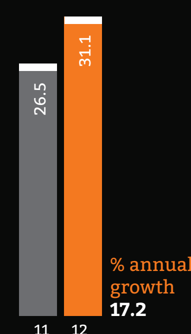
Income from Operations (1)
billions of Mexican pesos



EBITDA (2)
billions of Mexican pesos

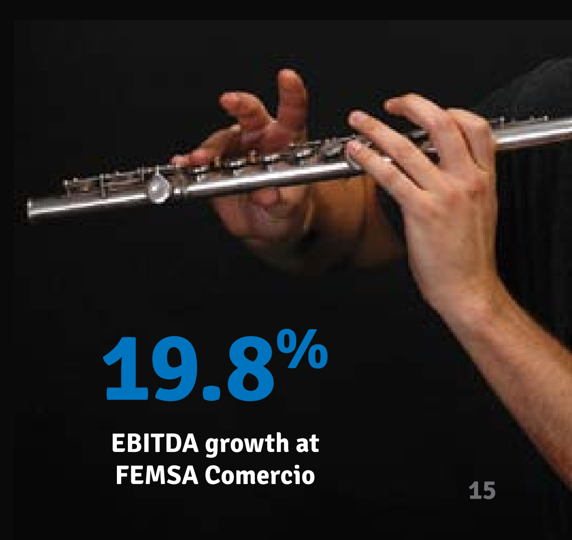


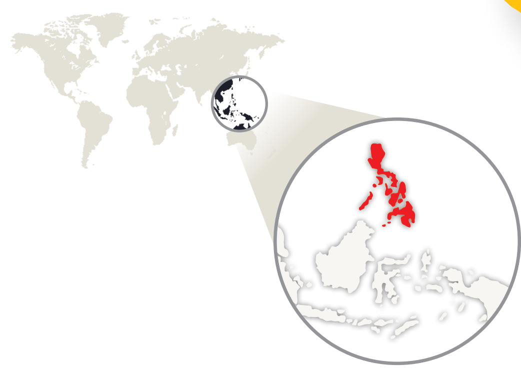
Total Assets
billions of Mexican pesos



(1) Company's key performance indicator, calculated using IFRS figures.

(2) EBITDA equals Income from Operations plus Depreciation, Amortization and other non-cash items.





Operating Overview

Mexico	
Plants	16
Distribution facilities	123
Distribution routes [1]	5,688
Brands [2]	50
Clients	852,624
Headcount	41,153

Venezuela	
Plants	4
Distribution facilities	33
Distribution routes [1]	742
Brands [2]	15
Clients	209,232
Headcount	7,615

Central America [3]	
Plants	5
Distribution facilities	26
Distribution routes [1]	489
Brands [2]	39
Clients	103,994
Headcount	5,849

Brazil	
Plants	4
Distribution facilities	28
Distribution routes [1]	1,748
Brands [2]	37
Clients	179,805
Headcount	11,068

Philippines [6]	
Plants	23
Brands [2]	22
Clients	770,000

Colombia	
Plants	6
Distribution facilities	32
Distribution routes [1]	1,068
Brands [2]	22
Clients	395,012
Headcount	4,900

Argentina	
Plants	2
Distribution facilities	4
Distribution routes [1]	330
Brands [2]	29
Clients	78,504
Headcount	2,810

Mexico and Colombia	
Stores	10,601
Distribution facilities	15
Brands [4]	2
Clients [5]	+ 8
Headcount	91,977

Note: Only includes core business information.
1. Includes third-party distributors.
2. Includes brand extensions.
3. Includes Guatemala, Nicaragua, Costa Rica and Panama.
4. Selected brands.
5. Millions of clients per day based on the number of daily transactions.
6. 2013 acquisition.

Acquisition of Coca-Cola Bottlers Philippines, Inc.

The first incursion of a Latin American bottler outside of the region, this transaction marks an important strategic expansion of our company's bottling footprint beyond the Americas, reinforcing our exposure to fast growing economies and our commitment to the Coca-Cola system.

Systematic Growth

In 2012, OXXO surpassed the 10,000-store mark, opening 1,040 new stores for a total of 10,601. Since it took 20 years to reach our first 1,000 stores, this major milestone not only illustrates how far we have come, but also how far we can grow.

Value-Centric Strategy

Accelerating its evolution to a value-driven commercial platform, Coca-Cola FEMSA completed the rollout of its commercial model across its existing territories, as well as its newly merged franchises in Mexico.

Enhanced Logistics

Our fleet of dedicated smaller trucks transport and deliver food at controlled temperature and visit over 3,000 stores every day.

Coca-Cola FEMSA

Opening new horizons

Our launch of *FUZE* tea appealed to the tastes of a broad range of consumers

In the face of a tough commodity and volatile currency environment throughout much of the year, our business delivered double-digit top- and bottom-line growth—including the results from our recent mergers with Grupo Tampico, Grupo CIMSA, and Grupo Fomento Queretano in Mexico. For the year, our total revenues rose 19.9% to Ps. 147.7 billion. Our gross profit increased 21.4% to Ps. 68.6 billion, and our income from operations increased 19.4% to Ps. 22.0 billion.

314

million consumers enjoy our refreshing beverages every day

Consumer Focus

Our growing and evolving insights into consumer needs and preferences drive our portfolio strategy across our markets. As a result, together with our partner The Coca-Cola Company, in 2012, we introduced a number of new products and presentations to satisfy consumer demand in multiple beverage categories. During May 2012, we carried out a system-wide launch of *FUZE* tea, a fusion of tea with natural fruit flavors, in a vari-

ety of presentations across our franchise territories in Mexico, Colombia, Venezuela, Panama, Costa Rica, and Nicaragua. Thanks to our operations' successful implementation of our integrated marketing strategies—including innovative advertising, sales promotions, and point-of-sale materials—we doubled the historic point-of-sale coverage of the previous brand, attracted a broader base of consumers, and drove consolidated year-over-year volume growth of 25% in the ready-to-drink tea category.

We also continued to stimulate and satisfy consumers' demand for more natural juice-based beverages through the innovative growth of our orangeade category. In Mexico, *Valle Frut* orangeade is now the country's third largest brand, generating sales of approximately 50 million unit cases this year in our territories. Following its fourth-quarter 2011 rollout, *del Valle Fresh* orangeade contributed almost 45% of our incremental volume growth in Venezuela for the year. Moreover, *Hi-C* orangeade contributed significantly to our non-carbonated beverage volumes in Argentina for the year. Altogether, this category represented 52% of our consolidated non-carbonated beverage volumes in 2012—reflecting our ability to identify and develop promising beverage categories for our consumers.

On the packaging front, we continued to identify and anticipate consumers' evolving needs with a growing array of affordable and convenient alternatives. In Venezuela, we introduced our convenient, entry-level 355-milliliter PET single-serve and our afford-

77%

sparkling beverage volume growth from brand *Coca-Cola*

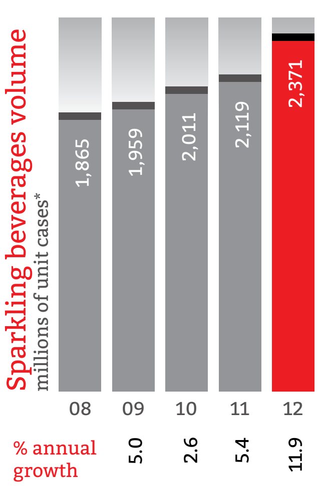
Coca-Cola FEMSA

able 1-liter PET multi-serve presentations for brand *Coca-Cola*, enabling consumers to enjoy the magic of *Coke* on multiple occasions. In Colombia, we launched the *Fanta* brand in several presentations and three different flavors—orange, apple, and grape—offering our consumers a refreshing new beverage, while driving per capita consumption of our brands. In Mexico, on top of our convenient 200-milliliter PET single-serve presentation, we launched a 500-milliliter returnable glass bottle to complement our broad array of packages for brand *Coca-Cola*, providing an attractive value proposition for our consumers to enjoy. In Argentina, we introduced our convenient, entry-level 250-milliliter PET presentation for brand *Coca-Cola*, fostering single-serve consumption on the go. Furthermore, to reinforce our position in Brazil's sparkling beverage category, we extended the coverage of our affordable, returnable, multi-serve 2-liter PET bottle for brand *Coca-Cola* and *Fanta*. Through our expanding portfolio of presentations, we take the opportunity to maximize consumers' enjoyment on every occasion.

Growth

In 2012, we generated solid organic growth. Excluding the results from our recently merged franchise territories of Grupo Tampico, Grupo CIMSA, and Grupo Fomento Queretano, our revenues and income from operations rose 11.6% and 13.3%, respectively. The main drivers of our positive performance for the year were our ability to leverage our new commercial model to capture our industry's value opportunities through our point-of-sale execution, revenue management, and the strength of our multi-category beverage portfolio.

On top of our business' organic growth, we built on our rich history of successful value-creating transactions with our partner, The Coca-Cola Company. In January 2013, we closed the acquisition of 51% of Coca-Cola



*One unit case equals 24 8-ounce bottles.

1,835

million unit cases of brand *Coca-Cola* sold to quench consumers' thirst

Bottlers Philippines, Inc. (CCBPI), The Coca-Cola Company's bottling operations in the Philippines. The first incursion of a Latin American bottler outside of the region, this transaction represents an important strategic expansion of our company's bottling footprint beyond Latin America—reinforcing our exposure to fast growing economies and our commitment to the Coca-Cola system.

The Philippines provides a unique opportunity to operate in a country with very attractive economic growth prospects, a private consumption driven economy, an attractive socio-economic and demographic profile, and a cultural and structural resemblance to our Latin American territories. In fact, while the Philippines features one of the highest per capita consumption rates of Coca-Cola products in Southeast Asia, when compared with the per capita consumption of our products in Latin America, the market offers significant opportunities for further growth.

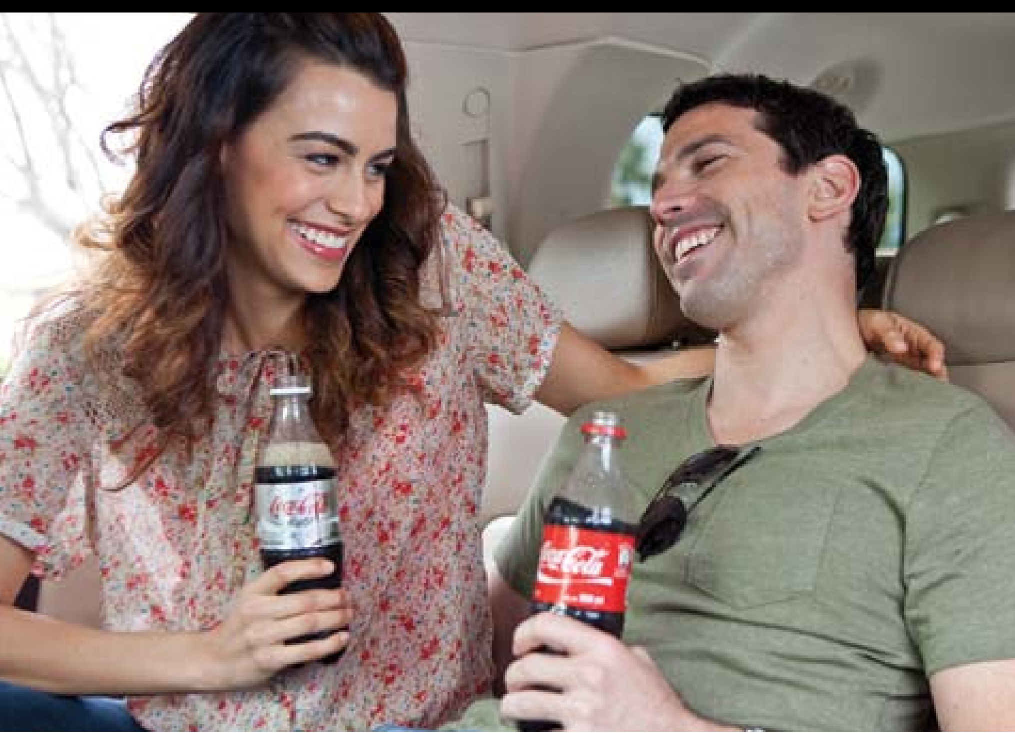
The Philippines also plays to our company's strengths. The country's fast-growing non-alcoholic beverage industry and complex retail landscape will enable us to leverage our proven know-how and operating capabilities to generate revenue growth opportunities and important operating efficiencies. From our world-class point-of-sale execution to our value-driven commercial model, to our continuous investment in our most important asset—our people—we are prepared to take on the challenges and capture

Our growing array of products and presentations caters to our consumers' distinctive tastes

With *Santa Clara*, we further expand the horizons of our wide still beverage portfolio in Mexico.

2

countries where we offer dairy products to delight our consumers



the opportunities that we anticipate in this exciting new venture.

Nevertheless, as we take the first steps to build a long-term emerging-market footprint, we remain focused on the opportunities that Latin America presents according to our well-defined strategic framework for growth. With this in mind, in January 2013, we reached an agreement with Grupo Yoli to merge our bottling operations. Once again, we join forces with one of the oldest and most respected family-owned Coca-Cola bottlers in Mexico, with whom we share an aligned entrepreneurial vision and values. Together, we will capitalize on the geographic proximity of our contiguous territories, the mutual benefit of our shared best practices, and the broad consumer appeal of our integrated multi-category portfolio of beverages to create value for all of our stakeholders.

Furthermore, through Jugos del Valle, our joint venture with The Coca-Cola Company and the rest of the bottling system in Mexico, we recently incorporated Santa Clara, a relevant player in the milk, ice cream, and value-added dairy categories. This transaction will enable us to employ the knowledge that we have acquired from Estrella Azul in Panama to continue building on the strong brand equity of Santa Clara in Mexico, while broadening our still beverage portfolio to complement our consumers' healthy lifestyles.

Our growing milk and value-added dairy products complement our multi-category beverage portfolio.

Profitable Complexity

Over the past several years, we have developed a wide breadth of talent. Our executive team enjoys a proven track record of integrating new franchises profitably. We also benefit from the scale and scope of our systems infrastructure to integrate large, complex operations efficiently.

Building on this record of success, our seasoned team of professionals worked closely with their new colleagues to swiftly and smoothly integrate the recently merged franchise territories of Grupo Tampico, Grupo CIMSA, and Grupo Fomento Queretano into our Mexican operations in only a matter of months. Collectively, these franchise territories included 9 bottling facilities and 52 distribution centers, with nearly 11,200 employees serving approximately 425 million unit cases of beverages annually to almost 175,000 clients and 12 million consumers daily. They also represented an increase in our Mexican operations' volumes, revenues, and EBITDA of approximately 30%.

Along with the integration process, we executed several important initiatives across these three territories, including the rollout of our value-driven commercial model; the implementation of the IT platform to support our commercial model; the placement of more than 12,000 new coolers; the adjustment of prices on a par with the rest of our territories; the launch of the popular *Sidral Mundet* brand of apple-flavored sparkling beverages; and the re-launch of relevant local sparkling beverage brands, including *Escuis* and *Victoria*. We accomplished all of this while restructuring the manufacturing and distribution network to further improve the efficiency of these new territories. Indeed, as a result of our efforts, we increased our synergy target from Ps. 800 million to Ps. 900 million. Looking forward, we will continue working to increase the productivity of our combined territories.

676

million unit cases of still beverages sold to satisfy consumers

FEMSA Comercio

Generating

dynamic, profitable growth

+ 3

billion transactions a year conducted at OXXO

In a generally positive macroeconomic environment, FEMSA Comercio produced another year of excellent results. Total revenues rose 16.6% to Ps. 86.4 billion. Our increased revenues came from our continued store expansion and our healthy comparable same-store sales growth—reflecting improvement in both our average customer ticket and our store traffic. For the year, our same-store sales growth outperformed the market trend, reinforcing our position as an industry benchmark.

Gross profit grew 18.7% to Ps. 30.2 billion, resulting in a 60 basis point gross margin expansion to 35.0% of total revenues. Our expansion 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 22.7% to Ps. 6.8 billion. Our higher operating expenses reflect our growing number of stores, our continued strengthening of FEMSA Comercio's organizational structure, and our development of specialized distribution routes to enable our prepared food initiatives. For the year, our operating margin expanded 30 basis points to 7.8% of total revenues.

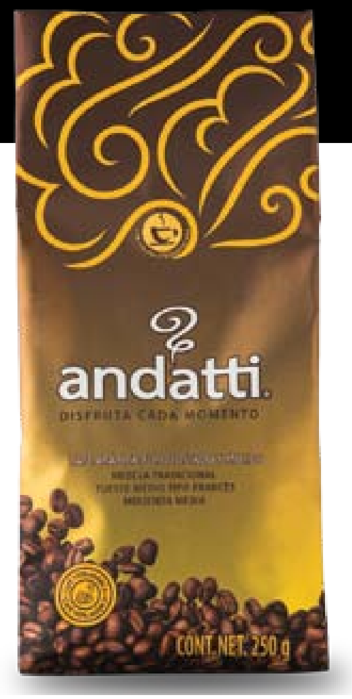
Consumer Focus

At OXXO, we continue to implement and develop our new commercial strategy, a framework focused on

targeting, understanding, and fulfilling the primary reasons that consumers visit OXXO. Specifically, we have identified our key 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 more effectively draw shoppers to our stores, attracted by an ever-increasing array of quality products and services.

Among our initiatives, we continue to broaden the scope of our convenient one-stop services. To further optimize our consumers' time, we now offer OXXO shoppers the ability to purchase and replenish cards for travel on public bus networks in 10 major metropolitan areas. Moreover, our markedly expanded correspondent bank program with Mexico's two largest financial institutions, enables customers to make cash deposits to their bank accounts and payments toward the balance of their bank credit cards at anyone of OXXO's stores across the country. Gradually, consumers are adopting this new functionality, and we look forward to eventually expanding this program to every bank in Mexico, particularly since the number of our OXXO stores is already comparable to the total number of branches of the 10 largest banks in the country.

Additionally, to more effectively satisfy our consumers' hunger, we continue developing a system of specialized distribution routes to deliver



Our *andatti®* brand coffee is now the leader in Mexico's freshly brewed coffee category

7

days a week, 365 days a year OXXO is always ready, always there for you

prepared foods to our stores fresh daily. Already covering two thirds of our OXXO stores across Mexico, these routes use a refrigerated fleet of dedicated smaller trucks that can transport and deliver food at controlled temperature and visit over 6,000 stores at least three times a week. Through this initiative, combined with our systematic progress along the entire prepared food supply chain, we are only beginning to unlock the potential of this promising consumption occasion.

Furthermore, we recently launched a new private label brand of high-quality snacks, candy, and baked goods called *Bitz* to indulge our shoppers' cravings. This new brand, together with our broad selection of private label offerings, complements our existing assortment of leading product brands, featuring attributes that our consumers can only find at OXXO. To this end, we offer a selection of private brand staples—from canned vegetables, milk, and beans to diapers, detergent, and toilet paper—at highly competitive prices to replenish and fulfill our shoppers' daily requirements.

By efficiently and reliably serving and satisfying their needs, OXXO is increasingly a part of the lives of consumers across Mexico. The myriad transactions carried out at OXXO—more than 8 million a day and more than 3 billion a year—means that the chain continues to secure its position as the preeminent choice for shoppers throughout the country.

1,040

new OXXO stores last year, redefining proximity one neighborhood at a time

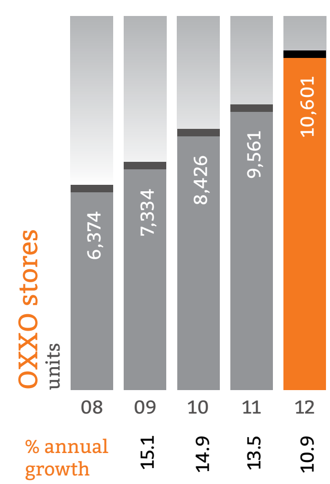
Growth

2012 was another very strong year for our same-store sales growth, increasing an average of 7.7% compared with the prior year. Our progress in mapping and understanding consumers' needs and enhancing 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 both improved 3.8% for the year.

Our stores' performance—which continued to exceed the long-term trend—also benefited from the closer logistics support offered by our addition of two new distribution centers for a total of 15 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 the largest and fastest growing small-format store chain in Latin America. In 2012, we surpassed the 10,000-store mark, opening 1,040 new stores for a total of 10,601. We also continued to make progress in Colombia, where we continue advancing toward the right value proposition for our stores by adjusting and testing such variables as size, format, layout, location, and assortment. As we steadily advance our understanding of this promising market, we are incrementally expanding our network of stores in the capital city of Bogota, from 21 at the end of 2011 to 34 at the end of 2012.

Beyond the pursuit of geographical growth exemplified by our efforts in Colombia, in 2012, FEMSA Comercio took an important first step in a



We strive to meet the needs of our customers in a friendly, fast, and reliable way

parallel, complementary avenue for growth that aims to leverage our capability and our platform across formats rather than across countries. In our view, the combination of similar small-box store formats and a similarly fragmented industry structure, coupled with the considerable, transferable skills we have built managing OXXO's progress over the years, represents a very compelling opportunity set. To this end, we agreed to acquire a 75% stake in Farmacias YZA, a leading drugstore operator in southeast Mexico, with 333 stores in five states. We believe that we can contribute our significant expertise in the development of small-box retail formats to what is already a successful regional player in this industry.

Profitable Complexity

Our people are the engine that drives our business' growth and development. Accordingly, we empower our people with the culture and capabilities to profitably address the everyday complexity of managing, operating, and satisfying the needs of our consumers at more than 10,000 OXXO stores.

At FEMSA Comercio, the consumer is king and the name of the game is customer service. This, in turn, becomes the main objective of our 91,977 strong workforce. With this in mind, we have developed an internal service chain that enables the people who work at our OXXO stores to provide our shoppers with exemplary service, to grow personally and professionally, and to take pride in their position as an employee of our company.

We recognize that a satisfied employee understands the responsibilities of their post, strives to achieve positive results, stays at our company and contributes to its growth, and, ultimately, transcends or goes above and beyond in their job, family, and community. With this in mind, we have established a structured human resources platform, called our "Internal Value Proposition for Employees." This platform focuses on eight levels: financial security, health and

91,977

member workforce committed to a culture of service

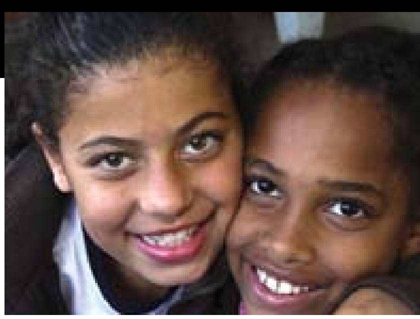
welfare, secure environment, enablement, freedom to act, recognition, development, and transcendence. Given their importance for our people's welfare, each level features initiatives that foster a sense of satisfaction among our employees. For example, with regard to financial security, we guarantee fair and easy-to-understand compensation, and with respect to health and welfare, we offer medical coverage, as well as our company's comprehensive *Occupational Health and Safety System (SASSO)*.

We also promote personal and professional growth. Among our development programs, the *OXXO Institute* offers free courses, high school programs, and undergraduate degrees for all of our employees. In 2012, 204 store managers enrolled in the Institute's Bachelor's Degree in Retail Company Management, and the first group of 14 graduated by the end of the year.

Through our multi-faceted human resources platform, we not only provide the conditions necessary for the full professional and personal advancement of our people, but also instill the culture and competencies required for them to profitably achieve our business' goals.

At the end of the day, OXXO's sharpening consumer focus, growing ubiquity, expanding value proposition, and culture of service ensure that "we are always ready, and we are always there for you."

Positively transforming our communities



122-year

value-based work ethic

Sustainability

During 2012, we updated our comprehensive long-term sustainability strategy and developed the planning required for its implementation. Founded on our company's 122-year value-based work ethic, our vision is to ensure the sustainability of our business by positively transforming our communities through the simultaneous creation of economic, social, and environmental value.

To that end, we embarked on an extensive exercise to integrate sustainability into our overall strategic planning and to reinforce it in our day-to-day decision-making processes. After a multi-area diagnosis and analysis, we defined our most important priorities in the area of sustainability. Composed of three governing pillars—including nine action areas and their corresponding focus topics—our strategy is designed to more efficiently concentrate our resources on those areas that will generate the greatest positive impact on our business, the environment, and the communities we serve.

Our sustainability strategy enables us to define clear targets that we can use to monitor, measure, and achieve the desired impact of our actions; incorporate new trends; mitigate risks and identify opportunities; facilitate the creation of alliances with stakeholder groups; and maximize, prioritize, and focus our efforts. In 2013, we will continue working on the development of objectives, targets, and action plans to ensure their alignment with our sustainability strategy.

Exemplary Initiatives by Action Area

Pillar I. Our People: Promote the comprehensive development of our employees

Culture and Values

FEMSA Comercio's *Internal Value Proposition for Employees* is a human resources platform that features initiatives fostering eight levels of employee satisfaction.

Training and Development

FEMSA University provides for the development of our employees through onsite and online training.

Comprehensive Development

Our *Social Development System* promotes the social and personal development of our employees and their

families through activities, services, programs, and benefits designed to improve their quality of life.

Pillar II. Our Planet: Minimize the environmental impact of our operations

Water
Coca-Cola FEMSA's *Water Efficiency Program*, implemented in the nine countries where we operate, continually reduces the average consumption of water per liter of beverage produced through water efficiency technologies, programs, and actions.

Energy
FEMSA Logística has designed programs to reduce the use of fossil fuels in our transportation operations. Through such actions as the design of high productivity vehicles, the implementation of our *Clean Transportation program*, route optimization, and staff training on eco-efficient driving techniques, our company has improved transportation efficiency and reduced greenhouse gas emissions.

Waste and Recycling
Our *IMER Recycling Plant*, a joint venture between Coca-Cola FEMSA, ALPLA Mexico, and Coca-Cola Mexico, is one of the largest PET recycling facilities in Latin America.

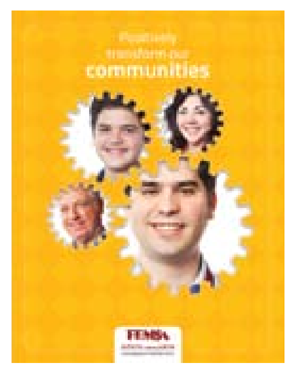
Pillar III. Our Communities: Contribute to the development of sustainable communities

Community Development
Youth with Value trains young people to become social entrepreneurs through the design and implementation of development projects that benefit their communities. We supported 120 projects in 2012.

Sustainable Sourcing
FEMSA Comercio started a pilot supply chain initiative to identify and strengthen actions that suppliers are currently implementing or plan to develop to improve their sustainability. Each participating supplier established a work plan with actions addressing environmental and social issues.

Healthy Lifestyles
Sign Up to Play, implemented by Coca-Cola FEMSA in partnership with The Coca-Cola Company and the Ministries of Education of Argentina, Colombia, Costa Rica, Guatemala, Nicaragua and Panama, promotes healthy living and physical activity through sports in schools.

For the fifth consecutive year, we applied the Global Reporting Initiative Sustainable Reporting Guidelines (GRI G3.1) and, when applicable, we used the Food Processing and the Logistics and Transportation Sector Supplements to produce our 2012 Sustainability Report, which is GRI checked and externally verified by KPMG Mexico, achieving an application level of A+, the highest level available.



We welcome you to read our 2012 Sustainability Report on our website at www.femsa.com/en/sustainability/

A+

level achieved by our 2012 Sustainability Report, according to the GRI

FEMSA Foundation

The *Seed of Water Fund* in Chiapas, Mexico, will preserve the watershed of the Grijalva River, one of the country's main contributors of hydro-electric power.

The *Laboratory of Emerging Technologies* will join the WHO in its drive to achieve safer food for better health

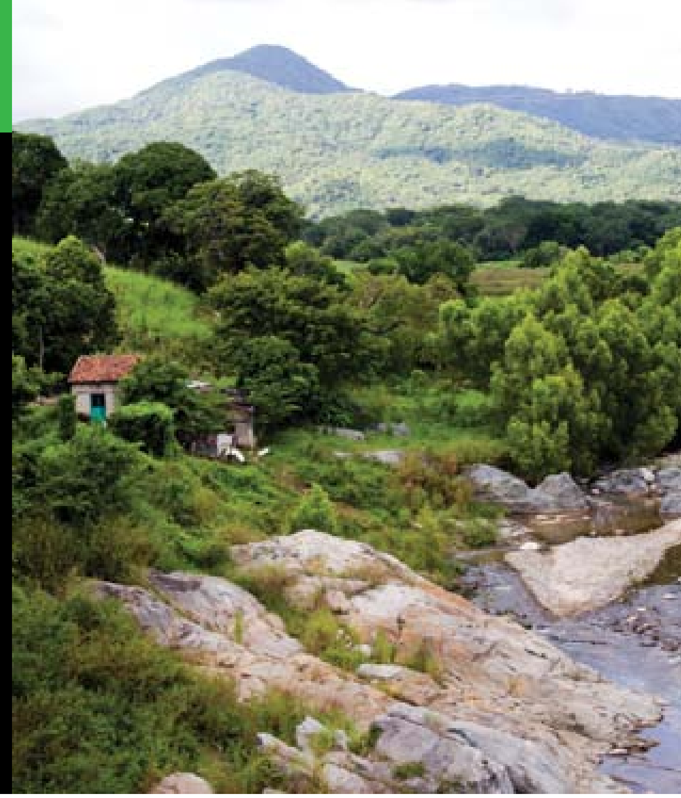
FEMSA Foundation
FEMSA Foundation is an independent organization aligned with FEMSA's sustainability strategy. As the company's instrument for social investment, we are committed to the creation of long-term value for the communities where we operate. To ensure the long-term success of our initiatives, we join forces with stakeholders from different sectors to create regional platforms.

Sustainable Development of Water Resources
In 2012, the *Water Center for Latin America and the Caribbean*—created by FEMSA Foundation, the Inter-American Development Bank (IDB), and the Tecnológico de Monterrey—continued to address the training of water professionals, one of the greatest opportunities for water sustainability throughout Latin America. With new courses and facilities, the Center provided onsite and online training to 761 directors and technical personnel of the water community, up almost four times from 2011. The Center aims to train at least 1,000 water professionals annually by 2013.

Additionally, the Center and FEMSA Foundation organized and co-hosted the Latin American Focus day at the Stockholm International Water Institute's prestigious annual World Water Week. The forum convened governmental leaders and global food and beverage companies to share best practices regarding water and food security. The Center was also honored to be invited to become an official member of the World Water Council. Furthermore, the Center's consulting, research, and training generated approximately US$2 million to help fund its activities.

In 2011, we united with The Nature Conservancy, IDB, and the Global Environment Facility (GEF) to create the *Latin American Water Funds Partnership*. Over five years, the Partnership plans to implement at least 32 Water Funds throughout Latin America with investments of over US$27 million. Revenue from these investments will

The *Latin American Water Funds Partnership* plans to implement at least 32 Water Funds to preserve key watersheds that supply some of the region's most important cities.



preserve key watersheds upstream that filter and regulate the water supply of some of the most important cities in the region.

Today, the Partnership has launched 12 Water Funds, benefiting 12 cities in five countries. In 2012, it initiated the *Seed of Water Fund* in the state of Chiapas, Mexico, to preserve the watershed of the Grijalva River—one of the country's main contributors of hydroelectric power. The Grijalva, Mexico's second-largest river, supports Chiapas' three biggest cities.

At the Rio+20, United Nations Conference on Sustainable Development, the Partnership announced the investment of US$1.1 million over the next five years to develop three Water Funds in the Brazilian states of Minas Gerais, Rio de Janeiro, and São Paulo. These Funds will help to conserve approximately 50,000 hectares of watersheds, benefiting over 14 million people.

Quality of Life

In 2012, the Nutrigenomics Research Chair of the *FEMSA Biotechnology Center* at Tecnológico de Monterrey received the distinguished National Science and Technology for Food Prize from Mexico's National Commission of Science and Technology. The award was for research on alternative technology in genetic engineering that offers great potential to prevent diseases like diabetes and HIV. Supported by Mexico's National Science and Technology Council, the Chair also established *The Laboratory of Emerging Technologies* at Tecnológico de Monterrey. Unique in Latin America, the Laboratory is the first in a private university, and will join the World Health Organization's global food safety network. Additionally, the Chair launched five new research projects for a total of 17.

761

water professionals trained last year

For more information about FEMSA Foundation and our projects, please visit: www.femsafoundation.org/report2012

Executive Team

Our seasoned team of experienced executives leads our steadfast pursuit of excellence as a leading international consumer company. Our team continues to extend our track record of sustainable, profitable growth—creating economic, social, and environmental value for our stakeholders year after year. Together, they build on our strengths to maximize our corporate and financial flexibility, take advantage of strategic opportunities, and 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
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 institution. For over 20 years, he has been professor of Planning Systems at Tecnológico de Monterrey.

Federico Reyes García
Vice-President of Corporate Development
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 and Strategic
Development Officer
FEMSA

Javier Astaburuaga joined FEMSA in 1982. In 2006, he was named FEMSA's CFO and Vice-President of Strategic Development. In 2012, he was appointed Chief Financial and Strategic Development Officer, adding some Human Resources matters to his responsibilities. 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
Vice-President of Strategic Businesses
FEMSA

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 Vice-President of Strategic Businesses of FEMSA. In 2012, he started coordinating other strategic areas at FEMSA, such as Corporate Affairs. Since March 2011, he has been 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
FEMSA

José González assumed his 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, participates as Auditing Committee Secretary of FEMSA's and Coca-Cola FEMSA's boards 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
FEMSA

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 PRI political party 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, and Commercial Planning in Grupo Visa, and CEO of FEMSA Cerveza. In 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 has led the Planning Committee on the Reconstruction Council for the city. He has been a professor in economics for a number of years at 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's degree in Business Administration from this institution. He also has pursued 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
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 on his position 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 according to the highest standards of corporate governance. We are committed to the quality, objectivity, and integrity of our disclosure policies, and adhere to best corporate governance practices. We comply with the standards set forth in the Mexican Securities Law and the applicable provisions of the United States' Sarbanes-Oxley Act. Furthermore, we were among the first industry 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 at all times. Our responsible principles of corporate governance provide a framework for our company to sustainably build our business—delivering the results 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. The Chairman of the Audit Committee is José Manuel Canal Hernando. Members include financial experts: Francisco Zambrano Rodriguez, Alfonso González Migoya, and Ernesto Cruz Velázquez de León—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.

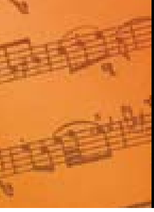
Corporate Practices Committee

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 could benefit a particular group of shareholders. The committee may call a shareholders' meeting and include matters on the agenda for that meeting that may deem appropriate. They are also responsible for the approval of policies for the use of the company's assets or related party transactions, the approval of the 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 and Planning 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 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 determining our corporate strategy; 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 Practices 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.
(a 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]
Chairman of the Board of Directors of Grupo Industrial Saltillo S.A.B. de C.V.
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

Moises Naim [i]
Senior Associate of Carnegie Endowment for International Peace
Elected 2011
Alternate Director: Francisco Zambrano Rodríguez [a,i]

Helmut Paul [b, i]
Owner of H. Paul & Company, LLC (a corporate finance advisory firm)
Elected 1988
Alternate Director: Ernesto Cruz Velázquez de León [a,i]

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

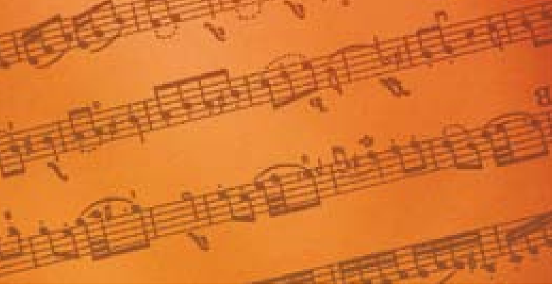
Robert E. Denham [b, c, i]
Partner at Munger, Tolles & Olson LLP Law firm
Elected 2001

Secretary
Carlos Eduardo Aldrete Ancira

Alternate Secretary
Arnulfo Treviño Garza

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

Relation:
i) Independent



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The FEMSA 2012 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.

Contact Information

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(269-2377)
International Callers: 201-680-6825
e-mail: shrrelations@bnymellon.com
Website: www.bnymellon.com/shareowner

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.

cotiza en Bolsa Mexicana FEMSA

FMX LISTED NYSE

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