

FEMSA





Growing our Beverage Platform

September 2005



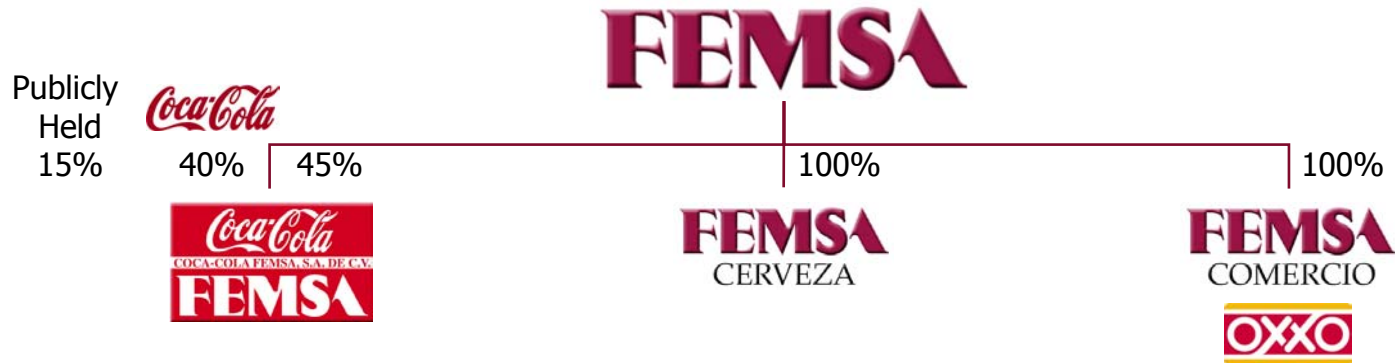
During this presentation management may discuss certain forward-looking statements concerning FEMSA's future performance and should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data.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

Latin America's Beverage Leader

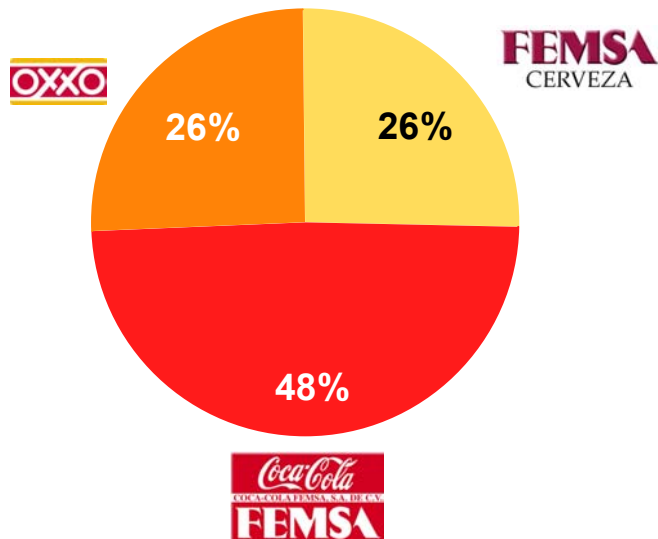
Key investment highlights

- Largest beverage company in Latin America
 - *US\$ 9 billion in annual revenues*
- Proven track record of profitable growth
 - *EBITDA increased 21% per year during last decade*
- Leading market position with strong brands
 - *#1 in soft drinks in 9 countries*
 - *"Sol" the fastest growing beer brand in Mexico*
- Significant growth potential across businesses
 - *40% of Mexico population under 20 years old*
 - *Unprecedented level of product launches*
- Creating synergies within beverage platform
 - *Joint procurement in soft drinks and beer*

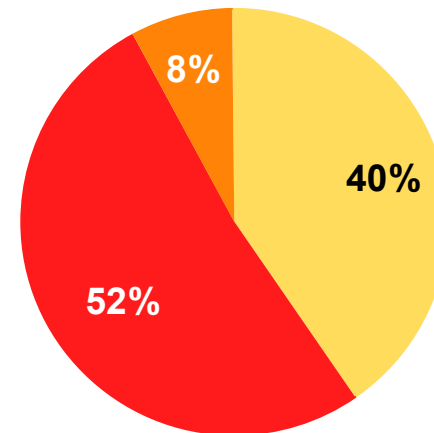
A Unique Beverage Platform



Total Revenue = US\$ 9,184 million
(LTM June 2005)



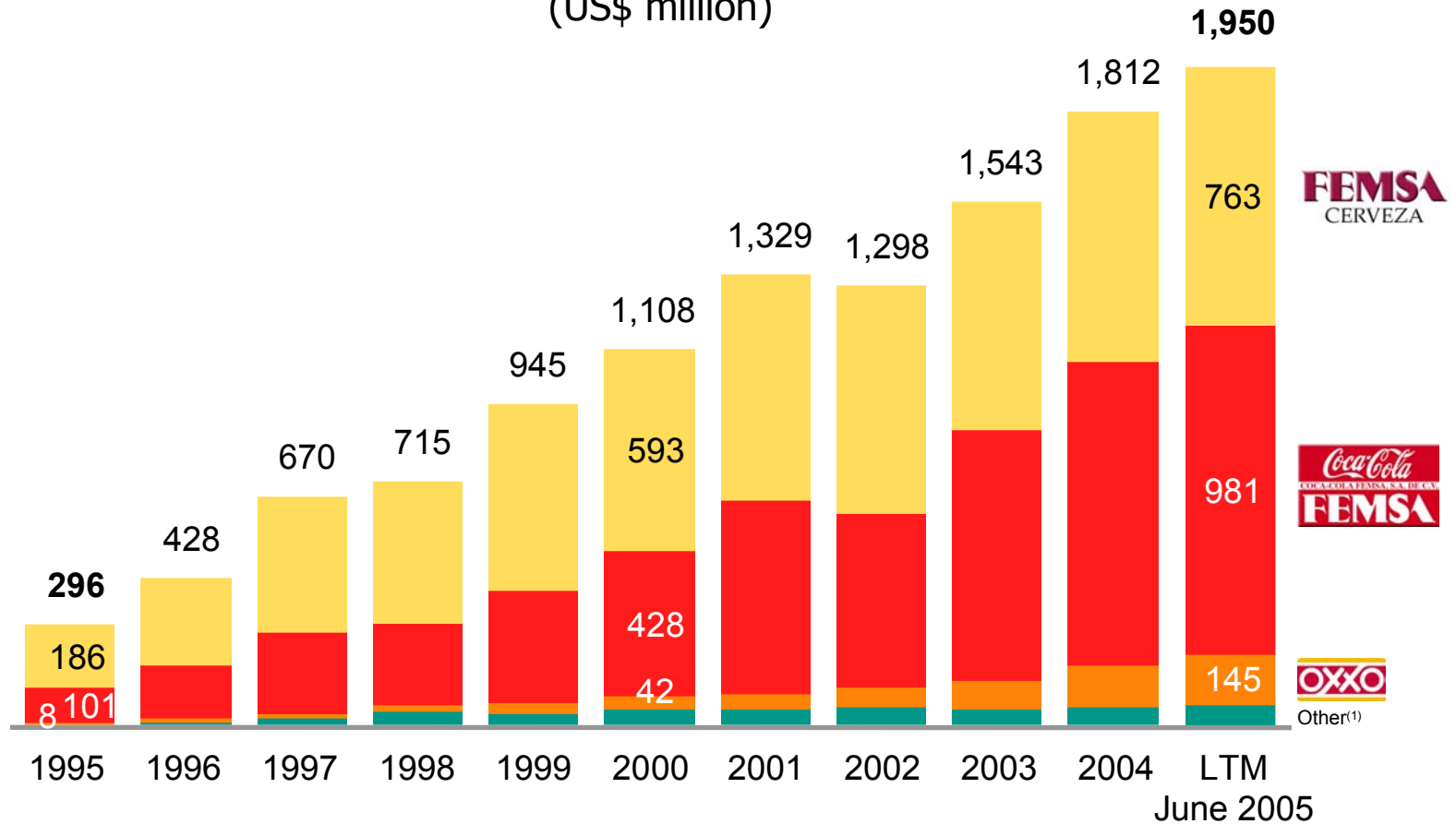
EBITDA = US\$ 1,950 million
(LTM June 2005)



Focused on Growth

CAGR of 21% since 1995; 15% since 1990

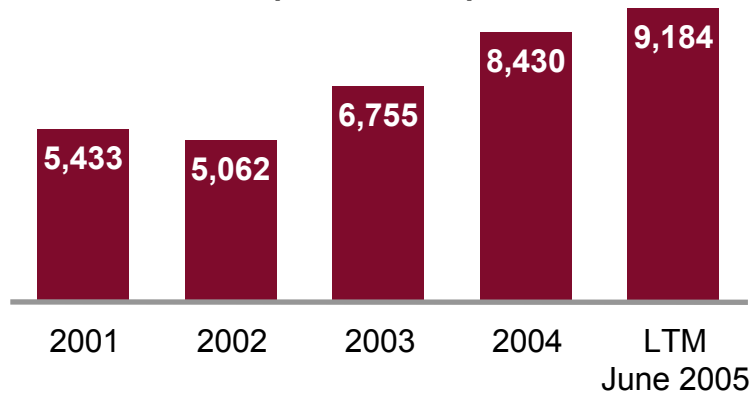
FEMSA's EBITDA
(US\$ million)



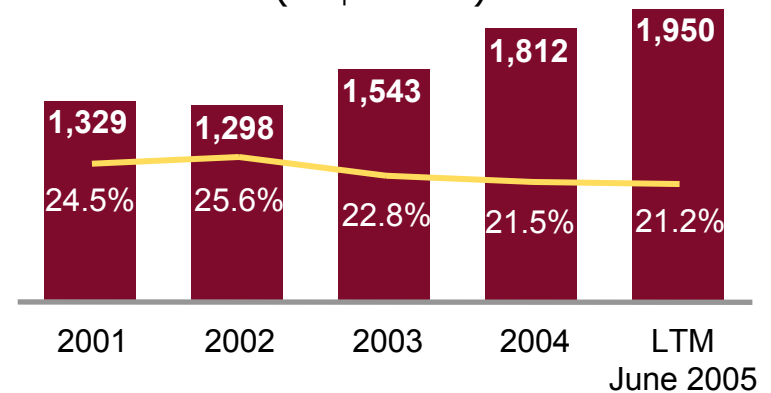
Growing Cash Generation

Generated \$1.8 billion in EBITDA and nearly \$700 million in free cash flow last year

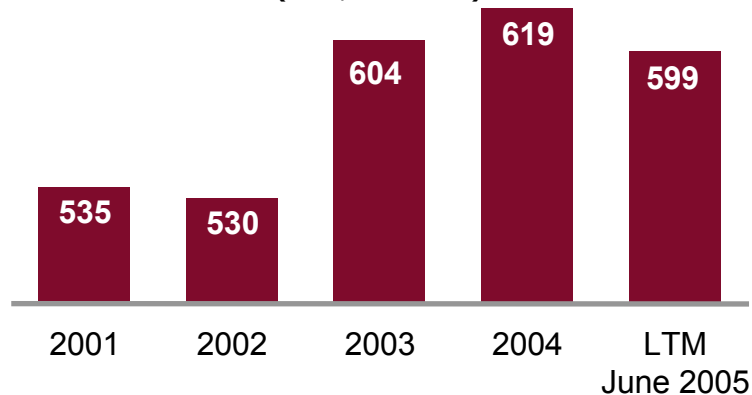
Revenues
(US\$ million)



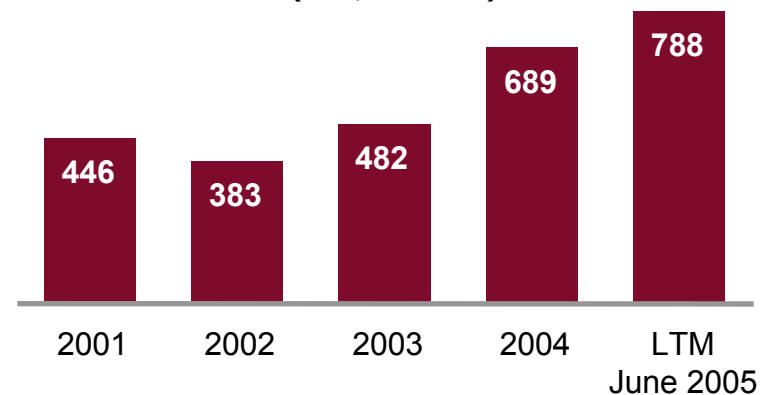
EBITDA / EBITDA Margin
(US\$ million)



CAPEX
(US\$ million)



Free Cash Flow⁽¹⁾
(US\$ million)



Strategy for Continued Growth

Committed to be the best at serving the consumer in order to drive top-line growth, while creating synergies within our beverage platform

- Building on a successful integration at KOF
- Spearheading beer industry change in Mexico
- Expanding our beverage platform through Oxxo
- Aligning our operations

FEMSA

CERVEZA

Generating Value Through Brand
Differentiation and Retailer
Segmentation Strategies



Longstanding Orientation Towards Profitable Growth

FEMSA Cerveza increased its revenues at a CAGR of 10% and its EBITDA at a CAGR of 17% in dollar terms since 1995...

	US\$ million	
	1995	2004
Revenues	950	2,240
EBITDA	186	740

...expanding its operating margin every year.

...While Transforming Ourselves into Leaders

A sample of our progress over the last 4 years

How we go to the market

- 19% reduction in warehouses
- 9% reduction in distribution routes
- 85% sales volume through pre-sale
- Twice as much beer volume sold through Oxxo

What we take to the market

- 25,000 price lists, up from 190 four years ago
- Several hundred new launches by brand/packaging/market

How we manage complexity

- 90% of direct volume with ERP

Leading Innovation in Mexico

What consumers want...



New Products

**Sol Brava
Coors Light
Kloster**



Up-Sizing

**Liter 1/4
16 oz Can**



Re-launches

**Tecate
Tecate Light
XX Lager**



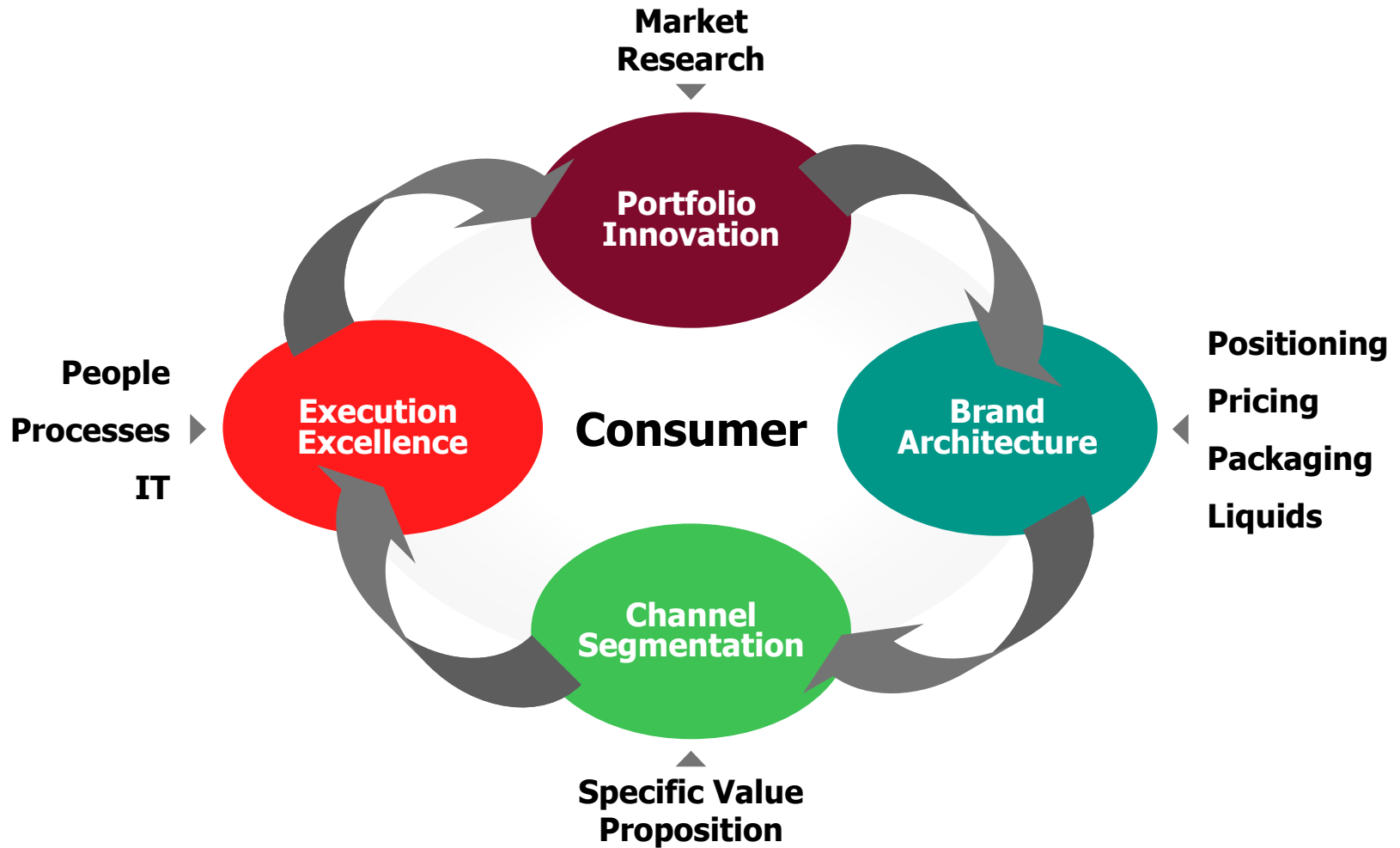
Multipackaging

**4 Packs
12 Packs
18 Packs
24 Packs**



A Virtuous Cycle

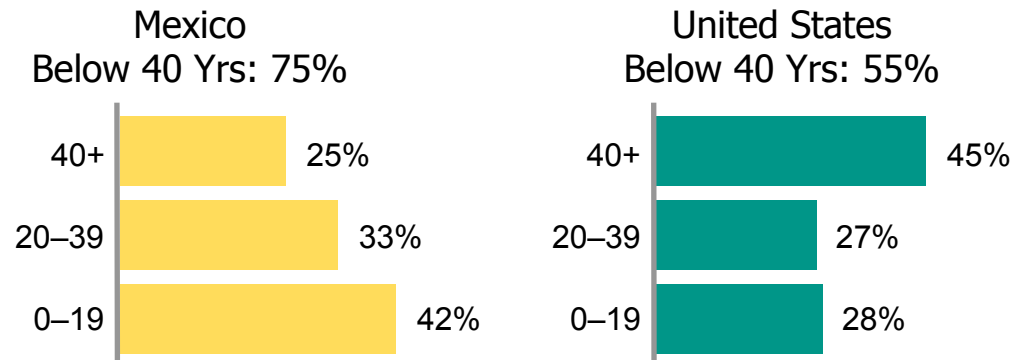
Connecting brands with consumers



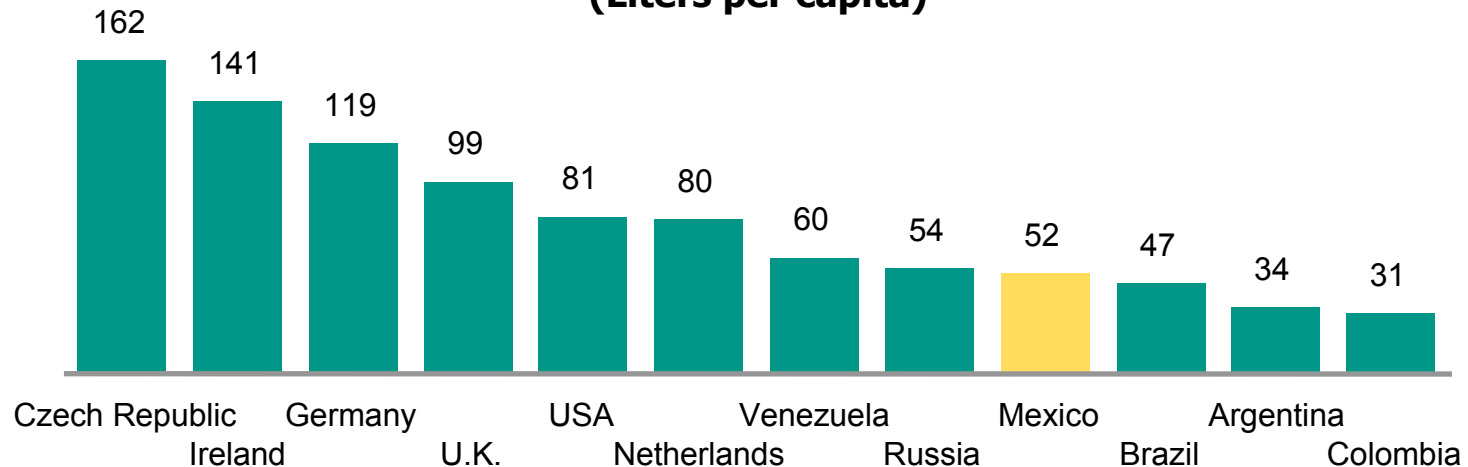
Attractive Beer Market With Room to Grow

- Two well-positioned players
- Strong barriers to entry
- Opportunity to grow

Population Distribution Comparison



2003 Beer Consumption per Capita (Liters per capita)

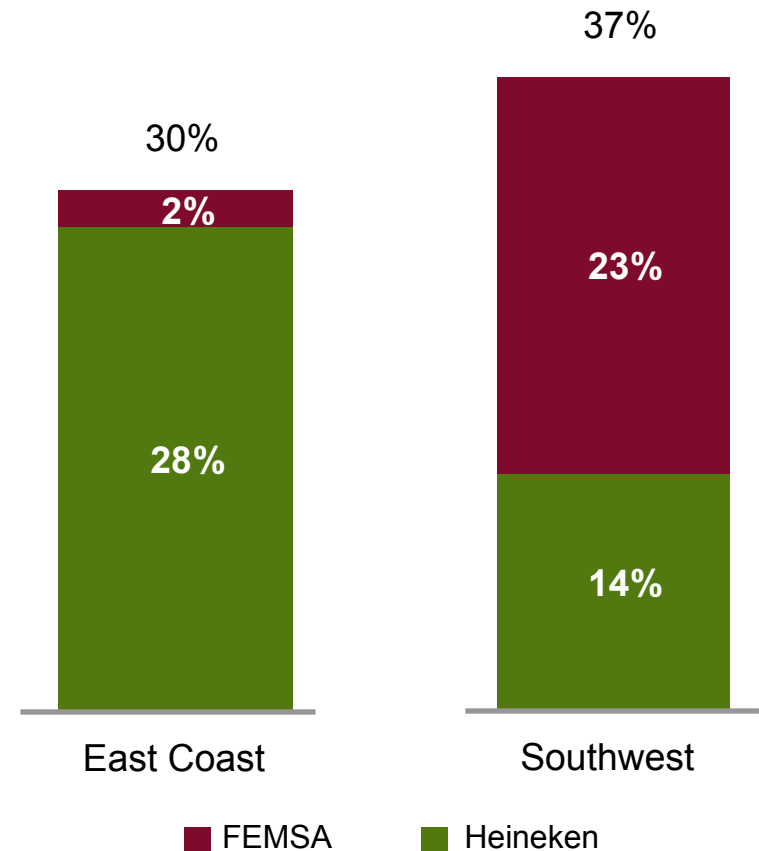


Heineken Agreement is off to a Great Start

Best partner for the U.S.

- #1 U.S. imported beer company
- Brand management focus
- Access to on-premise distribution
- Complementary portfolios and geographic reach
- **East Coast double-digit growth in 1H05**

FEMSA and Heineken Share of Imports in U.S.⁽¹⁾



Looking Ahead

Long-term strategy for profitable growth

- Continue organizational and people development
- Foster innovation to strengthen brand equity
- Leverage technology for excellence in execution
- Increase coordination with other FEMSA Business Units
- Increase profitability ahead of top-line growth



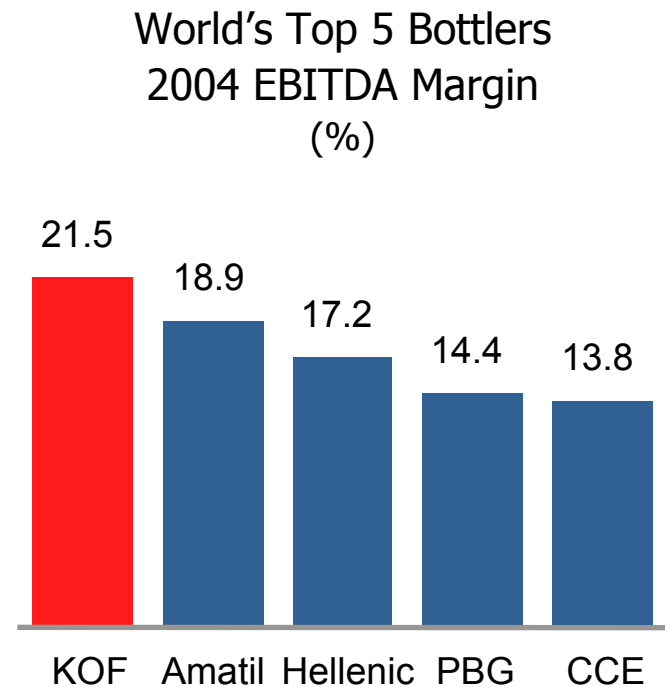
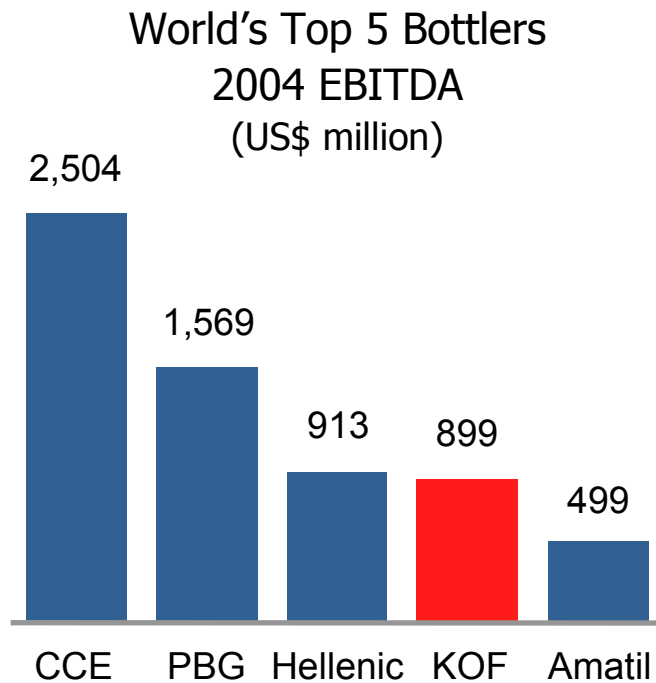
Building on a Successful Integration



Latin America's Bottling Leader

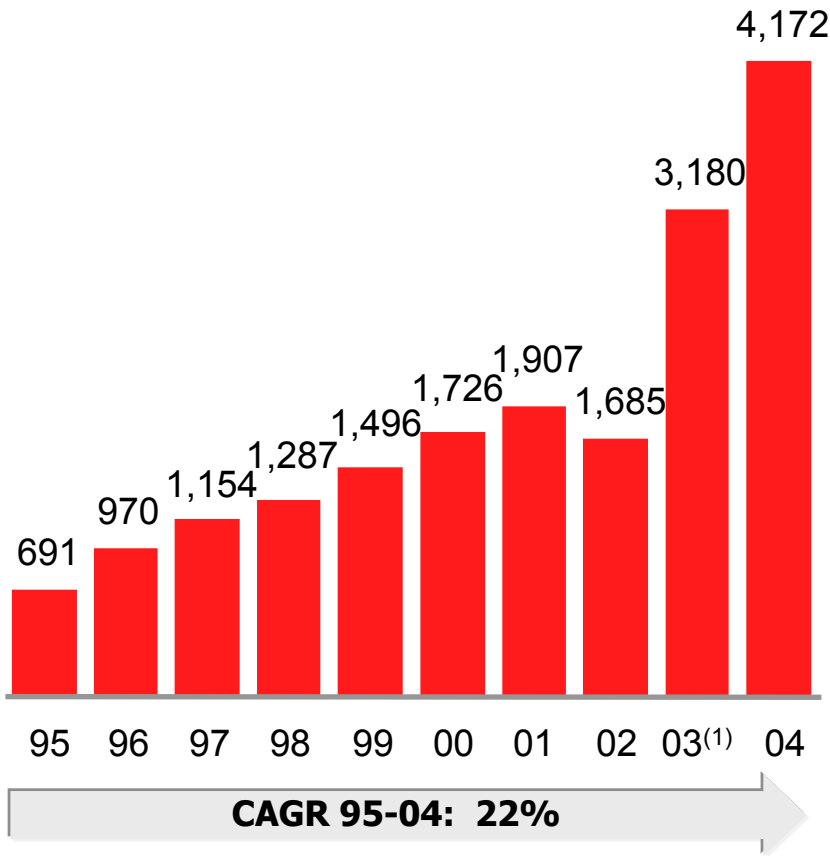
#1 Coca-Cola bottler in Latin America, #2 in the world

- Powerful geographic footprint and unique distribution network
- Important part of Coca-Cola System
- Most profitable company among top 5 soft drink bottlers in the world

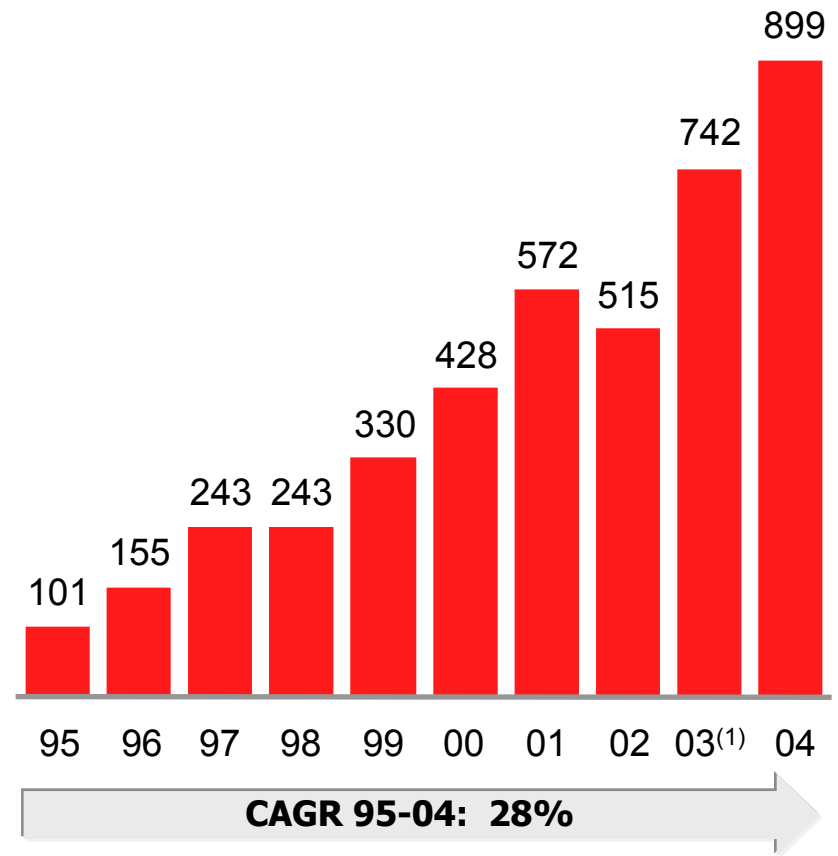


Track Record From 1995 to 2004...

Revenues
(US\$ million)

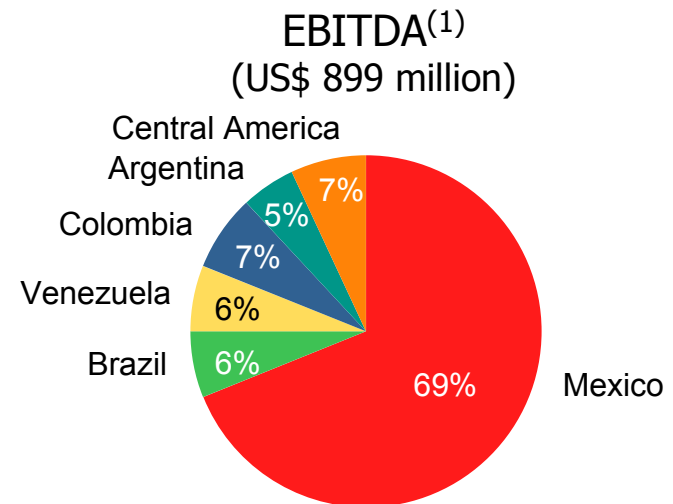
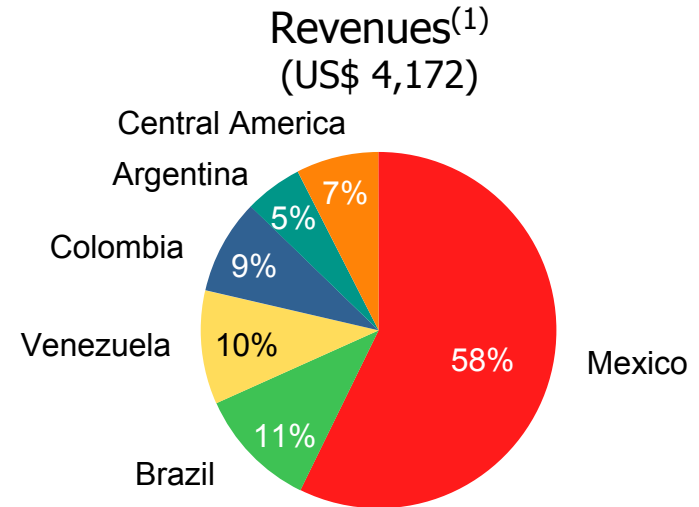
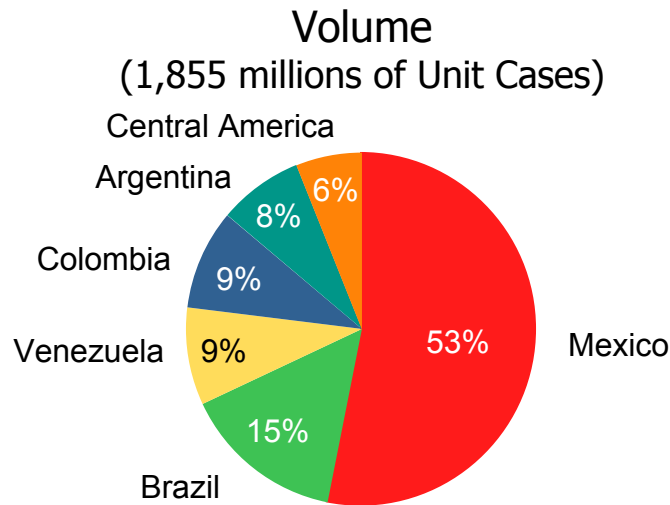


EBITDA
(US\$ million)



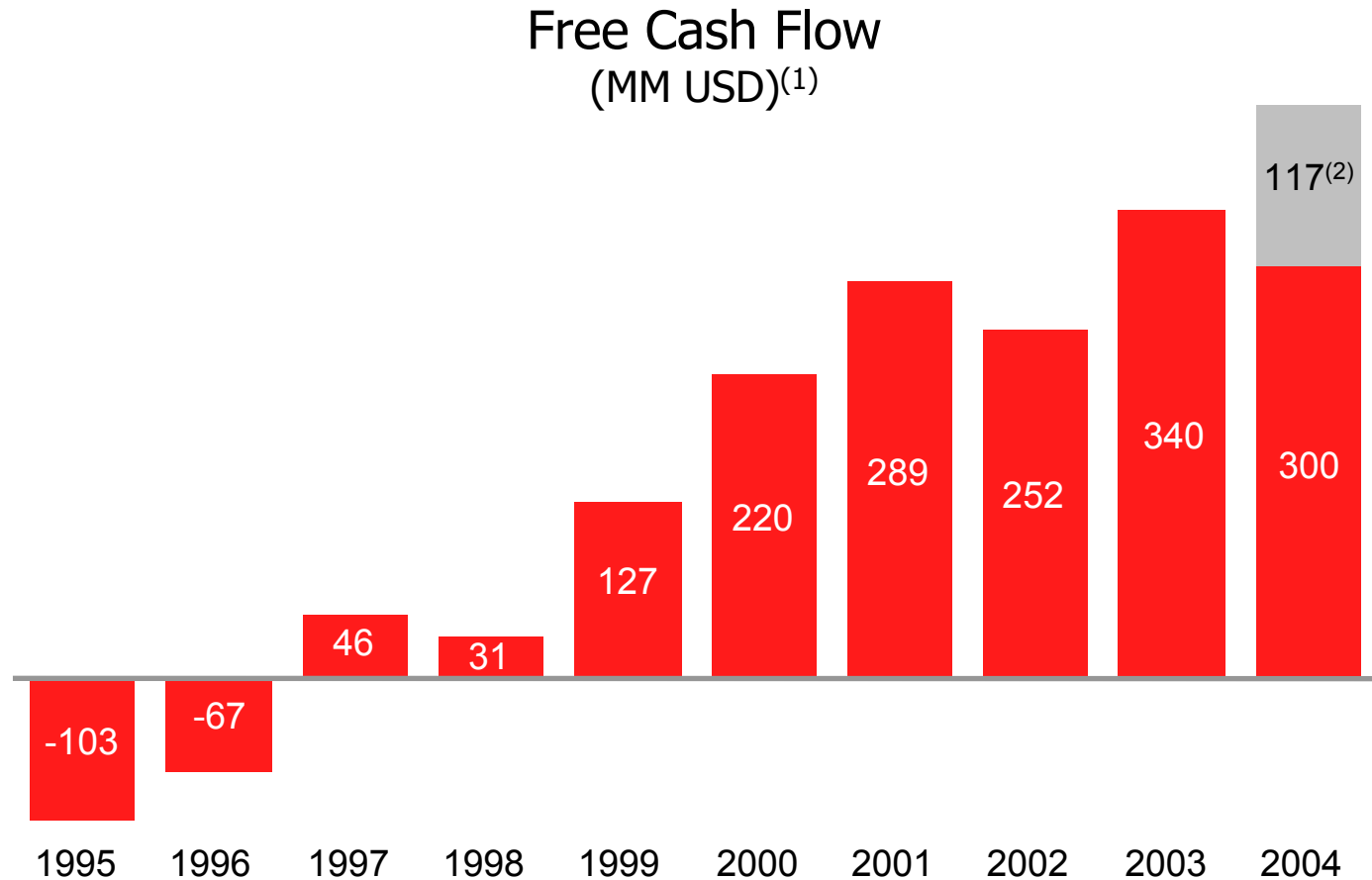
Competitive Advantages

In the Right Markets



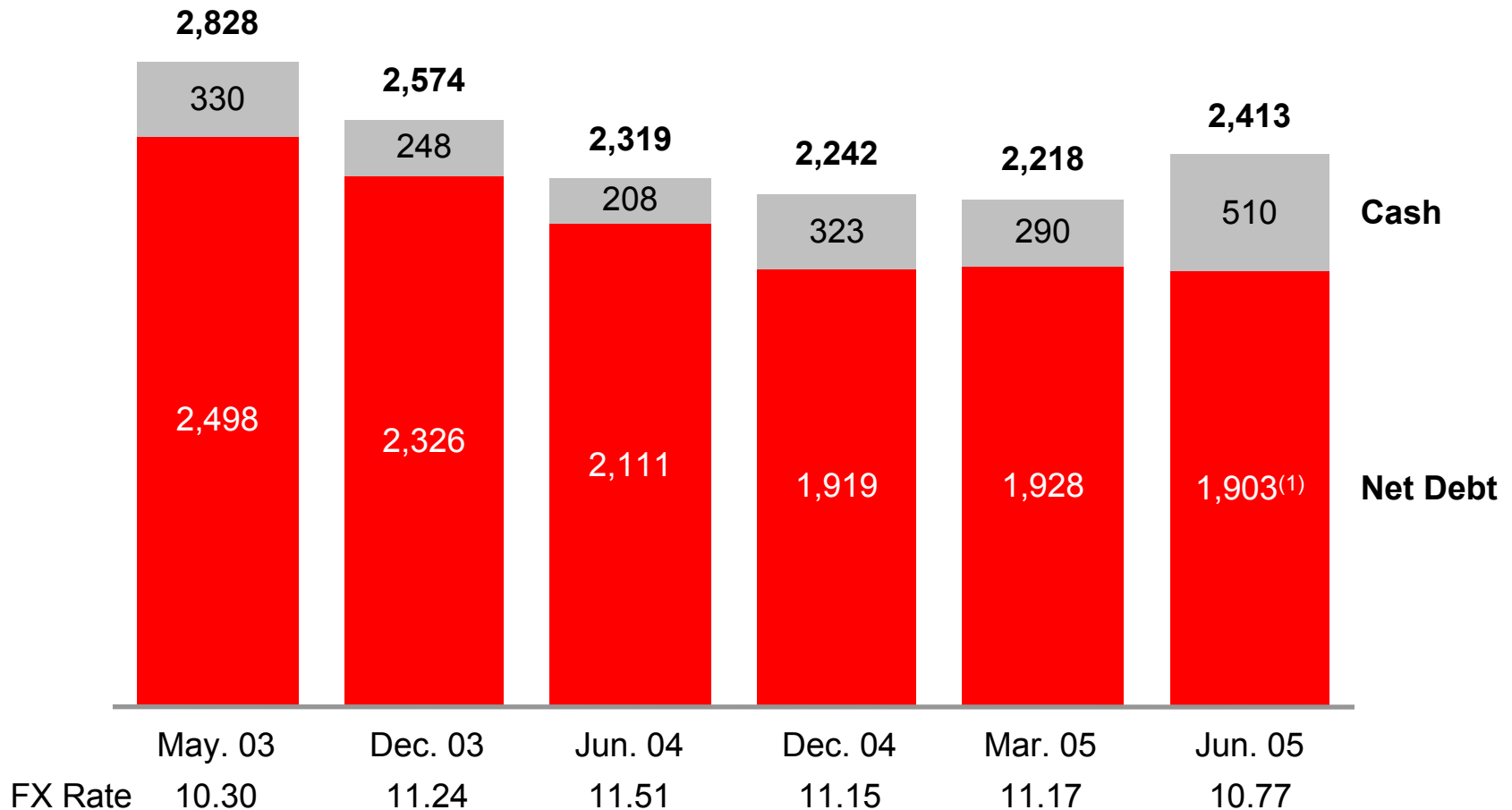
Sustainable Free Cash Flow Generation

Strong cash flow generation supports our de-leveraging story



Net Debt Evolution

Two years after acquiring Panamco we reduced net debt by US\$595 million...



Note: Figures are in million of US dollars.

⁽¹⁾ Includes US\$118 mm of new debt acquired in part to refinance the maturity of one of our "Certificados Bursátiles" maturing on July 15, 2005 in the amount of US\$240 mm.

Successful Integration of New Territories

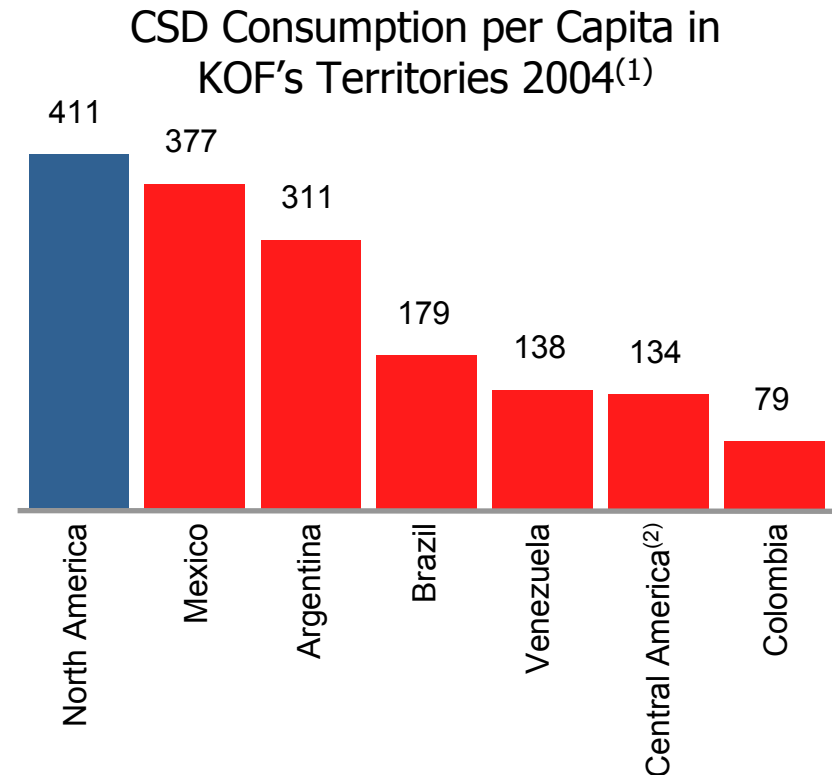
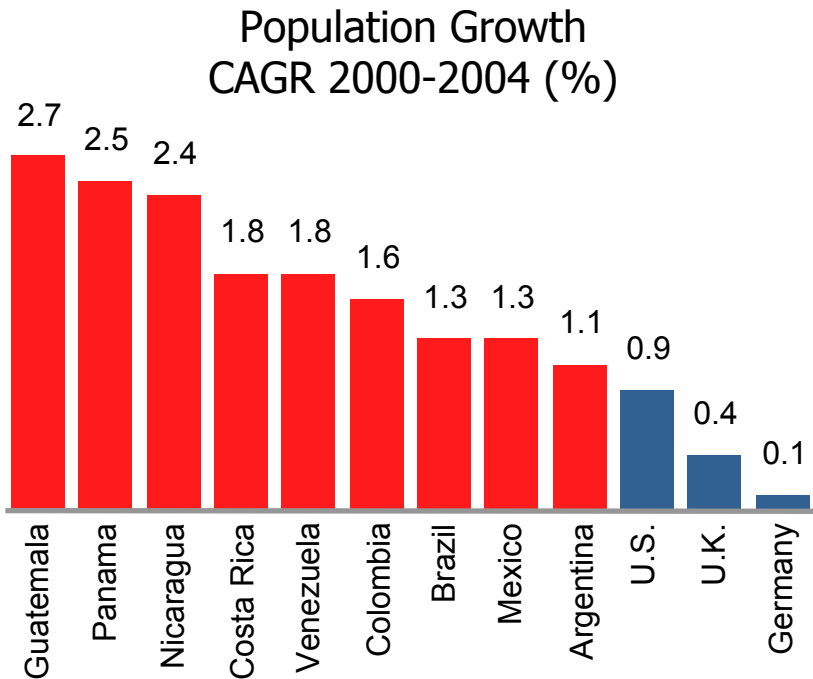
...And completed the integration while still increasing our sales volume

	Consolidated Key Data (last 12 months)			
	2Q03⁽¹⁾	2003⁽¹⁾	2004	% Incr
CSD Volume (MUC)	1,491	1,493	1,549	+ 4%
Plants	52	32	30	- 42%
Routes	7,981	7,588	6,843	- 14%
Distribution Centers	284	247	243	- 14%

- New business model in Brazil and Colombia
- New brands and packages increased CSD consumption
- Successfully managing in complex political environments
- Expertise in managing low-price CSD brand development

Opportunities for Growth Remain

- Population growth
- Per capita consumption trends
- Single serve and CSD flavors
- Non-carbonated segment
- Leverage Coca-Cola brand equity
- Geographical expansion



Source: Economic Intelligence Unit, Company filings.

⁽¹⁾ CSD consumption per capita of Coca-Cola FEMSA products in Coca-Cola FEMSA territories, with the exception of North America which consists of all KO products. ⁽²⁾ Includes Guatemala, Nicaragua, Costa Rica, and Panama.

Leverage and Strengthen Brand Coca-Cola

- **Increase consumption in Central America with increased multi-serve presentation alternatives**
 - Launch of 2.5 Lt returnable PET presentation in Costa Rica and Guatemala
 - Launch of 2.0 Lt returnable PET presentation in Nicaragua
- **Expand packaging portfolio for brand Coca-Cola in Mexico and Brazil**
 - Currently 13 different presentations for brand Coca-Cola in Brazil
 - Reinforce returnable presentations in Brazil through roll-out of 1.0 Lt returnable glass



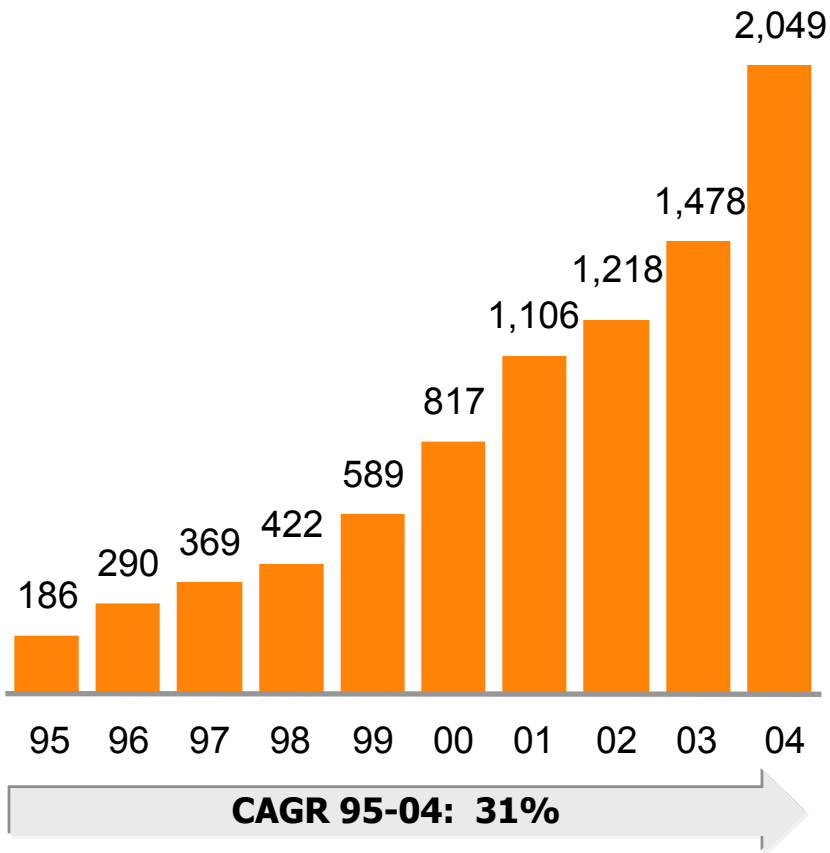
Increase Product Innovation and Segmentation

- **New line extensions for CSD flavors**
 - Lift Golden, Senzao Guaranaranja, and Mundet Multi-flavors represented two-thirds of Mexico's incremental volume in 2004
 - Introduced Crush Multiflavors, in 3 different packages and 5 different flavors, in Colombia
- **Non-carbonated beverages** with Nestea and Keloco
- **Value protection brands** with Mundet Multi-flavors
- **Juices** through KO's acquisition of Cepita, one of the largest brands in Argentina

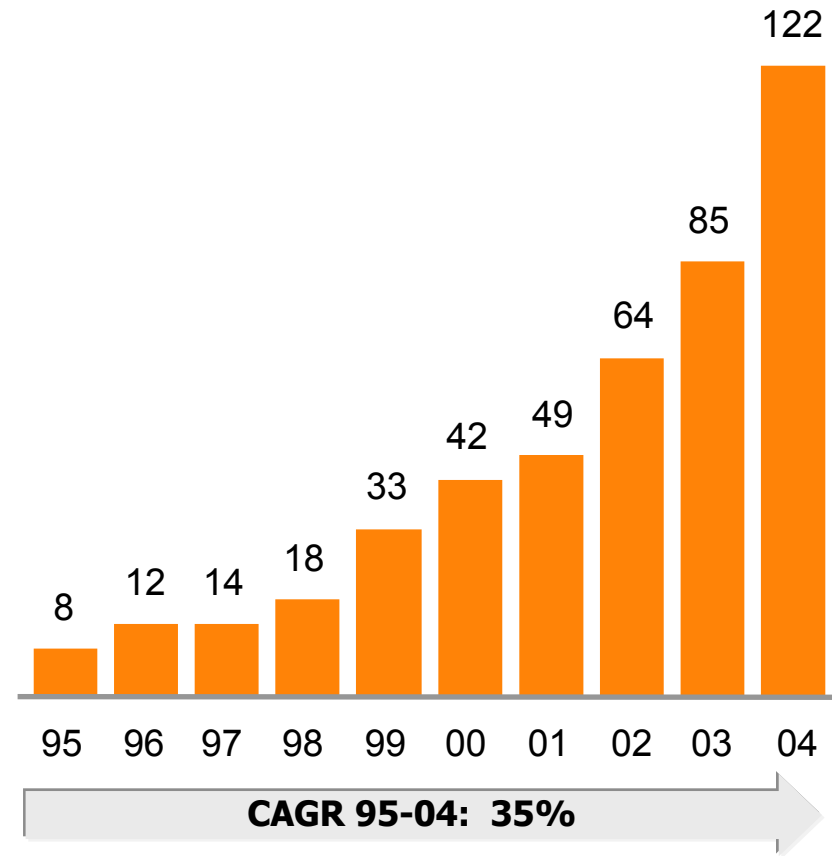


Track Record From 1995 to 2004...

Revenues
(US\$ million)



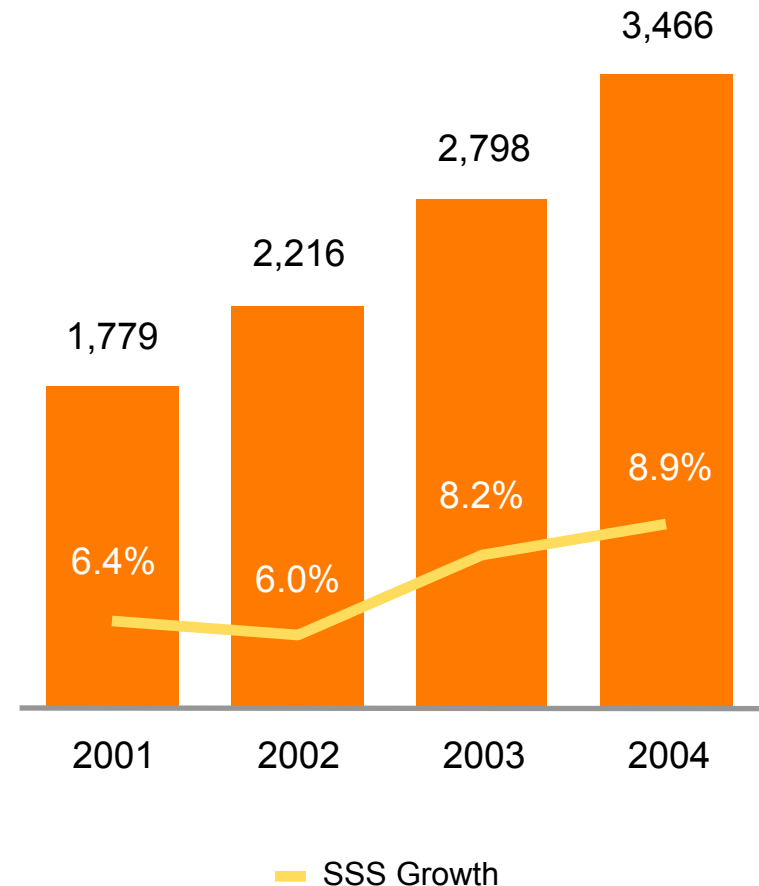
EBITDA
(US\$ million)



Oxxo's Key Role in Our Beverage Strategy

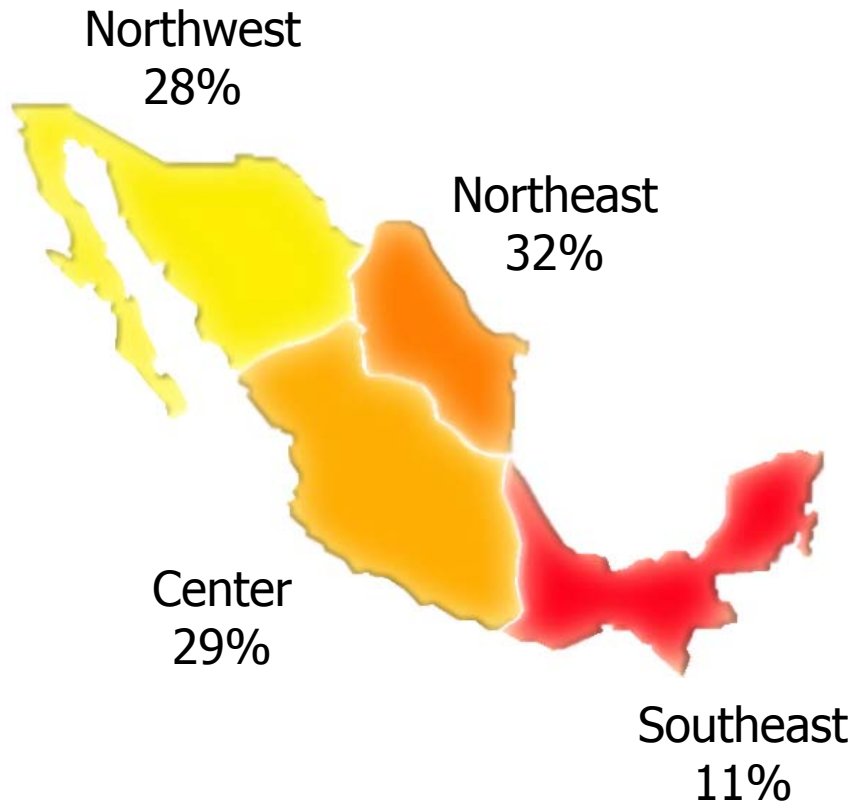
- Opening a new store every 14 hours
- Largest client of Cerveza and KOF
 - 2x more beer sales than all supermarkets combined
 - 38% of sales from beverages
- Oxxo / Cerveza joint site selection

Number of Stores and Same Store Sales Growth



Only Chain with Nationwide Presence

A national footprint, poised for continued growth



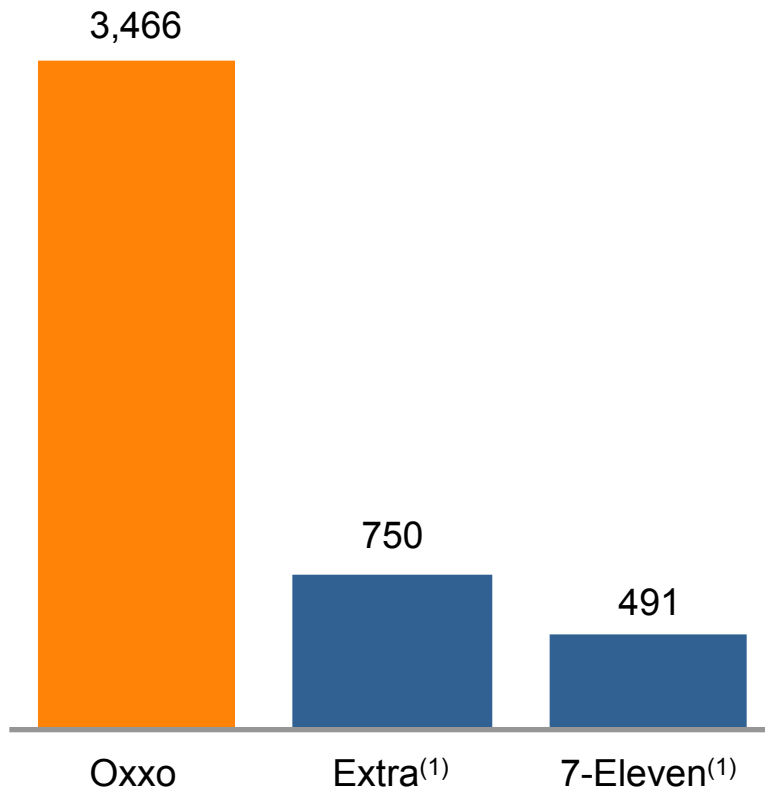
As of June 30, 2005

Total stores:	3,660
Customers per day:	2.6 mm

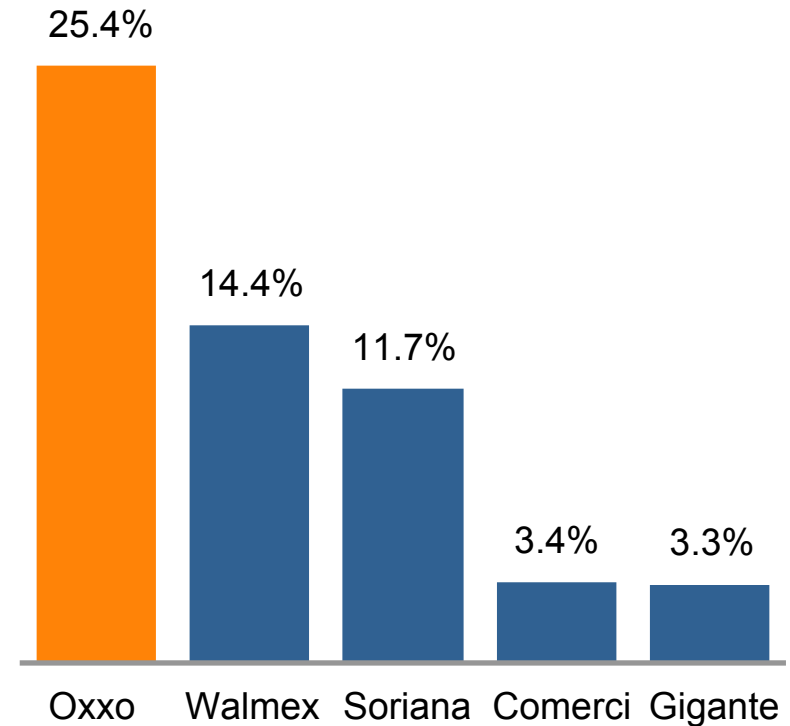
Latin America's Convenience Store Leader

Largest and fastest growing chain

Number of Convenience Stores
in Mexico



Sales CAGR 1999 – 2004⁽²⁾



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In Review...

Latin America's Beverage Leader

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The Road Ahead

- Increase collaboration across all of FEMSA
- Leverage our platform to achieve consistent, profitable growth
- Continue to develop our people
- Compensate success through the creation of long-term economic value
- Expand through new products, territories, and stores

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Appendix

EBITDA Reconciliation by Division

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Consolidated FEMSA										
Income from Operations	160,333	240,432	439,752	479,000	627,284	736,112	947,818	907,437	1,078,211	1,238,186
Depreciation	84,007	98,716	123,828	121,166	175,048	201,767	204,406	208,983	232,633	271,157
Amortization	51,729	89,332	106,606	114,539	143,195	170,225	176,930	181,424	232,407	302,266
EBITDA	296,070	428,481	670,186	714,705	945,528	1,108,103	1,329,154	1,297,845	1,543,251	1,811,609
FEMSA Cerveza										
Income from Operations	106,960	155,752	282,287	280,713	367,505	371,532	414,120	389,904	379,482	425,632
Depreciation	53,099	65,601	79,496	75,412	99,295	110,534	122,911	127,814	125,767	131,889
Amortization	26,005	33,661	34,672	59,722	80,731	110,992	125,734	152,688	165,937	182,203
EBITDA	186,065	255,014	396,456	415,847	547,532	593,058	662,765	670,406	671,185	739,724
Coca-Cola FEMSA										
Income from Operations	52,688	81,500	150,186	161,320	216,513	305,473	467,539	424,533	597,273	690,542
Depreciation	25,168	25,878	32,849	33,979	58,048	70,503	70,420	49,805	86,114	111,138
Amortization	22,832	48,120	60,443	47,997	55,709	52,275	34,317	40,590	58,829	97,307
EBITDA	100,688	155,499	243,478	243,295	330,270	428,251	572,277	514,928	742,216	898,986
FEMSA Comercio										
Income from Operations	3,567	6,866	6,708	9,210	24,424	28,967	33,423	46,553	61,747	81,715
Depreciation	1,514	2,362	2,972	3,599	4,854	7,197	7,903	8,599	11,654	19,334
Amortization	2,869	2,979	3,860	5,104	4,024	5,537	8,141	9,048	11,896	21,022
EBITDA	7,949	12,206	13,540	17,913	33,301	41,701	49,468	64,201	85,297	122,071