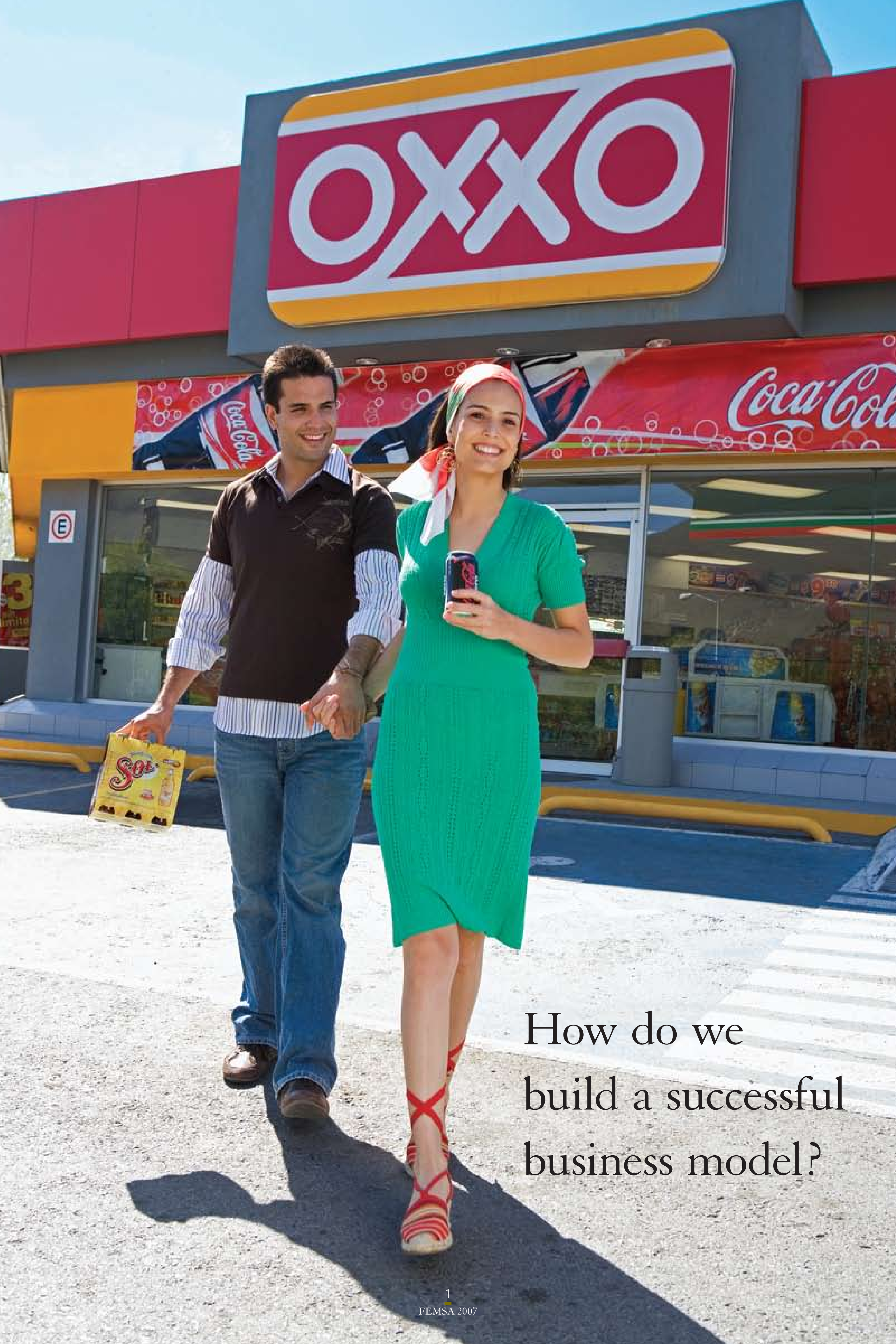
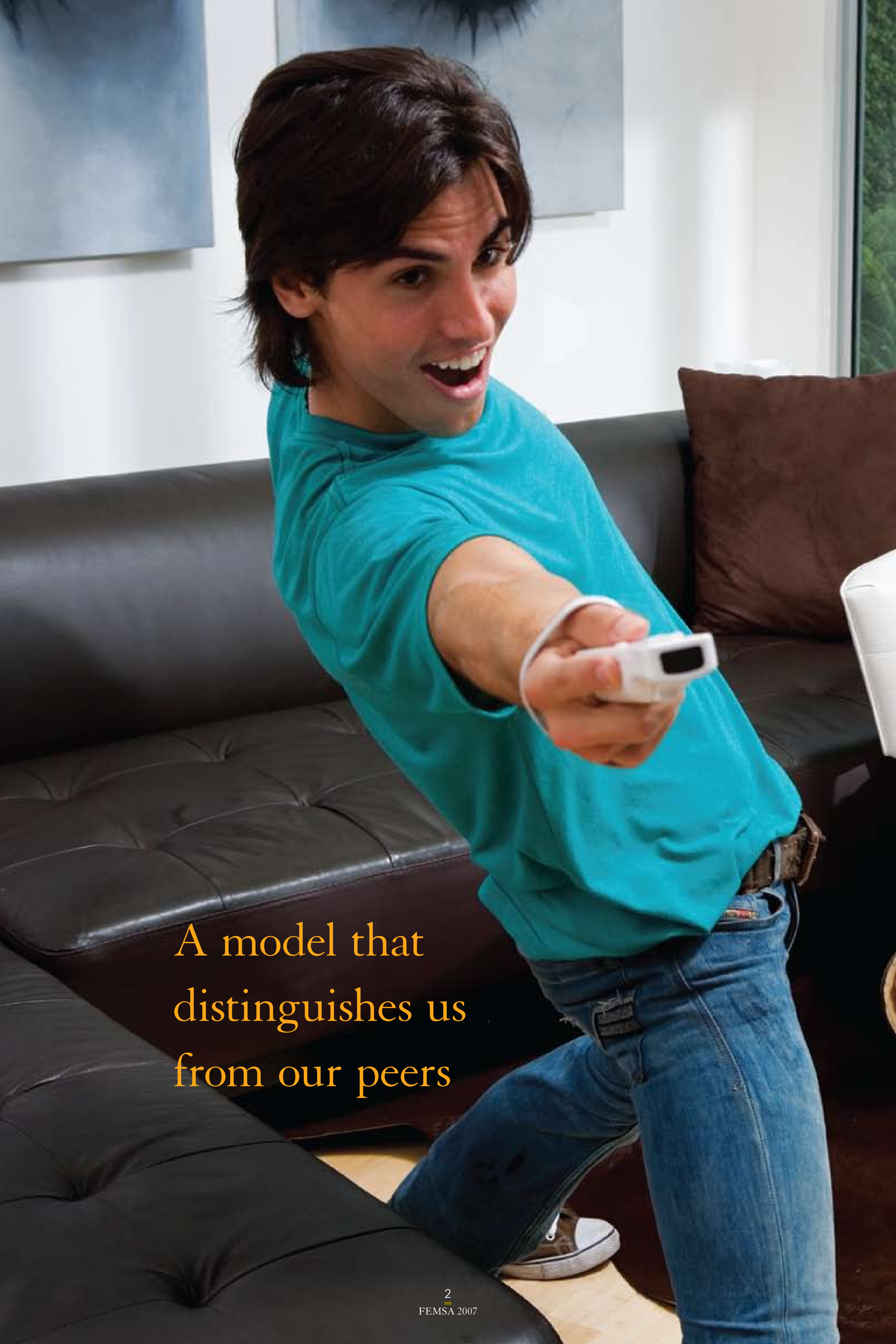
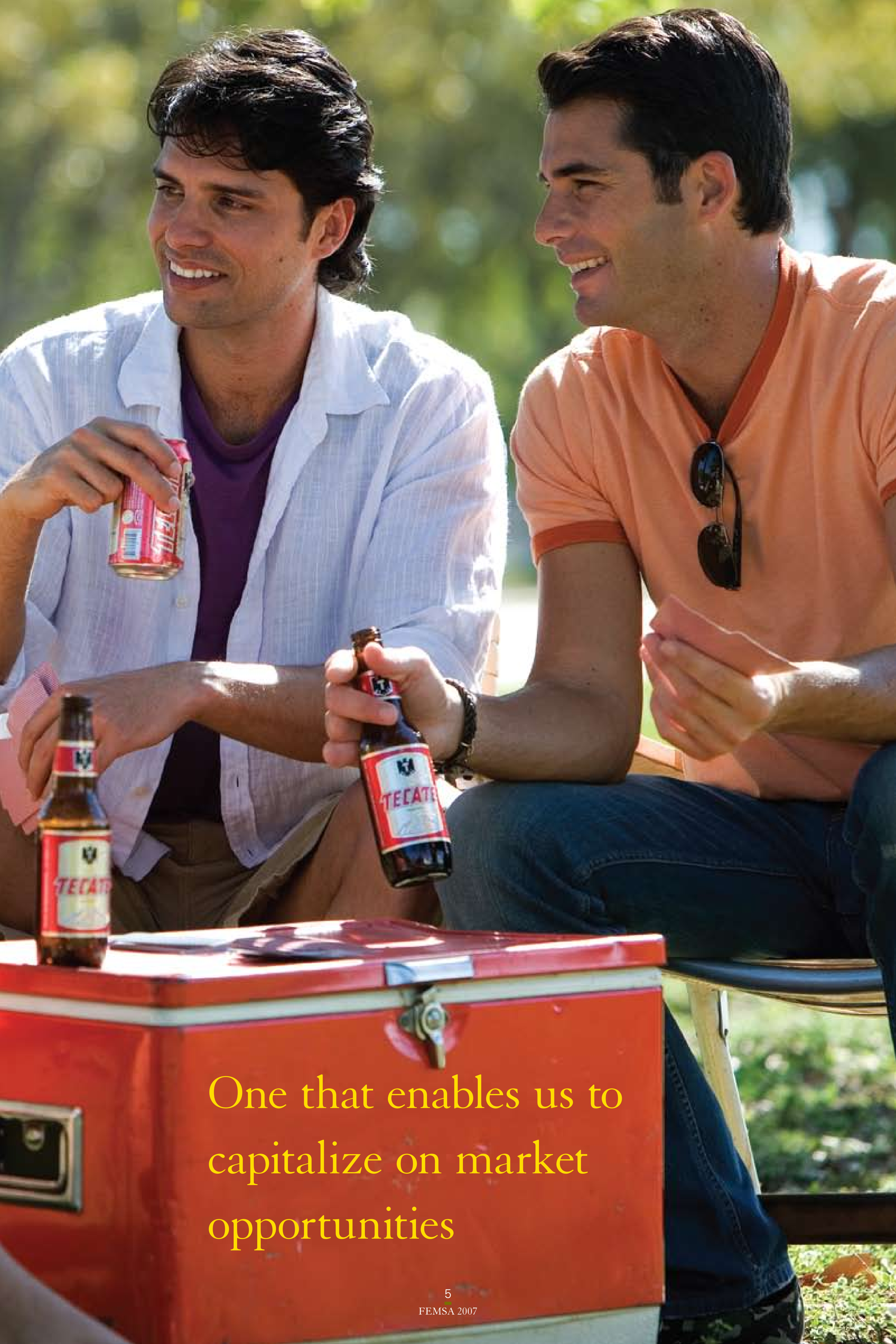


How do we build a successful business model?



A model that distinguishes us from our peers


Coca-Cola
Coca-Cola



One that enables us to capitalize on market opportunities

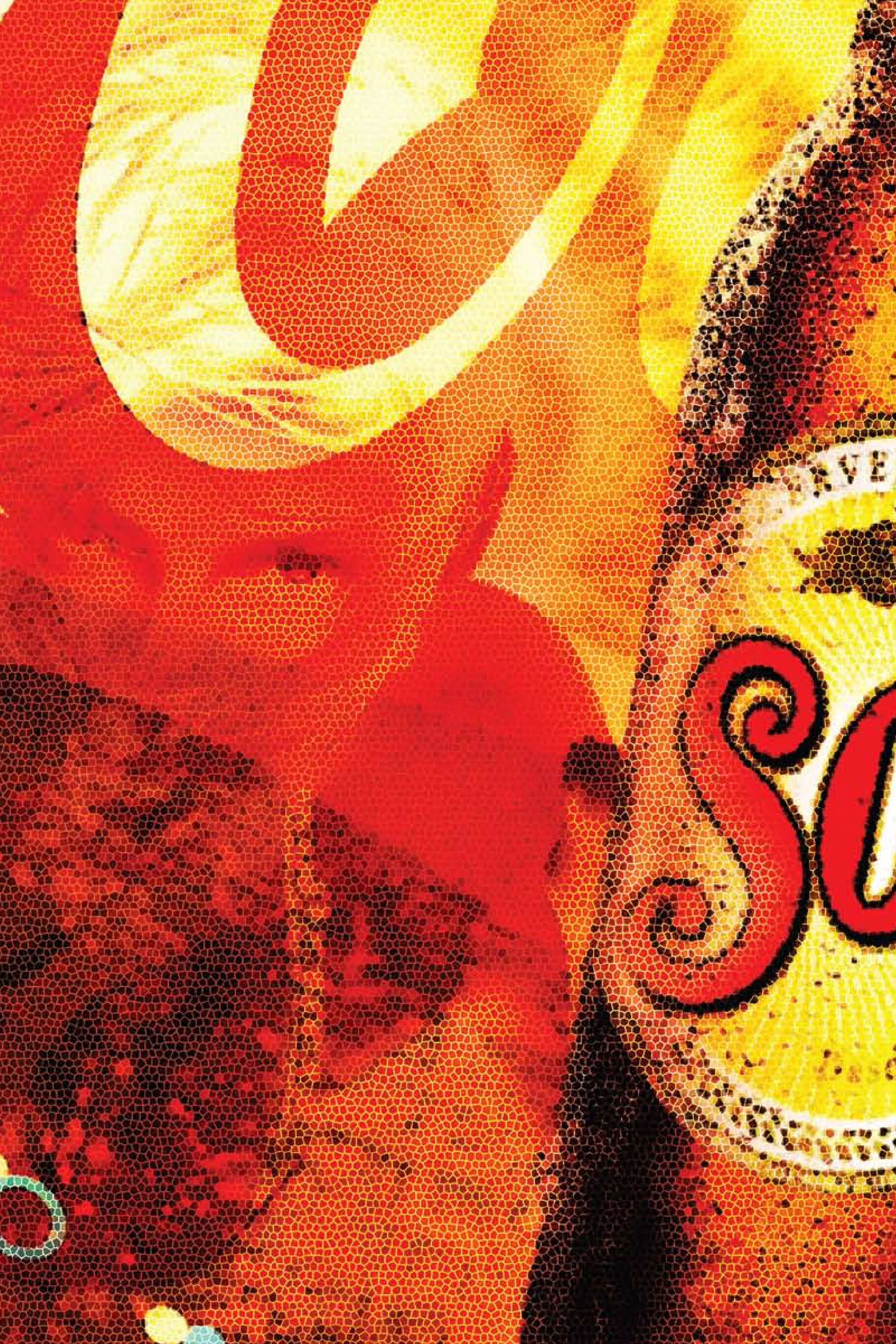
A platform that gives us a competitive advantage


Coca-Cola

A model that drives us to a continued upward growth trend


ólo en OXXO
AUTO OXXO
Bienvenido
altura máxima 2.40 m.

At FEMSA, our business is built on a foundation of great products and services that satisfy our consumers' different needs—providing them with the right product, in the right package, at the right moment in their lives.



STRATEGIC

Vision

2007 underscored the strength of our integrated beverage strategy. In a challenging year, we were able to deliver positive consolidated results as we continued the long-term process of building our brands and business model across markets.

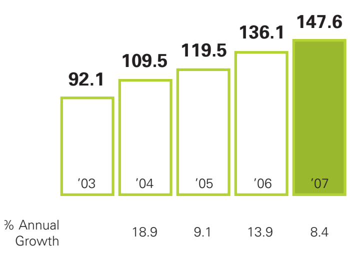
Dear Shareholder:

2007 underscored the strength of our integrated beverage strategy. In a challenging year for our Mexican beer business, we were able to deliver positive consolidated results as we continued the long-term process of building our brands and business model across markets. Strong top- and bottom-line growth at OXXO and Coca-Cola FEMSA more than offset short-term weakness at FEMSA Cerveza. In fact, over the past decade our integrated platform has increasingly come together to produce strong results, and we have grown our total revenue, income from operations, and operating cash flow (EBITDA) in dollar terms at compounded annual rates of 17%, 16%, and 15%, respectively.

For 2007, our total revenue grew to Ps. 147.6 billion (US$13.5 billion), an increase of 8.4% year over year. Our income from operations rose to Ps. 19.6 billion (US$1.8 billion), up 6.0%. Our net income increased 21.1% to Ps. 11.9 billion (US$1.1 billion), resulting in earnings per unit of Ps. 2.38 (US$2.18 per ADR).

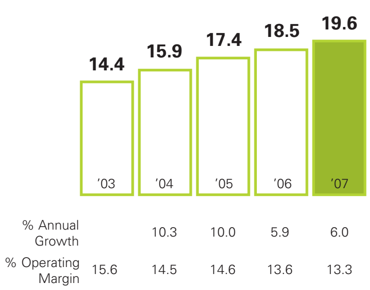
Total Revenues

billions of 2007 pesos



Income from Operations

billions of 2007 pesos



During the year, we embarked on several initiatives to further develop our brands. For example, building on the strength of our flagship *Sol* and *Tecate* brands, we successfully launched *Sol Shot* in Brazil, *Sol Cero* in Mexico, and *Tecate Light* in the southwest United States. We also successfully launched *Coca-Cola Zero* in Argentina, Mexico, and Brazil, driving incremental volume growth across the cola category.

We also continued to strengthen our business model to compete successfully across our integrated businesses and our growing number of territories. To stay in step with demand, in November, we announced the construction of two new plants—a brewery and a glass bottle facility—in Meoqui, in the northern state of Chihuahua in Mexico. Expected to begin operations in 2010, these investments will allow our domestic and exported beer to meet demand going forward.

Coca-Cola FEMSA's strong results this year, despite high raw-material costs throughout most of our market territories, largely reflect our business' superior level of execution. Our ability to deliver our goal of a perfect experience for each consumer on every occasion is founded on our market segmentation strategy. This strategy recognizes that none of our consumers, retailers, or competitors are the same, so we segment our markets accordingly.

Our development of Coca-Cola FEMSA's Brazilian operations exemplifies our ability to execute an advanced multi-segmentation strategy effectively. Today these operations account for 14% of Coca-Cola FEMSA's total volumes, 16% of total revenues, and 14% of total EBITDA, compared with 15%, 11%, and 6%, respectively, for 2004—one year after we acquired these assets.

During the year, our powerful execution was further supported by our successful new product launches. As a part of our three-tier cola strategy, we successfully launched *Coca-Cola Zero,* a calorie-free cola with the classic taste of *Coke,* in Argentina, Mexico, and Brazil. As a result, we were able to attract new consumers and to drive incremental volume growth across the cola category, including higher volumes of brand *Coca-Cola* and *Coca-Cola Light*. By year-end, *Coca-Cola Zero* contributed more than 30% of our incremental sales volume of sparkling beverages.(1)

Through our strong relationship with The Coca-Cola Company, we successfully made two transactions: our joint acquisition of Jugos del Valle, one of the leading juice producers in Mexico and Brazil, and our acquisition of The Coca-Cola Company's REMIL franchise territory in Brazil.

Beyond the potential synergies, our joint acquisition of Jugos del Valle will advance our multi-category strategy and additionally will make us the largest producer of still beverages(2) in the region—considerably increasing the company's position in Latin America's fast-growing, yet underdeveloped juice-based beverage segment. The REMIL franchise territory includes the third largest city in Brazil, Belo Horizonte, that will add approximately 15 million potential consumers and expand our position in this growing market by more than a third.

At FEMSA Cerveza, we continued to experience a tough raw materials environment that put pressure on our profits in the short term, even as we continued to move forward with our long-term strategic objectives. We are confident in the course we have set, and we remain committed to control costs within the context of what is best for the long term—building our brands' health and delivering sustainable growth.

In Mexico, our market segmentation and product innovation continued to drive the health and per capita consumption of our flagship *Sol* and *Tecate* brands, particularly among younger consumers. In 2007 we introduced 84 new SKUs in Mexico alone. Our new products included *Sol Cero,* the first non-alcoholic beer produced in Mexico; *Bohemia Obscura,* a super-premium, full-bodied Vienna-type beer; *Carta Blanca Edición Especial,* a beer that evokes our tradition, heritage, and quality; and the first Mexican beer—*Dos Equis*—in an aluminum bottle.

For the third consecutive year, *Tecate Light* was the Mexican beer industry's fastest growing brand. Its brand health continued to grow dramatically, at a more rapid pace than that of its competitors. The brand strengthened the loyalty among our consumers in Mexico's north and northwest and attracted new consumers in territories where we are gradually penetrating the market. It also proved very popular with younger consumers, underscoring its strong competitive position and long-term growth potential.

(1) Sparkling beverages were previously referred to as carbonated soft drinks.
(2) Still beverages were previously referred to as non-carbonated beverages.

We also continued our relentless focus on cost reduction and efficiency. We see opportunities for savings across all parts of our business, including distribution, sales, purchasing, general, and administrative expenses. For instance, after separating our business' secondary distribution and sales, we were able to increase productivity and efficiency in distribution generating savings of close to US$10 million.

In Brazil, we continued to take the right steps, with volume growth of 9.6%—above that of the industry. Our redefined and strengthened brand portfolio yielded positive results, as our new *Sol* brand approached 9% of our product mix, while the *Kaiser* brand grew steadily in several markets. Indeed, our new *Sol Shot* won best product presentation award from IBOPE in Brazil.

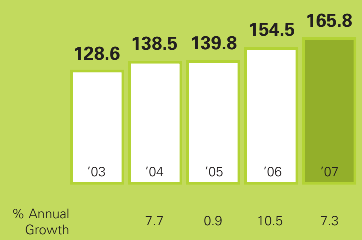
In the United States, we acknowledged the tremendous success and potential of our relationship with Heineken, and extended our existing three-year agreement in the United States for an additional 10-year period. The new agreement sets the conditions for strong volume growth and brand development driven by increased marketing investment while providing attractive business and economic terms for both companies. We also believe this agreement will enable us to further increase our market share in the United States. Thanks to the strength of our brand portfolio and our relationship with Heineken, we generated double-digit volume growth in the United States during 2007, based on geographic data and our business experience for the second consecutive year, well ahead of the imported beer category. We also successfully launched *Tecate Light* in the southwest, selling 1 million unit cases for the year.

For its part, FEMSA Comercio enjoyed a stellar year in 2007. We expanded our total revenues and income from operations by 14.3% and 39.1%, respectively, while opening 716 new stores for a total of 5,563 stores nationwide.

ROIC*
percent

*Based on EVA® methodology as per Stern, Stewart & Co

Total Assets
billions of 2007 pesos



The cornerstone of our success is our continued ability to open new stores quickly and successfully—approximately two stores per day. We have developed proprietary systems and processes to help identify appropriate store locations, store formats, and product categories. We use location-specific demographic data and our business' experience in similar locations to tailor the store format and product and service offerings to suit the target market.

Market segmentation also is an increasingly important strategic tool for OXXO. To enhance the overall consumer experience—including the look and feel of our stores—we are beginning to segment our stores based on such variables as consumption occasions, socioeconomic levels, and local market dynamics.

As the largest and fastest growing seller of beer and soft drinks in Mexico, OXXO further provides a strategic platform for FEMSA's integrated growth and valuable knowledge sharing. Through our rapid expansion, we gain consumer intelligence about local preferences and emerging trends. OXXO also is FEMSA Cerveza's largest customer, buying approximately 11% of its beer volume in 2007.

Beyond our short-term operational and financial results, we have always been committed to the highest standards of corporate governance and transparency. We work to consistently align our business with new and emerging best practices—such as those set forth by the United States Sarbanes-Oxley Act—which further demonstrates our cultural discipline and integrity.

We are committed to our role as a good corporate citizen. We work closely with our communities on initiatives that meet their local needs. Our long-term strategy is to create sustainable social and economic value.

For the fourth consecutive year, the Mexican Center for Philanthropy *(CEMEFI)* recognized all of FEMSA's businesses for their *Corporate Social Responsibility.* This award is given to corporations that undertake their business based on ethical principles and values—centered on human dignity. Since 2005, FEMSA has been a signatory to the United Nations Global Compact and we are committed to incorporate its 10 principles into our daily actions.

We also remain committed to our most valuable resource, our employees and their families. FEMSA exists and grows based on the passion and pride of the generations of people that are dedicated to our success. And in turn, we are committed to improving their skills and competencies across the organization. We have the best team and the best people who enjoy what they do for a living.

To our shareholders, customers, and over a 100,000 men and women across FEMSA, we thank you once again for your continued support. We welcome the opportunity to keep delivering on our promise and creating value for you now and into the future.

José Antonio Fernández Carbajal

Chairman of the Board and Chief Executive Officer

+ 200,000,000

consumers across our market territories

WINNING

Coca-Cola FEMSA

Execution

Our goal is to create a perfect experience for each consumer at every point of sale; that's our picture of success. The realization of that aim depends on our winning execution—our ability to do ordinary things in an extraordinary way each and every day.

Our strong results this year—despite the volatile raw-material environment—largely reflect our high level of execution. Our revenues rose 8.1% to Ps. 69.25 billion, underscoring the advantages of our balanced, geographically diversified portfolio of assets. Our income from operations increased 11.7% to Ps. 11.45 billion, driven by double-digit increases in all of our Central and South American operations and a stable Mexico. And our majority net income increased 30.5% to Ps. 6.91 billion.

Market Segmentation

Our ability to execute and achieve an optimal experience for each of our consumers is based on our market segmentation.

In Mexico, Colombia, Brazil, and Argentina, we have employed a sophisticated multi-segmentation strategy. This strategy segments our clients based on socioeconomic levels, consumption occasions, and competitive intensity to deliver each of our retailers a customized offer. We also develop and deploy a different value proposition—incentive programs from specialized service to loyalty initiatives—for every retailer to support and align their execution with our tailored commercial strategies. As exemplified by our successful integrated product portfolio in Brazil—including sparkling beverages, still beverages, packaged juices, and beer—nothing is performed at random, from product positioning to advertising and point-of-purchase material. Consequently, our Brazilian operations generated 14% of our total volumes, 16% of our consolidated revenues, and 14% of our total EBITDA in 2007.

To adapt to the conditions of every market and the different requirements of each client, we continually develop more efficient ways to serve our thousands of retailers. We execute several differentiated approaches to accommodate each market's dynamics and every retailer's needs—from presale(1) and conventional sales(2) with hand-held devices to hybrid routes and specialized deliveries.

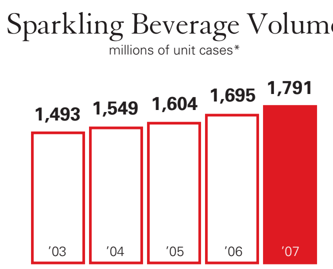
(1) The pre-sale system separates the sales and delivery functions and allows salespeople to sell products prior to delivery, and the delivery trucks are loaded with the mix of products that clients have previously ordered.
(2) The person in charge of delivery makes immediate sales from inventory available on the truck.

Our ability to execute and achieve an optimal experience for each of our customers is founded on our market segmentation. We understand that none of our consumers, retailers, or competitors is alike, so we segment our markets based on socioeconomic levels, consumption occasions, and competitive intensity.

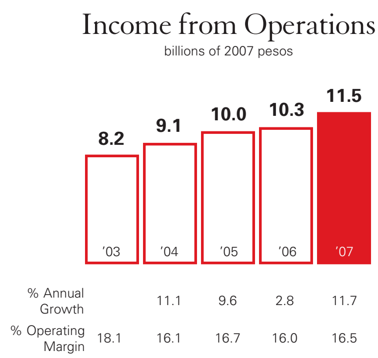
We further require an excellent market intelligence system to compete effectively in our markets. To this end, we develop and analyze multiple sources of information and specialized measurement tools like our right execution daily (RED) system and "Score Card." We then consolidate all of these sources into a competitive intelligence system that generates relevant, real-time information for our people to make informed decisions and track the effectiveness of our specific programs. Today our database is one of the largest in the world, processing 12.2 million transactions daily.

Steadfast Relationships

Our performance is reinforced by our positive working relationship with The Coca-Cola Company. This relationship is exemplified by two recent transactions: the joint acquisition of Jugos del Valle and our agreement to acquire The Coca-Cola Company's REMIL franchise territory in Brazil.



*One unit case equals 24 8-ounce bottles.



In November, Coca-Cola FEMSA and The Coca-Cola Company acquired Jugos del Valle, one of the leading juice producers in Mexico and Brazil, through a joint-venture. Beyond the potential synergies, this acquisition will advance our multi-category strategy, make us the largest producer of still beverages in the region, and considerably increase our company's position in Latin America's fast-growing, yet underdeveloped juice-based beverage segment.

We are acquiring REMIL, a franchise territory in the state of Minas Gerais, Brazil, from The Coca-Cola Company. This territory includes the third largest city in Brazil, Belo Horizonte, and will increase our position in one of the most dynamic, growing beverage markets by more than a third.

At the end of the day, none of this is possible without the right people: more than 58,000 trained and motivated individuals, focused on disciplined execution. Every day, they serve approximately 1.5 million retailers and 200 million consumers across our nine Latin American territories.

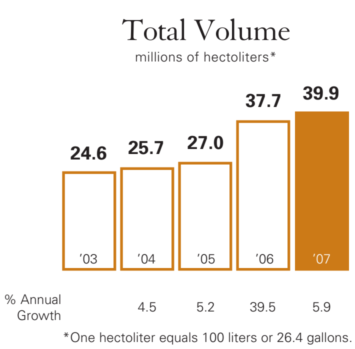
CONSTANT

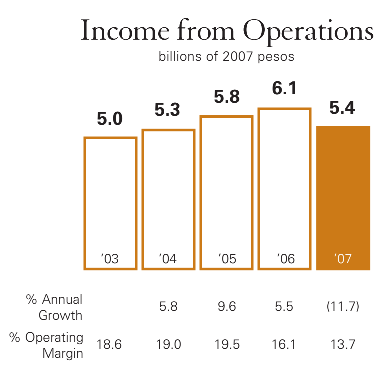
FEMSA Cerveza **Innovation**

In 2007, we continued to develop the health of our brands across our main markets, to segment and better serve our customers, to constantly innovate our portfolio of brands, to reinvest in our business, and to improve our operations' efficiency.

Making Progress in a Challenging Year

Short-term pressures and long-term progress characterized 2007. In the short term, we saw sharp increases to certain key raw materials, particularly aluminum in the first half of the year and grains in the second half, that put pressure on our gross margins. The competitive environment in our key Mexican market was intense, curtailing our ability to adjust pricing early on in the year. And yet, through these obstacles we continued to move forward with our long-term strategic objectives, such as the continued strengthening of our brands across our main markets of Mexico, Brazil and the import category of the United States, and we closed the year having improved our competitive position in every one of these markets. When all was said and done for the year, our revenues were up 4.3% to Ps. 39.57 billion and our income from operations declined 11.7% to Ps. 5.40 billion.





Advancing on Our Long-Term Strategy

Our strategy is based on developing the health of our brands, on continuously improving our knowledge of our consumers and our ability to segment and serve them, on generating innovation that keeps our portfolio and the beer category relevant among our consumers, and on a permanent drive to generate efficiencies, improve our cost structure, and generally be able to do more, with less.

84

new products and packages introduced in 2007 in Mexico alone

Developing Our Brands

We are firm believers that in every one of our key markets, our brand portfolio enjoys good momentum but requires sustained support to continue to improve our competitive position. Brands at different stages in their development curve require different forms and levels of support. However, we can learn from the continued success of *Tecate Light*, the leading brand in the light category in Mexico, and apply that experience to what we are doing with *Dos Equis* in the United States or with *Sol* in Brazil. In every case, we are pleased with the way that the brands continue to grow and evolve and we are fully committed to continue with this long-term initiative.

Improving Segmentation and Go-to-Market Models

We are developing a significant knowledge base on our beverage consumers, across markets, that goes beyond traditional criteria such as socioeconomic levels or age or gender groups and delves into the psychographic characteristics that make consumers prefer one beverage or one brand over another, at a given consumption occasion. We continue to adjust and refine our segmentation models to better serve our consumer base, itself in constant evolution.

We are also making progress in our ability to segment our retailers by designing and implementing customized marketing strategies at the point of sale. We are further tailoring the ways we go to market—from pre-sale to telephone sales and electronic ordering—to more efficiently serve our retailers' needs. For example, 806 of our OXXO stores implemented electronic ordering in 2007, and we plan to cover more than three quarters of our OXXO stores in 2008 with this capability.

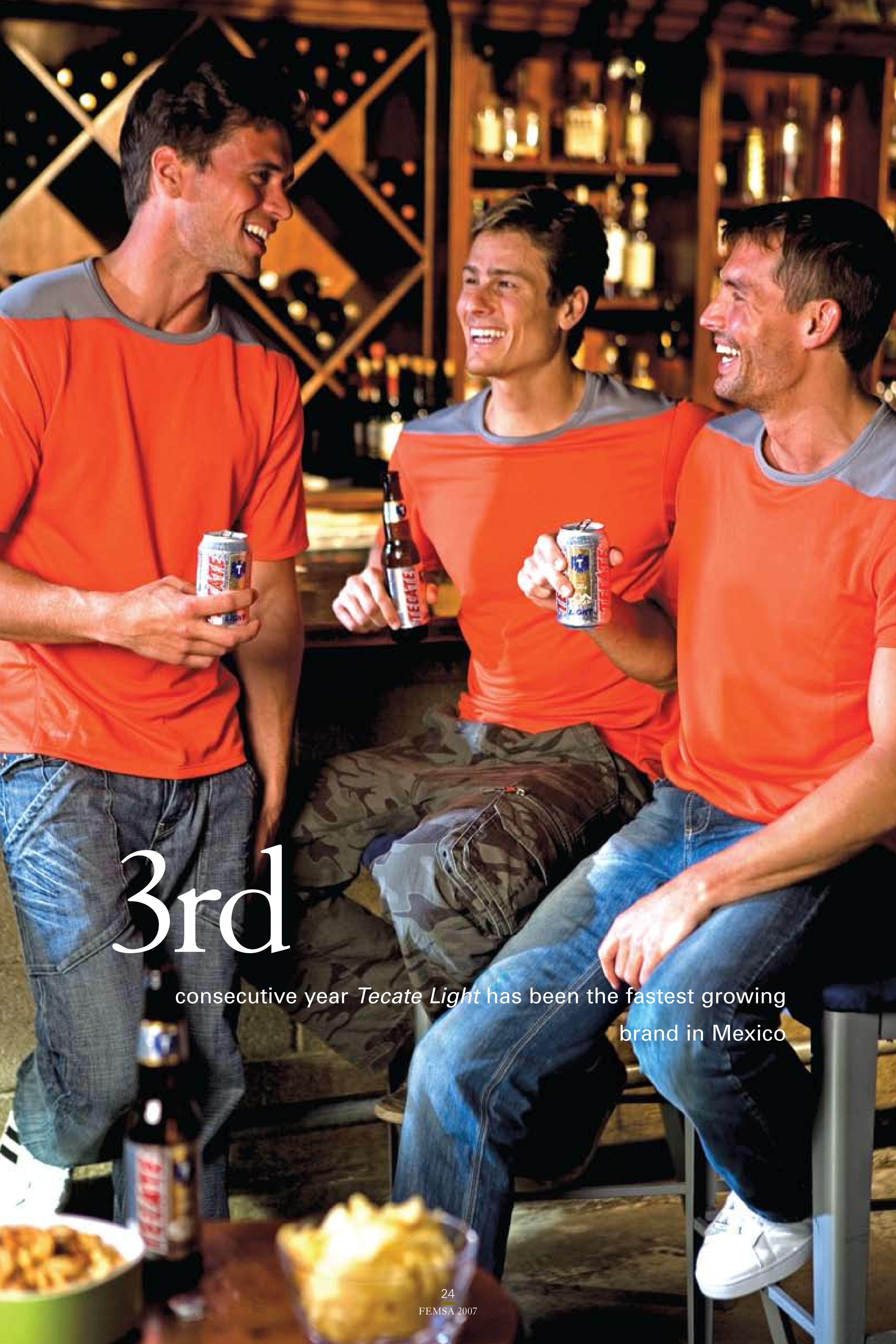
Continuous Innovation

Innovation is a key component of our strategy. We keep our brands exciting, fresh, and satisfying for our consumers. In 2007 in Mexico, we increased our portfolio of SKUs by 84. Our new products included *Sol Cero*, the first non-alcoholic beer produced in Mexico; *Bohemia Obscura*, a super-premium, Vienna-type beer, with a full body thanks to the mixture of caramel and toasted malts; *Carta Blanca Edición Especial*, a beer that evokes our original core brand attributes of 1890—tradition, heritage, and quality; and the first Mexican beer, *Dos Equis*, in an aluminum bottle. We also introduced *Sol Shot*, a 250-milliliter presentation of our flagship *Sol* brand that is driving consumer interest in Brazil; and *Tecate Light* in the United States.

In 2007, *Tecate Light* was the Mexican beer industry's fastest growing brand for the third consecutive year. Its brand health grew dramatically, at a quicker pace than that of its main competitors. The brand also strengthened loyalty among our current consumers in Mexico's north and northwest and attracted new consumers in territories where we are gradually penetrating the market.

During 2007, we embarked on another industry first with our *Sol Lab* project. Through this project, consumers participated in and decided on a new truly customized beer by voting on liquid prototypes, packaging design, advertising, and promotions. The project not only attracted new consumers to the *Sol* brand, but more importantly increased the popularity of the brand among a range of young consumers. Based directly on the preferences of our approximately 140,000

Innovation is what sets FEMSA apart. We ensure our brands are vibrant, refreshing, and satisfying for our consumers. Among our successful new products, we launched *Sol Cero*, Mexico's first non-alcoholic beer, and *Sol 2*, Mexico's first consumer-driven beer brand. *Sol Cero* and *Sol 2* demonstrate our commitment to meet consumers' unmet demands.



3rd

consecutive year *Tecate Light* has been the fastest growing brand in Mexico participants, the result was the initial launch of *Sol 2* in the Mexican cities of Guadalajara and León during the second half of 2007. During the project, we also learned that a remarkable 95% of consumers who participated were willing to try the brand and seven out of ten consumers said they would change their current favorite brand for the new *Sol 2*. The project is off to a good start.

Staying Ahead of the Growth Curve

During 2007, we continued with our long-term strategy of reinvesting in our business and improving our operations' efficiency. To stay ahead of demand, in November we announced the construction of two new plants—a brewery and a glass bottle facility—in Meoqui, in the northern state of Chihuahua in Mexico. In a first stage, the new brewery will have annual production capacity of 5 million hectoliters, an increase of 15% over FEMSA Cerveza's current capacity in Mexico. The first stage of the glass bottle plant will have installed capacity of 700 million bottles per year, an increase of 54% over current levels. Expected to begin operations in 2010, these investments will ensure that our growth in Mexico and in the United States are supported by adequate production capacity going forward.

We also continued our relentless focus on cost reduction and operating efficiency. We saw opportunities across all parts of our business, including distribution, commercial, procurement, and general and administration costs. For example, after separating secondary distribution and sales, we were able to increase productivity and efficiency in distribution, reaching savings of approximately US$10 million.

Making Solid Progress Beyond Mexico

We continued to take steps in the right direction in the Brazilian market, achieving volume growth of 9.6%—above that of the industry. Our redefined and strengthened brand portfolio yielded positive results, as our new *Sol* brand approached 9% of our product mix, and the *Kaiser* brand grew steadily in most markets.

In the United States, we are building on the success of our relationship with Heineken USA, and we extended our three-year relationship for an additional 10-year period. Consequently, Heineken will continue to be the sole and exclusive importer, marketer, and seller of FEMSA's *Dos Equis*, *Tecate*, *Tecate Light*, *Sol*, *Bohemia*, and *Carta Blanca* brands in the United States. Thanks to the strength of our relationship and our brand portfolio, we achieved 13% volume growth in the United States for 2007, driven by double-digit growth of *Dos Equis* and solid growth of *Tecate*. In fact, the ad campaign for *Dos Equis* ranks among the ten most successful in the year and is clearly supporting our brand-building efforts. We also successfully launched *Tecate Light* in the southwest, reaching one million unit cases sold for the year.

The key to our success is the passion, discipline, and dedication of our great people. It is their commitment and support that produces, distributes, and sells the superior quality beer for which FEMSA Cerveza is known.

+700

new OXXO stores in 2007

DYNAMIC

FEMSA Comercio

Expansion

2007 was a strong year for OXXO. We continued to aggressively expand our leadership position by increasing our market coverage. We also continually improved our core competencies in order to serve our customers better.

FEMSA Comercio enjoyed an outstanding year in 2007. Total revenues increased 14.3% to Ps. 42.10 billion, and income from operations surged 39.1% to Ps. 2.32 billion. Among other factors, our revenue growth came from our robust store expansion and strong same-store sales, driven by innovation. And our bottom-line increase was driven mainly by improved revenue-management strategies for some of our products, successful promotions with our supplier partners, as well as growth from higher margin product categories, such as our premium coffee *andatti*®.

Building on our leadership position as Mexico's largest and fastest growing modern convenience store chain, OXXO opened 716 new stores in 2007 for a total of 5,563 stores nationwide. As a leading vendor of beer, bread, snacks, and soft drinks in all of Mexico, we remain on track to further expand our market penetration and deepen FEMSA's integrated beverage coverage.

Systematic Growth

A key to our success is our ability to open new stores successfully and quickly—almost two stores per day—in the right location and improving our profitability and return on assets. To this end, we have developed a proprietary system to help identify appropriate store sites, layouts, and product categories. This system uses location-specific demographic data and our company's experience in similar locations to tailor the store format, and product and service offerings to the target market.

Market segmentation also is an increasingly important strategic tool. To improve the consumer experience—including the look and feel of our stores—we are making progress in segmenting our stores based on such factors as consumption occasions, socioeconomic levels, and local market dynamics.

Continuous Improvement

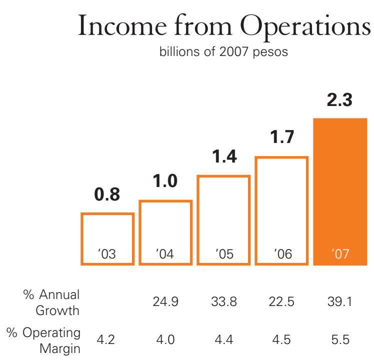
We continually improve our core competencies to enable our stores to serve consumers better. We have made and will continue to make significant investments in information technology to capture consumer information from our existing stores, improve inventory management, and enable further product offerings and revenue streams. The vast majority of

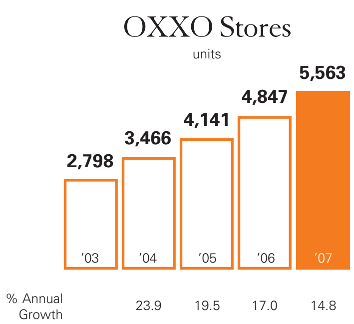
Our ability to open new stores effectively and rapidly is a key to our success. Our proprietary system uses location-specific demographic data and our experience with similar locations to customize the store's format, products, and services to the local market. We then dedicate the resources necessary to provide our consumers with the quality and service that they've come to expect from OXXO.

products carried through our OXXO stores are bar-coded, and OXXO stores are equipped with point-of-sale systems that are integrated into a company-wide computer network. With this information, we can continually work to improve our offerings, tailor our promotions, and increase our same-store traffic and average ticket. For example, in response to growing consumer demand, we plan to further develop the fast-food category and roll out credit card payment by the second half of 2008.

To fully utilize our stores' shelf space and keep our stores optimally stocked with the assortment of products our consumers demand, we introduced an electronic ordering system, so we can automatically replenish our stores' inventory. This system will dramatically improve inventory efficiency for our stores, our vendors, and our direct distribution centers, and, ultimately, offer superior service to our consumers. The system will also reinforce our knowledge of distinct consumer needs by getting the right products to the right place at the right time. We plan to integrate the electronic ordering system in the majority of our stores in 2008.

This year we continued to build our increasingly robust national direct-distribution network, from seven to nine direct distribution centers. Coupled with our electronic ordering system, our direct-distribution network will speed inventory replenishment and accelerate inventory turns, thereby improving profitability.





Business Integration

Our integrated beverage model enables us to share the knowledge and best practices of all of FEMSA's business units. This is particularly so with OXXO, where our three main businesses work together at each point of sale. In 2007, beverage sales accounted for close to 40% of OXXO's revenues, making OXXO the largest retailer of beer and *Coca-Cola* products in Mexico. OXXO also plays a key role in our beer growth and market penetration strategy across Mexico; approximately 11% of our company's domestic beer volumes are sold through OXXO.

Opportunity for Expansion

While 2007 was a strong year for OXXO, we will continue to aggressively expand on our leadership position by opening new stores and increasing our market coverage. We will also dedicate the resources necessary to invest in our business and the communities we serve, which in turn will provide our consumers with the consistent quality and service that they've come to expect and deserve from OXXO.

SUSTAINABLE

Development

2007 underscored our commitment to good corporate citizenship. We worked closely with our communities to meet their local needs and foster more responsible lifestyles. We worked to preserve the environment for future generations. And we fostered the health and welfare of our employees, suppliers, customers, and those less fortunate than us.

As we have grown, so has our responsibility to our society. Our long-term strategy is to create sustainable social and economic value through the growth of our employees, the development of our communities, the preservation of our environment, and our contribution to economic development.

Our initiatives have not gone unappreciated. For the third consecutive year, the Mexican Industrial Chamber Confederation *(CONCAMIN)* honored FEMSA with the *Ethics and Values in Industry Award*. This award is given to corporations that undertake their business based on ethical principles and values—centered on human dignity, transparency, and environmental conservation. Moreover, the Mexican Center for Philanthropy *(CEMEFI)* recognized all of FEMSA's businesses for their *Corporate Social Responsibility*.

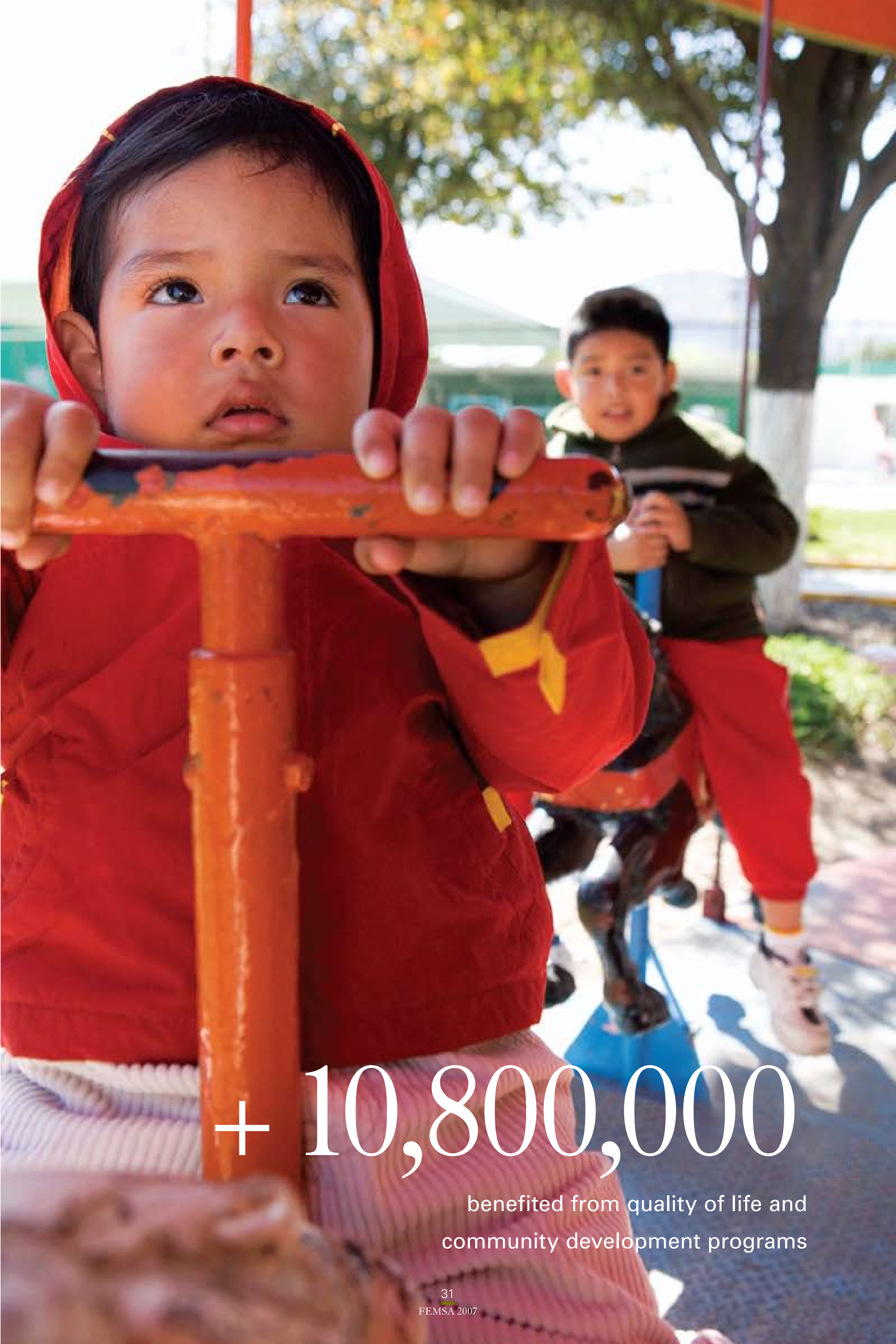
Community Outreach

As a good corporate citizen, we embark on initiatives that foster positive relationships with our communities. On December 2, 2007, FEMSA Cerveza and Coca-Cola FEMSA in Brazil celebrated "Family Day" with 15,000 people in the city of São Paulo. Begun in 2003 as a corporate program, the local government of São Paulo and other institutions decided to join us in the organization of this annual commemoration of family values. Indeed, the local government of São Paulo named the first Sunday in December officially "Family Day." We also hold this event for our employees and their families in Argentina and Costa Rica.

We also continue to support programs for the development of positive reading habits among children and youths, including "Quench Your Thirst to Read" in Colombia; the "Marvelous Box" in Guatemala; "Reading Is Magic" in Panama; and the "Refresh Yourself Reading" program in Venezuela. From 2006 through 2007, more than 5,100 children benefited from the latter program.

Responsible Lifestyle

At FEMSA, we are especially committed to the promotion of responsible lifestyles. In 2002, along with the University of Monterrey *(Universidad de Monterrey)* and the Foundation for Social Research *(Fundación para la Investigación Social)*,



+ 10,800,000

benefited from quality of life and
community development programs

FEMSA Cerveza established the "Workshop for the Promotion of Responsible Lifestyles" *(VIRE)*, which is focused on the promotion of responsible decision-making among young adults and a culture of awareness about personal health among youths, across all walks of life. The program trains instructors to take the message to schools and universities, forums, and mass media. From its start, more than 160 workshops have been held, training more than 6,500 instructors. In 2007, the message reached more than 3,900 people.

More than a decade ago, FEMSA Cerveza was the first corporation in Mexico to institute the "Designated Driver Program." The program's objective is to promote the responsible consumption of alcoholic beverages in order to lower the number of car accidents. In 2007, there were 29,500 registered drivers and more than 92,400 people benefited from the program. All of our beer brands contributed part of the funding for the Designated Driver's "Today It's Your Turn" ad campaign.

Additionally, the "Responsible Waiter Program" focuses on creating greater awareness among waiters and bar and restaurant keepers through a workshop on the importance of responsible alcohol consumption. In 2007, FEMSA elicited

the participation of eight institutions, including chambers of commerce and restaurant associations, across Mexico, and 822 waiters participated in the program.

Equal Opportunity

FEMSA is committed to providing equal opportunities, so we established the Labor Integration System. Through this program, at year-end 2007, more than 650 people with different capabilities had joined our labor force in all of the countries in which we operate.

EMPRESA INCLUYENTE

EMPRESA FAMILIARMENTE RESPONSABLE

EGS

PRO

EMPRESA SOCIALMENTE RESPONSABLE

TALLER DE FORMACIÓN DE PROMOTORES DE ESTILO DE VIDA RESPONSABLE

Environmental Stewardship

A healthy, sustainable environment is important to our business. Accordingly, we work to mitigate human impacts on the environment.

In 2007, Coca-Cola FEMSA's Colombian operations supported measures for the protection, cleanup, and recuperation of the Humedal Capellania aquifer, a national treasure and an important source of water that has suffered great damage over the last few years. Additionally, employees of Coca-Cola FEMSA's Colombian, Costa Rican, Mexican, Nicaraguan, Panamanian, and Venezuelan operations participated in the cleanup of beaches, coasts, and riverbanks. In total, more than 1,400 people participated, gathering more than 11 tons of trash.

Given that deforestation is a leading cause of global warming, we have given special support to reforestation programs. In August 2006, Coca-Cola FEMSA, together with the appropriate authorities, a group of businessmen, and the *Probosque* organization, began the Nevado de Toluca Water Factory project. The objective of this project is to recover forest mass in the area that will lead to a rise in the aquifer. The project comprises the reforestation of 500 hectares each year, with more than 600,000 pine trees, and support for maintaining the area, together with its local communities.

In 2007, FEMSA also supported *PRONATURA* Northeast, which involves the reforestation of 100 hectares within the Cumbres de Monterrey National Park *(Parque Nacional Cumbres de Monterrey)*. The reforestation project not only involves tree planting, but also provides work for the communities that participate—from gathering and planting seeds to fencing reforested areas and preventing land erosion.

To save energy, OXXO installed the Intelligent Store System at 1,179 of its stores. Through a central processing unit, this system controls lighting, refrigeration, and air conditioning equipment in real time. In 2008, OXXO will add more stores to this system.

During the year, the company and its core businesses received considerable recognition for its environmental activity. Two of Coca-Cola FEMSA's Brazilian plants, Jundiai and Campo Grande, obtained ISO 9001, ISO 14001, and OHSAS 18001 quality and environmental certifications. Similarly, Coca-Cola FEMSA's Argentine operations have received ISO 14001 certification, which focuses on the quality of a facility's environmental processes and procedures.

For the second consecutive year, the Mexican Center for Philanthropy *(CEMEFI)* recognized the Tecate plant's Environmental Administrative System for its best practices in the Environmental Care and Conservation category. Also, for the second straight year, Coca-Cola FEMSA's Nicaraguan operations obtained the *Cleanest Production Award 2007* due to its efficient use of water.

Additionally, all of FEMSA Cerveza's beer plants in Mexico operate below international standards for the use of water in the industry.

Our corporate culture is grounded in a long-term commitment to sustainable development. That means not only providing our customers with the products and services they need, but also using our resources for the greater good. Corporate stewardship is a natural extension of our business model, and in 2007 we continued this tradition.

Health and Welfare

As a leader in the industry, we are dedicated to the health and welfare of our employees, our suppliers, our customers, and those less fortunate than ourselves.

FEMSA's virtual telemedicine system allows it to care for its employees' needs at the workplace. Through this virtual system, healthcare professionals perform consultations in diverse specialty areas, exchanging information for diagnosis, treatment, and illness prevention from potentially different locations. Currently installed in Monterrey, Orizaba, and Tecate, Mexico, we have also used the system for training courses and to manage our Occupational Healthcare Safety System *(SASSO)*.

At FEMSA Comercio, OXXO's Social Responsibility Program *(PRO)* encourages customers to round up their bills to the nearest peso, with the extra proceeds helping those who need it most. Since its beginning in 2002, this initiative has helped more than 533 healthcare, educational, and social welfare institutions with nearly US$19 million.

Through the *IDEARSE* program, an initiative of the Inter-American Development Bank *(Banco Interamericano de Desarrollo)* and the Anahuac University *(Universidad Anáhuac)*, FEMSA invited 10 of its small and medium-sized suppliers in Monterrey, Mexico, to implement more responsible production processes and to share best practices. Supported by several specialized consultants, the companies drew up a work plan in such areas as human rights, workplace conditions, strategic planning, and workplace health and safety, to name a few. Given the importance of ethics and values to FEMSA, the company has also developed and deployed a workshop for participating firms for the design of their code of ethics, values, mission, and vision.

Economic Development

For more than a century, we have generated economic value for our investors, our employees, our communities, and the countries in which we do business. Indeed, our economic impact has reached well beyond the food and beverage industry.

One of our core educational contributions is the creation and ongoing sponsorship of the Instituto Tecnologico y de Estudios Superiores de Monterrey *(Monterrey Tech).* Founded under the leadership of Don Eugenio Garza Sada, former CEO of Cerveceria Cuathtemoc, Monterrey Tech is now one of the most prestigious private universities in Latin America.

The recently inaugurated *FEMSA Biotechnology Center* at Monterrey Tech, is an area for scientific and technological innovation, focused primarily on the development of biotherapeutics, bioengineering and bioprocesses, agro-biotechnology, genomic nutrition, bioengineering, and the sustainable use of water. It is the only center in Mexico with installations for the development of new drugs under the guidelines of GMP (Good Manufacturing Practices) and the FDA (Food and Drug Administration). It has 100 research and scientific support personnel, as well as international agreements with universities such as Cornell and the University of California, among others; US$43 million was invested in its development.

Beyond these important initiatives, over the past five years, we have invested nearly US$4.1 billion in fixed assets and provided more than 100,000 direct jobs.

Executive Team

We have a deep bench of talented executives who lead our steadfast pursuit of excellence as a premier beverage company. Our team continues to expand our strong track record of profitable growth—delivering value year after year. Together, they build on our company's core competencies and capabilities, and leverage the strengths of FEMSA's integrated beverage model to capture opportunities for growth across our company's diverse markets. In the process, they ensure and instill FEMSA's legacy of integrity well into the future.

José Antonio Fernández Carbajal

Chairman of the Board and Chief Executive Officer of FEMSA

Mr. Fernández Carbajal assumed the position of Chief Executive Officer in January 1995, and he became Chairman of the Board in March 2001. He joined FEMSA in 1987 and held positions in FEMSA's corporate office, as well as in the commercial area of the Cuauhtémoc Moctezuma Brewery. Mr. Fernández Carbajal was also Chief Executive Officer of OXXO. He is Chairman of the Board of Coca-Cola FEMSA and Vice-Chairman of the Board of Monterrey Tech. He is Co-President of the Mexican Chapter of the Woodrow Wilson Center, an institution created to promote the research and promotion of joint projects between Mexico and the United States. Mr. Fernández Carbajal holds a Bachelor's degree in Industrial and Systems Engineering and a Master's degree in Business Administration from Monterrey Tech.

Federico Reyes García

Vice-President of Corporate Development of FEMSA

Mr. Reyes assumed his current position in January 2006, after serving as Vice-President of Finance and Corporate Development of FEMSA since 1999. He joined FEMSA in 1992 as Vice-President of Corporate Development, and in 1993 he collaborated with FEMSA as an external consultant. Between 1993 and 1999, he was Chief Executive Officer 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 Monterrey Tech.

Javier Astaburuaga Sanjínes

Chief Financial Officer and Vice-President of Strategic Development of FEMSA

Mr. Astaburuaga assumed his current position in January 2006, after serving as Co-Chief Executive Officer of FEMSA Cerveza since 2003. He joined FEMSA in 1982 as a Financial Information Analyst and later acquired experience in corporate development, administration, and finance. He held various senior positions, including Commercial Vice-President of FEMSA Cerveza for the North of Mexico. He holds a Bachelor's degree in Accounting from Monterrey Tech.

Alfonso Garza Garza

Vice-President of Human Resources of FEMSA

Alfonso Garza joined FEMSA in 1985 and assumed his current position in March 2005. Prior to that, he held various positions at FEMSA Cerveza and FEMSA Empaques, including the management of FEMSA Empaques and Grafo Regia. Mr. Garza earned a Bachelor's Degree in Industrial Engineering from Monterrey Tech and completed postgraduate courses at IPADE.

José González Ornelas

Vice-President of Auditing and Operating Control of FEMSA

Mr. González assumed his current position in 2002. He joined FEMSA in 1973 and held various positions, including Chief Financial Officer of FEMSA Cerveza, Vice-President of Planning and Corporate Development of FEMSA, and Chief Executive Officer of FEMSA Logística. He serves as Auditing Committee Secretary of FEMSA's and Coca-Cola FEMSA's boards and sits on the controller board at Monterrey Tech. He is also part of the Directive Committee of the Nuevo León Institute of Public Accountants. He holds a Bachelor's degree 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 of FEMSA

Mr. Borrego assumed his current position in September 2007 when he joined FEMSA. Prior to joining FEMSA, Mr. Borrego served as Governor of the State of Zacatecas, from 1986 to 1992. From 1993 to 2000, he worked as CEO of the Mexican Social Security Institute (IMSS). He was congressman of the LVII Legislature, and he was President of the Conferencia Interamericana de Instituciones de Seguridad Social. He also served as senator for the State of Zacatecas to the LVII and LIX Legislatures. He holds a Bachelor's degree in International Relations from the Universidad Iberoamericana.

Carlos Salazar Lomelín

Chief Executive Officer of Coca-Cola FEMSA

Mr. Salazar joined FEMSA in 1973 and assumed his current position in 2000. Prior to that, he held senior management positions in several subsidiaries, including Chief Executive Officer of FEMSA Cerveza, Commercial Planning Officer of FEMSA, and General Manager of Grafo Regia. Mr. Salazar was President of the Century XXI Commission for the city of Monterrey, México and President of the International Business Center of Monterrey (CINTERMEX). He holds a Bachelor's degree in Economics from Monterrey Tech and undertook postgraduate studies in Business Administration and Economic Development in Italy.

Jorge Luis Ramos Santos

Chief Executive Officer of FEMSA Cerveza

Mr. Ramos assumed his current position in January 2006 after serving as Co-Chief Executive Officer of FEMSA Cerveza since 2003. He joined FEMSA in 1996 as FEMSA Cerveza's Human Resources Vice-President, a position he held until 1999, when he became FEMSA Cerveza Commercial Vice-President for Southern Mexico. Between 1978 and 1996, he held executive positions in different corporations and financial institutions, including ALFA and Grupo Financiero Serfín. He holds a Bachelor's Degree in Accounting and Business Administration from Monterrey Tech and a Master's degree in Business Administration from the University of Pennsylvania Wharton School of Business.

Eduardo Padilla Silva

Chief Executive Officer of FEMSA Comercio

Eduardo Padilla joined FEMSA in 1997, and in 2000 he was named Chief Executive Officer of FEMSA Strategic Businesses—which includes Packaging, Logistics and OXXO. Since 2004 he has focused as CEO of FEMSA Comercio. Prior to that, Mr. Padilla served as FEMSA's Director of Strategic Procurement and Director of Strategic Planning. Before joining FEMSA, Mr. Padilla served as Chief Executive Officer of Terza, S.A. de C.V., a subsidiary of Grupo ALFA, from 1987 to 1996. Mr. Padilla earned a bachelor's degree in mechanical and industrial engineering from Monterrey Tech and an MBA from Cornell University. He also has completed graduate studies at IPADE.

HIGH

Governance Standards

For over a century, the FEMSA Board of Directors has guided our company's dynamic growth in accordance with the highest standards of corporate governance. We take seriously the quality and transparency of our disclosures, and adhere to best corporate-governance practices. We were among the leaders in compliance with the Best Corporate Practices Code, established by the Mexican Entrepreneurial Council, and are in compliance with all of the applicable requirements of the United States Sarbanes-Oxley Act.

Our Board of Directors works to ensure that the decisions made by FEMSA promote financial transparency, accountability, and high ethical standards. Only on a foundation of sound corporate governance can we consistently build our business and deliver the results our shareholders, consumers, employees, and other stakeholders have come to expect of our company.

Audit Committee

The Audit Committee is responsible for reviewing the accuracy and integrity of FEMSA's quarterly and annual financial statements in accordance with accounting, internal control, and auditing requirements; the appointment, compensation, retention, and oversight of the independent auditor, who reports directly to the Audit Committee; reviewing related party transactions other than in the ordinary course of FEMSA's business; and identifying and following up on contingencies and legal proceedings. The Audit Committee has implemented procedures for receiving, retaining, and addressing complaints regarding accounting, internal control, and auditing matters, including the submission of confidential, anonymous complaints from employees regarding questionable accounting or auditing matters. To carry out its duties, the Audit Committee may hire independent counsel and other advisors. As necessary, the company compensates the independent auditor and any outside advisor hired by the Audit Committee and provides funding for ordinary administrative expenses incurred by the Audit Committee in the course of its duties. Alexis E. Rovzar de la Torre is the Chairman of the Audit Committee. Members include a financial expert, José Manuel Canal Hernando, Francisco Zambrano Rodriguez, and Alfonso González Migoya—all of them independent directors. The Technical Secretary of the Audit Committee is José González Ornelas, Vice President of Auditing and Operating Control at FEMSA.

Corporate Practices Committee

The Corporate Practices Committee is comprised of independent directors who are responsible for preventing or reducing the risk of performing operations that could damage the value of FEMSA or that benefit a particular group of shareholders. The Committee may call a shareholders meeting and include matters on the agenda for that meeting that it may deem appropriate; approve policies on the use of the company's assets or related party transactions; approve the compensation of the Chief Executive Officer and relevant officers; and support the Board of Directors in the elaboration of reports on accounting practices. Lorenzo H. Zambrano is the Chairman of this Committee. Members include Carlos Salguero and Helmut Paul. The Technical Secretary of the Corporate Practices Committee is Alfonso Garza Garza, FEMSA's Vice President of Human Resources.

Finance Committee

The Finance Committee's responsibilities include evaluating the investment and financing policies proposed by the Chief Executive Officer; furnishing an opinion on the soundness of the annual budget and ensuring the implementation of the budget and any proposed strategic plan; and identifying risk factors to which the corporation is exposed, as well as evaluating its management policies. Ricardo Guajardo Touché is Chairman of the Finance Committee. Members include Robert E. Denham, Francisco Javier Fernández Carbajal, Alfredo Livas Cantú, and Federico Reyes García. The Technical Secretary of the Committee is Javier Astaburuaga Sanjínes, FEMSA's Chief Financial Officer.

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.

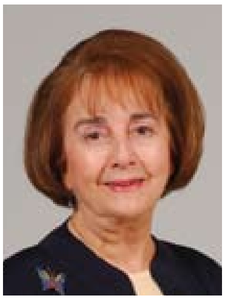
Board of Directors

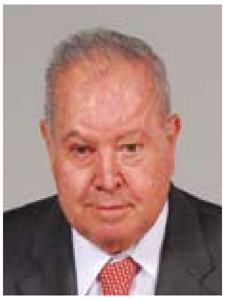

1


2


3


4


5


6


7


8


9


10

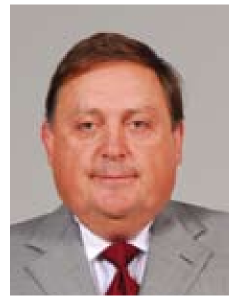
For over a century, the FEMSA Board of Directors has guided our company's dynamic growth in accordance with the highest standards of corporate governance.

11

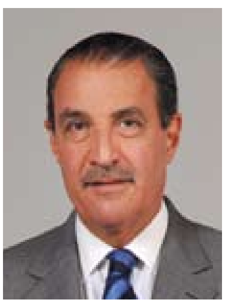
12

13

14

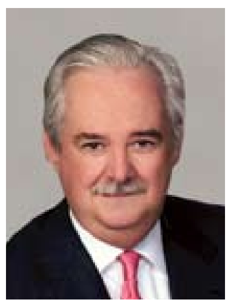


15



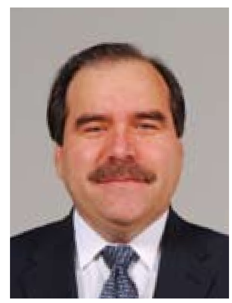
16

17



18

19



A

1 Eugenio Garza Lagüera
Honorary Life Chairman of the Board
FEMSA
Elected 1960
Alternate: Mariana Garza de Treviño

2 José Antonio Fernández Carbajal
Chairman of the Board and
Chief Executive Officer
FEMSA
Elected 1984
Alternate: Federico Reyes[c]

3 Bárbara Garza de Braniff
Private Investor
Elected 2007
Alternate: Eva Garza de Fernández

4 José Calderón Rojas
Chairman and Executive Vice-President
Servicios Administrativos
de Monterrey, S.A. de C.V.
and Franca Industrias, S.A. de C.V.
Real Estate Company
Elected 2005
Alternate: Francisco José Calderón Rojas

5 Consuelo Garza de Garza
Founder and Former President
ANSPAC
Not-for-Profit Organization
Elected 1995
Alternate: Alfonso Garza Garza

6 Max Michel Suberville
Honorary Chairman of the Board
El Puerto de Liverpool, S.A.B. de C.V.
Department Store Chain
Elected 1985
Alternate: Max Michel González

7 Alberto Bailleres
Chairman of the Board and
Executive President
Grupo Bal S.A. de C.V.
Mining and Metallurgic Industry,
Insurance Company,
Department Store Chain
Elected 1995
Alternate: Arturo Fernández Pérez

8 Francisco Javier Fernández[c]
Private Business Consultant
Elected 2005
Alternate: Javier Astaburuaga Sanjines

9 Ricardo Guajardo Touché[c]
Former Chairman of the Board of
BBVA Bancomer
Financial Institution
Elected 1988
Alternate: Othón Páez Garza

10 Alfredo Livas Cantú[c1]
President
Praxis Financiera, S.C.
Financial Consulting Firm
Elected 1995
Alternate: Sergio Deschamps Ebergenyi[1]

11 Roberto Servitje Sendra
Chairman of the Board
Grupo Bimbo, S.A.B. de C.V.
Food
Elected 1995
Alternate: Juan Guichard Michel

12 Carlos Salguero[b1]
Former Executive Vice President
Philip Morris International
Tobacco & Beverages
Elected 1995
Alternate: Alfonso González Migoya[a1]

13 Paulina Garza de Marroquín
Private Investor
Elected 2007
Alternate: Carlos Salazar Lomelín

14 José Manuel Canal Hernando[a1]
Independent Consultant
Accounting Firm
Elected 2003
Alternate: Ricardo Saldívar Escajadillo[1]

15 Armando Garza Sada
Executive Vice-President of
Corporate Development
ALFA S.A.B. de C.V.
Elected 2006
Alternate: Eduardo Padilla Silva

16 Alexis E. Rovzar[a1]
Executive Partner
White & Case S.C.
Legal Firm
Elected 1989
Alternate: Francisco Zambrano
Rodriguez[a1]

17 Helmut Paul[b1]
Owner of H. Paul & Company LLC
A corporate Finance Advisory Firm
Financial Institution
Elected 1988
Alternate: Antonio Elosúa Muguerza[1]

18 Lorenzo H. Zambrano[b1]
Chairman of the Board and
Chief Executive Officer
CEMEX, S.A.B. de C.V.
Elected 1995
Alternate: Francisco Garza Zambrano[1]

19 Robert E. Denham[c]
Partner
Munger, Tolles & Olson LLP
Legal Firm
Elected 2001
Alternate: José González Ornelas

Secretary [A]
Carlos Eduardo Aldrete Ancira

Alternate Secretary
Arnulfo Treviño Garza

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

Relation:
1) Independent

Product Distribution

COMPANY	MEXICO			COLOMBIA	VENEZUELA
	FEMSA CERVEZA	FEMSA COMERCIO	COCA-COLA FEMSA		
FEMSA Ownership (%)	100	100	53.7[1]		
Sales Volume	30,145[2][11]	—	1,110[3]	198[3]	209[3]
Revenues[4]	39,566[9]	42,103	32,550	6,933	9,785
Income from Operations[4]	5,404[5][9]	2,315[5]	6,569	1,242	572
Plants/Stores	6	5,563	13	6	4
Distribution Facilities	347	9	84	37	32
Distribution Routes	2,795	—	3,635	598	429
Brands	21	1	46	13	10
Clients[6]	320	3.7[7]	600	346	234
Head Count	22,194	15,824	58,122		

Coca-Cola FEMSA is the largest Coca-Cola bottler in Latin America and the second largest in the world as measured by sales volumes. It offers its customers and consumers almost 90 brands, including *Coca-Cola, Fanta, Sprite,* and *Ciel.*

SOFT DRINK BRANDS

Alpina
Aquarius
Black Fire
Burn
Carioca
Cepita
Cepita Aguas
Chinotto
Ciel
Ciel Aquarius
Coca-Cola
Coca-Cola Light
Coca-Cola Zero
Crush
Crystal
Dasani
Dasani Sabores
Delaware Punch
Fanta
Fanta Light
Fresca
Fresca Uno
Freskolita
Hi-C
Ju-C
Hit
Kapo
Keloco
Kist
Kola Roman
Kuat
Kuat Light
Lift
Lift Zero
Manantial
Minute Maid
Montefiore
Mundet
Nestea
Nestea Light
Nevada
Polar
Polar Quinada
Powerade
Premio
Prisco
Quatro
Quatro Light
Santa Clara
Schweppes
Schweppes Aguas
Shangri-La
Sidral Mundet
Sidral Mundet Light
Simba
Soda Clausen
Sprite
Sprite Zero
Sonfill
Sunfrut
Tai

OXXO BRANDS

andatti

COMPANY	GUATEMALA NICARAGUA COSTA RICA PANAMA	ARGENTINA	BRAZIL	
	COCA-COLA FEMSA			FEMSA CERVEZA
FEMSA Ownership (%)	53.7[1]			83.0[10]
Sales Volume	128[3]	179[3]	296[3]	9,794.8[2]
Revenues[4]	4,808	4,034	11,141	39,566[9]
Income from Operations[4]	715	492	1,857	5,404[5][9]
Plants/Stores	5	1	3	8
Distribution Facilities	29	5	12	413
Distribution Routes	296	283	954	7,150
Brands	28	24	16	14
Clients[6]	111	81	127	400
Head Count	58,122			2,265[8]

Note: Includes just information of core businesses

(1) The remaining 31.6% and 14.7% are owned by The Coca-Cola Company and by the public, respectively.
(2) Thousands of hectoliters.
(3) Millions of unit cases (one unit case equals 24 8-ounce bottles).
(4) Expressed in millions of Mexican pesos as of December 31, 2007.
(5) After management fee.
(6) Expressed in thousands.
(7) Millions of clients per day.
(8) Includes third-party head count.
(9) FEMSA Cerveza results, includes Mexico and Brazil.
(10) The remaining 17% is owned by Heineken.
(11) Includes exports.

BEER BRANDS

Bavaria sem álcool
Bavaria Pilsen
Bavaria Premium
Bohemia
Bohemia Obscura
Carta Blanca
Carta Blanca Edición Especial
Carta Blanca Light
Casta
Coors Light
Heineken
Indio
Kaiser
Kaiser Bock
Kaiser Gold
Kaiser Pilsen
Kloster
Kloster Light
Noche Buena
Santa Cerva
Sol
Sol 2
Sol Brava
Sol Cero
Sol Light
Sol Pilsen
Sol Premium
Sol Shot
Soul Citric
Summer
Superior
Tecate
Tecate Light
Xingu
XX Ambar
XX Lager

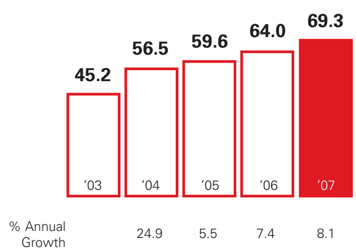
FEMSA Cerveza is one of Mexico's leading brewers and a major exporter to the United States its flagship brands include *Sol, Dos Equis, Tecate,* and *Bohemia.* In 2006 FEMSA acquired *Kaiser,* the third largest brewer in Brazil—Latin America's largest beer market.

Coca-Cola FEMSA

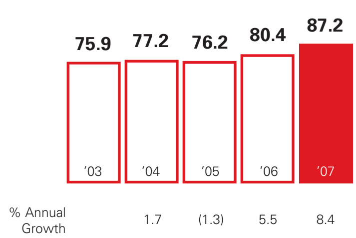
Diversified Growth

Coca-Cola FEMSA's strong top- and bottom-line results reinforced the advantages of its balanced, diversified portfolio of markets, products, and presentations. All of its operations produced top-line growth for the year. In 2007 the business produced consolidated revenues of Ps. 69.25 billion, consolidated income from operations of Ps. 11.45 billion, and majority net income of Ps. 6.91 billion, resulting in earnings per share of Ps. 3.74. Looking forward, Coca-Cola FEMSA will continue to perfect its winning marketplace execution to create a perfect experience for each consumer on every occasion.

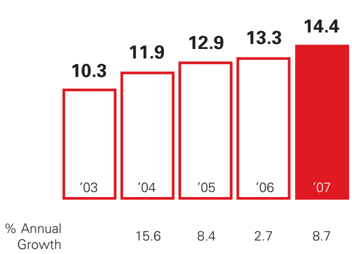
Total Revenues
billions of 2007 pesos



Total Assets
billions of 2007 pesos

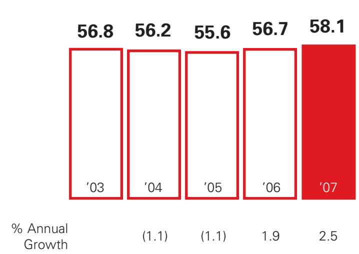


EBITDA*
billions of 2007 pesos

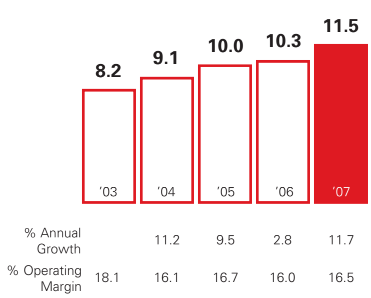


*EBITDA equals Operating Income plus Depreciation, Amortization and other non-cash items.

Personnel
thousands



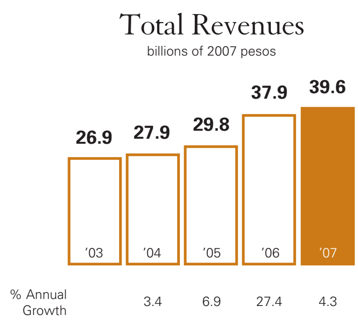
Income from Operations
billions of 2007 pesos

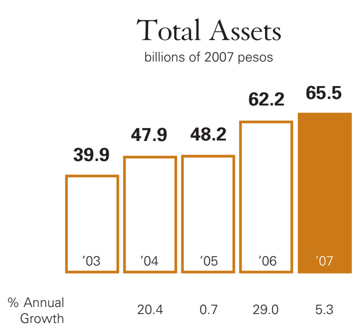


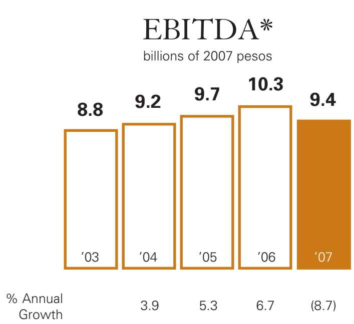
FEMSA Cerveza

Market-Leading Innovation

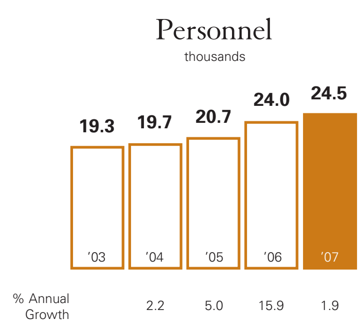
At FEMSA Cerveza, we continued to experience a tough raw-materials environment that, along with our brand-building investments in our three markets, put pressure on our profits in the short term, even as we continued to improve our brand-health indicators in Mexico while making significant progress in the United States and Brazil. In 2007 the business grew its total beer sales volume to 39,940 thousand hectoliters and improved its consolidated revenues to Ps. 39.57 billion, while its income from operations declined to Ps. 5.40 billion. Looking ahead, we are confident in the course we have set. The health of our flagship *Tecate* and *Sol* brands is very strong, particularly among younger consumers, and thanks to our innovation, per capita consumption is growing.

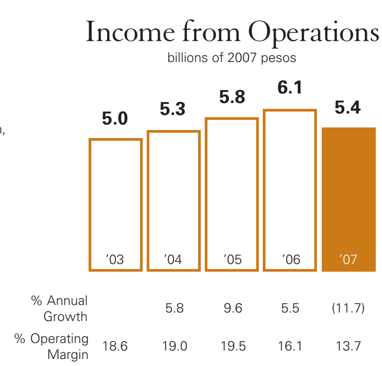






*EBITDA equals Operating Income plus Depreciation, Amortization and other non-cash items.



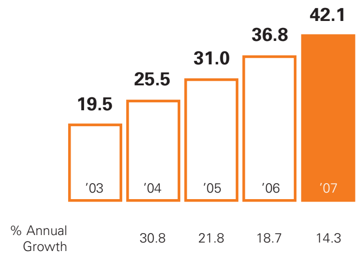


FEMSA Comercio

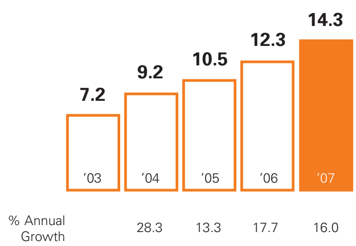
Profitable Expansion

FEMSA Comercio had an outstanding year in 2007. Total revenues increased 14.3% to Ps 42.10 billion, and income from operations grew 39.1% to Ps. 2.32 billion. Building on its leadership position as Mexico's largest and fastest growing modern convenience store chain, OXXO opened 716 new stores in 2007 for a total of 5,563 stores countrywide. As one of the largest vendors of beer, bread, snacks, and soft drinks in all of Mexico, OXXO remains on track to further expand its market penetration and deepen FEMSA's integrated beverage coverage.

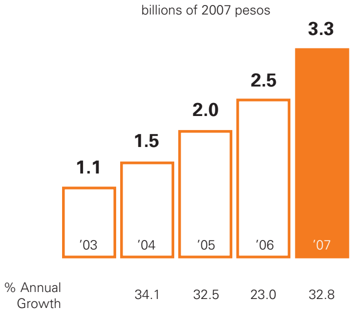
Total Revenues
billions of 2007 pesos



Total Assets
billions of 2007 pesos

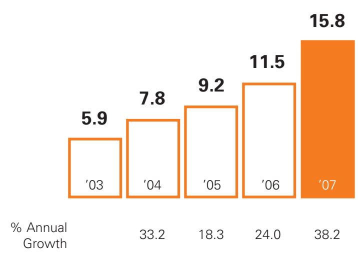


EBITDA*
billions of 2007 pesos



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

Personnel
thousands



Income from Operations
billions of 2007 pesos