

# FEMSA

## JP Morgan Mexico CEO/CFO Conference

August 3, 2005



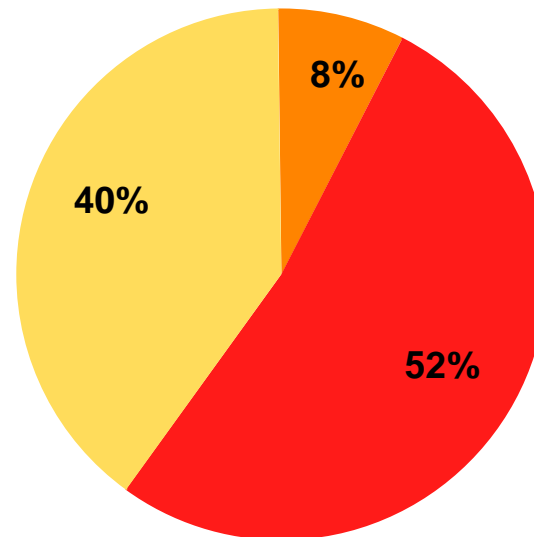
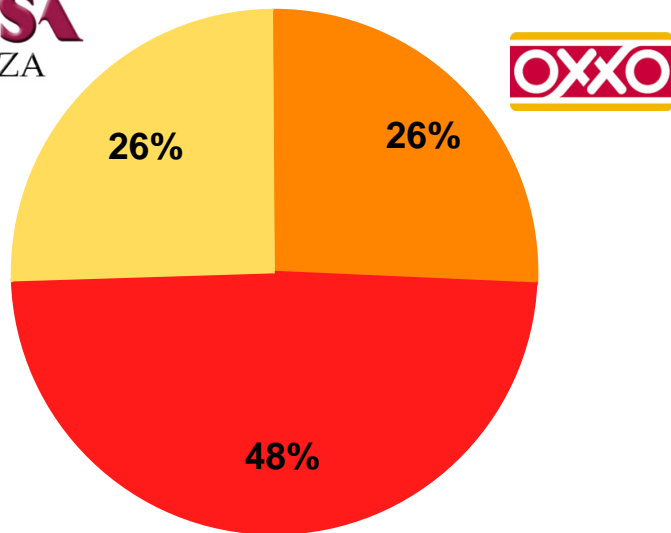
During this presentation management may discuss certain forward-looking statements concerning FEMSA's future performance and should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data.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

# FEMSA has a unique Beverage Platform

Total Revenue = US\$ 9,184 million

EBITDA = US\$ 1,950 million

**FEMSA**  
CERVEZA

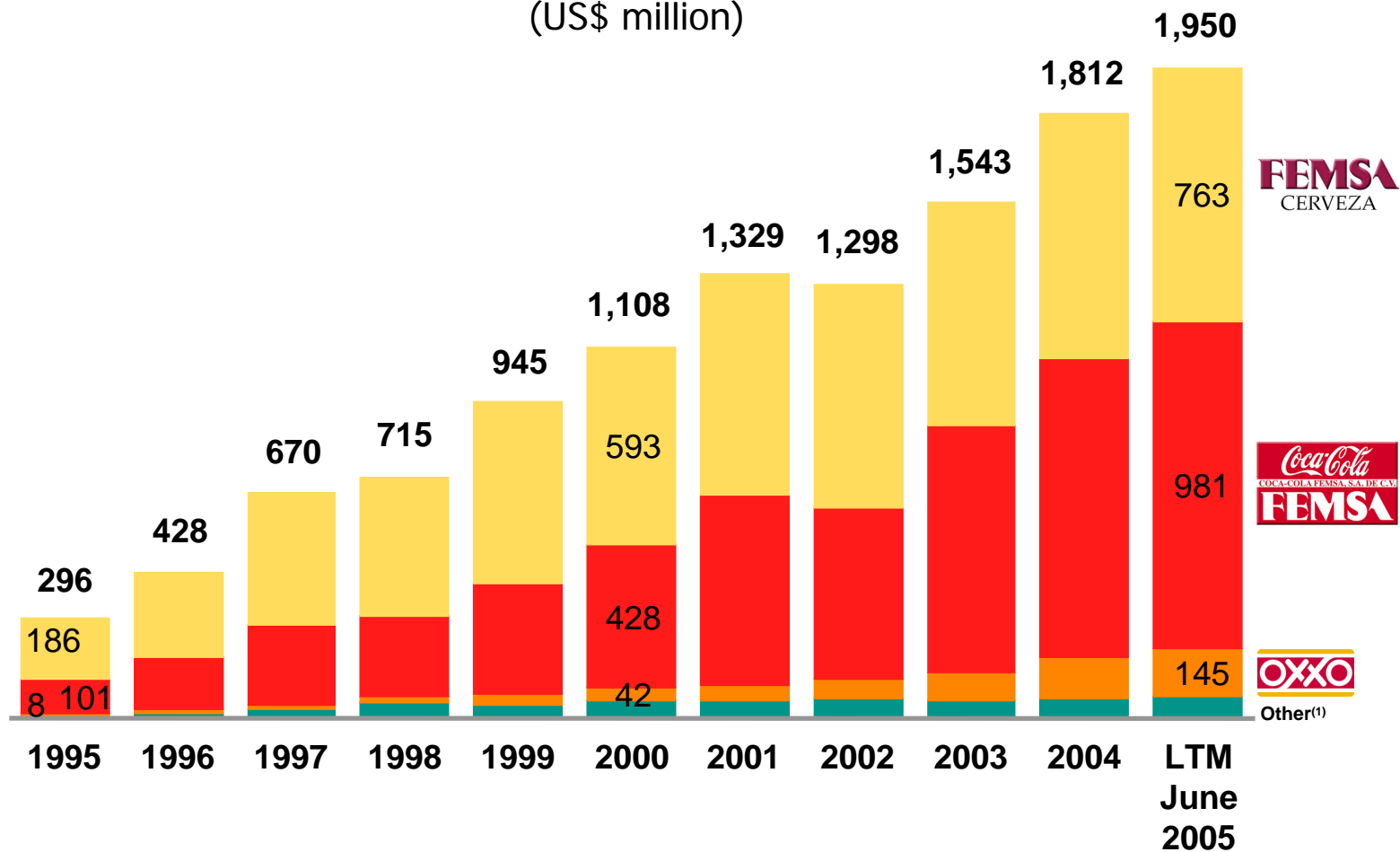


Last twelve months as of June 2005

# Focused on Growth

21% CAGR Since 1995

FEMSA's EBITDA  
(US\$ million)



# FEMSA CERVEZA

Generating Value Through Brand  
Differentiation and Retailer  
Segmentation Strategies



# Oriented Towards Profitable, Sustainable Growth

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From 1995 to 2004,

On average, each year in dollar terms, FEMSA Cerveza

- Increased its Revenues **10%**
- Increased its EBITDA **17%**

Expanding our operating margins every year...

# ...While Transforming Ourselves into Leaders

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A sample of our progress over the last 4 years

## *How we go to the market*

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

## *What we take to the market*

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

## *How we manage complexity*

- 90% of direct volume with ERP

# Leading Innovation in Mexico

## What consumers want...



New Products

Sol Brava  
Coors Light  
Kloster



Up-Sizing

Liter 1/4  
16 oz Can



Re-launches

Tecate  
Tecate Light  
XX Lager



Multipackaging

4 Packs  
12 Packs  
18 Packs  
24 Packs

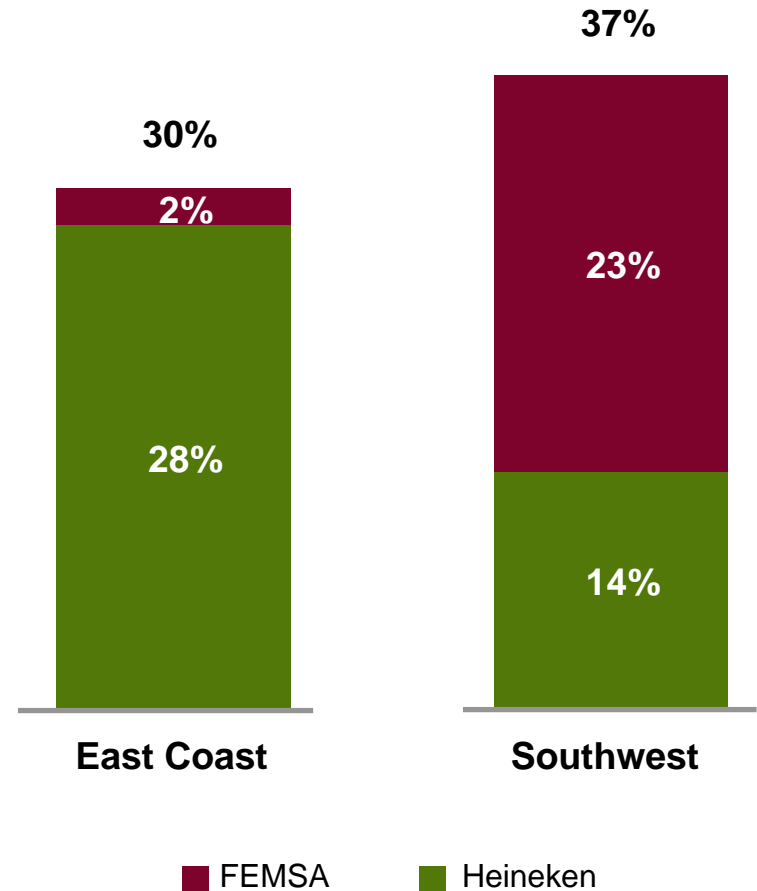


# Heineken Agreement is off to a Great Start

## Best partner for the U.S.

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

FEMSA and Heineken Share of Imports in U.S.<sup>(1)</sup>





# Looking Ahead

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## Long-term strategy for profitable growth

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

**FEMSA**

# Investment Highlights

- Largest Latin American beverage company
- Proven track record of profitable growth
- Significant growth potential across businesses
- Leading market position with strong brands
- Creating synergies within beverage platform



# FEMSA

