FEMSA

*Latin America's Beverage Leader*

# FEMSA Delivers 9.4% Operating Income Growth in 2Q08

**Monterrey, Mexico, July 28, 2008** — Fomento Económico Mexicano, S.A.B. de C.V. ("FEMSA") today announced its operational and financial results for the second quarter of 2008.

## Second Quarter 2008 Highlights:

- **Consolidated total revenues grew 7.7% and income from operations 9.4%.**
  - Operating leverage driven mainly by OXXO and Coca-Cola FEMSA.
- **Coca-Cola FEMSA total revenues and income from operations increased 6.7% and 8.9%, respectively.**
  - Double-digit income from operations growth in its Latincentro and Mercosur divisions, combined with a stable performance in its Mexico division, drove these results.
- **FEMSA Cerveza total revenues increased 7.2% and income from operations grew 0.6%.**
  - Sales volume grew 2.9% in Mexico, 4.4% in exports and a robust 12.8% in Brazil.
  - Top line growth offset continued raw material pressures and sustained marketing investments behind our brands across our operations, resulting in stable income from operations.
- **OXXO continued its steady pace of strong growth and margin expansion.**
  - Total revenues and income from operations increased 11.2% and 40.9%, respectively, delivering over 20% growth in income from operations for the ninth consecutive quarter, resulting in an operating margin expansion of 140 basis points to reach 6.5%.

José Antonio Fernández, Chairman and CEO of FEMSA, commented "During the second quarter we were again able to deliver consolidated operating income growth ahead of revenues in spite of an environment of sustained raw materials and inflationary pressures across our markets. These results highlight our team's commitment to growth as well as the benefits of our balanced and diversified beverage platform. FEMSA Cerveza's positive pricing trends in the key Mexican market, combined with contained administrative expenses, offset the continued pressure coming from grain prices and sustained marketing activity. During the quarter Coca-Cola FEMSA closed the acquisition of Remil, the new franchise territory in Brazil expanding its presence in this fast-growing market, and continued capturing the benefits of integrating Jugos del Valle into its platform. Meanwhile, OXXO opened 215 net new stores to reach 5,851 nationwide, picking up the pace of expansion and delivering strong bottom-line growth for the ninth consecutive quarter".

**Investor Contact:**

(52) 818-328-6167
investor@femsa.com.mx

**Media Contact:**

(52) 818-328-6046
comunicacion@femsa.com

FMX LISTED NYSE
COTIZA EN BOLSA MEXICANA DE VALORES
FEMSAUBD

www.femsa.com/investor

## FEMSA Consolidated

*Beginning on January 1st 2008, in accordance to changes in the Mexican Financial Reporting Standards (Mexican FRS) related to inflation effects we discontinued inflation accounting for our subsidiaries in Mexico, Guatemala, Panama, Colombia and Brazil. 2008 figures for these subsidiaries are therefore in nominal pesos. For the rest of our subsidiaries, Nicaragua, Costa Rica, Venezuela and Argentina, we will continue applying inflation accounting during 2008. For comparison purposes, the figures for 2007 have been restated in Mexican pesos with purchasing power as of December 31, 2007.*

**Total revenues** increased 7.7% compared to 2Q07, to Ps. 40.569 billion. Coca-Cola FEMSA and OXXO together accounted for over 75% of the consolidated incremental revenue, and FEMSA Cerveza provided the balance.

For the first half of 2008, consolidated total revenues increased 8.2% to Ps. 76.857 billion.

**Gross profit** increased 8.9% compared to 2Q07 to Ps. 19.069 billion in 2Q08. Gross margin expanded 50 basis points over the same period in 2007 to 47.0% of total revenues, as a result of gross profit improvement at OXXO, a decline in sweetener costs at Coca-Cola FEMSA, and the appreciation of currencies in the countries in which we conduct our major operations against the US dollar as applied to our US dollar denominated raw materials. Together, these positive drivers more than offset cost pressure at FEMSA Cerveza.

For the first half of 2008, gross profit increased 10.0% to Ps. 35.412 billion. Gross margin increased 80 basis points compared to the same period in 2007 to 46.1% of total revenues. This expansion resulted primarily from a decline in sweetener costs at Coca-Cola FEMSA as well as a gross profit improvement at OXXO in spite of raw material pressure at FEMSA Cerveza.

**Income from operations** increased 9.4% to Ps. 5.847 billion in 2Q08 as compared to the same period in 2007. Operating margin increased by 20 basis points to 14.4%, driven by double-digit growth at OXXO and high single-digit growth at Coca-Cola FEMSA, with stable operating income at FEMSA Cerveza.

For the first half of 2008, income from operations increased 13.4% to Ps. 9.834 billion. Our consolidated operating margin year-to-date reached 12.8% as a percentage of total revenues, an improvement of 60 basis points as compared to the same period in 2007, driven by robust top-line growth combined with operating leverage achieved in all of our business units.

**Net income** increased 9.1% compared to 2Q07 to Ps. 3.494 billion in 2Q08, mainly driven by income from operations growth, gains on foreign exchange and on monetary position, which more than offset an increase in other expenses and a loss from derivative instruments. The integral cost of financing reflects the changes in the Mexican Financial Reporting Standards mainly on monetary position, as the inflationary adjustment is no longer applied to the vast majority of our liability position. During the quarter, the increase in other expenses resulted mainly from the payment by Coca-Cola FEMSA of certain fines imposed by the Mexican Antitrust Commission, as well as by the implementation of FEMSA Cerveza's early retirement program. The effective tax rate remained stable at 27.6% in 2Q08 compared with 27.1% in 2Q07.

For the first half of 2008, net income increased 11.8% to Ps. 5.535 billion driven mainly by income from operations growth and gains on foreign exchange, which more than offset an increase in other expenses.

**Net majority income** increased 7.2% over 2Q07, resulting in Ps. 0.70 per FEMSA Unit[1] in 2Q08. Net majority income per FEMSA ADS was US$ 0.68 for the quarter.

**Capital expenditures** increased 4.9% over 2Q07 to Ps. 2.846 billion in 2Q08, mainly reflecting increased investment in the beverage business units related to incremental capacity and distribution assets, as well as market-related investments.

[1] FEMSA Units consist of FEMSA BD Units and FEMSA B Units. Each FEMSA BD Unit is comprised of one Series B Share, two Series D-B Shares and two Series D-L Shares. Each FEMSA B Unit is comprised of five Series B Shares. The number of FEMSA Units outstanding as of June 30, 2008 was 3,578,226,270 equivalent to the total number of FEMSA Shares outstanding as of the same date, divided by 5.

The **consolidated balance sheet** as of June 30, 2008, recorded a cash balance of Ps. 9.459 billion (US$ 918 billion), an increase of Ps. 167 million (US$ 16.2 million) compared to 2Q07. Short-term debt was Ps. 7.155 billion (US$ 694.4 million) and long-term debt was Ps. 34.620 billion (US$ 3.360 billion). Despite Coca-Cola FEMSA's payment for the Remil acquisition, our net debt declined Ps. 1.888 billion (US$ 183.2 million) to Ps. 32.316 billion (US$ 3.136 billion), mainly driven by the payment of Ps. 1,250 million of certificados bursátiles and certain bank debt during the quarter.

## Soft Drinks – Coca-Cola FEMSA

*Coca-Cola FEMSA's financial results and discussion are incorporated by reference from Coca-Cola FEMSA's press release, which is attached to this press release.*

## Beer – FEMSA Cerveza

**Mexico sales volume** increased 2.9% compared with 2Q07 to 7.456 million hectoliters in 2Q08. This increase shows demand resilience in light of price increases implemented earlier in the year as well as a negative impact due to the partial shift of Easter sales from April to March. Growth came primarily from the *Tecate* brand family and *Indio*. For the first half of 2008, Mexico sales volume increased 4.8% to 13.518 million hectoliters.

**Brazil sales volume** increased 12.8% over 2Q07 reaching 2.259 million hectoliters in 2Q08. This growth was largely driven by strong growth across our product portfolio, with *Sol* and *Heineken* showing positive trends. For the first half of 2008, Brazil sales volume increased 7.5% to 4.665 million hectoliters.

**Export sales volume** increased 4.4% compared with 2Q07 to 1.009 million hectoliters in 2Q08 despite a 27.1% comparable growth in the second quarter of 2007. The increase was mainly driven by our *Dos Equis* and *Tecate* brands in the U.S. as well as by *Sol* in other key markets. For the first half of 2008, export sales volume increased 7.8% to 1.778 million hectoliters.

**Total revenues** increased 7.2% over 2Q07 to Ps. 11.135 billion in 2Q08; volume growth and higher average price per hectoliter mainly in Mexico, drove these results. Mexican beer sales represented 76.4% of total beer revenues, while Brazil and Export beer sales reached 14.0% and 9.6% of total beer revenues, respectively.

Mexico price per hectoliter increased 4.8% over 2Q07 to Ps. 1,056.6 in 2Q08, resulting from price increases implemented during the first quarter as well as from the positive pricing effect of incremental domestic volume brought under direct distribution, which now stands at 89% of our total domestic volume. Brazil price per hectoliter increased 2.3% compared to the same period of 2007 to Ps. 637.4, due to price increases implemented late in the first quarter and continued in the second quarter of 2008. The strong peso versus the US dollar, combined with a slight 0.5% decline in US dollar terms due to changes in product mix, resulted in a 7.5% decline in the average export price per hectoliter to Ps. 977.7 in 2Q08 as compared with 2Q07.

For the first half of 2008, total revenues increased 7.0% to Ps. 20.246 billion mainly driven by a 7.3% increase in beer revenues. Mexican beer revenues reached 75.5% of total beer revenues, up from 74.9% in the comparable period in 2007. Brazil beer revenues represented 15.1% of total beer revenues, in line with the same period of 2007. Export beer revenues were 9.4% of total beer revenues, down from 10.0% in the comparable period in 2007.

**Cost of sales** increased 9.5% compared with 2Q07 to Ps. 4.929 billion in 2Q08, resulting from raw materials pressure, particularly grains in Brazil and Mexico. Raw materials pressure was partially offset by the appreciation of the Brazilian Real as applied to our dollar-denominated costs, as well as by operating efficiencies resulting in a 5.5% gross profit increase over 2Q07 to Ps. 6.206 billion in 2Q08. However, FEMSA Cerveza's gross margin contracted from 56.6% in 2Q07 to 55.7% in 2Q08.

For the first half of 2008, cost of sales increased 8.0% to Ps. 9.217 billion. Gross margin year-to-date contracted by 40 basis points to 54.5% of total revenues.

**Income from operations** increased 0.6% compared to 2Q07 to Ps. 1,752 million in 2Q08. This moderate increase was driven by top-line growth combined with a decline in administrative expenses as our capitalized investments in the ERP system have been fully amortized, which offset the cost pressure experienced during the quarter and the increase in selling expenses. Operating expenses increased 7.6% over 2Q07 to Ps. 4.454 billion driven by a sustained level of marketing investment behind our brands and at the point of sale, as well as by operating expenses resulting from the incremental volumes that we brought under our direct distribution network.

For the first half of 2008, income from operations increased 8.4% to Ps. 2.425 billion, reaching 12.0% of total revenues, 20 basis points above the comparable period of 2007.

## OXXO Stores – FEMSA Comercio

**Total revenues** increased 11.2% over 2Q07 to Ps. 11.968 billion in 2Q08 mainly driven by the opening of 215 net new OXXO stores in the quarter and a total increase of 754 net new stores in the last twelve months, with stable same-store sales. As of June 30, 2008, there were a total of 5,851 OXXO's in Mexico, well on track to meet the objective for the year. Same-store sales increased an average of 0.3% for the quarter over 2Q07, combining a 14.3% increase in store traffic with a 12.1% decline in the average customer ticket. As was the case in 1Q08, ticket and traffic dynamics reflect the mix shift from prepaid wireless phone cards to the sale of electronic air-time, for which only the margin is recorded, not the full amount of the air-time recharge. On a comparable basis excluding this change, the average ticket would have grown in the low single digits in 2Q08.

For the first half of 2008, total revenues increased 13.6% to Ps. 22.655 billion. OXXO same-store sales increased an average of 2.6%.

**Gross profit** increased by 23.2% in 2Q08 compared to 2Q07, a 300 basis point gross margin expansion reaching 30.2% of total revenues. This improvement was partially driven by the shift towards electronic air-time recharges as described above, as well as by better pricing strategies and improved commercial terms with our supplier partners. As in past quarters, the margin increase was helped by growth coming from higher-margin categories such as ready-to-drink coffee, alternative beverages, juices and water, among others. For the first half of 2008, OXXO gross margin expanded by 200 basis points to 28.9%.

**Income from operations** increased 40.9% over 2Q07 to Ps. 772 million in 2Q08. Operating expenses increased 19.1% to Ps. 2,837 million, mainly driven by incremental selling expenses such as higher energy costs at the store level, and by the initial expenses related to the strengthening of OXXO's organizational structure. Operating margin expanded 140 basis points over 2Q07 reaching 6.5%, as the strong expansion of the gross margin more than offset the increase in operating expenses.

For the first half of 2008, income from operations increased 40.4% to Ps. 1.143 billion, resulting in an operating margin of 5.0%, a 90 basis point expansion from the prior year.

## Recent Developments

**Coca-Cola FEMSA Acquires Remil for US$364.1 Million**
During the second quarter 2008, Coca-Cola FEMSA announced that it closed the transaction with The Coca-Cola Company to acquire its Refrigerantes Minas Gerais Ltda. "Remil" franchise territory in Brazil. The aggregate value of this transaction was US$364.1 million dollars. This transaction reinforces Coca-Cola FEMSA's strategy to grow in one of the most dynamic economic regions in the world. As of June 2008, Coca-Cola FEMSA is including one month of the Remil operations in Mercosur division results.

**CONFERENCE CALL INFORMATION:**

Our Second Quarter 2008 Conference Call will be held on: Monday July 28, 2008, 11:00 AM Eastern Time (10:00 AM Mexico City Time). To participate in the conference call, please dial: Domestic US: (1-866) 454-4208, International: (1-913) 312-6672. The conference call will be webcast live through streaming audio. For details please visit www.femsa.com/investor.

If you are unable to participate live, the conference call replay will be available through August 4, 2008; dialing Domestic US: (1-888) 203-1112, International: (1-719) 457-0820 using passcode: 4903620. Additionally, the conference call audio will be available on http://ir.femsa.com/results.cfm

We are a holding company whose principal activities are grouped under the following sub-holding companies and carried out by their respective operating subsidiaries: Coca-Cola FEMSA, S.A.B. de C.V., which engages in the production, distribution and marketing of non-alcoholic beverages; FEMSA Cerveza, S.A. de C.V., which engages in the production, distribution and marketing of beer and flavored alcoholic beverages; and FEMSA Comercio, S.A. de C.V., which engages in the operation of convenience stores.

The translations of Mexican pesos into US dollars are included solely for the convenience of the reader, using the noon day buying rate for pesos as published by the Federal Reserve Bank of New York at June 30, 2008, which was 10.3035 Mexican pesos per US dollar.

**FORWARD LOOKING STATEMENTS**

*This report may contain certain forward-looking statements concerning our future performance that should be considered as good faith estimates made by us. These forward-looking statements reflect management's expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact our actual performance.*

Six pages of tables and Coca-Cola FEMSA's press release to follow

FEMSA

Consolidated Income Statement
For the second quarter of:
Millions of Pesos

| | For the second quarter of: | | | | | For the six months of: | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2008 (A) | % of rev. | 2007 (B) | % of rev. | % Increase | 2008 (A) | % of rev. | 2007 (B) | % of rev. | % Increase |
| Total revenues | 40,569 | 100.0 | 37,676 | 100.0 | 7.7 | 76,857 | 100.0 | 71,065 | 100.0 | 8.2 |
| Cost of sales | 21,500 | 53.0 | 20,169 | 53.5 | 6.6 | 41,445 | 53.9 | 38,858 | 54.7 | 6.7 |
| Gross profit | 19,069 | 47.0 | 17,507 | 46.5 | 8.9 | 35,412 | 46.1 | 32,207 | 45.3 | 10.0 |
| Administrative expenses | 2,315 | 5.7 | 2,300 | 6.1 | 0.7 | 4,555 | 5.9 | 4,468 | 6.3 | 1.9 |
| Selling expenses | 10,907 | 26.9 | 9,863 | 26.2 | 10.6 | 21,023 | 27.4 | 19,066 | 26.8 | 10.3 |
| Operating expenses | 13,222 | 32.6 | 12,163 | 32.3 | 8.7 | 25,578 | 33.3 | 23,534 | 33.1 | 8.7 |
| Income from operations | 5,847 | 14.4 | 5,344 | 14.2 | 9.4 | 9,834 | 12.8 | 8,673 | 12.2 | 13.4 |
| Other expenses | (535) | | (340) | | 57.4 | (856) | | (548) | | 56.2 |
| Interest expense | (1,240) | | (1,312) | | (5.5) | (2,433) | | (2,452) | | (0.8) |
| Interest income | 199 | | 210 | | (5.2) | 377 | | 400 | | (5.8) |
| Interest expense, net | (1,041) | | (1,102) | | (5.5) | (2,056) | | (2,052) | | 0.2 |
| Foreign exchange (loss) gain | 558 | | 353 | | 58.1 | 669 | | 366 | | 82.8 |
| Gain on monetary position | 147 | | 48 | | N.S. | 258 | | 427 | | (39.6) |
| Unhedged derivative instrument loss | (152) | | 92 | | N.S. | (29) | | 64 | | N.S. |
| Integral result of financing | (488) | | (609) | | (19.9) | (1,158) | | (1,195) | | (3.1) |
| Income before income tax | 4,824 | | 4,395 | | 9.8 | 7,820 | | 6,930 | | 12.8 |
| Income tax | (1,330) | | (1,193) | | 11.5 | (2,285) | | (1,978) | | 15.5 |
| Net income | 3,494 | | 3,202 | | 9.1 | 5,535 | | 4,952 | | 11.8 |
| Net majority income | 2,496 | | 2,329 | | 7.2 | 3,791 | | 3,471 | | 9.2 |
| Net minority income | 998 | | 873 | | 14.3 | 1,744 | | 1,481 | | 17.8 |

(A) Average Mexican Pesos of 2008.

(B) Constant Mexican Pesos as of Decmber 31, 2007

| *EBITDA & CAPEX* | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Income from operations | 5,847 | 14.4 | 5,344 | 14.2 | 9.4 | 9,834 | 12.8 | 8,673 | 12.2 | 13.4 |
| Depreciation | 1,195 | 2.9 | 1,055 | 2.8 | 13.3 | 2,362 | 3.1 | 2,117 | 3 | 11.6 |
| Amortization & other | 981 | 2.5 | 1,017 | 2.7 | (3.5) | 1,972 | 2.5 | 1,934 | 2.7 | 2.0 |
| EBITDA | 8,023 | 19.8 | 7,416 | 19.7 | 8.2 | 14,168 | 18.4 | 12,724 | 17.9 | 11.3 |
| CAPEX | 2,846 | | 2,714 | | 4.9 | 4,817 | | 4,618 | | 4.3 |

| *FINANCIAL RATIOS* | 2008 | 2007 | Var. p.p. |
|---|---|---|---|
| Liquidity(1) | 1.12 | 1.10 | 0.02 |
| Interest coverage(2) | 7.71 | 6.73 | 0.98 |
| Leverage(3) | 0.83 | 0.94 | (0.11) |
| Capitalization(4) | 32.40% | 36.74% | (4.34) |

(1) Total current assets / total current liabilities.

(2) Income from operations + depreciation + amortization & other / interest expense, net.

(3) Total liabilities / total stockholders' equity.

(4) Total debt / long-term debt + stockholders' equity.
Total debt = short-term bank loans + current maturities long-term debt + long-term bank loans and notes payable.

## FEMSA
## Consolidated Balance Sheet
### As of June 30:
### Millions of Pesos

| *ASSETS* | 2008 (A) | 2007 (B) | % Increase |
|---|---|---|---|
| Cash and cash equivalents | 9,459 | 9,292 | 1.8 |
| Accounts receivable | 8,887 | 7,007 | 26.8 |
| Inventories | 11,554 | 9,430 | 22.5 |
| Prepaid expenses and other | 5,608 | 3,892 | 44.1 |
| Total current assets | 35,508 | 29,621 | 19.9 |
| Property, plant and equipment, net | 56,189 | 53,178 | 5.7 |
| Intangible assets[1] | 62,698 | 59,596 | 5.2 |
| Deferred assets | 9,598 | 9,260 | 3.7 |
| Other assets | 8,309 | 6,495 | 27.9 |
| TOTAL ASSETS | 172,302 | 158,150 | 8.9 |
| | | | |
| *LIABILITIES & STOCKHOLDERS´ EQUITY* | | | |
| Bank loans | 2,493 | 4,623 | (46.1) |
| Current maturities long-term debt | 4,662 | 2,108 | N.S. |
| Interest payable | 406 | 469 | (13.4) |
| Operating liabilities | 24,173 | 19,828 | 21.9 |
| Total current liabilities | 31,734 | 27,028 | 17.4 |
| Long-term debt [2] | 34,620 | 36,765 | (5.8) |
| Deferred income taxes | 3,609 | 4,370 | (17.4) |
| Labor liabilities | 2,495 | 3,357 | (25.7) |
| Other liabilities | 5,532 | 4,992 | 10.8 |
| Total liabilities | 77,990 | 76,512 | 1.9 |
| Total stockholders' equity | 94,312 | 81,638 | 15.5 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | 172,302 | 158,150 | 8.9 |

(1) Includes mainly the intangible assets generated by acquisitions.

(A) Mexican Pesos for the end of 2008.

(B) Constant Mexican Pesos as of Decmber 31, 2007

(2) Includes the effect of derivative financial instruments on long-term debt.

| | June 30, 2008 | | |
|---|---|---|---|
| *DEBT MIX* | *Ps.* | *% Integration* | *Average Rate* |
| Denominated in: | | | |
| Mexican pesos | 33,203 | 79.5% | 9.0% |
| Dollars | 7,166 | 17.2% | 5.4% |
| Argentinan pesos | 490 | 1.2% | 15.6% |
| Venezuelan bolivars | 534 | 1.2% | 26.6% |
| Brazilian Reals | 382 | 0.9% | 11.9% |
| Total debt | 41,775 | 100.0% | 8.7% |

| | | |
|---|---|---|
| Fixed rate[1] | 29,364 | 70.3% |
| Variable rate[1] | 12,411 | 29.7% |

| *% of Total Debt* | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014+ |
|---|---|---|---|---|---|---|---|
| *DEBT MATURITY PROFILE* | 14.7% | 14.1% | 7.2% | 10.7% | 19.6% | 17.7% | 16.0% |

(1) Includes the effect of interest rate swaps.

Coca-Cola FEMSA

Results of Operations
For the second quarter of:
Millions of Pesos

| | For the second quarter of: | | | | | For the six months of: | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2008 (A) | % of rev. | 2007 (B) | % of rev. | % Increase | 2008 (A) | % of rev. | 2007 (B) | % of rev. | % Increase |
| Total revenues | 18,544 | 100.0 | 17,372 | 100.0 | 6.7 | 35,864 | 100.0 | 33,595 | 100.0 | 6.8 |
| Cost of sales | 9,598 | 51.8 | 9,066 | 52.2 | 5.9 | 18,625 | 51.9 | 17,739 | 52.8 | 5.0 |
| Gross profit | 8,946 | 48.2 | 8,306 | 47.8 | 7.7 | 17,239 | 48.1 | 15,856 | 47.2 | 8.7 |
| Administrative expenses | 947 | 5.1 | 918 | 5.3 | 3.2 | 1,861 | 5.2 | 1,753 | 5.2 | 6.2 |
| Selling expenses | 4,830 | 26.0 | 4,479 | 25.8 | 7.8 | 9,386 | 26.2 | 8,749 | 26.1 | 7.3 |
| Operating expenses | 5,777 | 31.1 | 5,397 | 31.1 | 7.0 | 11,247 | 31.4 | 10,502 | 31.3 | 7.1 |
| Income from operations | 3,169 | 17.1 | 2,909 | 16.7 | 8.9 | 5,992 | 16.7 | 5,354 | 15.9 | 11.9 |
| Depreciation | 450 | 2.4 | 410 | 2.4 | 9.8 | 886 | 2.5 | 818 | 2.4 | 8.3 |
| Amortization & other | 300 | 1.6 | 330 | 1.9 | (9.1) | 618 | 1.7 | 670 | 2.1 | (7.8) |
| EBITDA | 3,919 | 21.1 | 3,649 | 21.0 | 7.4 | 7,496 | 20.9 | 6,842 | 20.4 | 9.6 |
| Capital expenditures | 663 | | 800 | | (17.1) | 1,184 | | 1,367 | | (13.4) |

(A) Average Mexican Pesos of 2008.

(B) Constant Mexican Pesos as of Decmber 31, 2007

| Sales volumes (Millions of unit cases) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Mexico | 308.9 | 55.9 | 300.4 | 28.1 | 2.8 | 573.0 | 53.4 | 552.1 | 53.4 | 3.8 |
| Latincentro | 129.5 | 23.4 | 131.0 | 12.2 | (1.2) | 259.7 | 24.3 | 259.6 | 25.1 | 0.0 |
| Mercosur | 114.5 | 20.7 | 104.5 | 9.8 | 9.6 | 237.9 | 22.2 | 223.0 | 21.5 | 6.7 |
| Total | 552.9 | 100.0 | 535.9 | 50.1 | 3.2 | 1,070.6 | 99.9 | 1,034.7 | 100.0 | 3.5 |

FEMSA Cerveza

Results of Operations
For the second quarter of:
Millions of Pesos

| | For the second quarter of: | | | | | For the six months of: | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2008 (A) | % of rev. | 2007 (B) | % of rev. | % Increase | 2008 (A) | % of rev. | 2007 (B) | % of rev. | % Increase |
| Sales: | | | | | | | | | | |
| Mexico | 7,878 | 70.7 | 7,304 | 70.3 | 7.9 | 14,070 | 69.5 | 13,014 | 68.8 | 8.1 |
| Brazil | 1,440 | 12.9 | 1,248 | 12.0 | 15.4 | 2,818 | 13.9 | 2,629 | 13.9 | 7.2 |
| Export | 987 | 8.9 | 1,022 | 9.9 | (3.4) | 1,751 | 8.7 | 1,732 | 9.2 | 1.1 |
| Beer sales | 10,305 | 92.5 | 9,574 | 92.2 | 7.6 | 18,639 | 92.1 | 17,375 | 91.9 | 7.3 |
| Other revenues | 830 | 7.5 | 809 | 7.8 | 2.6 | 1,607 | 7.9 | 1,539 | 8.1 | 4.4 |
| Total revenues | 11,135 | 100.0 | 10,383 | 100.0 | 7.2 | 20,246 | 100.0 | 18,914 | 100.0 | 7.0 |
| Cost of sales | 4,929 | 44.3 | 4,502 | 43.4 | 9.5 | 9,217 | 45.5 | 8,532 | 45.1 | 8.0 |
| Gross profit | 6,206 | 55.7 | 5,881 | 56.6 | 5.5 | 11,029 | 54.5 | 10,382 | 54.9 | 6.2 |
| Administrative expenses | 1,040 | 9.3 | 1,077 | 10.4 | (3.4) | 2,038 | 10.1 | 2,126 | 11.2 | (4.1) |
| Selling expenses | 3,414 | 30.7 | 3,062 | 29.4 | 11.5 | 6,566 | 32.4 | 6,018 | 31.9 | 9.1 |
| Operating expenses | 4,454 | 40.0 | 4,139 | 39.8 | 7.6 | 8,604 | 42.5 | 8,144 | 43.1 | 5.6 |
| Income from operations | 1,752 | 15.7 | 1,742 | 16.8 | 0.6 | 2,425 | 12.0 | 2,238 | 11.8 | 8.4 |
| Depreciation | 422 | 3.8 | 401 | 3.9 | 5.2 | 838 | 4.1 | 822 | 4.3 | 1.9 |
| Amortization & other | 674 | 6.1 | 648 | 6.2 | 4.0 | 1,334 | 6.6 | 1,205 | 6.4 | 10.7 |
| EBITDA | 2,848 | 25.6 | 2,791 | 26.9 | 2.0 | 4,597 | 22.7 | 4,265 | 22.5 | 7.8 |
| Capital expenditures | 1,519 | | 1,356 | | 12.0 | 2,579 | | 2,265 | | 13.9 |

(A) Average Mexican Pesos of 2008.

(B) Constant Mexican Pesos as of Decmber 31, 2007

| Sales volumes (Thousand hectoliters) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Mexico | 7,455.9 | 69.6 | 7,246.1 | 70.9 | 2.9 | 13,518.0 | 67.7 | 12,904.2 | 68.3 | 4.8 |
| Brazil | 2,259.3 | 21.1 | 2,003.7 | 19.6 | 12.8 | 4,665.0 | 23.4 | 4,341.1 | 23.0 | 7.5 |
| Exports | 1,009.5 | 9.4 | 967.2 | 9.5 | 4.4 | 1,778.3 | 8.9 | 1,650.2 | 8.7 | 7.8 |
| Total | 10,724.7 | 100.0 | 10,217.0 | 100.0 | 5.0 | 19,961.3 | 100.0 | 18,895.5 | 100.0 | 5.6 |

| Price per hectoliter | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Mexico | 1,056.6 | | 1,008.0 | | 4.8 | 1,040.8 | | 1,008.5 | | 3.2 |
| Brazil | 637.4 | | 622.8 | | 2.3 | 604.1 | | 605.6 | | (0.3) |
| Exports | 977.7 | | 1,056.7 | | (7.5) | 984.6 | | 1,049.6 | | (6.2) |
| Total | 960.9 | | 937.1 | | 2.5 | 933.8 | | 919.5 | | 1.5 |

FEMSA Comercio

Results of Operations
For the second quarter of:
Millions of Pesos

| | For the second quarter of: | | | | | For the six months of: | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2008 (A) | % of rev. | 2007 (B) | % of rev. | % Increase | 2008 (A) | % of rev. | 2007 (B) | % of rev. | % Increase |
| Total revenues | 11,968 | 100.0 | 10,760 | 100.0 | 11.2 | 22,655 | 100.0 | 19,943 | 100.0 | 13.6 |
| Cost of sales | 8,359 | 69.8 | 7,830 | 72.8 | 6.8 | 16,099 | 71.1 | 14,571 | 73.1 | 10.5 |
| Gross profit | 3,609 | 30.2 | 2,930 | 27.2 | 23.2 | 6,556 | 28.9 | 5,372 | 26.9 | 22.0 |
| Administrative expenses | 212 | 1.8 | 184 | 1.7 | 15.2 | 416 | 1.8 | 378 | 1.9 | 10.1 |
| Selling expenses | 2,625 | 21.9 | 2,198 | 20.4 | 19.4 | 4,997 | 22.1 | 4,180 | 20.9 | 19.5 |
| Operating expenses | 2,837 | 23.7 | 2,382 | 22.1 | 19.1 | 5,413 | 23.9 | 4,558 | 22.8 | 18.8 |
| Income from operations | 772 | 6.5 | 548 | 5.1 | 40.9 | 1,143 | 5.0 | 814 | 4.1 | 40.4 |
| Depreciation | 162 | 1.4 | 132 | 1.2 | 22.7 | 319 | 1.4 | 258 | 1.3 | 23.6 |
| Amortization & other | 107 | 0.8 | 106 | 1.0 | 0.9 | 219 | 1.0 | 213 | 1.0 | 2.8 |
| EBITDA | 1,041 | 8.7 | 786 | 7.3 | 32.4 | 1,681 | 7.4 | 1,285 | 6.4 | 30.8 |
| Capital expenditures | 630 | | 494 | | 27.5 | 998 | | 885 | | 12.8 |

(A) Average Mexican Pesos of 2008.

(B) Constant Mexican Pesos as of Decmber 31, 2007

| Information of Convenience Stores | | | | | | |
|---|---|---|---|---|---|---|
| Total stores | | | | 5,851 | 5,097 | 14.8 |
| Net new convenience stores | 215 | 159 | 35.2 | 754 | 731 | 3.1 |
| Same store data: (1) | | | | | | |
| Sales (thousands of pesos) | 664.2 | 662.4 | 0.3 | 638.3 | 621.9 | 2.6 |
| Traffic | 25.6 | 22.4 | 14.3 | 24.2 | 21.2 | 14.2 |
| Ticket | 26.0 | 29.6 | (12.1) | 26.4 | 29.4 | (10.1) |

(1) Monthly average information per store, considering same stores with at least 13 months of operations.

FEMSA

Macroeconomic Information

| | Inflation | | | Exchange Rate as of June 30, 2008 | | Exchange Rate as of June 30, 2007 | |
|---|---|---|---|---|---|---|---|
| | 2Q 2008 | June 07 - June 08 | December 07 - June 08 | Per USD | Per Mx. Peso | Per USD | Per Mx. Peso |
| Mexico | 0.53% | 5.25% | 2.03% | 10.28 | 1.0000 | 10.79 | 1.0000 |
| Colombia | 2.52% | 7.18% | 5.64% | 1,923.02 | 0.0053 | 1,960.61 | 0.0055 |
| Venezuela | 7.47% | 30.75% | 15.95% | 2.15 | 4.7833 | 2.10 | 5.1393 |
| Brazil | 2.53% | 7.28% | 3.68% | 1.59 | 6.4603 | 1.93 | 5.6031 |
| Argentina | 2.04% | 9.27% | 4.94% | 3.03 | 3.3997 | 3.09 | 3.4894 |

**Stock Listing Information**

Mexican Stock Exchange
Ticker: KOFL

NYSE (ADR)
Ticker: KOF

Ratio of KOF L to KOF = 10:1

# 2008 SECOND-QUARTER AND FIRST SIX MONTHS RESULTS

| | Second Quarter | | | YTD | | |
|---|---|---|---|---|---|---|
| | 2008 | 2007 | Δ% | 2008 | 2007 | Δ% |
| Total Revenues | 18,544 | 17,372 | 6.7% | 35,864 | 33,595 | 6.8% |
| Gross Profit | 8,946 | 8,306 | 7.7% | 17,239 | 15,856 | 8.7% |
| Operating Income | 3,169 | 2,909 | 8.9% | 5,992 | 5,354 | 11.9% |
| Majority Net Income | 1,844 | 1,775 | 3.9% | 3,444 | 3,042 | 13.2% |
| EBITDA(1) | 3,919 | 3,659 | 7.1% | 7,496 | 6,862 | 9.2% |
| Net Debt (2) | 13,679 | 11,374 | 20.3% | | | |
| EBITDA (1) / Interest Expense | 6.62 | 5.77 | | | | |
| Earnings per Share | 1.00 | 0.96 | | | | |
| Capitalization(3) | 27.4% | 29.2% | | | | |

Expressed in million of Mexican pesos. Figures of 2007 are expresed with purchasing power as of December 31, 2007

(1) EBITDA = Operating income + Depreciation + Amortization & Other Non-cash Charges.

See reconciliation table on page 9 except for Earnings per Share

(2) Net Debt = Total Debt - Cash

(3) Total debt / (long-term debt + stockholders' equity)

- Total revenues reached Ps. 18,544 million in the second quarter of 2008, an increase of 6.7% compared to the second quarter of 2007; excluding the positive effect of one month of Refrigerantes Minas Gerais ("Remil"), total revenues would have increased 4.6% compared to the second quarter of 2007.
- Driven by double digit operating income growth from our Latincentro and Mercosur divisions, combined with a cost and expense control across our territories, consolidated operating income increased 8.9% to Ps. 3,169 million for the second quarter of 2008. Without giving effect to the acquisition of Remil, operating income would have increased 7.9% to Ps. 3,138 million and our operating margin would have been 17.3% for the second quarter of 2008.
- Consolidated majority net income increased 3.9% to Ps. 1,844 million in the second quarter of 2008, resulting in earnings per share of Ps. 1.00 in the second quarter of 2008. Excluding non-recurring expenses recorded in our Mexico division during the quarter, consolidated majority net income grew 10.8%.

Mexico City (July 23, 2008), Coca-Cola FEMSA, S.A.B. de C.V. (BMV: KOFL, NYSE: KOF) ("Coca-Cola FEMSA" or the "Company"), the largest Coca-Cola bottler in Latin America and the second-largest Coca-Cola bottler in the world in terms of sales volume, announces results for the second quarter of 2008.

"Supported by our execution across our territories and our ability to keep costs under control, we were able to increase operating income for the second quarter, despite one-time events such as unusually bad weather in Mexico in June and operating disruptions in Venezuela. Also, during the second quarter of 2008, we have closed the acquisition of The Coca-Cola Company's Refrigerantes Minas Gerais Ltda. ("Remil") franchise territory. This transaction will enable us to increase the number of clients and customers that we serve in Brazil through a complete and balanced portfolio of high-quality beverages. Through our joint venture, with The Coca-Cola Company, we continued to distribute Jugos del Valle beverages in Mexico as planned, and also began to distribute these products in Costa Rica." said Carlos Salazar Lomelin, Chief Executive Officer of the company.

**For Further Information:**

**Investor Relations**

Alfredo Fernández
alfredo.fernandez@kof.com.mx
(5255) 5081-5120 / 5121

Gonzalo García
gonzalojose.garciaa@kof.com.mx
(5255) 5081-5148

Roland Karig
roland.karig@kof.com.mx
(5255) 5081-5186

Website:
www.coca-colafemsa.com

## CONSOLIDATED RESULTS

*Until December 31, 2007, we applied inflationary accounting for all of our operations. Beginning January 1, 2008, in accordance with changes in the Mexican Financial Reporting Standards related to inflation effects, we discontinued inflation accounting for our subsidiaries in Mexico, Guatemala, Panama, Colombia and Brazil. For the rest of our subsidiaries (Argentina, Venezuela, Costa Rica and Nicaragua) we will continue applying the inflationary accounting method. The figures for 2007 are stated in Mexican pesos with purchasing power at December 31, 2007 (instead of being restated as of June 30, 2008 as would have been the case under the previous methodology) taking into account local inflation of each country with reference to the consumer price index and converted from local currency to Mexican pesos using the official exchange rate of December 31, 2007 published by the local central bank of each country.*

*Beginning with the first quarter of 2008, we have decided to align our quarterly disclosure based on the way we manage the business. We have regrouped our operations into three divisions: (i) Mexico division, (ii) Latincentro division, which is comprised of the territories we operate in Colombia, Venezuela, Guatemala, Nicaragua, Costa Rica and Panama, and (iii) Mercosur division, which is comprised of the territories we operate in Brazil and Argentina.*

Our consolidated total revenues increased 6.7% to Ps. 18,544 million in the second quarter of 2008, compared to the second quarter of 2007, as a result of increases in our Mexico and Mercosur divisions, including the consolidation of one month of the recently acquired Refrigerantes Minas Gerais, Ltda. ("Remil"). Our consolidated average price per unit case increased 2.5% to Ps. 32.69 (US$ 3.17) in the second quarter of 2008 as compared to the same period of 2007, as a result of higher average prices in all of our divisions.

Total sales volume increased 3.2% to 552.9 million unit cases in the second quarter of 2008 as compared to the same period of 2007; excluding Remil, total sales volume increased 1.8% mainly driven by incremental volumes from the bottled water business and still beverages. Sparkling beverages sales volume increased 1.2% on a consolidated basis during the quarter, although this number would have been flat without the effect of the inclusion of Remil. Bottled water, including bulk water, grew 6.6% representing 50% of the incremental volume in the quarter, and still beverages sales volume grew more than 50%, representing the balance, mainly driven by incremental volumes from the Jugos del Valle brand in our Mexico and Latincentro divisions.

Our gross profit increased 7.7% to Ps. 8,946 million in the second quarter of 2008, compared to the second quarter of 2007, driven by increases in all of our divisions and the inclusion of Remil in the 2008 period, with the Mercosur division contributing the majority of the growth. Gross margin reached 48.2% in the second quarter of 2008 from 47.8% in the same period of 2007. Lower sweetener costs in our Mexico and Mercosur divisions, combined with the appreciation of some of the local currencies applied to our U.S. denominated raw materials costs allowed us to expand gross margin by 40 basis points.

Our consolidated operating income increased 8.9% to Ps. 3,169 million in the second quarter of 2008, mainly driven by double-digit operating income growth in our Latincentro and Mercosur divisions. Our operating margin was 17.1% in the second quarter of 2008, an improvement of 40 basis points. Higher revenues, lower sweetener cost in our main operations in conjunction with our ability to tighten our consolidated expenses contributed to this growth. Excluding Remil, operating margin was 17.3%.

During the second quarter of 2008, we recorded non-recurring expenses related to one-time events; these expenses were allocated on the other expenses line in our consolidated income statement. In compliance with Mexican antitrust authorities, we recorded fines related to events brought in prior periods in the amount of Ps.126 million. In addition, we reclassified fixed costs related to disruptions in our Venezuelan operations into this line in the amount of Ps. 50 million which was classified as incidental cost.

Our integral result of financing in the second quarter of 2008 recorded an expense of Ps. 51 million as compared to an expense of Ps. 185 million in the same period of 2007, mainly due to a more favorable monetary position driven by non-inflationary accounting applied to certain divisions of our business, combined with lower interest expenses.

During the second quarter of 2008, income tax, as a percentage of income before taxes, was 28.3%, compared to 26.0% in the same quarter of 2007. This difference was driven mainly by tax credits applied during the second quarter of 2007, which reduced the tax base.

Our consolidated majority net income increased by 3.9% to Ps. 1,844 million in the second quarter of 2008 compared to the second quarter of 2007, driven by an increase in our operating income in conjunction with lower integral result of financing recorded this quarter compared to the second quarter of 2007. Earnings per share (EPS) were Ps. 1.00 (US$ 0.97 per ADR) computed on the basis of 1,846.5 million shares outstanding (each ADR represents 10 local shares). Excluding one-time charges recorded in our Mexico division, consolidated majority net income grew 10.8%.

# BALANCE SHEET

As of June 30, 2008, Coca-Cola FEMSA had a cash balance of Ps. 4,965 million (US$ 481 million), a decrease of Ps. 2,577 million (US$ 250 million), compared to December 31, 2007, mainly as a result of cash used in the Remil acquisition.

Total short-term bank debt, was Ps. 4,237 million (US$ 411 million) and long-term debt was Ps. 14,407 million (US$ 1,398 million). Total debt decreased Ps. 272 million [1] (US$ 26 million) compared with year end 2007. Net debt increased approximately Ps. 2,305 million (US$ 224 million) compared to year end 2007, mainly as a result of cash we generated from our operations and resources we used in the Remil acquisition.

The weighted average cost of debt for the quarter was 7.91%. The following charts sets forth the Company's debt profile by currency and interest rate type and by maturity date as of June 30, 2008:

| Currency | % Total Debt[1] | % Interest Rate Floating[1] |
|---|---|---|
| Mexican pesos | 53.1% | 34.9% |
| U.S. dollars | 40.4% | 58.8% |
| Venezuelan bolivars | 3.0% | 40.3% |
| Argentine pesos | 2.7% | 0.0% |
| Brazilian reais | 0.8% | 0.0% |

[1] After giving effect to cross-currency and interest rate swaps.

**Debt maturity profile**

| Maturity Date | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 + |
|---|---|---|---|---|---|---|
| % of Total Debt | **17.0%** | **22.5%** | **5.8%** | **0.4%** | **20.7%** | **33.7%** |

## Consolidated Cash Flow

Expressed in million of Mexican pesos (PS.) and U.S. dollars (USD) as of June 30, 2008

| | *Jan - Jun 2008* | |
|---|---|---|
| | ***Ps.*** | ***USD*** |
| Consolidated Net Income | 3,542 | 344 |
| Non cash charges to net income | (1,116) | (108) |
| | **2,426** | **236** |
| Change in working capital | (1,228) | (120) |
| **Resources Generated by Operating Activities** | 1,198 | 116 |
| **Total Investments** | (1,568) | (152) |
| Dividends paid | (945) | (92) |
| Debt decrease and interest paid | (1,193) | (116) |
| **Increase in cash and cash equivalents** | **(2,508)** | **(244)** |
| Cahs and cash equivalents at begining of period | 7,542 | 732 |
| Translation Effect | (68) | (7) |
| Cash and cash equivalents at end of period | 4,965 | 481 |

The difference between the reduction in debt of the balance sheet and the debt decrease in nominal terms presented in the cash flow is related to the inflation effect and foreign exchange impact, presented separately in accordance to changes with the Mexican Financial Reporting Standards related to cash flow.

## MEXICO DIVISION OPERATING RESULTS

*In November 2007, Coca-Cola FEMSA together with The Coca-Cola Company and the rest of the bottlers in Mexico acquired 100% of Jugos de Valle S.A.B de C.V. As of February 2008, we are distributing the Jugos del Valle portfolio in our Mexico division through the traditional channel. Volume, average price per unit case, cost of goods sold and some operating expenses related to these products are recorded in our consolidated and Mexico division operating results. We do not expect to capture any profits from this line of business during 2008.*

***Revenues***

Total revenues from our Mexico division increased 3.2% to Ps. 9,047 million in the second quarter of 2008, as compared to the same period of the previous year. Incremental volumes accounted for the majority of the incremental revenues during the quarter. Average price per unit case remained stable at Ps. 29.20 (US$ 2.83), as compared to the second quarter of 2007, reflecting higher average price per unit case from the *Jugos del Valle* portfolio, which partially compensated for lower volumes in sparkling beverages. Excluding bulk water under the brand *Ciel*, our average price per unit case was Ps. 34.41 (US$ 3.34), a 0.8% increase as compared to the same period of 2007.

Total sales volume increased 2.8% to 308.9 million unit cases in the second quarter of 2008, as compared to the second quarter of 2007, resulting from (i) more than 8% volume growth in our bottled water business and (ii) incremental volumes in the still beverage category driven by the *Jugos del Valle* product line, which more than compensated for a slight sales volume decline in sparkling beverages.

***Operating Income***

Our gross profit increased by 2.6% to Ps. 4,656 million in the second quarter of 2008 as compared to the same period of 2007 as a result of lower cost of sweeteners year-over-year which more than compensated for higher costs of PET combined with the second stage of the previously announced concentrate increase. Gross margin decreased from 51.8% in the second quarter of 2007 to 51.5% in the same period of 2008, resulting from higher costs from the Jugos del Valle portfolio, as expected this year.

Operating income increased 0.8% to Ps. 1,858 million in the second quarter of 2008, as compared to Ps. 1,844 million in the same period of 2007, as a result of higher revenues and tight controlled operating expenses. Our operating margin was 20.5% in the second quarter of 2008, a decrease of 50 basis points as compared to the same period of 2007.

## LATINCENTRO DIVISION OPERATING RESULTS (Colombia, Venezuela, Guatemala, Nicaragua, Costa Rica and Panama)

*As of May 2008, Coca-Cola FEMSA is distributing the Jugos del Valle portfolio in Costa Rica. Volume, average price per unit case, cost of goods sold and some operating expenses related to these products are recorded in our consolidated and Latincentro division operating results.*

***Revenues***

Total revenues reached Ps. 5,286 million in the second quarter of 2008, remaining stable as compared to the same period of 2007. An increase of 1.3% in the average price per unit case compensated for lower Latincentro division consolidated volumes. Average price per unit case increased to Ps. 40.80 (US$ 3.96) in the second quarter of 2008, as compared to the second quarter of 2007, as a result of higher pricing implemented during the quarter in the majority of our territories in the Latincentro division in addition to a positive currency impact.

Total sales volume in our Latincentro division declined 1.1% to 129.5 million unit cases in the second quarter of 2008, as compared to the same period of 2007. Volume decline was driven by operating disruptions in Venezuela and a more competitive environment in Colombia, which were partially compensated by incremental volumes from Central America.

***Operating Income***

Gross profit reached Ps. 2,434 million, an increase of 3.6% in the second quarter of 2008, as compared to the same period of 2007, driven by (i) lower sweetener costs in our Colombian operation, (ii) the yearly appreciation of some local currencies as applied to our U.S. dollar-denominated raw material costs, and (iii) lower cost of sales in Venezuela due to operating disruptions.[1] Gross margin increased from 44.5% in the second quarter of 2007 to 46.0% in the same period of 2008, an increase of 150 basis points.

Our operating income increased 18.9% to Ps. 747 million in the second quarter of 2008, as compared to the second quarter of 2007 as a result of lower costs of sales and a tight control of operating expenses. Our operating margin reached 14.1% in the second quarter of 2008, expanding 220 basis points as compared to the same period of 2007.

[1] We recorded in the other expense line of our consolidated income statement Ps. 50 million of non-recurrent fixed costs related to the operating disruptions in Venezuela during the second quarter of 2008.

## MERCOSUR DIVISION OPERATING RESULTS (Brazil and Argentina)

*As of June 2008, Coca-Cola FEMSA is including one month of the Remil operations in its Mercosur division. Volume and average price per unit case exclude beer results.*

***Revenues***

Net revenues increased 25.8% to Ps. 4,160 million in the second quarter of 2008, as compared to the same period of 2007. Excluding beer, net revenues increased 23.2% to Ps. 3,771 million in the second quarter of 2008, as compared to the same period of 2007, mainly driven by higher average price per unit case implemented during the quarter. Average price per unit case, excluding beer, increased 12.4% to Ps. 32.93 (US$ 3.20) during the second quarter of 2008. Excluding Remil and beer, net revenues increased 12.7% reaching Ps. 3,451 million. Total revenues from beer in Brazil were Ps. 389 million in the second quarter of 2008, including Remil.

Sales volume, excluding beer, increased 9.6% to 114.5 million unit cases in the second quarter of 2008, as compared to the second quarter of 2007. Sales volume, excluding Remil and beer increased 2.4% to reach 107.0 million unit cases. Sparkling beverages sales volume growth, excluding Remil, accounted for more than 70% of the incremental volumes, mainly driven by Coca-Cola brand and the strong performance of *Coca-Cola Zero.* Bottled water and still beverages provided the balance. Argentina contributed the majority of the growth during the quarter, excluding Remil.

***Operating Income***

In the second quarter of 2008, our gross profit increased 30.9% to Ps. 1,856 million, as compared to the same period of the previous year. Our Mercosur gross margin improved 140 basis points to 44.1% in the second quarter of 2008. Excluding Remil, our gross profit increased 19.7% driven by (i) higher revenues across our territories, (ii) lower sweetener costs in Brazil, and (iii) the appreciation of the Brazilian real as applied to our US denominated raw material costs; that more than compensated for higher resin and high fructose corn syrup cost in Argentina.

Operating income increased 29.1% reaching Ps. 564 million in the second quarter of 2008, as compared to Ps. 437 million in the same period of 2007. Our operating margin was 13.4% in the second quarter of 2008, an increase of 20 basis points as compared to the second quarter of 2007. Operating income, excluding Remil, grew 22.0% reaching Ps. 533 million due to an expansion in gross margin that compensated for higher expenses relating to (i) an increase in sales force to strengthen our presence and execution in certain retail segments in Brazil, (ii) higher expenses related to expansion in our cooler coverage and renewal of our distribution fleet in Brazil, and (iii) higher labor costs in Argentina.

## SUMMARY OF SIX-MONTH RESULTS

Our consolidated total revenues increased 6.8% to Ps. 35,864 million in the first half of 2008, as compared to the first half of 2007, as a result of growth in all of our divisions; Mexico and Mercosur divisions represented the majority of this growth. Excluding Remil, our consolidated total revenues increased 5.6% to Ps. 35,483 million. Consolidated average price per unit case increased 2.5% to Ps. 32.66 (US$ 3.17) in the first half of 2008. Higher average prices per unit case in sparkling beverages, mainly in our Mercosur division, combined with the integration of the Jugos del Valle line of business in our Mexico division, which more than off-set incremental volumes from jug water in Mexico, which carry lower average unit price per unit case.

Total sales volume increased 3.5% to 1,070.6 million unit cases in the first half of 2008, as compared to the same period of the previous year. Sales volume growth in our Mexico and Mercosur divisions accounted for the majority of our incremental volumes. Sparkling beverages sales volume accounted for more than half of incremental volumes and our water business and still beverages represented the balance. Excluding Remil, total sales volume increased 2.7% to reach 1,063.1 million unit cases.

Our gross profit increased 8.7% to Ps. 17,239 million in the first half of 2008, as compared to the first half of the previous year, driven by gross profit growth across all of our divisions. Gross margin increased to 48.1% during the first half of 2008 from 47.2% in the first half of 2007, due to lower cost of sugar in our main operations and the appreciation of some local currencies as applied to our US dollar denominated raw material costs.

Our consolidated operating income increased 11.9% to Ps. 5,992 million in the first half of 2008, as compared to the first half of 2007. Our Latincentro and Mercosur divisions accounted for almost 80% of this growth and our Mexico division represented the balance. Our operating margin improved 80 basis points to 16.7% in the first half of 2008, mainly driven by the improved operating leverage that resulted from higher revenues and a controlled cost and expense structure.

Our consolidated majority net income was Ps. 3,444 million in the first half of 2008 an increase of 13.2% compared to the first half of 2007, due to higher operating income combined with lower integral result of financing mainly driven by the appreciation of the Mexican peso as applied to our dollar denominated net liabilities. EPS were Ps. 1.87 (US$ 1.81 per ADR) in the first half of 2008, computed on the basis of 1,846.5 million shares outstanding (each ADR represents 10 local shares). Excluding one-time charges recorded in our Mexico division in the second quarter, consolidated majority net income grew 17.3%.

## RECENT DEVELOPMENTS

- On July 17, 2008 Coca-Cola FEMSA closed the transaction to acquire the “Agua de los Angeles” jug water business in the Valley of Mexico. Subsequently, this business will be merged into our current jug water business under the brand *Ciel*. Agua de los Angeles jug water business in the Valley of Mexico, recorded revenues of approximately Ps. $146 million in 2007 and sold approximately 21 million unit cases in the same period.

- During the second quarter, we announced that we had closed the transaction with The Coca-Cola Company to acquire its Remil franchise territory. The transaction is subject to the customary approval of the antitrust local authorities. The aggregate value of this transaction was US$364.1 million dollars. Founded in 1948 in Belo Horizonte, Remil sold 114 million unit cases of sparkling beverages, water, still beverages and beer in 2007. This franchise serves the cities of Belo Horizonte, Contagem, Curvelo, Divinópolis, Governador Valadares, Ipatinga, Juiz de Fora, Lavras, Leopoldina, Mariana, Montes Claros, Janaúba, and Petrópolis.

- On May 6, 2008 Coca-Cola FEMSA paid a dividend in the amount of Ps. 945 million, representing Ps. 0.5120 for each ordinary share, equivalent to Ps. 5.12 per ADR, an increase of 12% in real terms as compared to the dividend paid for 2006.

## CONFERENCE CALL INFORMATION

Our second-quarter 2008 Conference Call will be held on: July 23, 2008, at 11:00 A.M. Eastern Time (10:00 A.M. Mexico City Time). To participate in the conference call, please dial: Domestic U.S.: 866-700-7477 or International: 617-213-8840. We invite investors to listen to the live audiocast of the conference call on the Company’s website, www.coca-colafemsa.com

If you are unable to participate live, an instant replay of the conference call will be available through July 30, 2008. To listen to the replay, please dial: Domestic U.S.: 888-286-8010 or International: 617-801-6888. Pass code: 23478878.

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Coca-Cola FEMSA, S.A.B. de C.V. produces and distributes *Coca-Cola*, *Sprite*, *Fanta*, *Lift* and other trademark beverages of The Coca-Cola Company in Mexico (a substantial part of central Mexico, including Mexico City and southeast Mexico), Guatemala (Guatemala City and surrounding areas), Nicaragua (nationwide), Costa Rica (nationwide), Panama (nationwide), Colombia (most of the country), Venezuela (nationwide), Brazil (greater São Paulo, Campiñas, Santos, the state of Mato Grosso do Sul, part of the state of Goias and Minas Gerais) and Argentina (federal capital of Buenos Aires and surrounding areas), along with bottled water, beer and other beverages in some of these territories. The Company has 31 bottling facilities in Latin America and serves over 1,500,000 retailers in the region. The Coca-Cola Company owns a 31.6% equity interest in Coca-Cola FEMSA.

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References herein to “US$” are to United States dollars. This news release contains translations of certain Mexican peso amounts into U.S. dollars for the convenience of the reader. These translations should not be construed as representations that Mexican peso amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated.

U.S. dollar amounts in this report solely for the convenience of the reader have been translated from Mexican pesos at the noon day buying rate for pesos as published by the Federal Reserve Bank of New York at June 30, 2008, which exchange rate was Ps. 10.3035 to US $ 1.00.

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(6 pages of tables to follow)

**Consolidated Income Statement**

Expressed in million of Mexican pesos[1], figures of 2007 are expresed with purchasing power as of December 31, 2007

| | 2Q 08 | % Rev | 2Q 07 | % Rev | Δ% | YTD 08 | % Rev | YTD 07 | % Rev | Δ% |
|---|---|---|---|---|---|---|---|---|---|---|
| Volume (million unit cases) [2] | 552.9 | | 535.9 | | 3.2% | 1,070.6 | | 1,034.7 | | 3.5% |
| Average price per unit case [2] | 32.69 | | 31.89 | | 2.5% | 32.66 | | 31.87 | | 2.5% |
| Net revenues | 18,463 | | 17,335 | | 6.5% | 35,678 | | 33,495 | | 6.5% |
| Other operating revenues [5] | 81 | | 37 | | 118.9% | 186 | | 100 | | 86.0% |
| Total revenues | 18,544 | 100% | 17,372 | 100% | 6.7% | 35,864 | 100% | 33,595 | 100% | 6.8% |
| Cost of sales | 9,598 | 51.8% | 9,066 | 52.2% | 5.9% | 18,625 | 51.9% | 17,739 | 52.8% | 5.0% |
| Gross profit | 8,946 | 48.2% | 8,306 | 47.8% | 7.7% | 17,239 | 48.1% | 15,856 | 47.2% | 8.7% |
| Operating expenses | 5,777 | 31.2% | 5,397 | 31.1% | 7.0% | 11,247 | 31.4% | 10,502 | 31.3% | 7.1% |
| Operating income | 3,169 | 17.1% | 2,909 | 16.7% | 8.9% | 5,992 | 16.7% | 5,354 | 15.9% | 11.9% |
| Other expenses, net | 496 | | 263 | | 88.6% | 683 | | 401 | | 70.3% |
| Interest expense | 622 | | 675 | | -7.9% | 1,132 | | 1,190 | | -4.9% |
| Interest income | 149 | | 175 | | -14.9% | 285 | | 320 | | -10.9% |
| Interest expense, net | 473 | | 500 | | -5.4% | 847 | | 870 | | -2.6% |
| Foreign exchange (gain) loss | (158) | | (147) | | 7.5% | (207) | | (49) | | 322.4% |
| (Gain) on monetary position in Inflationary subsidiries | (148) | | (76) | | 94.7% | (260) | | (272) | | -4.4% |
| Market value gain on inefective derivative instruments | (116) | | (92) | | 26.1% | (108) | | (62) | | 74.2% |
| Integral result of financing | 51 | | 185 | | -72.4% | 272 | | 487 | | -44.1% |
| Income before taxes | 2,622 | | 2,461 | | 6.5% | 5,037 | | 4,466 | | 12.8% |
| Taxes | 742 | | 639 | | 16.1% | 1,495 | | 1,316 | | 13.6% |
| Consolidated net income | 1,880 | | 1,822 | | 3.2% | 3,542 | | 3,150 | | 12.4% |
| Majority net income | 1,844 | 9.9% | 1,775 | 10.2% | 3.9% | 3,444 | 9.6% | 3,042 | 9.1% | 13.2% |
| Minority net income | 36 | | 47 | | -23.4% | 98 | | 108 | | -9.3% |
| Operating income | 3,169 | 17.1% | 2,909 | 16.7% | 8.9% | 5,992 | 16.7% | 5,354 | 15.9% | 11.9% |
| Depreciation | 450 | | 410 | | 9.8% | 886 | | 818 | | 8.3% |
| Amortization and other non-cash charges [3] | 300 | | 340 | | -11.8% | 618 | | 690 | | -10.4% |
| EBITDA [4] | 3,919 | 21.1% | 3,659 | 21.1% | 7.1% | 7,496 | 20.9% | 6,862 | 20.4% | 9.2% |

(1) Except volume and average price per unit case figures.

(2) Sales volume and average price per unit case exclude beer results

(3) Includes returnable bottle breakage expense.

(4) EBITDA = Operating Income + depreciation, amortization & other non-cash charges.

(5) Since november 2007, we integrated Complejo Industrial CAN, S.A. (CICAN) a can bottling facility in Argentina.

(6) Since June 2008, we integrated Minas Gerais (Remil) in Brazil.

## Consolidated Balance Sheet

Expressed in million of Mexican pesos, figures of 2007 are expresed with purchasing power as of December 31, 2007

| **Assets** | | **Jun 08** | | **Dec 07** |
|---|---|---|---|---|
| **Current Assets** | | | | |
| Cash and cash equivalents | Ps. | 4,965 | Ps. | 7,542 |
| Total accounts receivable | | 4,215 | | 4,706 |
| Inventories | | 4,533 | | 3,418 |
| Prepaid expenses and other | | 2,439 | | 1,792 |
| Total current assets | | 16,152 | | 17,458 |
| **Property, plant and equipment** | | | | |
| Bottles and cases | | 1,395 | | 1,175 |
| Property, plant and equipment | | 39,117 | | 37,420 |
| Accumulated depreciation | | (17,874) | | (16,672) |
| Total property, plant and equipment, net | | 22,638 | | 21,923 |
| Investment in shares | | 1,532 | | 1,476 |
| Deferred charges, net | | 1,256 | | 1,255 |
| Intangibles assets and other assets | | 47,577 | | 45,066 |
| **Total Assets** | **Ps.** | **89,155** | **Ps.** | **87,178** |

| **Liabilities and Stockholders' Equity** | | **Jun 08** | | **Dec 07** |
|---|---|---|---|---|
| **Current Liabilities** | | | | |
| Short-term bank loans and notes | Ps. | 4,237 | Ps. | 4,814 |
| Interest payable | | 257 | | 274 |
| Suppliers | | 6,281 | | 6,100 |
| Other current liabilities | | 4,797 | | 5,009 |
| Total Current Liabilities | | 15,572 | | 16,197 |
| Long-term bank loans | | 14,407 | | 14,102 |
| Pension plan and seniority premium | | 648 | | 993 |
| Other liabilities | | 4,844 | | 5,105 |
| Total Liabilities | | 35,471 | | 36,397 |
| **Stockholders' Equity** | | | | |
| Minority interest | | 1,681 | | 1,641 |
| Majority interest | | | | |
| Capital stock | | 3,116 | | 3,116 |
| Additional paid in capital | | 13,333 | | 13,333 |
| Retained earnings of prior years | | 34,662 | | 27,930 |
| Net income for the period | | 3,444 | | 6,908 |
| Cumulative results of holding non-monetary assets | | (2,552) | | (2,147) |
| Total majority interest | | 52,003 | | 49,140 |
| Total stockholders' equity | | 53,684 | | 50,781 |
| **Total Liabilities and Equity** | **Ps.** | **89,155** | **Ps.** | **87,178** |

## Mexico Division

Expressed in million of Mexican pesos[1], figures of 2007 are expresed with purchasing power as of December 31, 2007

| | 2Q 08 | % Rev | 2Q 07 | % Rev | Δ% | YTD 08 | % Rev | YTD 07 | % Rev | Δ% |
|---|---|---|---|---|---|---|---|---|---|---|
| Volume (million unit cases) | 308.9 | | 300.4 | | 2.8% | 573.0 | | 552.1 | | 3.8% |
| Average price per unit case | 29.20 | | 29.14 | | 0.2% | 29.24 | | 28.97 | | 0.9% |
| Net revenues | 9,020 | | 8,753 | | 3.1% | 16,755 | | 15,995 | | 4.8% |
| Other operating revenues | 27 | | 16 | | 68.8% | 61 | | 52 | | 17.3% |
| Total revenues | 9,047 | 100.0% | 8,769 | 100.0% | 3.2% | 16,816 | 100.0% | 16,047 | 100.0% | 4.8% |
| Cost of sales | 4,391 | 48.5% | 4,230 | 48.2% | 3.8% | 8,201 | 48.8% | 7,828 | 48.8% | 4.8% |
| Gross profit | 4,656 | 51.5% | 4,539 | 51.8% | 2.6% | 8,615 | 51.2% | 8,219 | 51.2% | 4.8% |
| Operating expenses | 2,798 | 30.9% | 2,695 | 30.7% | 3.8% | 5,435 | 32.3% | 5,171 | 32.2% | 5.1% |
| Operating income | 1,858 | 20.5% | 1,844 | 21.0% | 0.8% | 3,180 | 18.9% | 3,048 | 19.0% | 4.3% |
| Depreciation, amortization & other non-cash charges [2] | 411 | 4.5% | 430 | 4.9% | -4.4% | 842 | 5.0% | 849 | 5.3% | -0.8% |
| EBITDA [3] | 2,269 | 25.1% | 2,274 | 25.9% | -0.2% | 4,022 | 23.9% | 3,897 | 24.3% | 3.2% |

[1] Except volume and average price per unit case figures.

[2] Includes returnable bottle breakage expense.

[3] EBITDA = Operating Income + Depreciation, amortization & other non-cash charges.

## Latincentro Division

Expressed in million of Mexican pesos[1] figures of 2007 are expresed with purchasing power as of December 31, 2007

| | 2Q 08 | % Rev | 2Q 07 | % Rev | Δ% | YTD 08 | % Rev | YTD 07 | % Rev | Δ% |
|---|---|---|---|---|---|---|---|---|---|---|
| Volume (million unit cases) | 129.5 | | 131.0 | | -1.1% | 259.7 | | 259.6 | | 0.0% |
| Average price per unit LCse | 40.80 | | 40.27 | | 1.3% | 41.03 | | 40.30 | | 1.8% |
| Net revenues | 5,283 | | 5,275 | | 0.2% | 10,655 | | 10,462 | | 1.8% |
| Other operating revenues | 3 | | 8 | | -62.5% | 7 | | 17 | | -58.8% |
| Total revenues | 5,286 | 100.0% | 5,283 | 100.0% | 0.1% | 10,662 | 100.0% | 10,479 | 100.0% | 1.7% |
| Cost of sales | 2,852 | 54.0% | 2,934 | 55.5% | -2.8% | 5,776 | 54.2% | 5,860 | 55.9% | -1.4% |
| Gross profit | 2,434 | 46.0% | 2,349 | 44.5% | 3.6% | 4,886 | 45.8% | 4,619 | 44.1% | 5.8% |
| Operating expenses | 1,687 | 31.9% | 1,721 | 32.6% | -2.0% | 3,346 | 31.4% | 3,373 | 32.2% | -0.8% |
| Operating income | 747 | 14.1% | 628 | 11.9% | 18.9% | 1,540 | 14.4% | 1,246 | 11.9% | 23.6% |
| Depreciation, amortization & other non-cash charges [2] | 205 | 3.9% | 215 | 4.1% | -4.7% | 397 | 3.7% | 446 | 4.3% | -11.0% |
| EBITDA [3] | 952 | 18.0% | 843 | 16.0% | 12.9% | 1,937 | 18.2% | 1,692 | 16.1% | 14.5% |

[1] Except volume and average price per unit case figures.

[2] Includes returnable bottle breakage expense.

[3] EBITDA = Operating Income + Depreciation, amortization & other non-cash charges.

## Mercosur Division

Expressed in million of Mexican pesos[(1)], figures of 2007 are expresed with purchasing power as of December 31, 2007

Financial figures include beer results

| | 2Q 08 | % Rev | 2Q 07 | % Rev | Δ% | YTD 08 | % Rev | YTD 07 | % Rev | Δ% |
|---|---|---|---|---|---|---|---|---|---|---|
| Volume (million unit cases) [(2)] | 114.5 | | 104.5 | | 9.6% | 237.9 | | 223.0 | | 6.7% |
| Average price per unit case [(2)] | 32.93 | | 29.29 | | 12.4% | 31.76 | | 29.24 | | 8.6% |
| Net revenues | 4,160 | | 3,307 | | 25.8% | 8,268 | | 7,038 | | 17.5% |
| Other operating revenues [(5)] | 51 | | 13 | | 292.3% | 118 | | 31 | | 280.6% |
| Total revenues | 4,211 | 100.0% | 3,320 | 100.0% | 26.8% | 8,386 | 100.0% | 7,069 | 100.0% | 18.6% |
| Cost of sales | 2,355 | 55.9% | 1,902 | 57.3% | 23.8% | 4,648 | 55.4% | 4,051 | 57.3% | 14.7% |
| Gross profit | 1,856 | 44.1% | 1,418 | 42.7% | 30.9% | 3,738 | 44.6% | 3,018 | 42.7% | 23.9% |
| Operating expenses | 1,292 | 30.7% | 981 | 29.5% | 31.7% | 2,466 | 29.4% | 1,958 | 27.7% | 25.9% |
| Operating income | 564 | 13.4% | 437 | 13.2% | 29.1% | 1,272 | 15.2% | 1,060 | 15.0% | 20.0% |
| Depreciation, amortization & other non-cash charges [(3)] | 134 | 3.2% | 105 | 3.2% | 27.6% | 265 | 3.2% | 213 | 3.0% | 24.4% |
| EBITDA [(4)] | 698 | 16.6% | 542 | 16.3% | 28.8% | 1,537 | 18.3% | 1,273 | 18.0% | 20.7% |

[(1)] Except volume and average price per unit case figures.

[(2)] Sales volume and average price per unit case exclude beer results

[(3)] Includes returnable bottle breakage expense.

[(4)] EBITDA = Operating Income + Depreciation, amortization & other non-cash charges.

[(5)] Since november 2007, we integrated Complejo Industrial CAN, S.A. (CICAN) a can bottling facility in Argentina.

[(6)] Since June 2008, we integrated Minas Gerais (Remil) in Brazil.

# SELECTED INFORMATION

**For the three months ended June 30, 2008 and 2007**

***Expressed in million of Mexican pesos. Figures of 2007 are expresed with purchasing power as of December 31, 2007***

| | 2Q 08 |
|---|---|
| Capex | 662.7 |
| Depreciation | 450.0 |
| Amortization & Other non-cash charges | 301.0 |

| | 2Q 07 |
|---|---|
| Capex | 800.2 |
| Depreciation | 410.0 |
| Amortization & Other non-cash charges | 341.0 |

**VOLUME**
***Expressed in million unit cases***

| | 2Q 08 | | | | | 2Q 07 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Sparkling | Water [(1)] | Bulk Water [(2)] | Still [(3)] | Total | Sparkling | Water [(1)] | Bulk Water [(2)] | Still [(3)] | Total |
| Mexico | 230.5 | 15.4 | 55.1 | 7.9 | 308.9 | 232.1 | 14.2 | 50.8 | 3.3 | 300.4 |
| Central America | 29.9 | 1.3 | - | 2.4 | 33.6 | 28.8 | 1.4 | - | 1.8 | 32.0 |
| Colombia | 41.5 | 2.1 | 2.6 | 0.6 | 46.8 | 42.0 | 2.5 | 2.6 | 0.6 | 47.7 |
| Venezuela | 44.8 | 2.8 | - | 1.5 | 49.1 | 46.2 | 3.0 | - | 2.1 | 51.3 |
| Latincentro | 116.2 | 6.2 | 2.6 | 4.5 | 129.5 | 117.0 | 6.9 | 2.6 | 4.5 | 131.0 |
| Brazil | 68.6 | 4.3 | - | 1.4 | 74.3 | 61.6 | 4.2 | - | 1.1 | 66.9 |
| Argentina | 38.2 | 0.6 | - | 1.4 | 40.2 | 36.2 | 0.2 | - | 1.2 | 37.6 |
| Mercosur | 106.8 | 4.9 | - | 2.8 | 114.5 | 97.8 | 4.4 | - | 2.3 | 104.5 |
| Total | 453.5 | 26.5 | 57.7 | 15.2 | 552.9 | 446.9 | 25.5 | 53.4 | 10.1 | 535.9 |

*(1) Excludes water presentations larger than 5.0 Lt*
*(2) Bulk Water = Still bottled water in 5.0, 19.0 and 20.0 - liter packaging presentations*
*(3) Still Beverages include flavored water*

# SELECTED INFORMATION

**For the six months ended June 30, 2008 and 2007**

***Expressed in million of Mexican pesos. Figures of 2007 are expresed with purchasing power as of December 31, 2007***

| | YTD 08 |
|---|---|
| Capex | 1,184.1 |
| Depreciation | 886.0 |
| Amortization & Other non-cash charges | 618.0 |

| | YTD 07 |
|---|---|
| Capex | 1,367.3 |
| Depreciation | 818.0 |
| Amortization & Other non-cash charges | 690.0 |

**VOLUME**
***Expressed in million unit cases***

| | YTD 08 | | | | | YTD 07 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | CSD | Water | Jug Water | Other | Total | CSD | Water [(1)] | Jug Water | Other | Total |
| Mexico | 433.9 | 29.1 | 97.1 | 12.9 | 573.0 | 429.0 | 24.8 | 92.4 | 5.9 | 552.1 |
| Central America | 59.4 | 2.8 | - | 4.4 | 66.6 | 56.9 | 2.9 | - | 3.7 | 63.5 |
| Colombia | 82.7 | 4.9 | 5.1 | 1.3 | 94.0 | 83.7 | 5.3 | 5.4 | 1.2 | 95.6 |
| Venezuela | 90.6 | 5.5 | - | 3.0 | 99.1 | 90.6 | 5.5 | - | 4.4 | 100.5 |
| Latincentro | 232.7 | 13.2 | 5.1 | 8.7 | 259.7 | 231.2 | 13.7 | 5.4 | 9.3 | 259.6 |
| Brazil | 137.6 | 9.7 | - | 2.5 | 149.8 | 127.3 | 9.9 | - | 2.3 | 139.5 |
| Argentina | 83.9 | 1.1 | - | 3.1 | 88.1 | 80.6 | 0.3 | - | 2.6 | 83.5 |
| Mercosur | 221.5 | 10.8 | - | 5.6 | 237.9 | 207.9 | 10.2 | - | 4.9 | 223.0 |
| Total | 888.1 | 53.1 | 102.2 | 27.2 | 1,070.6 | 868.1 | 48.7 | 97.8 | 20.1 | 1,034.7 |

*(1) Excludes water presentations larger than 5.0 Lt*
*(2) Bulk Water = Still bottled water in 5.0, 19.0 and 20.0 - liter packaging presentations*
*(3) Still Beverages include flavored water*

Volume of Brazil, Mercosur division, and Consolidated for quarterly and six months results, includes one month of Remil's operation, which is 7.5 million unit cases.

# June 2008
# Macroeconomic Information

| | Inflation [1] | | | Foreign Exchange Rate (local currency per US Dollar) [2] | | |
|---|---|---|---|---|---|---|
| | LTM | YTD | 2Q 2008 | June 08 | Dec 07 | June 07 |
| Mexico | 5.25% | 2.03% | 0.53% | 10.2841 | 10.8662 | 10.7926 |
| Colombia | 7.18% | 6.02% | 2.52% | 1,923.02 | 2,014.76 | 1,960.61 |
| Venezuela [3] | 30.75% | 15.06% | 7.47% | 2.1500 | 2,150 | 2,100 |
| Argentina | 9.27% | 4.64% | 2.04% | 3.0250 | 3.1490 | 3.0930 |
| Brazil | 7.28% | 4.26% | 2.53% | 1.5919 | 1.7713 | 1.9262 |

(1) Source: Mexican inflation is published by *Banco de México* (Mexican Central Bank).

(2) Exchange rates at the end of period are the official exchange rates published by the Central Bank of each country.

(3) In Venezuela since January 1, 2008, the local currency is 'Bolivar Fuerte', 'Bolivar' the former currency, was divided by one thousand.