

A dynamic splash of clear water against a white background, with numerous bubbles and droplets scattered throughout. The water is captured in mid-air, creating a sense of movement and freshness.

FEMSA

CAGNY Monthly

May 2007

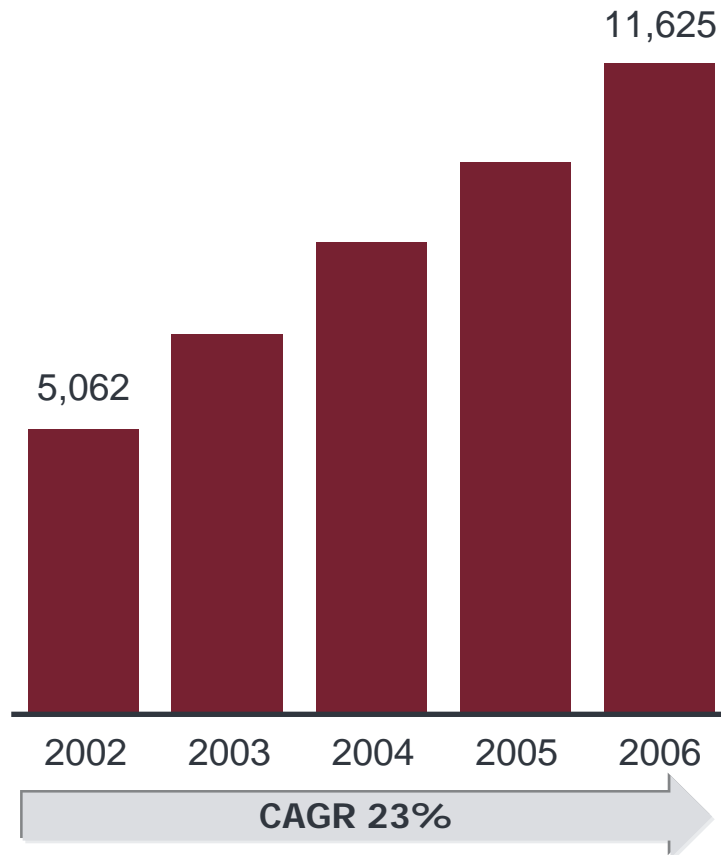
Safe Harbor Statement



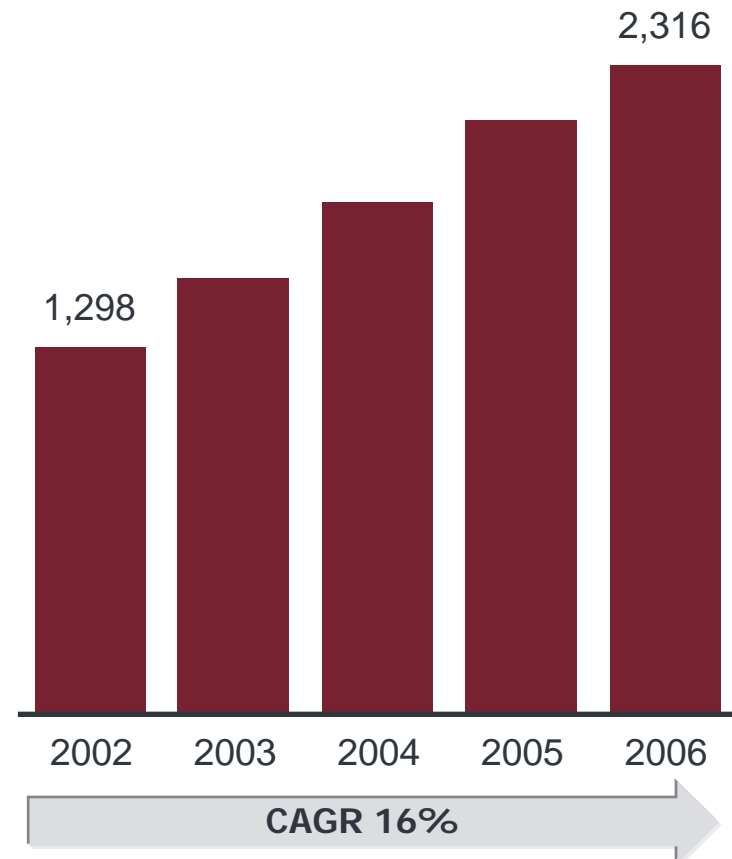
During this presentation management may discuss certain forward-looking statements concerning FEMSA's future performance that should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data.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



FEMSA Total Revenue (US\$ million)



FEMSA EBITDA (US\$ million)

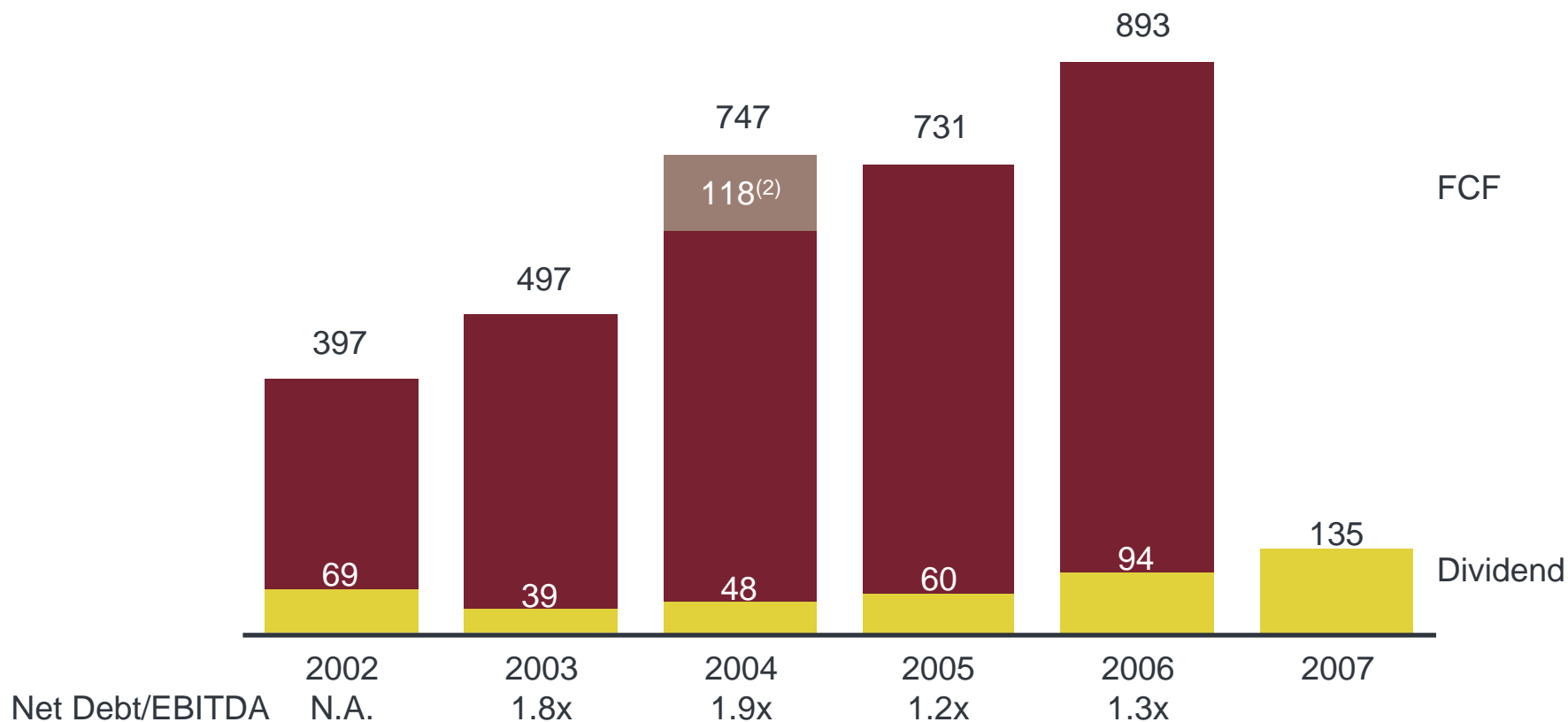


Note: Figures in Mexican pesos converted to US dollars at the respective year-end exchange rate.

Delivering Cash Generation



Free Cash Flow⁽¹⁾
(US\$ million)

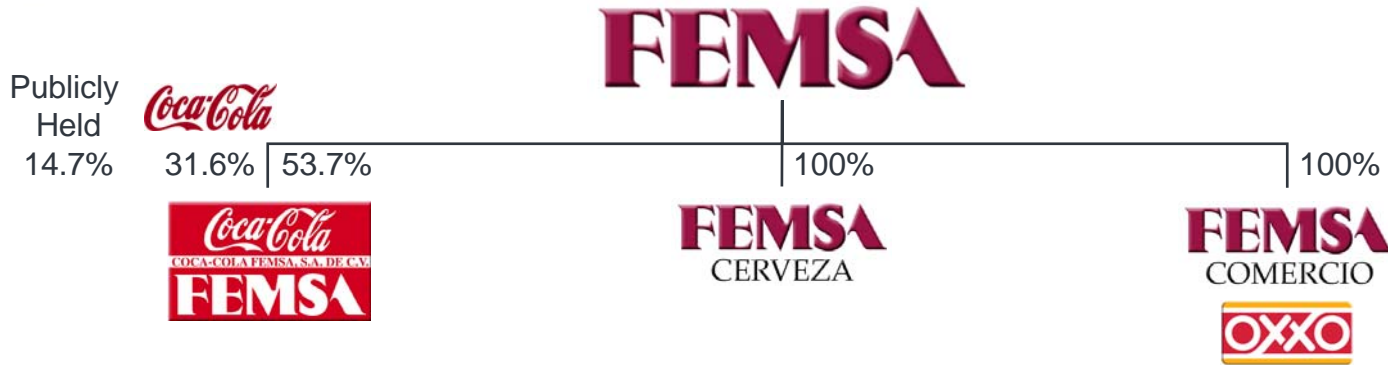


Note: Figures in Mexican pesos converted to US dollars at the respective year-end exchange rate.

⁽¹⁾ Free Cash Flow = EBITDA - (Capex + Taxes + Net Interest Expense) - Change Working Capital.

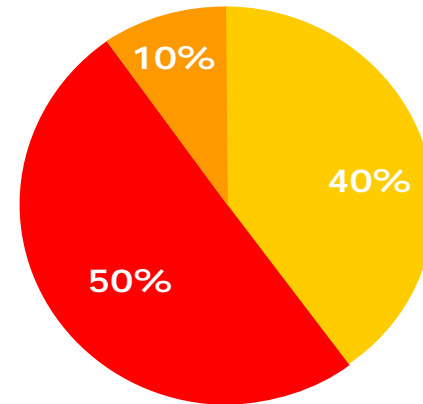
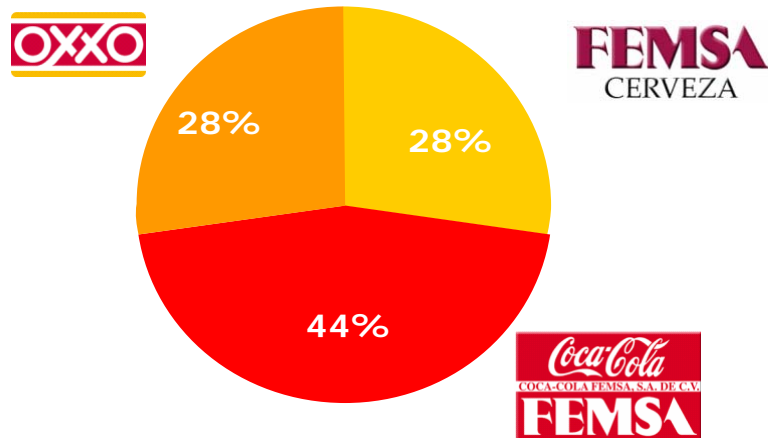
⁽²⁾ Extraordinary Tax Reimbursement.

The Right Business Model...



Total Revenue: US\$ 11,625 million

EBITDA: US\$ 2,316 million



... Best Positioned to Capture Opportunities

- Compete successfully
- New opportunities
 - Beer
 - Soft Drinks





Challenges

- CSD's in Central Mexico
- Pepsi and b-brands
- Beer pricing in Mexico
- Raw material pressure

Opportunities

- Grow non-carb segment
- Integrate businesses
- New territories
- Invest in brands

Skills

- Evolve business model
- Manage complexity
- Ability to execute
- Deploy investment
- Anticipate trends

**Sustained
Growth**

A decorative horizontal line of blue water splashes across the top of the slide.

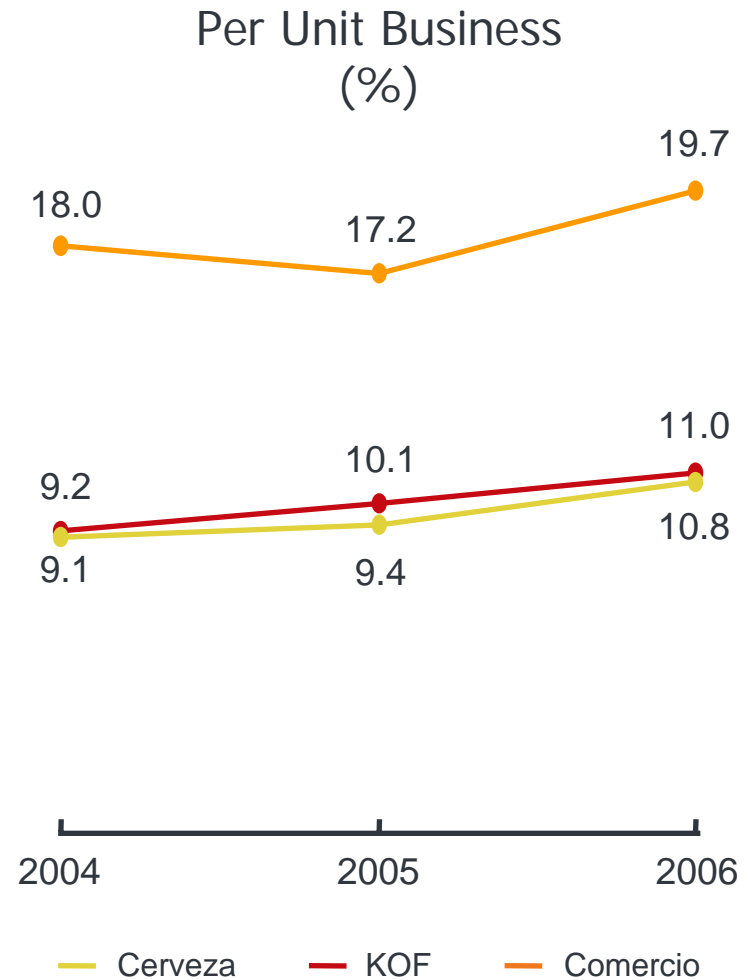
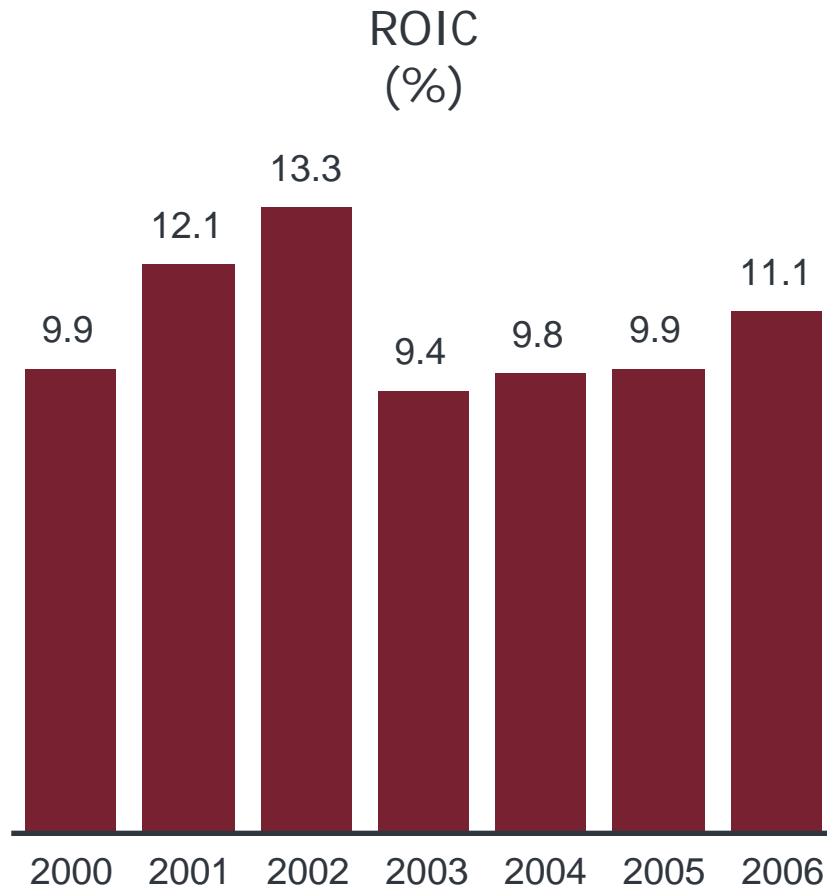
Operating

- Banner year for top-line growth in beverage operations
- US beer export growth outpacing category
- Oxxo top-line and infrastructure growth on track
- Increased ROIC across all businesses

Strategic

- Meaningful entry into Brazilian beer market
- Established long-term framework with The Coca-Cola Company
- Purchase of incremental 8% stake in KOF
- Joint acquisition of Jugos del Valle with the Coca-Cola system

Return on Invested Capital





FEMSA CERVEZA

**Evolving with Consumer
Preferences**



- Mexico
 - Three consecutive years gaining share
 - Brand health indicators at all-time high
 - Top-line driven earnings growth
- United States
 - Double-digit volume growth
 - Greater emphasis on brand development
- Brazil
 - Business turnaround on track
 - Long-term profitable growth objective

Mexico Beer Industry has Strengthened

Initiatives

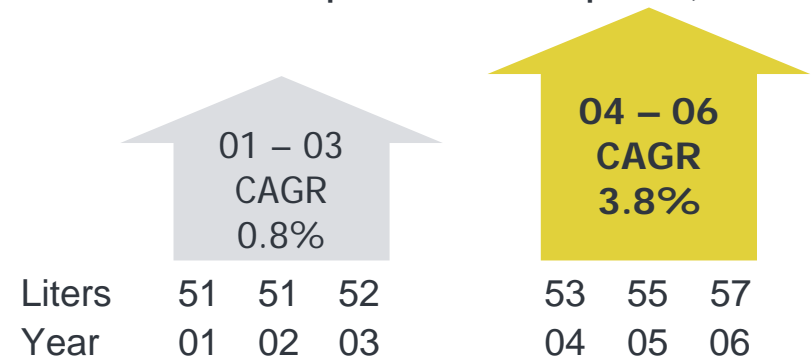
- Innovation
- Greater segmentation
- Improved execution

Economic momentum

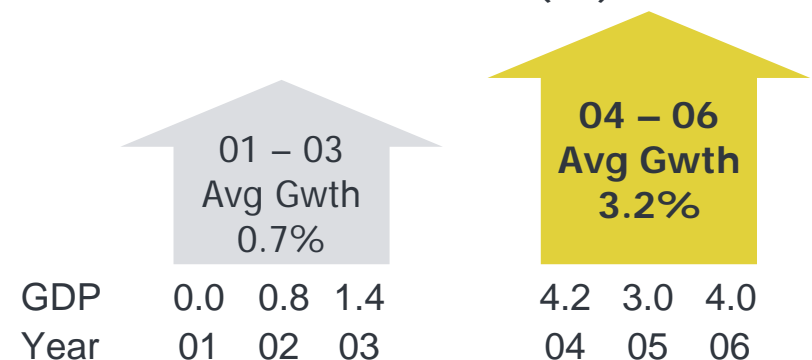
Outcome

- Accelerated growth
- Increasing relevance
- Higher barriers to entry

Beer Consumption Per Capita (Liters)



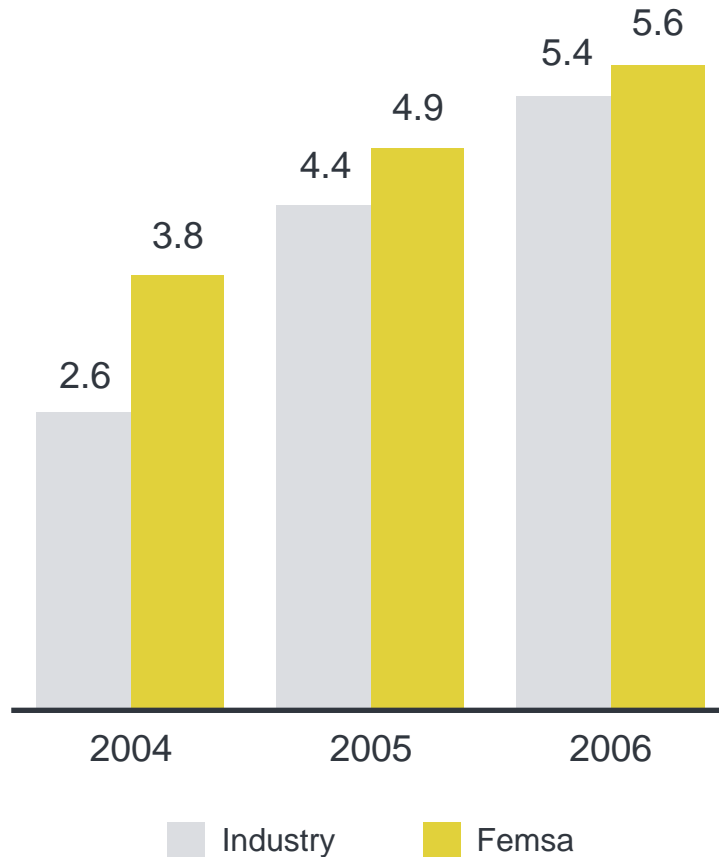
GDP Growth (%)



Note: Beer Consumption per Capita from Mexican Institute of Statistics and FEMSA Cerveza's estimates.
 GDP Growth % based on constant price GDP year-on-year changes from International Monetary Fund, World Economic Outlook Database, September 2006 and Analyst Estimations for 2007.

Share Gains with Strong Pricing

Domestic Volume Growth vs. Industry⁽¹⁾ (%)



Domestic Price (MXP)

Price per hl	2005	2006	% Chg
Real	941	974	+3.6%
Nominal	904	974	+7.8%

2006 Market share at 43.7%
Three Years Outgrowing Industry

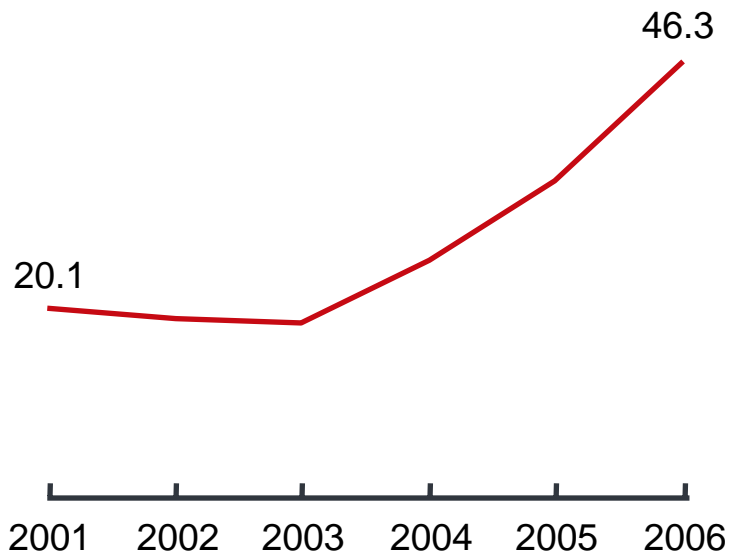
⁽¹⁾ Industry includes FEMSA Cerveza and Grupo Modelo beer sales volume in Mexico only. Data from company filings.

Improved Brand Preference: Tecate Light

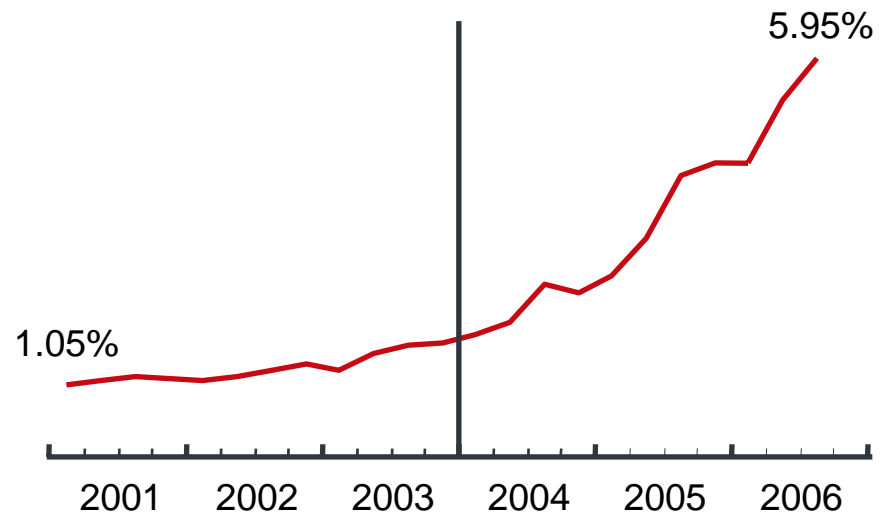
- Consumer preference research → brand reposition
- High marketing impact
 - “A great tasting beer that leaves room to drink more”
- Leader in light category



Brand Value Index



% Share in Domestic Market





- Drive top-line
 - Volume growth with real pricing
 - Innovation & increased value of core brands
- Increase efficiency to offset raw materials pressure
 - Aluminum impact expected to moderate in medium term
- Maintain profitability
 - Continue to invest in brands
 - Strengthen competitive position in market

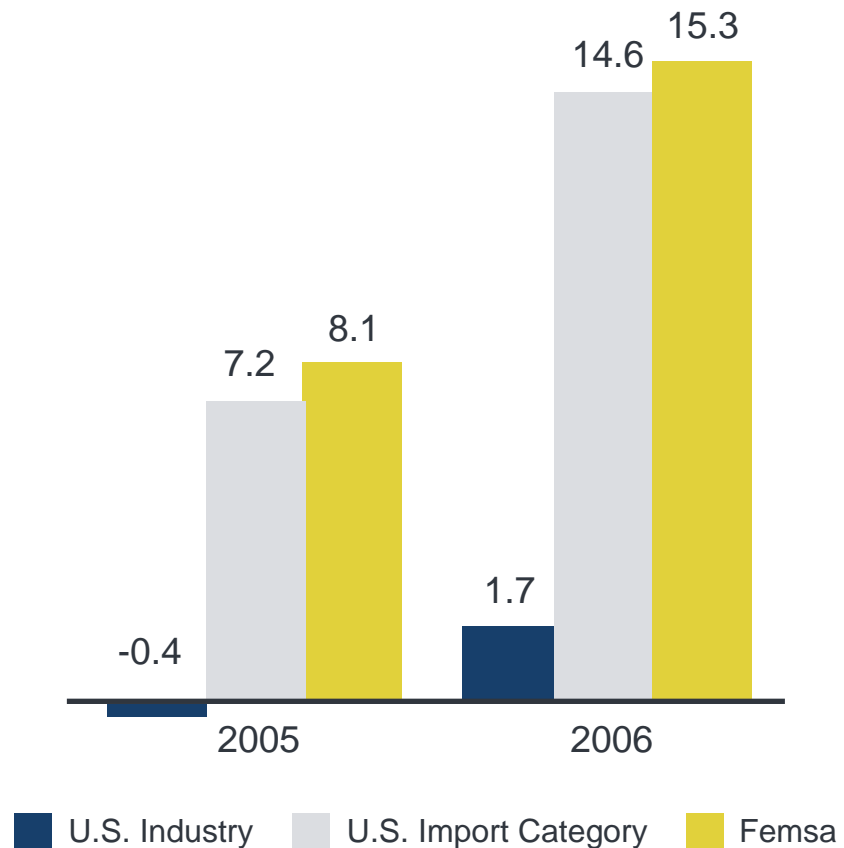
Exports to USA: New Ten-Year Agreement with Heineken USA

2007 Focus

- Dos Equis new campaign
- Tecate Light launch



Vol. Growth of FEMSA Exports vs. U.S. Beer Industry (%)



Brazil: Groundwork for Long-Term Sustainable Profitable Growth

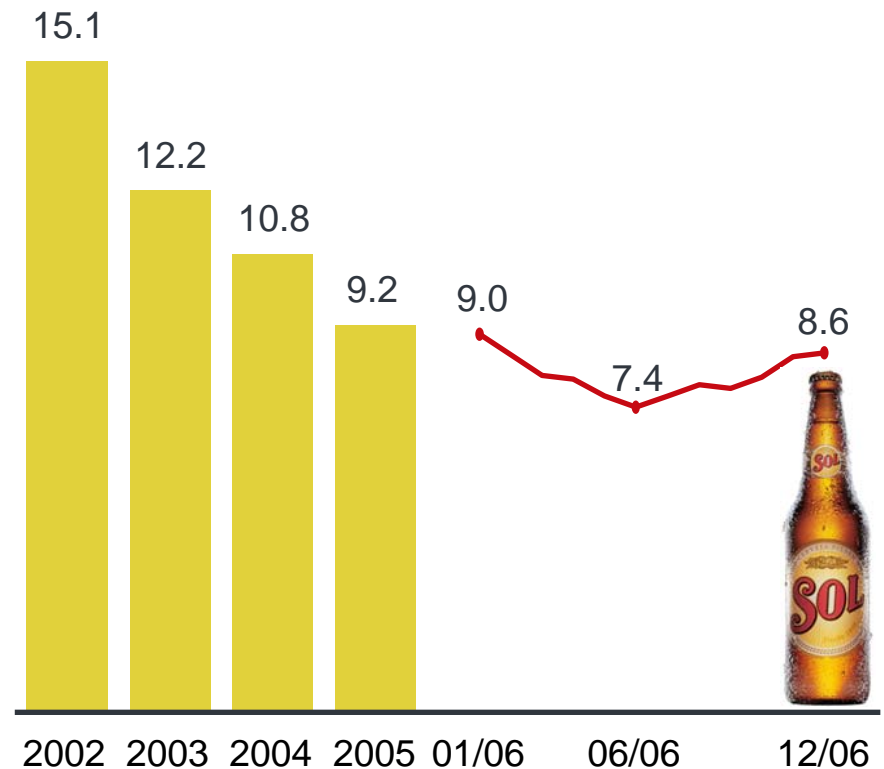
Four main areas of focus:

- Comprehensive brand portfolio
- Reinvest profits in marketing
- Market intelligence / one system
- Commercial platform
- Model for bottler alignment

Recent achievements:

- Relaunch of Kaiser
- National launch of Sol
- Gradual share recovery

FEMSA Cerveza Brazil Market Share (%)





Building a System

Grow, Build, Operate...



Top-line growth of over 20%

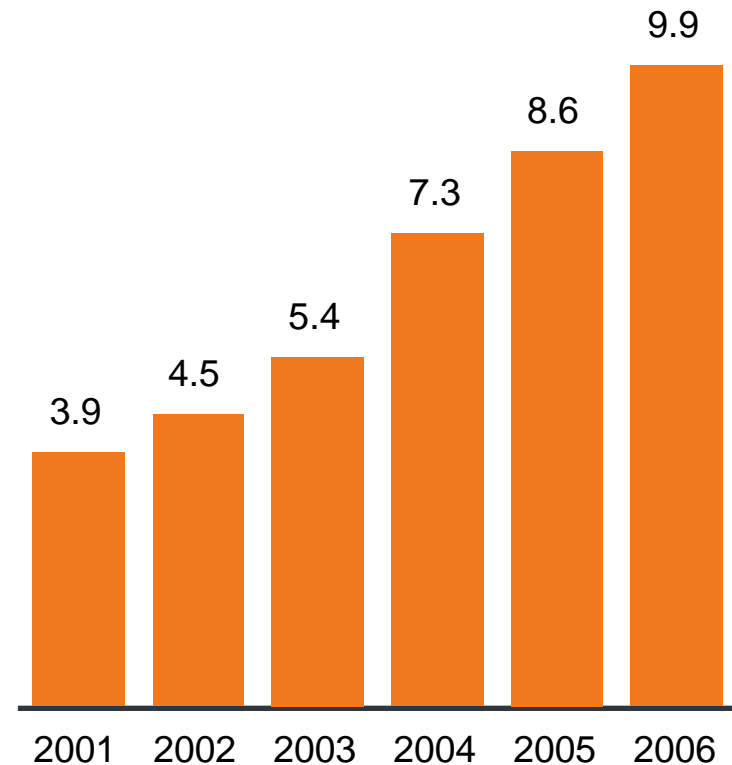
- Approaching 5000 stores in 2Q07
- +700 new stores per year
- Creating new profit streams

Building infrastructure

- Segmentation
- Direct distribution
- Information systems

Operating excellence

% of Femsa Cerveza Domestic Beer Sales in Oxxo



Plenty of Room for Growth



12,000 Oxxo's by 2015

Oxxo Penetration Level by Population



Building a Strong Infrastructure





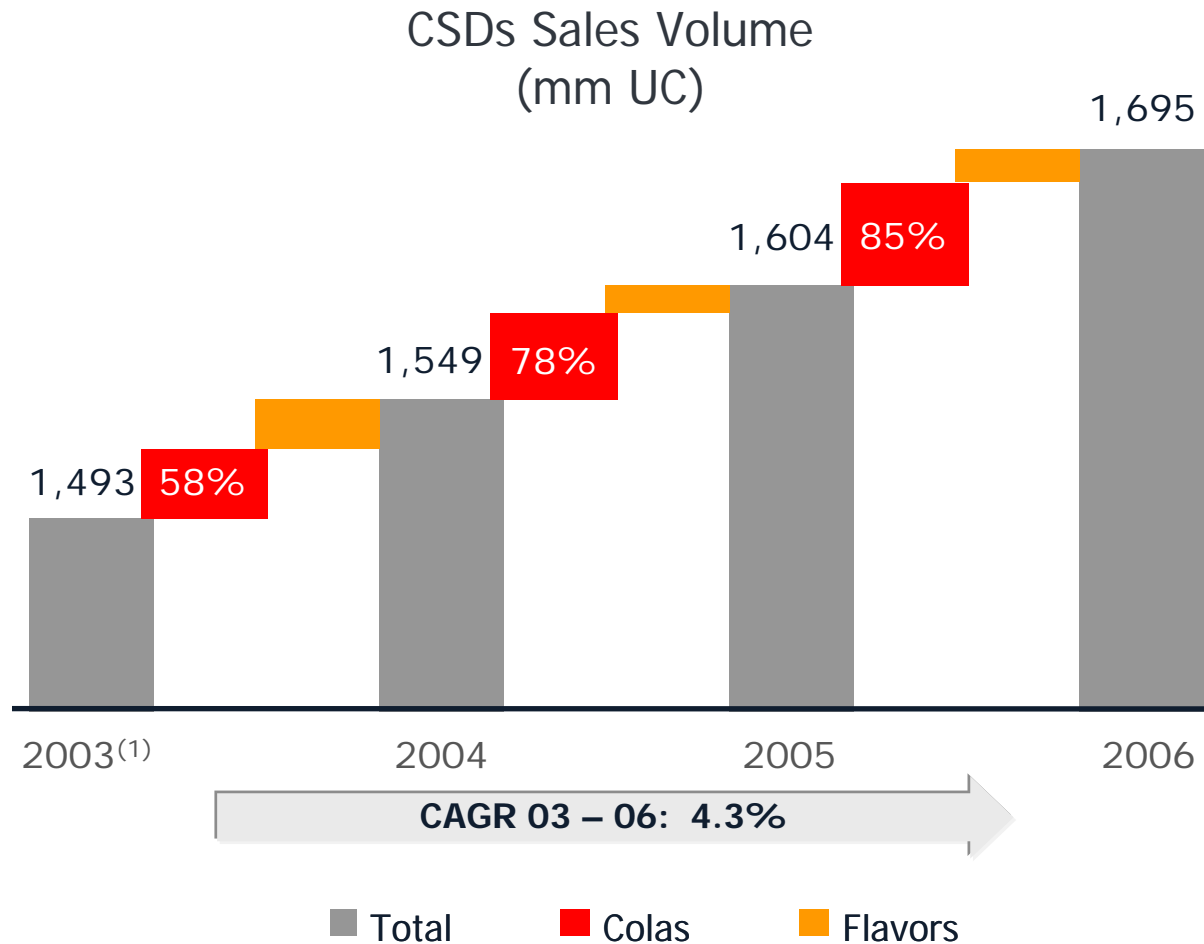
Coca-Cola^{MR}

COCA-COLA FEMSA, S.A. DE C.V.

FEMSA

**Capturing Growth
Across our Markets**

CSD Growth Driven By Brand Coca-Cola...

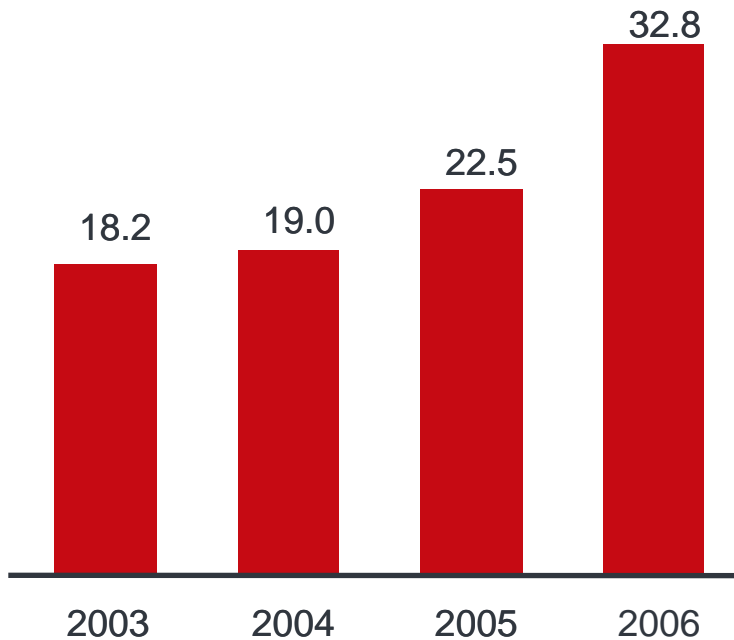


⁽¹⁾ Includes full-year sales volume of our original territories and our new territories acquired from Panamco.

Non-carbonated segment offers greatest potential

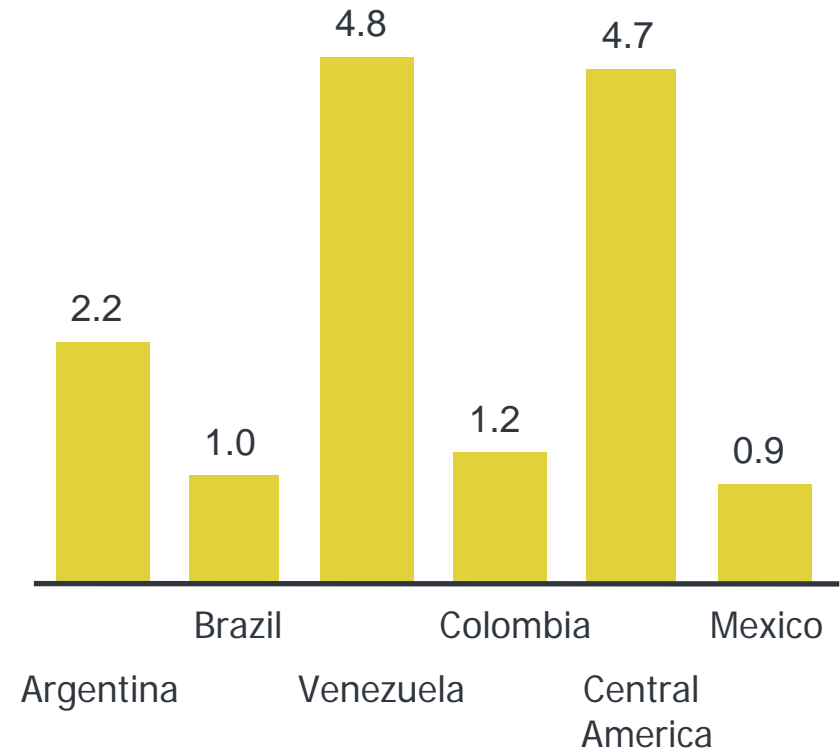


Non-Carb Sales Volume Growth (mm UC)



CAGR 03 – 06: 21.7%

Non-Carb Sales Volume as % of Total Volume



Providing Attractive Growth Opportunities

- The Coca-Cola Company will provide additional marketing support for sparkling and still beverages portfolio
- A new business model in still beverages segment
- Potential expansion of our footprint within Latin America and in other markets



New Joint Venture for Non Carbonated Beverages with Jugos del Valle



Transaction Value US\$ 470 MM or 1.1x 2006 Revenues

- KOF leadership in NCB
 - Expected growth in low double digits
 - #1 in Brazil and #2 in Mexico packaged juice
 - KOF to manage operations
- Increase top line
- Capture synergies across value chain
- Leverage distribution network in Mexico and Brazil
- Future participation of other bottlers in JV



A dynamic, high-speed photograph of water splashing against a white background. The water is captured in mid-air, creating a complex, crystalline structure of droplets and streams. The lighting is bright, highlighting the transparency and texture of the water. The overall effect is one of freshness and movement.

FEMSA

EBITDA Reconciliation By Division



In US\$ million

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
FEMSA Consolidated										
Income From Operations	440	479	627	736	948	907	1,078	1,238	1,455	1,599
Depreciation	124	121	175	202	204	209	233	271	387	372
Amortization and Other	<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>	<u>344</u>
EBITDA	670	715	946	1,108	1,329	1,298	1,543	1,812	2,103	2,316
FEMSA Cerveza										
Income From Operations	282	281	368	372	414	390	379	426	500	544
Depreciation	79	75	99	111	123	128	126	132	138	152
Amortization and Other	<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>	<u>218</u>
EBITDA	396	416	548	593	663	670	671	740	838	913
Coca-Cola FEMSA										
Income From Operations	150	161	217	305	468	425	597	691	811	869
Depreciation	33	34	58	71	70	50	86	111	122	138
Amortization and Other	<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>	<u>116</u>
EBITDA	243	243	330	428	572	515	742	899	1,047	1,124
FEMSA Comercio										
Income From Operations	7	9	24	29	33	47	62	82	118	147
Depreciation	3	4	5	7	8	9	12	19	30	38
Amortization and Other	<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>	<u>34</u>
EBITDA	14	18	33	42	49	64	85	122	174	219

Nota: All other annual figures are converted into US\$ for the respective year end exchange rate.