



FEMSA

**Deutsche Bank
Global Consumer Conference**

Javier Astaburuaga, CFO

June 12, 2006



**FMX
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NYSE**

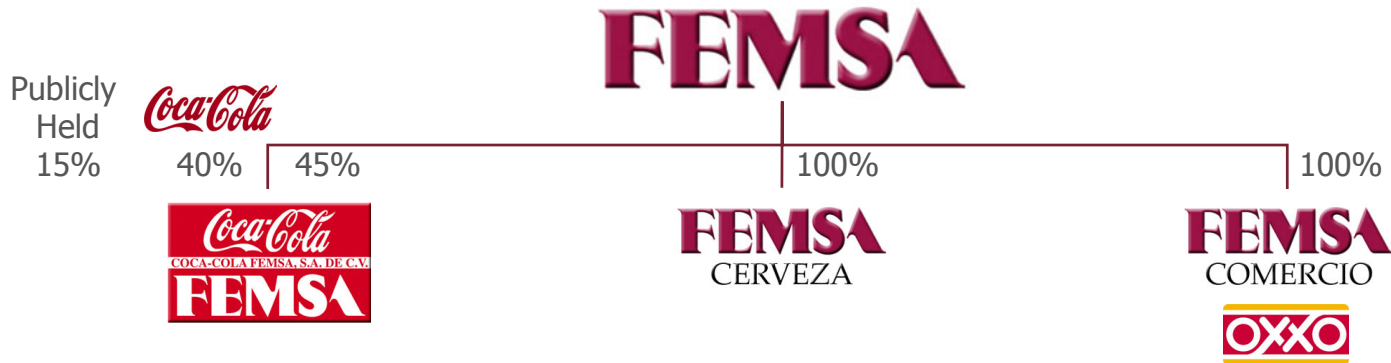
Safe Harbor Statement

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

Investment Highlights

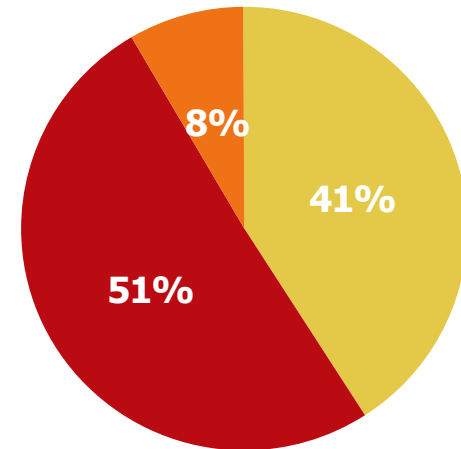
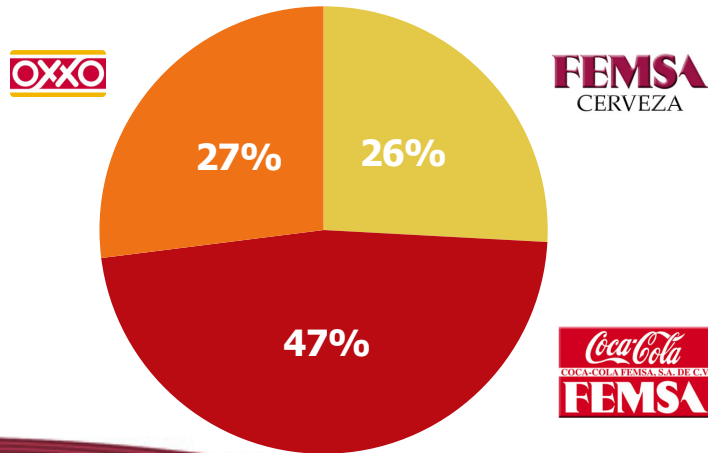
- Largest beverage company in Latin America
- Proven track record of profitable growth
- Leading market position with strong brands
- Unique business model and capabilities
- Significant growth potential in our markets
- Creating synergies within our beverage platform

A Unique Beverage Platform...



Total Revenue = US\$ 9,857 million

EBITDA = US\$ 2,103 million



... with a Continental Footprint

Production

- *30 bottling plants*
- *14 breweries*
- *8 packaging plants*

Marketing

- *64 soft drink brands*
- *23 beer brands*

Distribution

- *673 distribution facilities*
- *9,000+ routes*

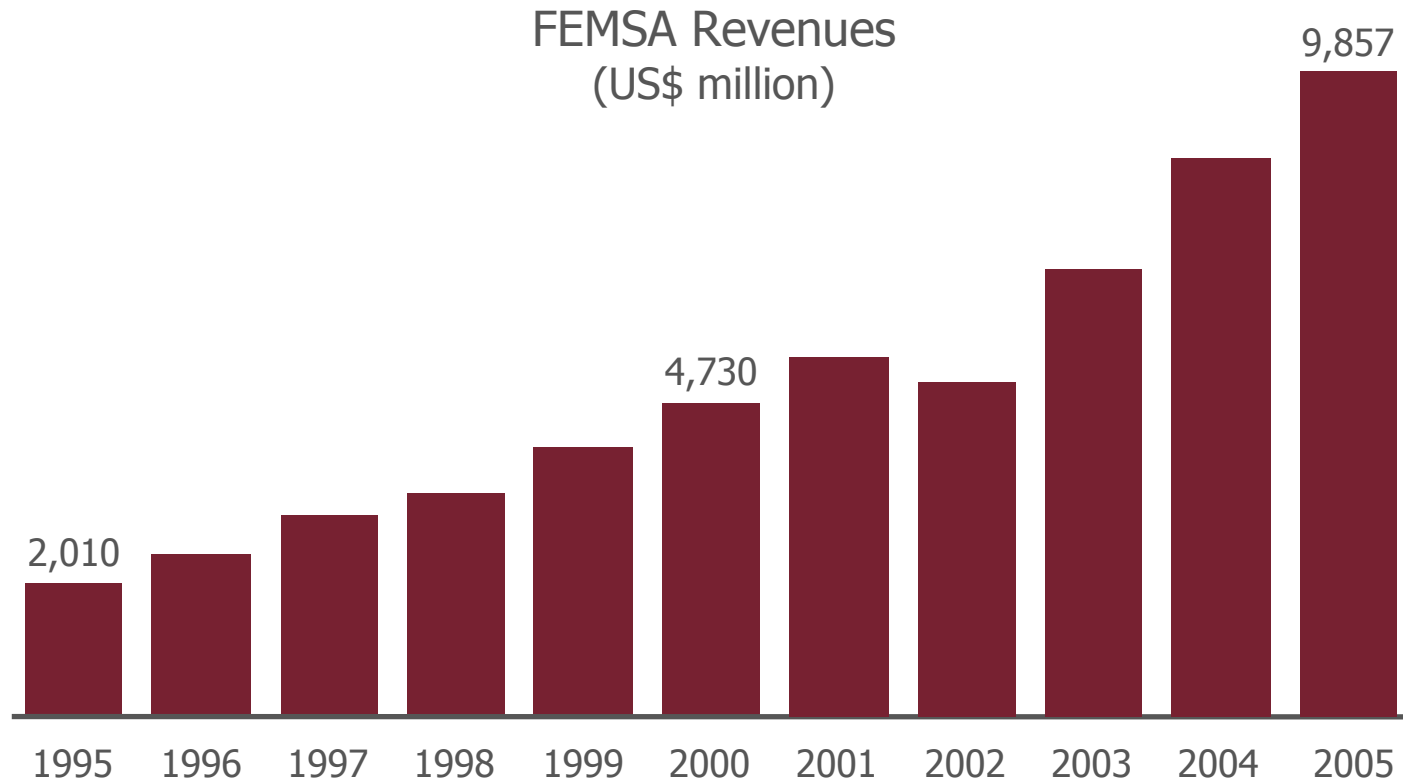
Consumers

- *1.8 mm+ retailers*
- *200 mm+ consumers*



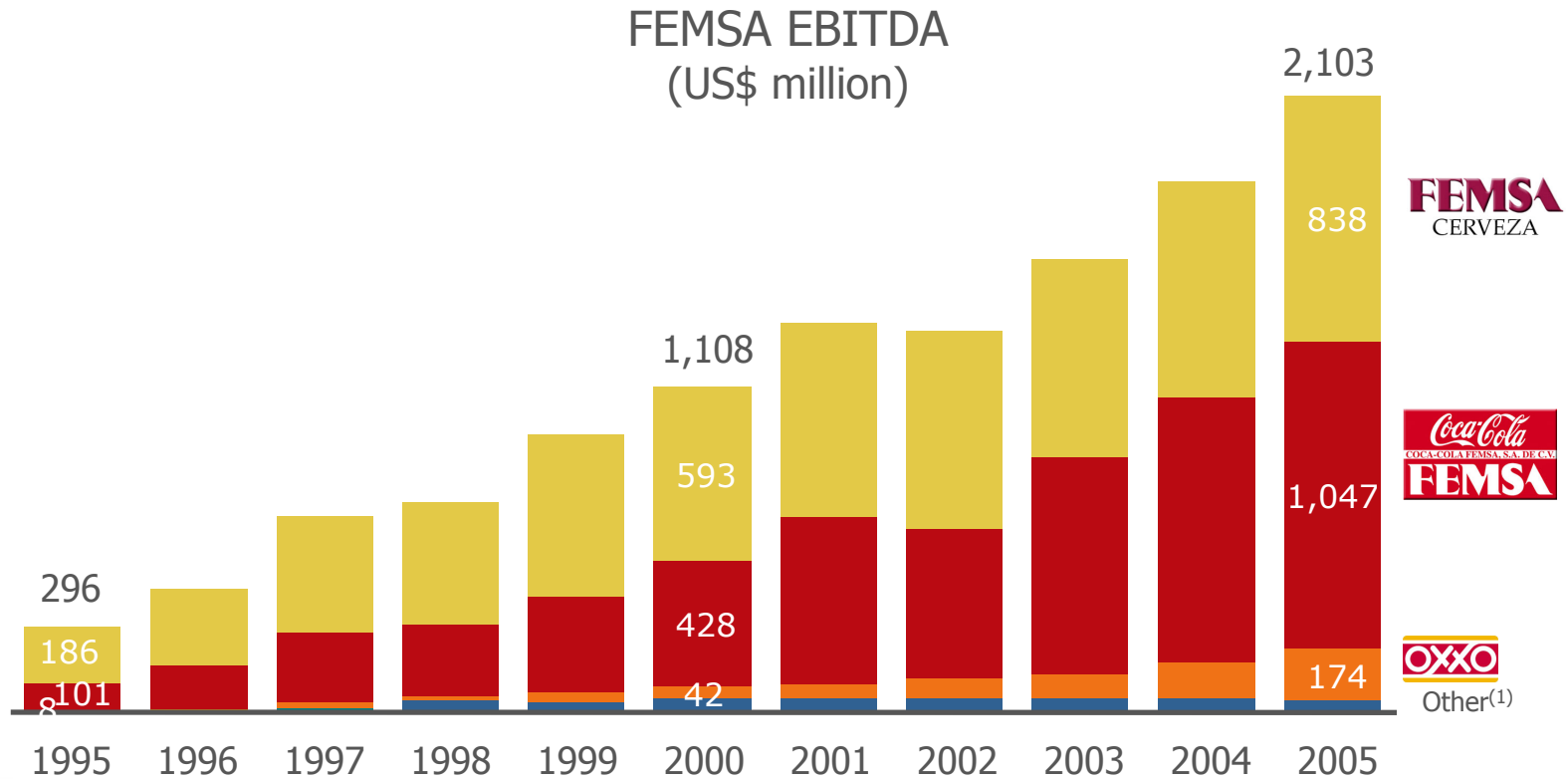
Double-Digit Growth in the Top Line...

CAGR of 17% since 1995



... and in Profitability

CAGR of 22% since 1995



Note: All figures are in nominal Mexican pesos as of the reported year and converted into US\$ for the respective year end exchange rate.

⁽¹⁾ Other includes non-core packaging and logistics businesses.

Conservative Balance Sheet Management

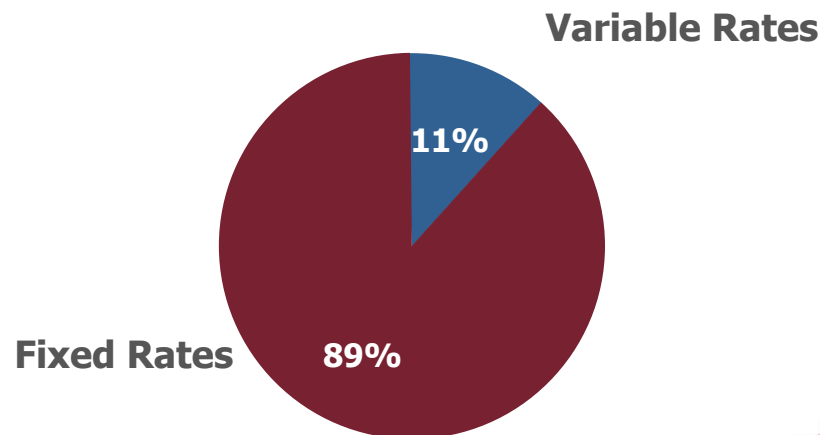
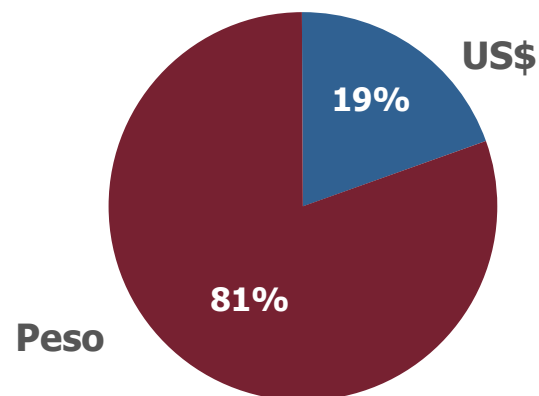
Credit Ratios as of Dec 05

Total Debt/EBITDA	1.5x
Net Debt/EBITDA	1.2x
Total Liabilities/Total Equity	1.1x

Debt Position as of Dec 05 (US\$ million)

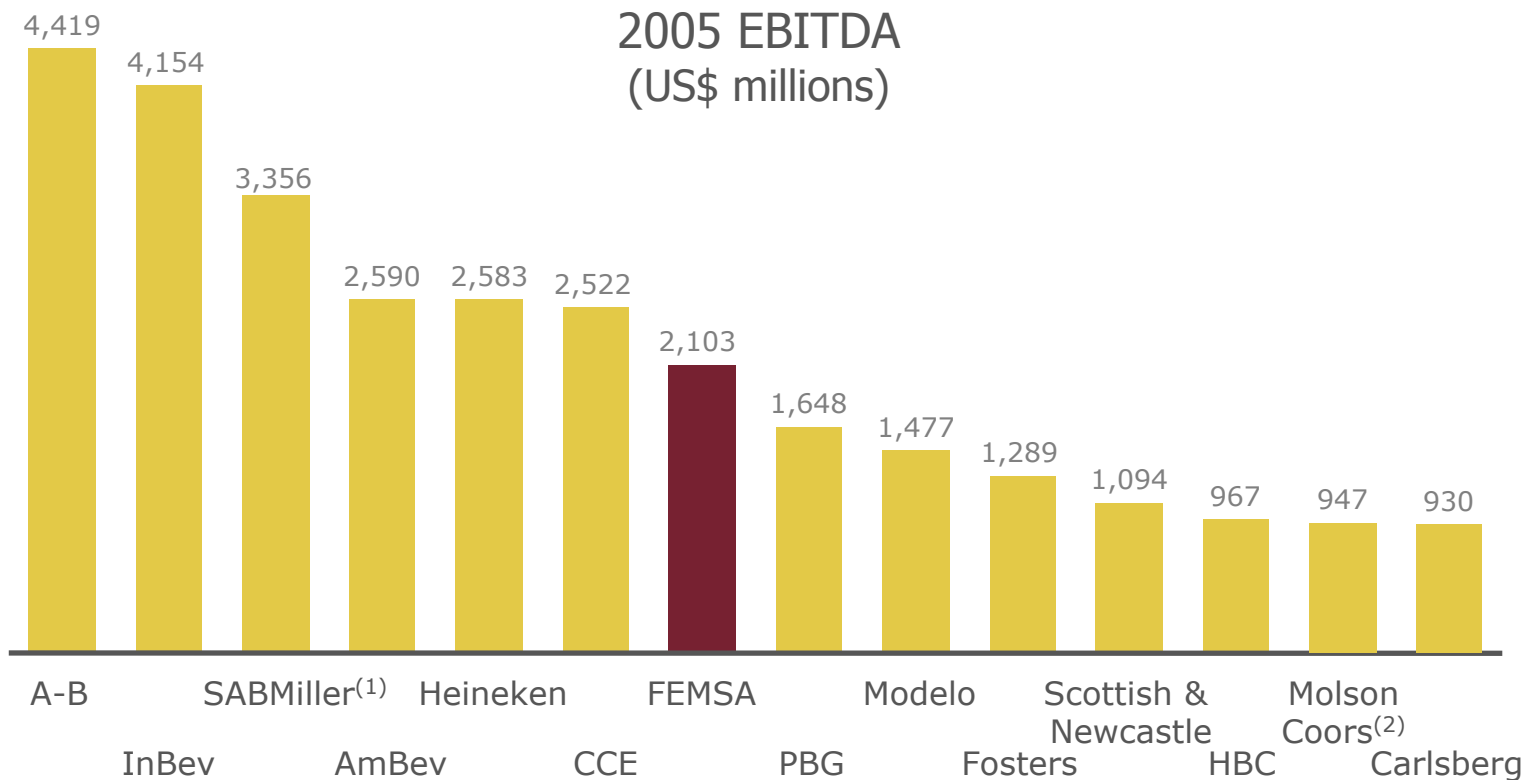
Total Debt	\$3,232
Cash	\$760
Net Debt	\$2,472
2005 EBITDA	\$2,103

Debt Composition



FEMSA in the Global Context

Among Leaders in Global Beverages



Source: Company filings and analyst reports.

⁽¹⁾ For FY 2006 ended March 31.

⁽²⁾ Excludes Kaiser operations.

Beverage Growth Leaders During the Last Decade

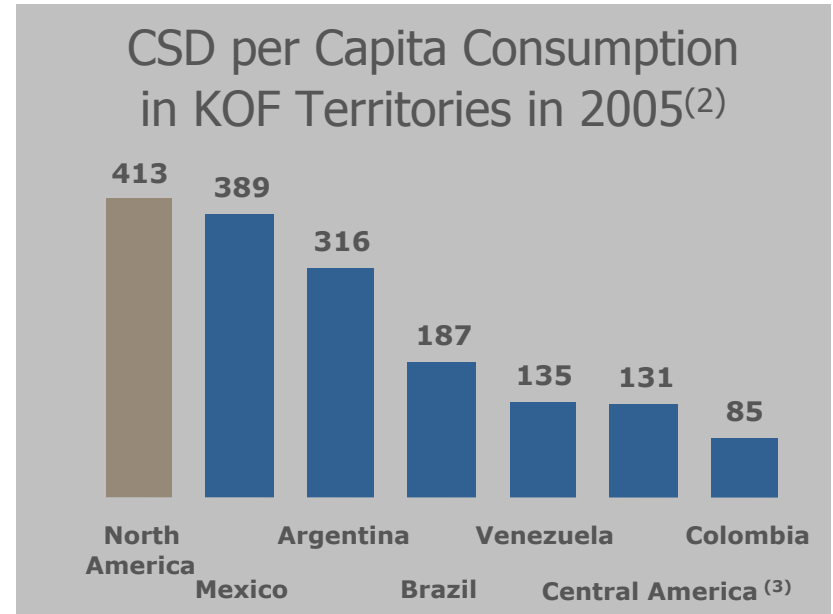
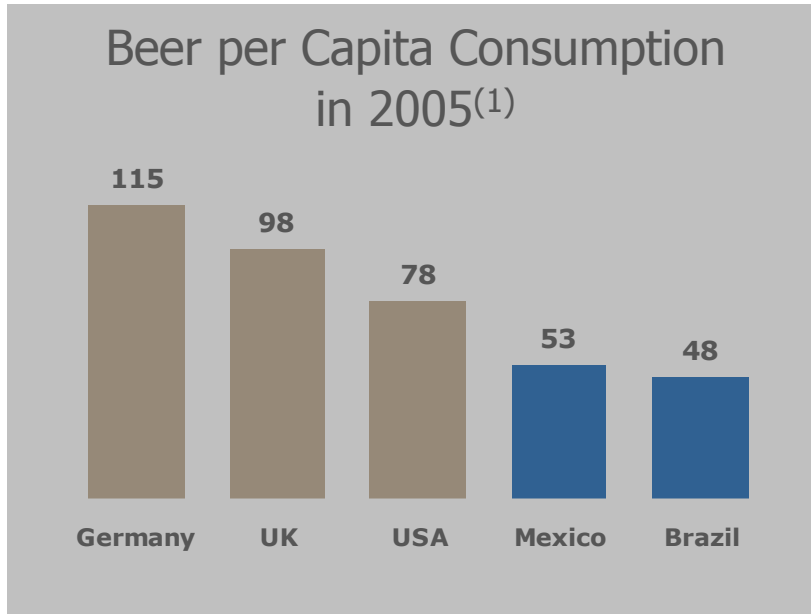
<i>(in US\$)</i> <i>Descending order by</i> <i>revenue CAGR</i>	Total Revenues CAGR 1995-2005
InBev ⁽¹⁾	Up 19%
FEMSA	17%
Grupo Modelo	14%
SABMiller ⁽²⁾	13%
AmBev	11%
Coca-Cola Enterprises	11%
Heineken	10%
PBG ⁽³⁾	8%
Coca-Cola Company	3%
Anheuser Busch	2%

Source: Company reports and analyst estimates.

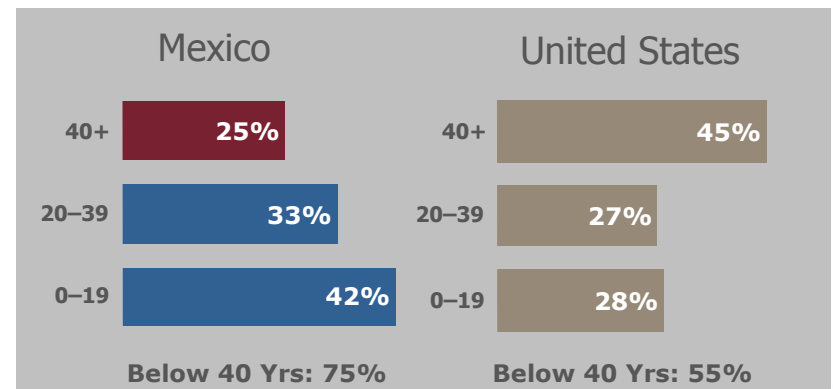
Note: Figures as reported in 1995 and including acquisitions for 2005. Converted to US Dollars at average yearly exchange rates.

⁽¹⁾ InBev data from 1996, ⁽²⁾ SABMiller fiscal year 2006 and 1996 ending March 31, ⁽³⁾ PBG data from 1999.

Growth Opportunities In Our Markets



Population Distribution



Source: Canadean Global Beer Trends 2005, EIU, and Company filings.

(1) Beer consumption in liters per capita.

(2) Soft drinks consumption in 8 oz servings per capita of Coca-Cola FEMSA products in KOF territories, with the exception of North America which consists of KO products.

(3) Includes Guatemala, Nicaragua, Costa Rica, and Panama.



COCA-COLA **FEMSA**

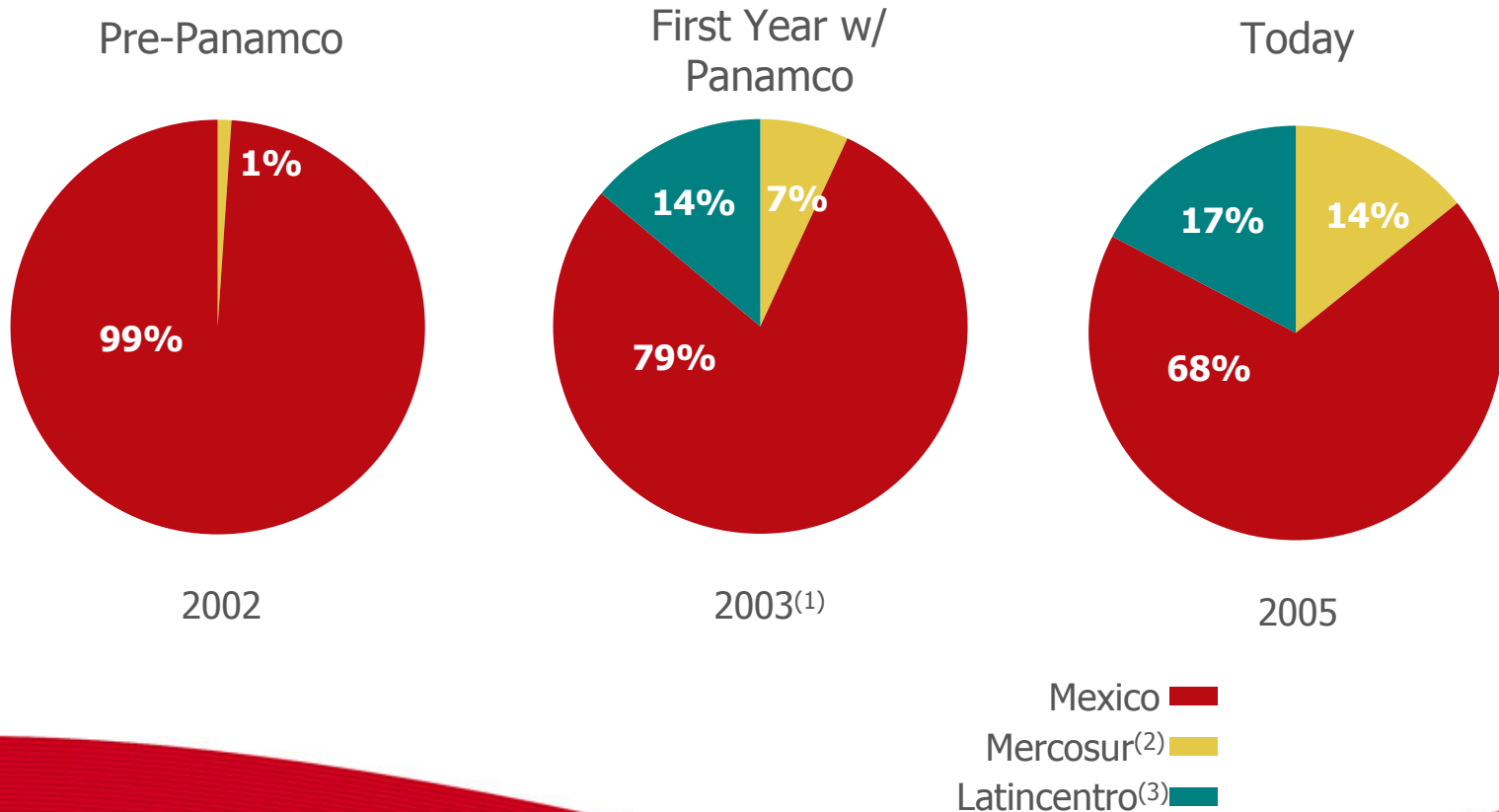
**Growing Beyond a
Successful Integration**

Increasing Geographic Diversification

COCA-COLA FEMSA

Today over 30% of KOF EBITDA is generated outside of Mexico

KOF EBITDA Evolution



Source: Company filings.

⁽¹⁾ 2003 EBITDA includes 8 months of Panamco operations.

⁽²⁾ Mercosur includes Brazil and Argentina.

⁽³⁾ Latincentro includes Central America, Colombia, and Venezuela.

FEMSA

KOF Brazil – A Successful Turnaround

COCA-COLA FEMSA

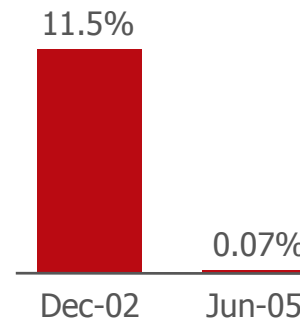
Actions:

- Took control of pre-sale,
- Developed the traditional channel,
- Eliminated transshipments

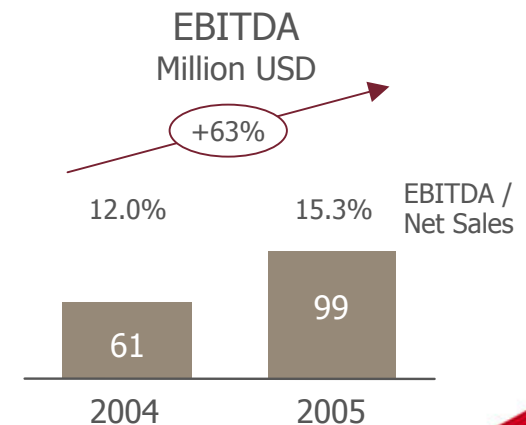
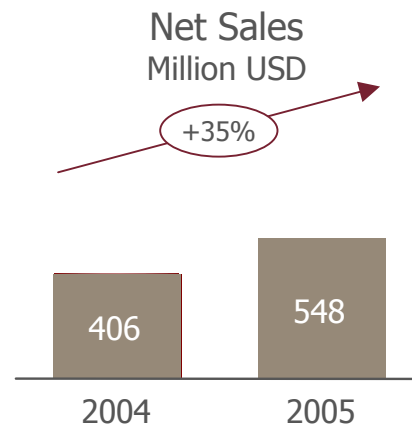
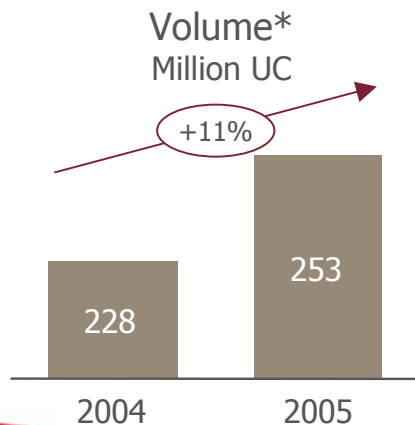
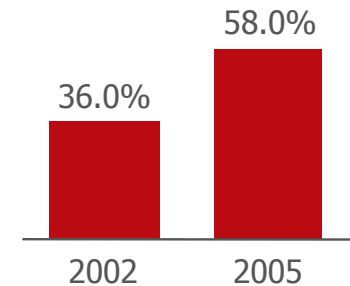
Result:

- Improved competitive position
- Established better selling terms

Transshipment



Traditional Channel



KOF Colombia - Innovation

COCA-COLA FEMSA

Actions:

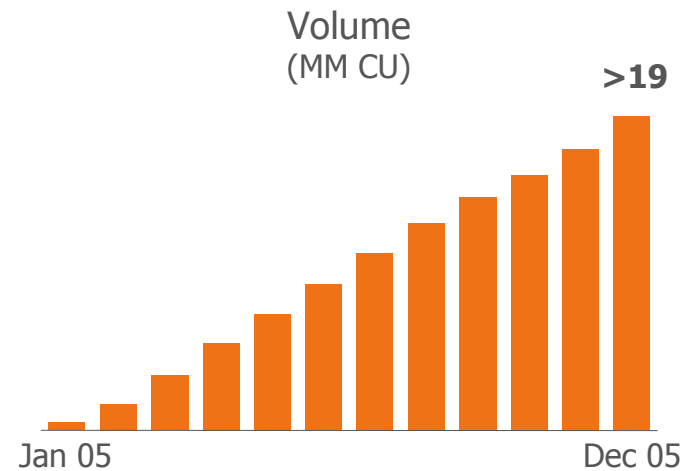
- Launched Crush Multi-Flavor brand
- Consumer promotions and activations
- In and out flavor strategy
- Improved execution at POS

Result:

- Crush exceeded volume expectations and reached relevant market share



	LTM 04	LTM 05	% Var.
Volume (MM UC)	167.1	179.7	+ 8%
Sales	364	442	+21%
# Of Plants	17	6	-11
EBIT	39	50	+29%



Growth Opportunities

COCA-COLA FEMSA

- Develop a segmented product portfolio
- Foster single-serve consumption
- Reinforce premium CSD brand alternatives
- Capture flavor CSD growth through innovation
- Focus on non-carb segment
- Improve bottled water profitability
- Leverage favorable population and GDP growth
- Horizontal Growth





FEMSA CERVEZA

**Changing the Rules
of the Game**

Oriented to Profitable Growth

FEMSA CERVEZA

**Since 1995 revenues have increased at a CAGR of 11%,
EBITDA at 16% in dollar terms**

	US\$ million	
	1995	2005
Revenues	950	2,574
EBITDA	186	838

... with operating margin expansion every single year

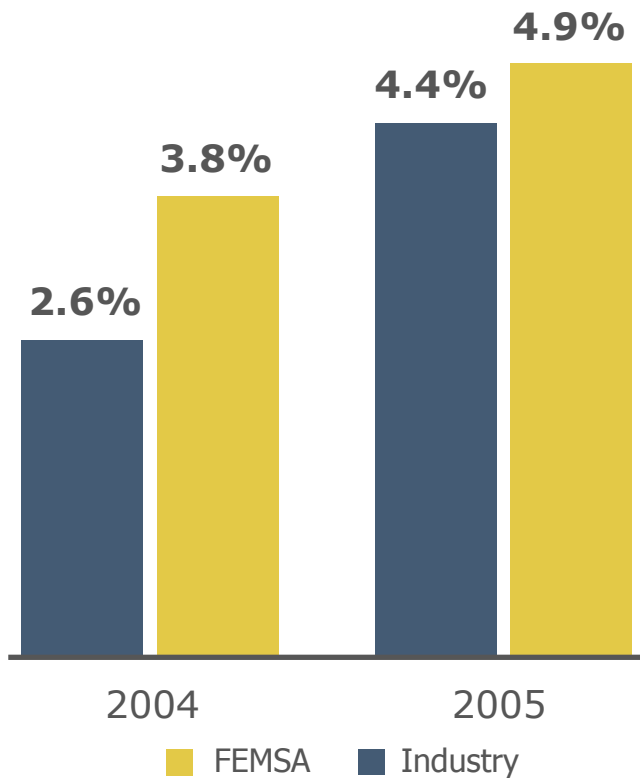
Developing the capabilities for profitable segmentation

- Rolled out presale
- Implemented Enterprise Resource Planning (ERP) system
- Adapted organizational structures around clients' needs
- Developed culture of innovation
- Established highly segmented Brand Portfolio
- Oriented towards maximizing return on invested capital

Outpacing Industry Growth

FEMSA CERVEZA

FEMSA Domestic Volume Growth vs. Industry

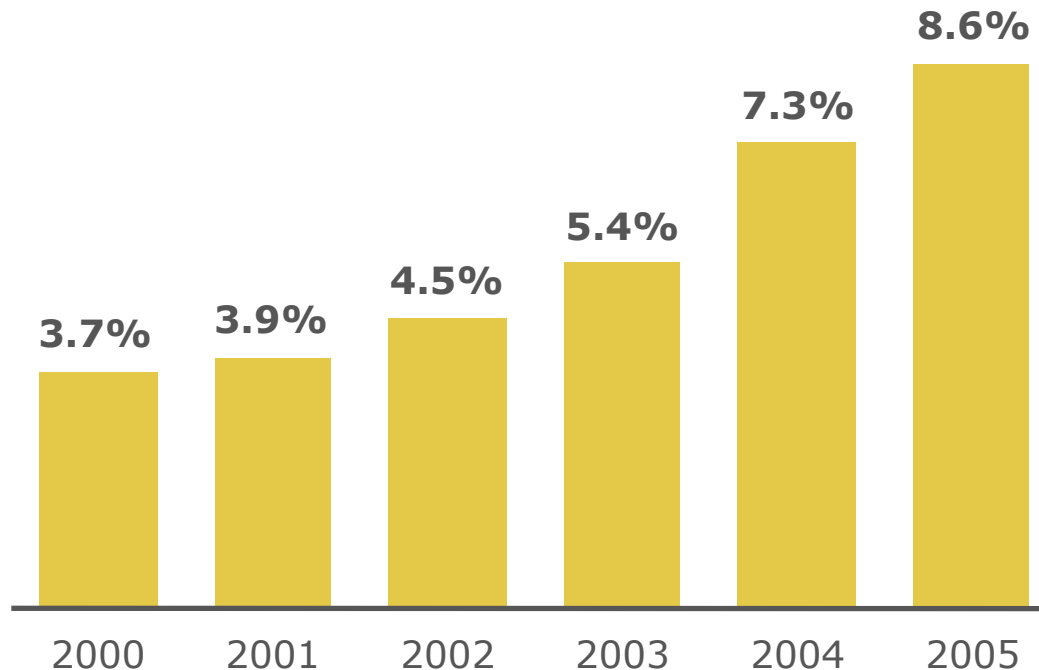


FEMSA Domestic Price in-line with inflation

Price per hl	1Q04	4Q05	Chg
Real	899.6	900.6	+0.1%
Nominal	840.1	900.6	+7.2%

Beer volume sold in Oxxo has nearly tripled in last 5 yrs

Percentage of Total Beer Sales



Growing ahead of domestic volumes

- Focus on key markets
- Successful first year with Heineken in U.S.
 - 2005 sales volume up 8.2%
 - New wholesalers and key national accounts
 - Favorable outlook for 2006
- New Commercial agreements for Canada and the UK
 - Sleeman Breweries in Canada (starting in '06)
 - Coors in the UK (Oct '05)

Kaiser Turnaround: A Solid Start

FEMSA CERVEZA

- Purchased 68% of Kaiser for US\$ 68 million on January 16, 2006
- 9% market share of beer
- 2005 sales volume of 8.6 mm hl, with excess capacity
- Initiatives
 - Merged sales force with KOF in Sao Paulo
 - Developed short-term plan
- 1Q06 results
 - Initial volume decrease; achieved profitability
- Next steps
 - Improve competitive position
 - Invest and build brand portfolio



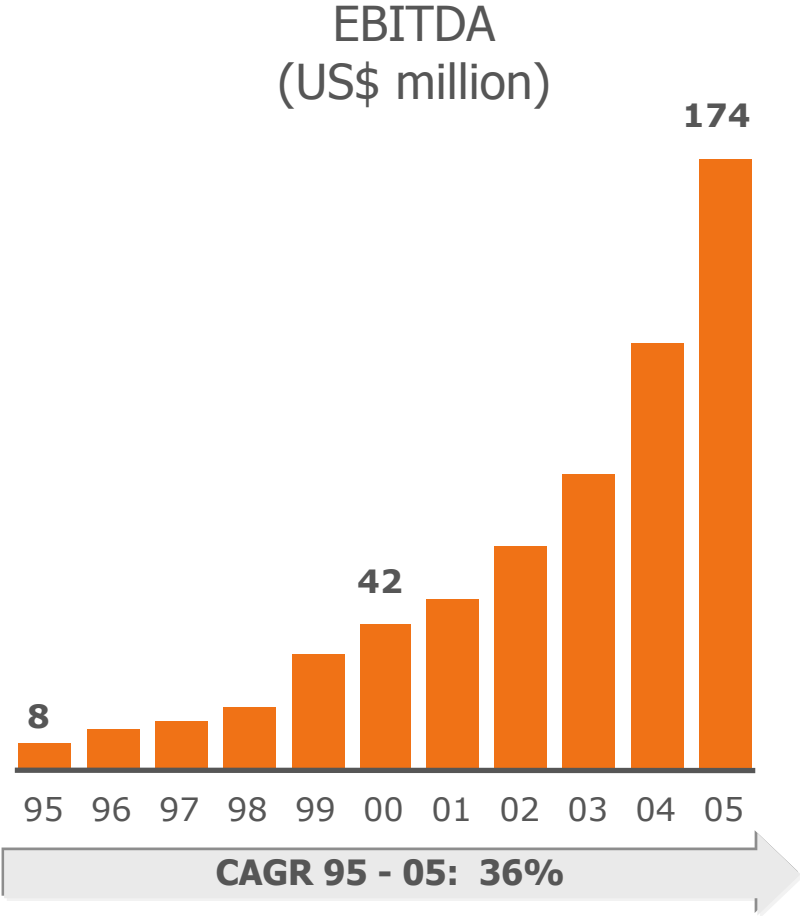
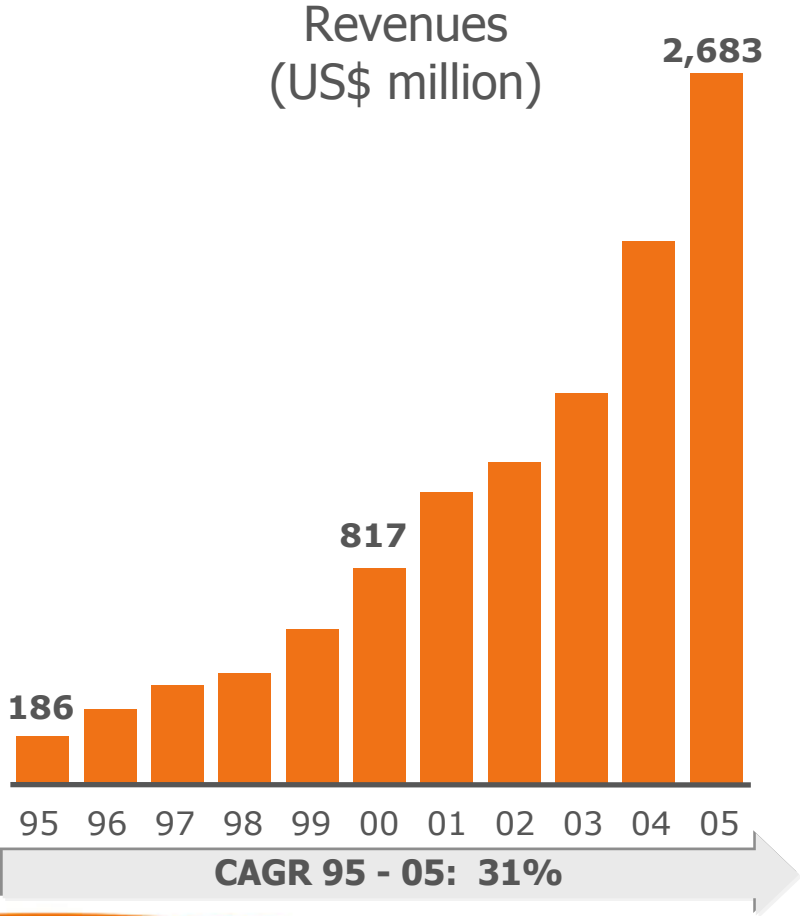
FEMSA COMERCIO

**Mexico's Fastest Growing
Convenience Store Chain**



Track Record Of Consistent Profitable Growth

FEMSA COMERCIO



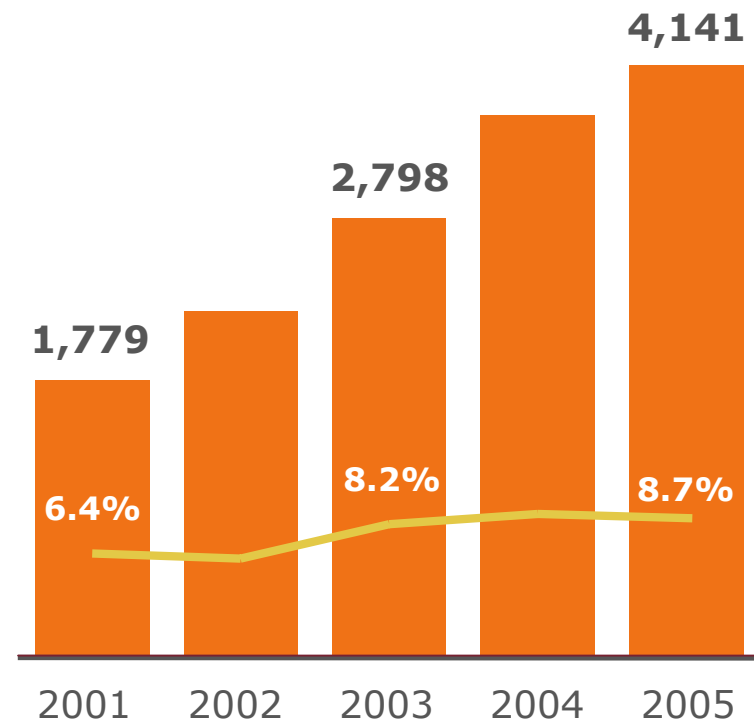
Note: All figures are in nominal Mexican pesos as of the reported year and converted into US\$ for the respective year end exchange rate.

Oxxo's Role in FEMSA's Beverage Strategy

FEMSA COMERCIO

- Opening a new store every 13 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



Maintain scale leadership while enhancing the value proposition at every store

- Open more than 600 stores per year
- Leverage expertise for optimal store location
- Deploy new IT systems throughout the chain
- Invest in direct distribution capabilities
- Adjust and expand the product offering
- Develop unmatched promotions
- Increase profit streams (services, fast-food, etc.)

Investment Highlights

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EBITDA Reconciliation By Division

In US\$ millions

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
FEMSA Consolidated											
Income From Operations	160	240	440	479	627	736	948	907	1,078	1,238	1,455
Depreciation	84	99	124	121	175	202	204	209	233	271	387
Amortiation and Other	<u>52</u>	<u>89</u>	<u>107</u>	<u>115</u>	<u>143</u>	<u>170</u>	<u>177</u>	<u>181</u>	<u>232</u>	<u>302</u>	<u>260</u>
EBITDA	296	428	670	715	946	1,108	1,329	1,298	1,543	1,812	2,103
FEMSA Cerveza											
Income From Operations	107	156	282	281	368	372	414	390	379	426	500
Depreciation	53	66	79	75	99	111	123	128	126	132	138
Amortiation and Other	<u>26</u>	<u>34</u>	<u>35</u>	<u>60</u>	<u>81</u>	<u>111</u>	<u>126</u>	<u>153</u>	<u>166</u>	<u>182</u>	<u>200</u>
EBITDA	186	255	396	416	548	593	663	670	671	740	838
Coca-Cola FEMSA											
Income From Operations	53	82	150	161	217	305	468	425	597	691	811
Depreciation	25	26	33	34	58	71	70	50	86	111	122
Amortiation and Other	<u>23</u>	<u>48</u>	<u>60</u>	<u>48</u>	<u>56</u>	<u>52</u>	<u>34</u>	<u>41</u>	<u>59</u>	<u>97</u>	<u>114</u>
EBITDA	101	155	243	243	330	428	572	515	742	899	1,047
FEMSA Comercio											
Income From Operations	4	7	7	9	24	29	33	47	62	82	118
Depreciation	2	2	3	4	5	7	8	9	12	19	30
Amortiation and Other	<u>3</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>4</u>	<u>6</u>	<u>8</u>	<u>9</u>	<u>12</u>	<u>21</u>	<u>26</u>
EBITDA	8	12	14	18	33	42	49	64	85	122	174