

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

Company Overview

2008

**FMX
LISTED
NYSE**



Safe Harbor Statement



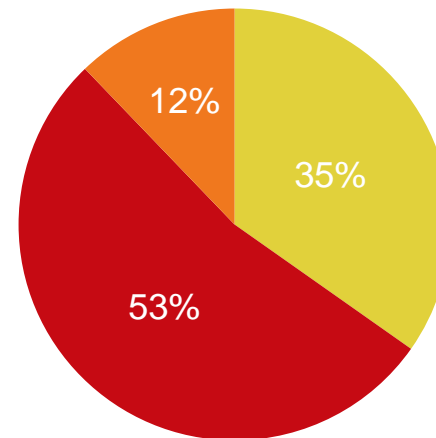
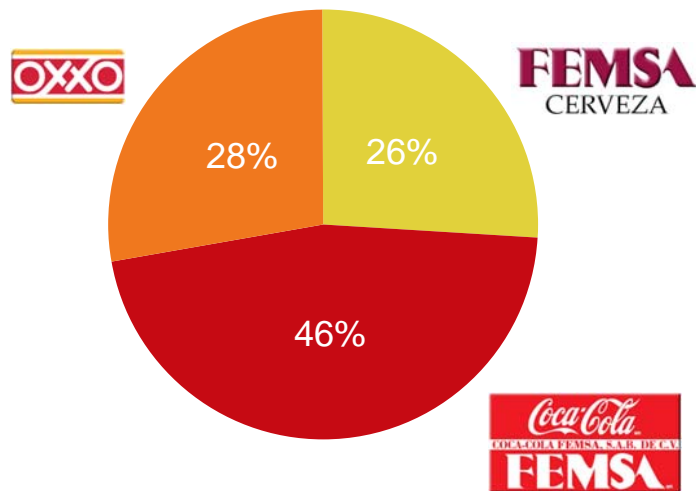
During this presentation management may discuss certain forward-looking statements concerning FEMSA's future performance that should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data.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

... with a simple corporate structure...



Total Revenue: US\$ 13.5 billion

EBITDA: US\$ 2.5 billion



Note: Information as of December 31, 2007.

... and an expanding continental footprint



Large Scale

- 2.1 bn unit cases of soft drinks
- 40 mm hectoliters of beer

Powerful Brands

- #1 in soft drinks in all regions
- #2 in beer in Mexico
- Significant player in US imports and Brazil

Efficient Production

- 30 bottling plants
- 14 breweries

Broad Distribution

- 9,000+ routes

Growing Consumer Base

- 1.8 mm+ retailers
- 200 mm+ consumers

Dynamic C-Store Platform

- Over 5,500 OXXO stores



Integration that works



Synergies

Strategic Distribution Channel



Scale

- Leveraging on procurement
- Shared Service Centers

Business Model

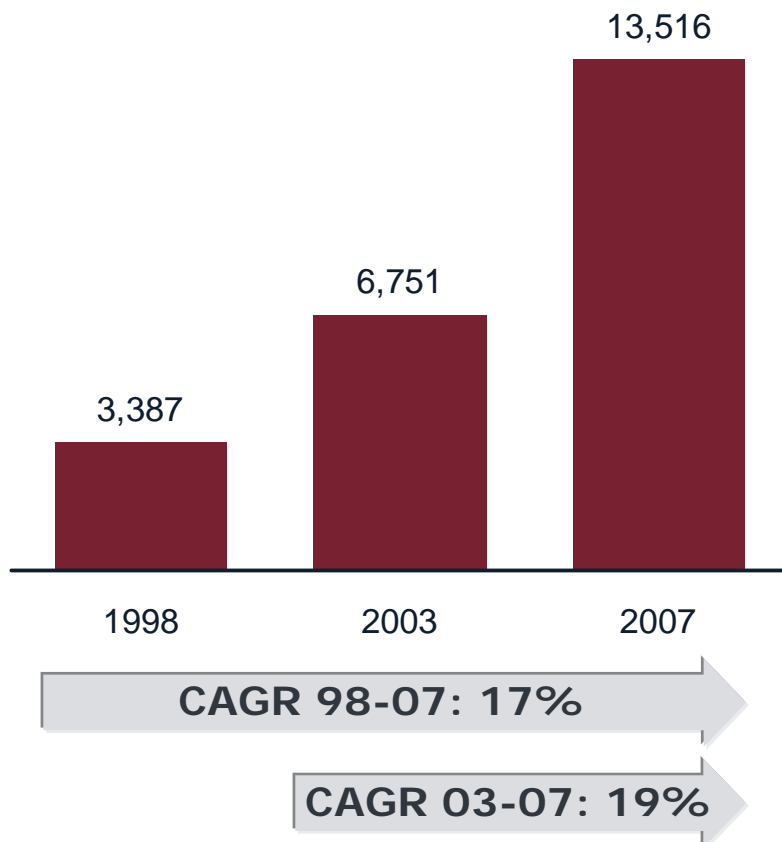
- Strengthening our market position
- Sharing best practices

- Beverage-based retailer
- "Lab" for new products/Consumer insights
- Reinforcing our price architecture

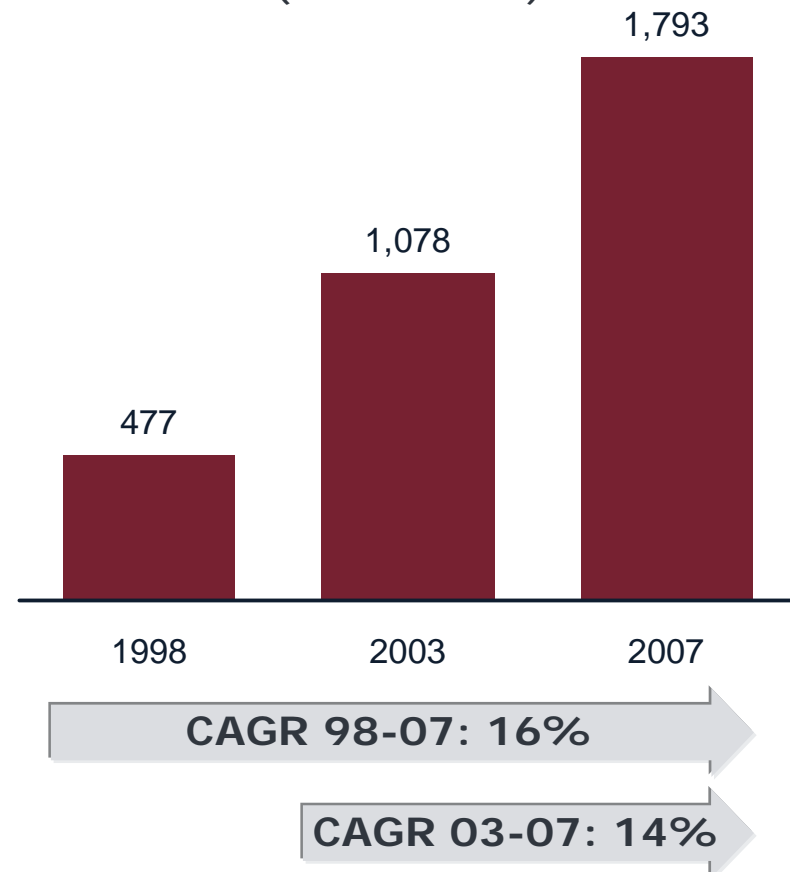
Delivering consistent growth



FEMSA Total Revenue (US\$ million)



FEMSA EBIT (US\$ million)



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

2007 Snapshot



Integrated beverage platform delivers results in a challenging year



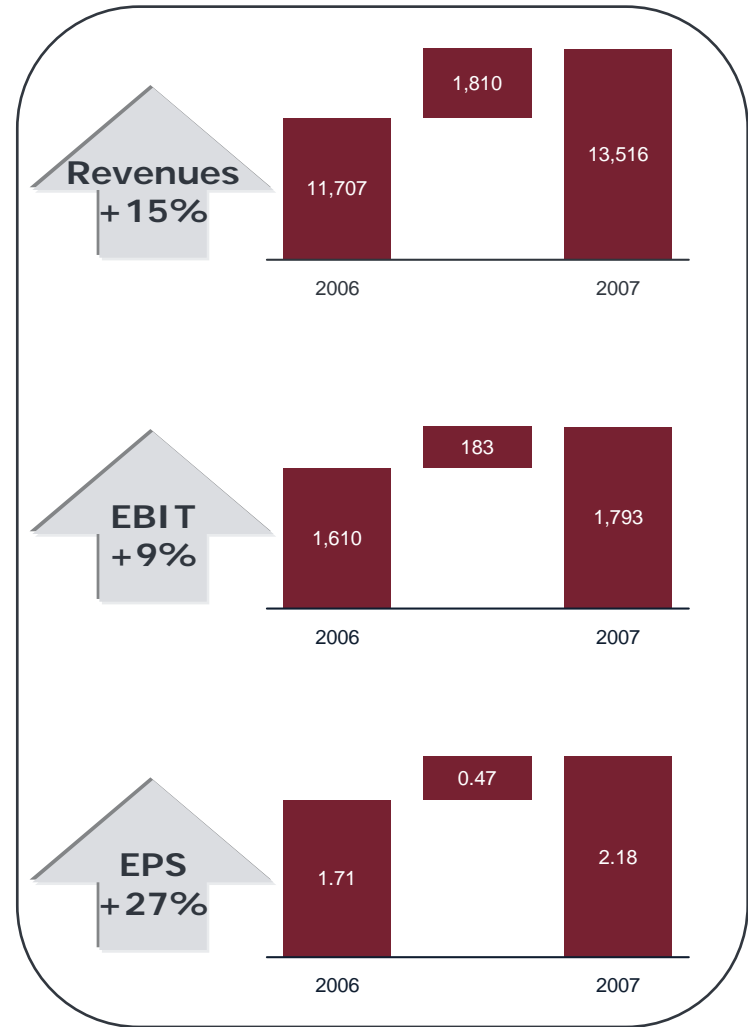
Positive trend slope in spite of continued raw material pressure and sustained marketing investments



Double-digit growth supported by a balanced geographic portfolio



Stellar results close to 40% EBIT growth, 100 basis-point margin expansion



Note: Figures in US\$ Million except for EPS. Mexican pesos converted to US dollars at the respective year-end exchange rate.

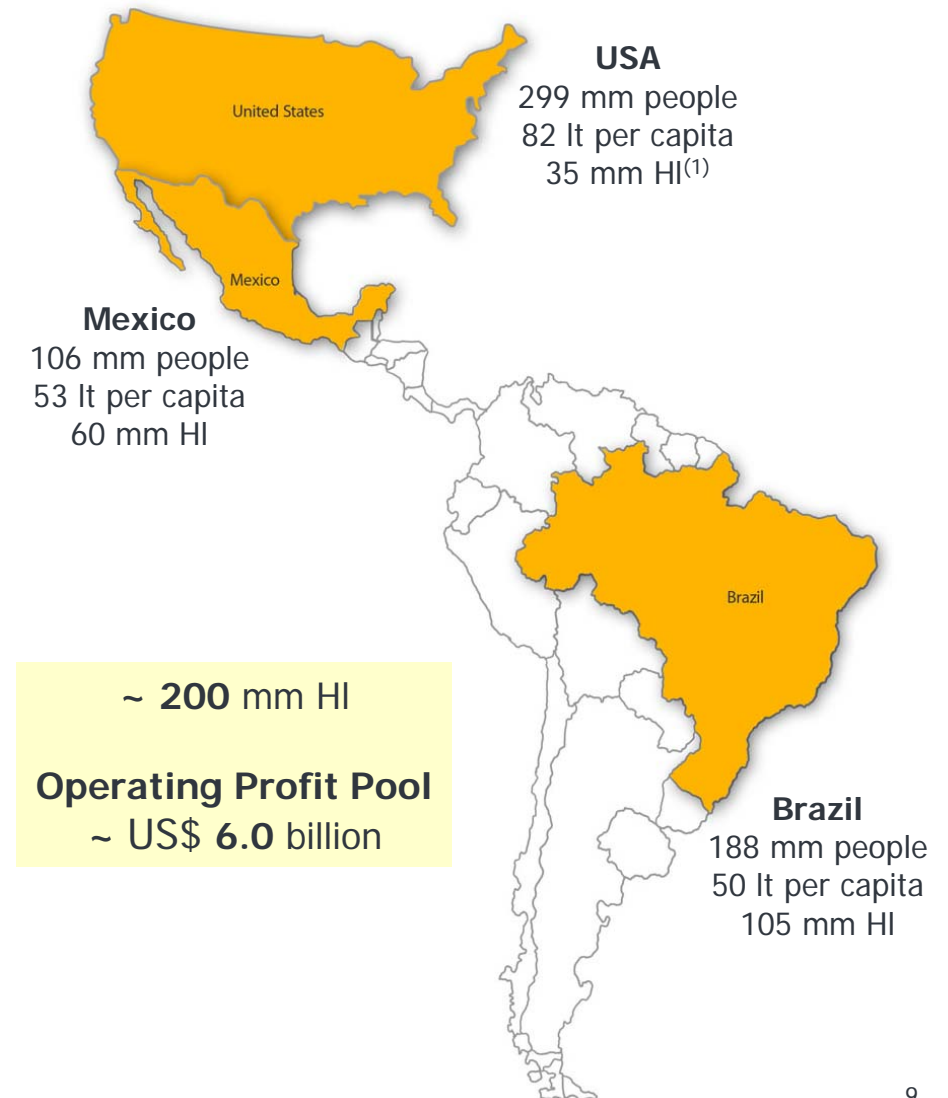


FEMSA
CERVEZA

Significant player in three top beer markets

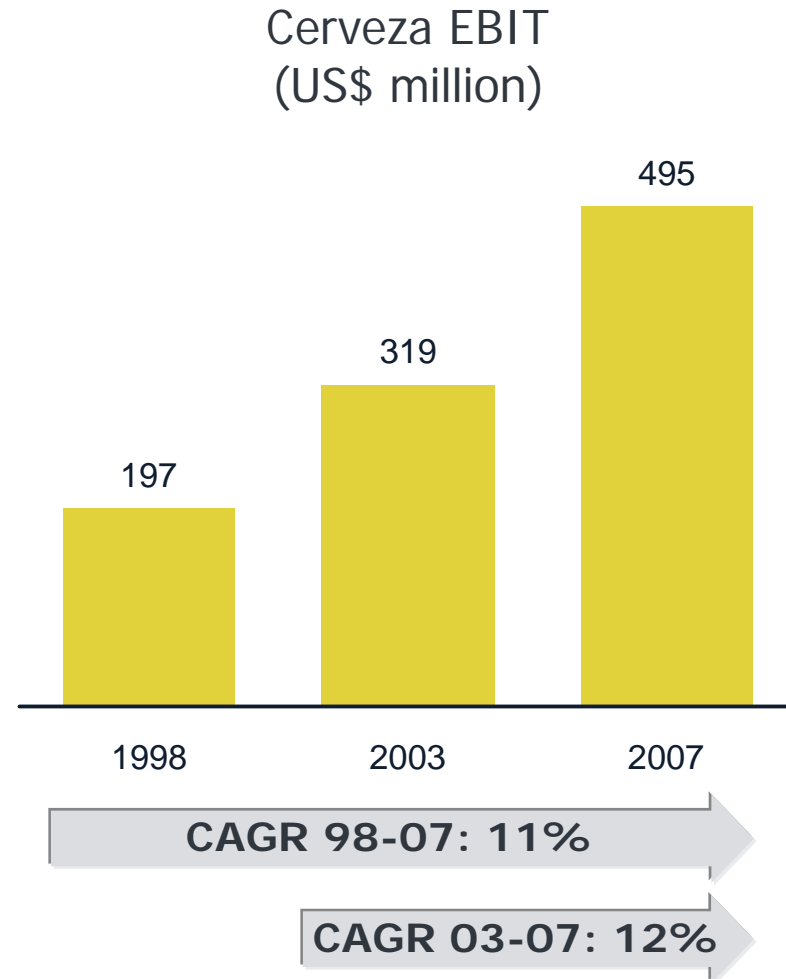
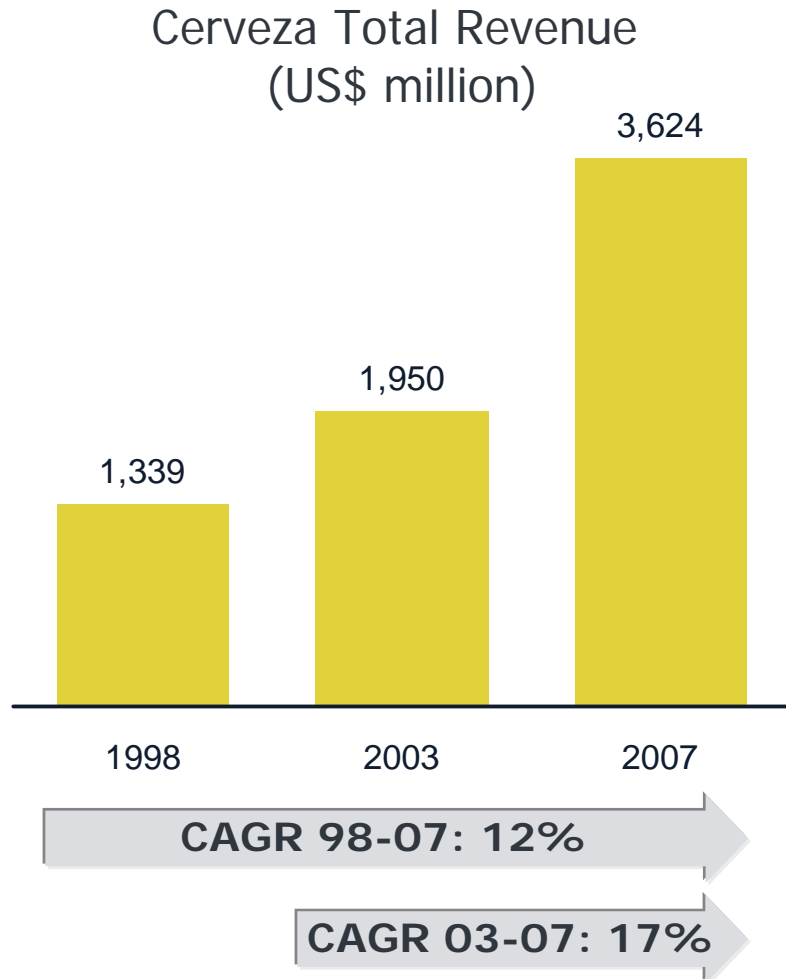


- **Mexico**
 - Three consecutive years of outgrowing the industry
 - Brand health indicators at all-time high
- **United States Imports**
 - Double-digit volume growth
 - Strategic complementary fit with Heineken
- **Brazil**
 - Business turnaround on track
 - Long-term profitable growth objective



Source: Alcoholic Drinks: Euromonitor from trade sources/national statistic
⁽¹⁾ Includes only volumen of U.S. import category.

Delivering consistent earnings growth



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

Mexico: A dynamic business model



Developing consumer-driven multi-segmentation

Product	Channel	Go-to-market
<ul style="list-style-type: none"> Liquids Packages Price-points 	<ul style="list-style-type: none"> Traditional Modern On-premise Off-premise 	<ul style="list-style-type: none"> Selling Delivery

Strengthening brands and fostering innovation



Customer Value Proposition

Cutting-edge IT and logistics to serve very fragmented markets

Refining go-to-market and execution models

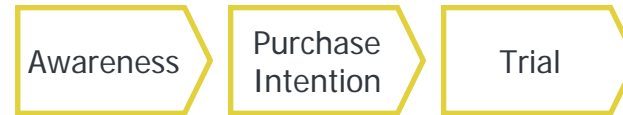


Targeted Brand-Building Strategy



Brand Value Building Process

Emerging Brands



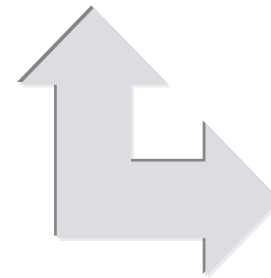
Acceptance

Frequency

Preference

Favorite Brand

Developed Brands



Favorite Brand Consumer Base (Δ Pp vs 2004) (Δ % vs 2004)

Market Position	Δ Pp vs 2004	Δ % vs 2004
Strong	+3.7	
Balanced	+7.2	+6.2
Developing		+15.3

USA: Long-term partnership Heineken USA- FEMSA Cerveza brands

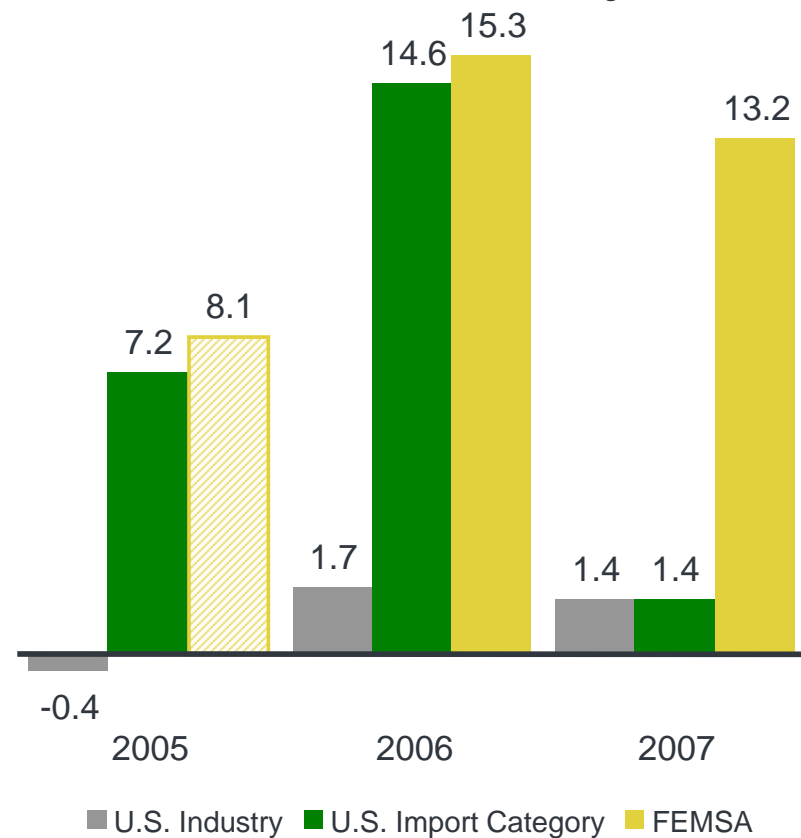


New 10-year agreement builds on 3- year success

- Align objectives and incentives to build brand preference and volume base
- Leverage on our complementary portfolio
- Strong presence in the on-premise channel and the East Coast markets



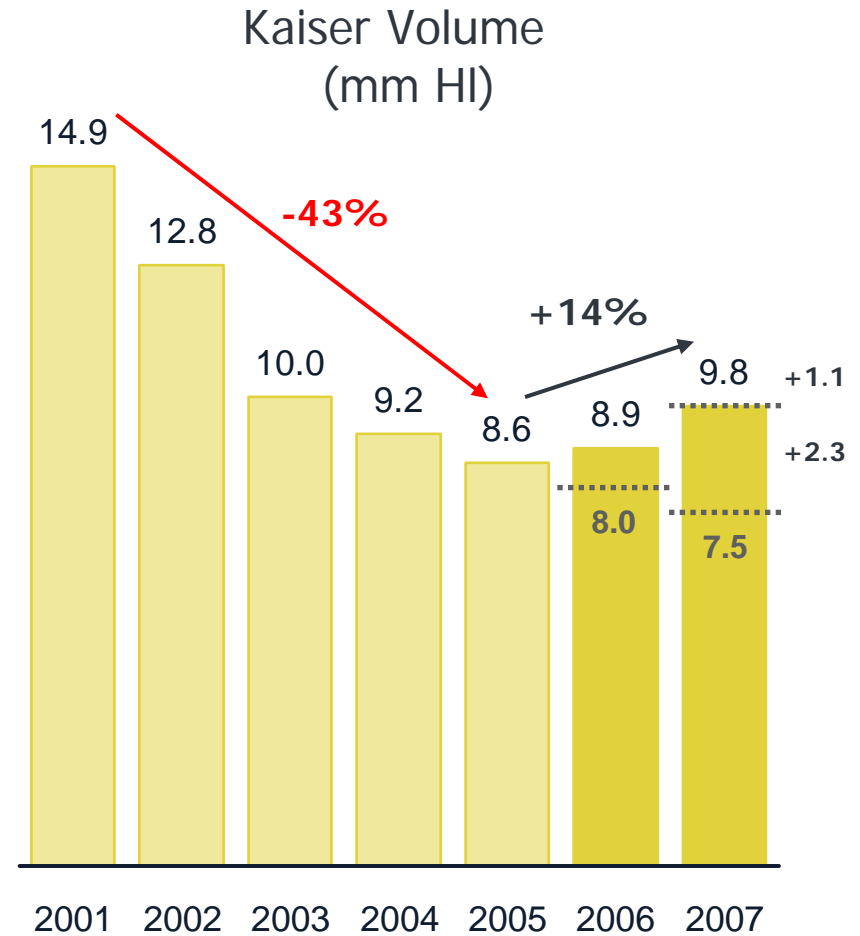
Vol. Growth of FEMSA Exports vs. U.S. Beer Industry (%)



Brazil: Taking steps in the right direction



- Revert sharp volume decline trend
- Stabilize financial losses, sourcing marketing funds
 - Positive EBITDA generation
- Improvements along the value-chain
- Adjust product portfolio
 - Repositioning existing brands
 - Complementing product portfolio through the successful introduction of *Sol* and new packages
 - Adjusting price architecture
- Improved alignment and coordination with the Coca-Cola system



Significant growth opportunities



Mexico and Brazil

- Low beer per-capita consumption markets
- Favorable macroeconomic environment and growing
- Broad-based, growing demographic pyramids
- Strong competitive position in Mexico and developing in Brazil
- Room for advanced multi-segmentation strategies and go-to-market models

USA

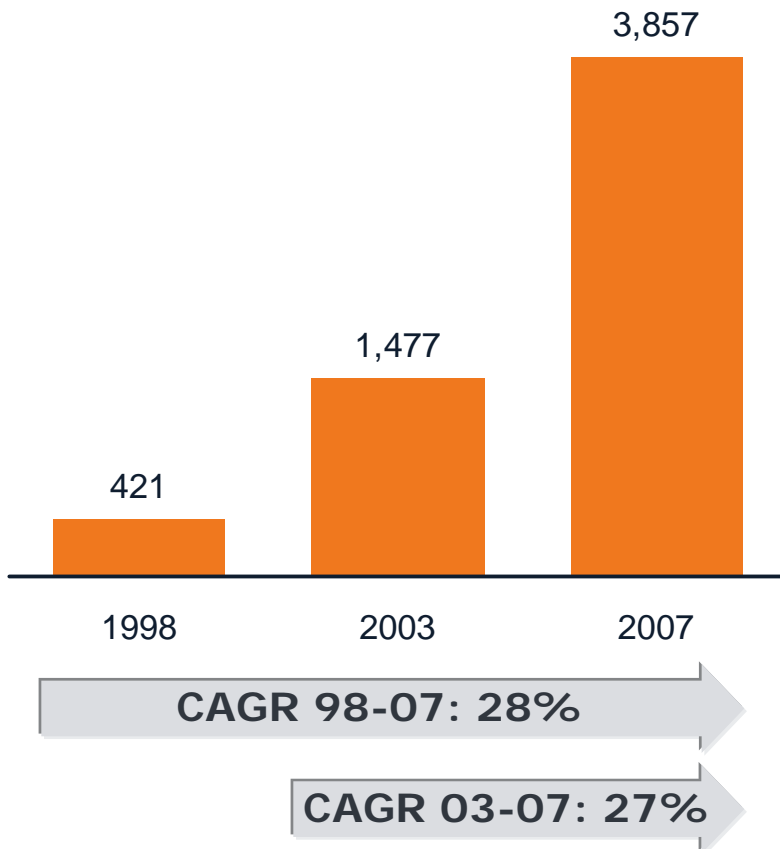
- Differentiated and complementary portfolio
- Room for increased coverage in the on-premise segment
- Fast-growing Hispanic demographic



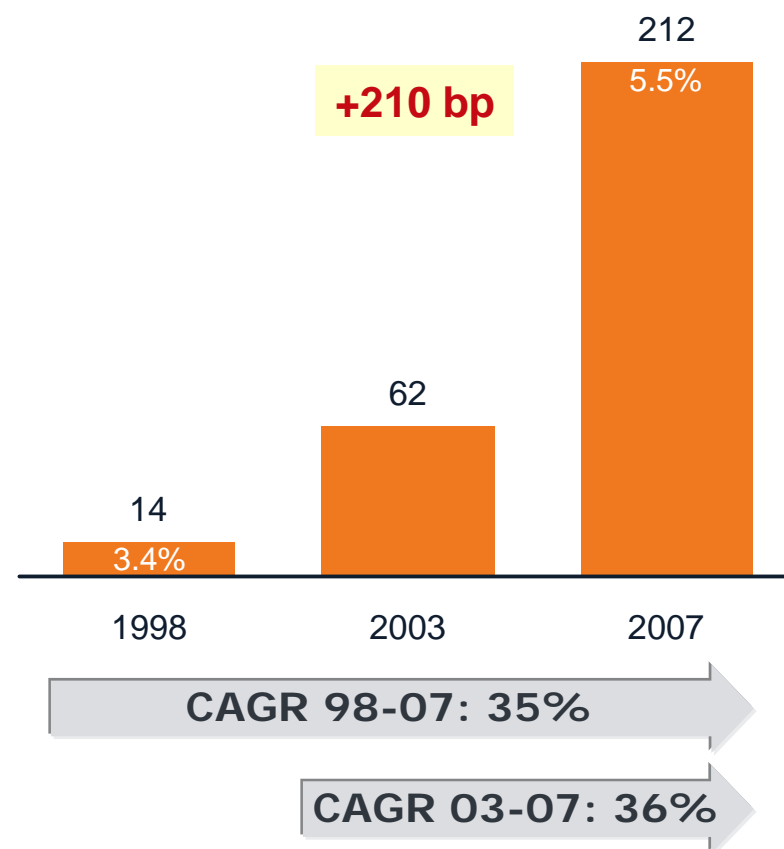
Accelerated profitable growth



Revenue
(US\$ million)

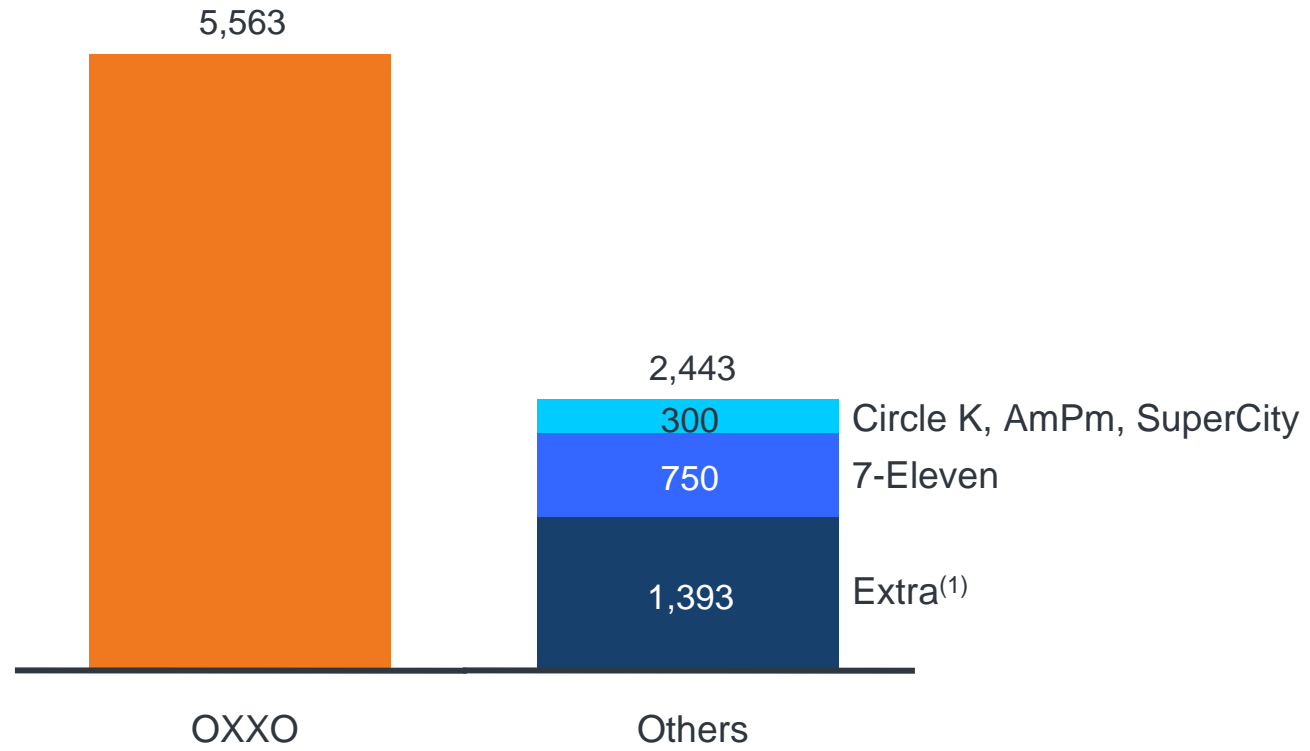


EBIT
(US\$ million)



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

Mexico's leading convenience store chain



- > 700 new stores openings per year
- Over US\$ 3.8 bn in revenues in 2007
- Reciprocal leverage with FEMSA beverage operations
 - Approximately 40% of Oxxo sales are beverage-related

Source: Company websites.

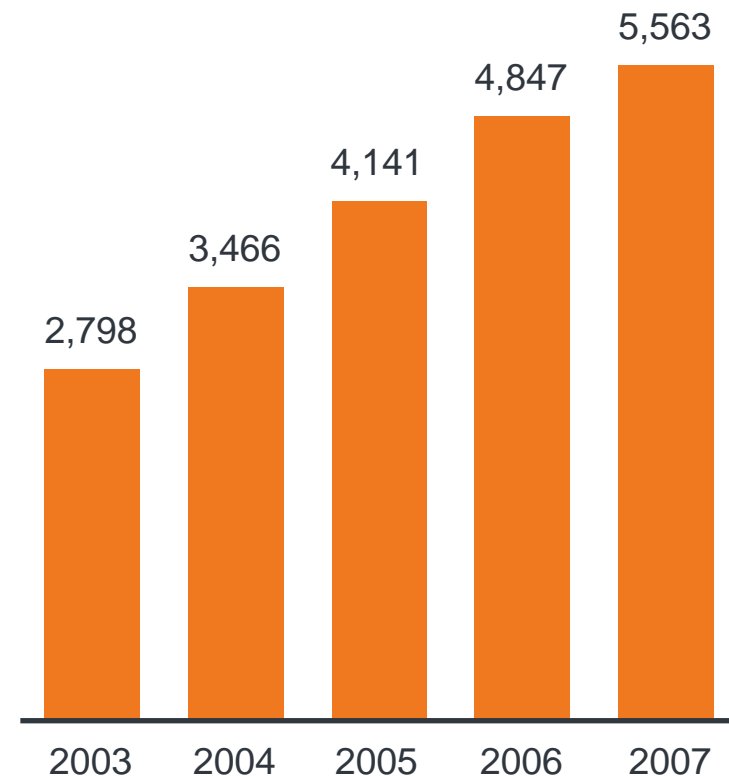
⁽¹⁾ Extra estimated net stores for year end 2007 according to company presentation.

Driving growth through expansion, execution and innovation



- > 5,500 stores and counting
- > 700 new stores per year
- Same-store sales real growth above industry
- Creating new profit streams
- Expanding margins
 - Leverage with suppliers
 - Category management
 - Efficiencies throughout value chain

Oxxo Stores



Plenty of room for growth



12,000 Oxxo's by 2015

Oxxo Penetration Level by Population



Source: INEGI and FEMSA estimates for the year 2007.

Building a strong infrastructure to enable a better value proposition



- 9 Distribution Centers opened past 4 years

- Oracle/ReTek – all stores on line

- Indulgence
- Replenishment
- Mixed

- Better Customer Value Proposition
- In-store Execution
- Auto-Replenishment



Significant growth opportunities



- Growing Mexican middle class
- Changes in consumption habits towards convenience
- Low Oxxo penetration in Central and Southern Mexico
- Unmatched footprint for service-provider partners
- IT systems in place to enable future incremental revenues and profit streams
- Potential to take Oxxo model beyond Mexico in the medium-term



Coca-Cola^{MR}

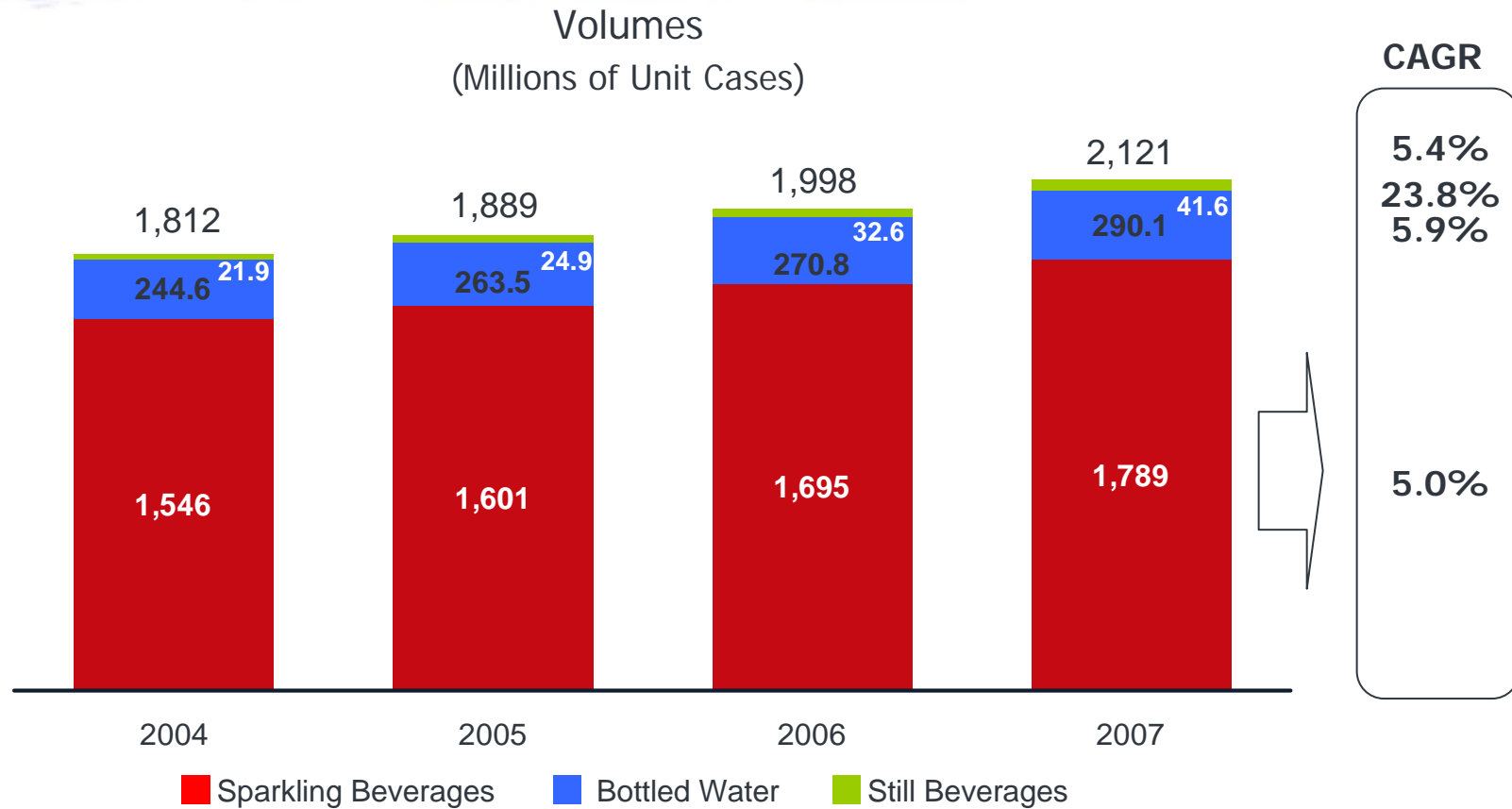
COCA-COLA FEMSA, S.A.B. DE C.V.

FEMSA^{MR}

KOF
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NYSE



Volume growth by category

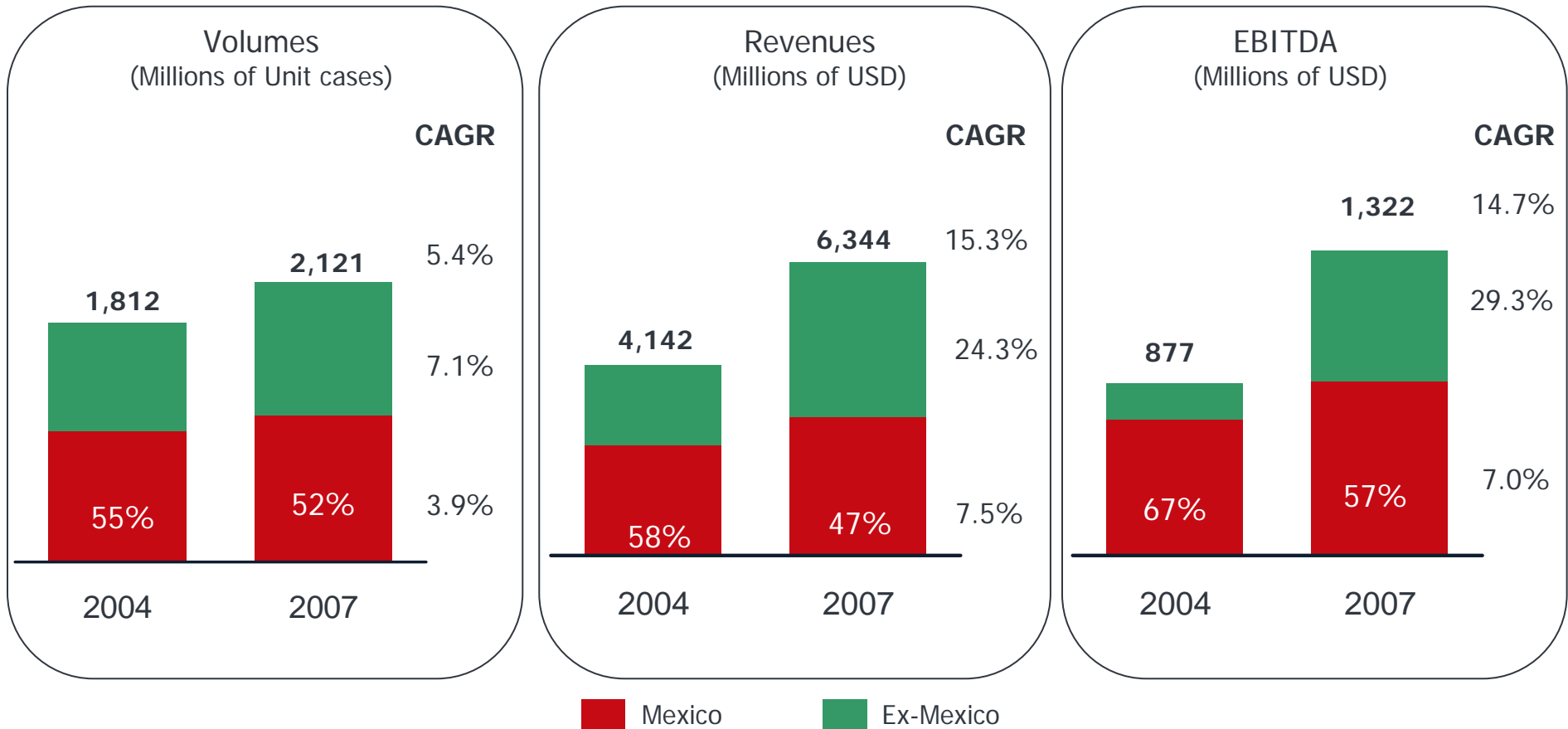


- Sparkling beverages still our core business, however water and emerging categories are growing at superior rates...

KOF transformation 2003-2007



- After the acquisition of Panamco, KOF has transformed itself into a balanced multi-national company

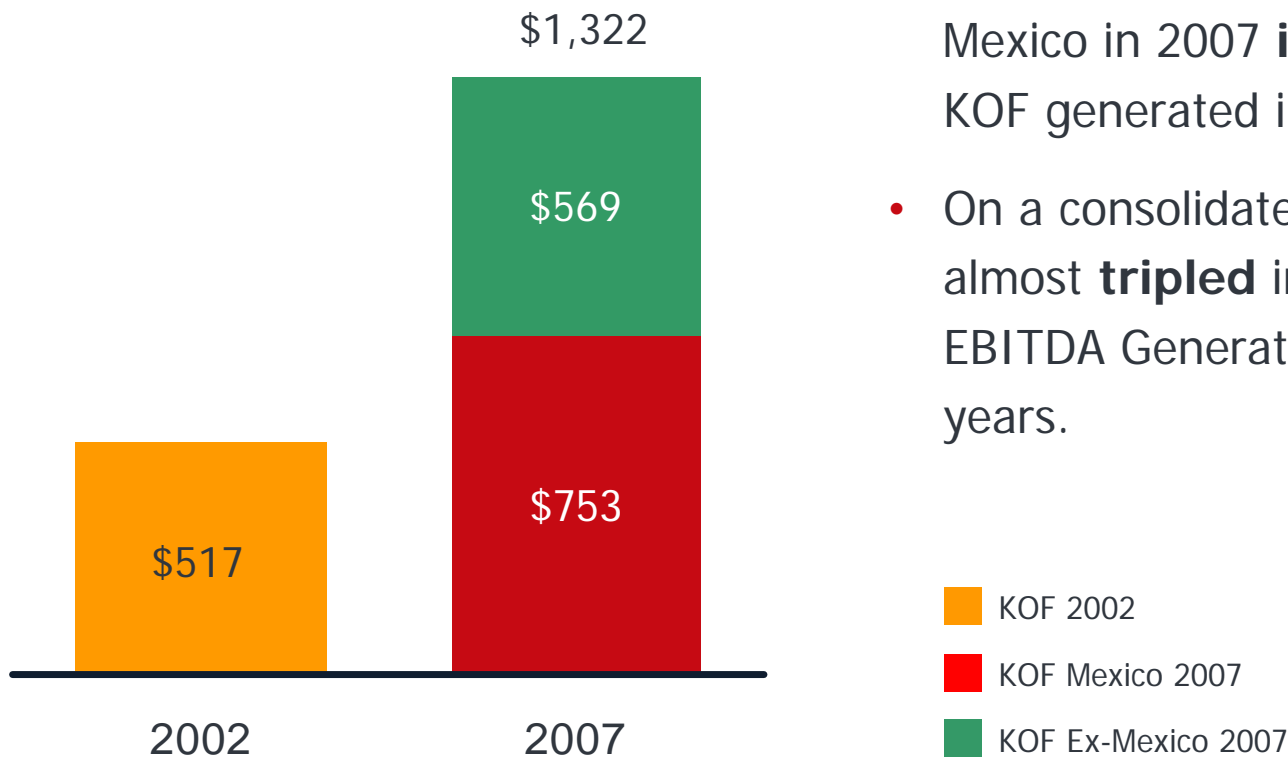


* Figures in Mexican pesos converted to US dollars at exchange rate from each period.

Value creation



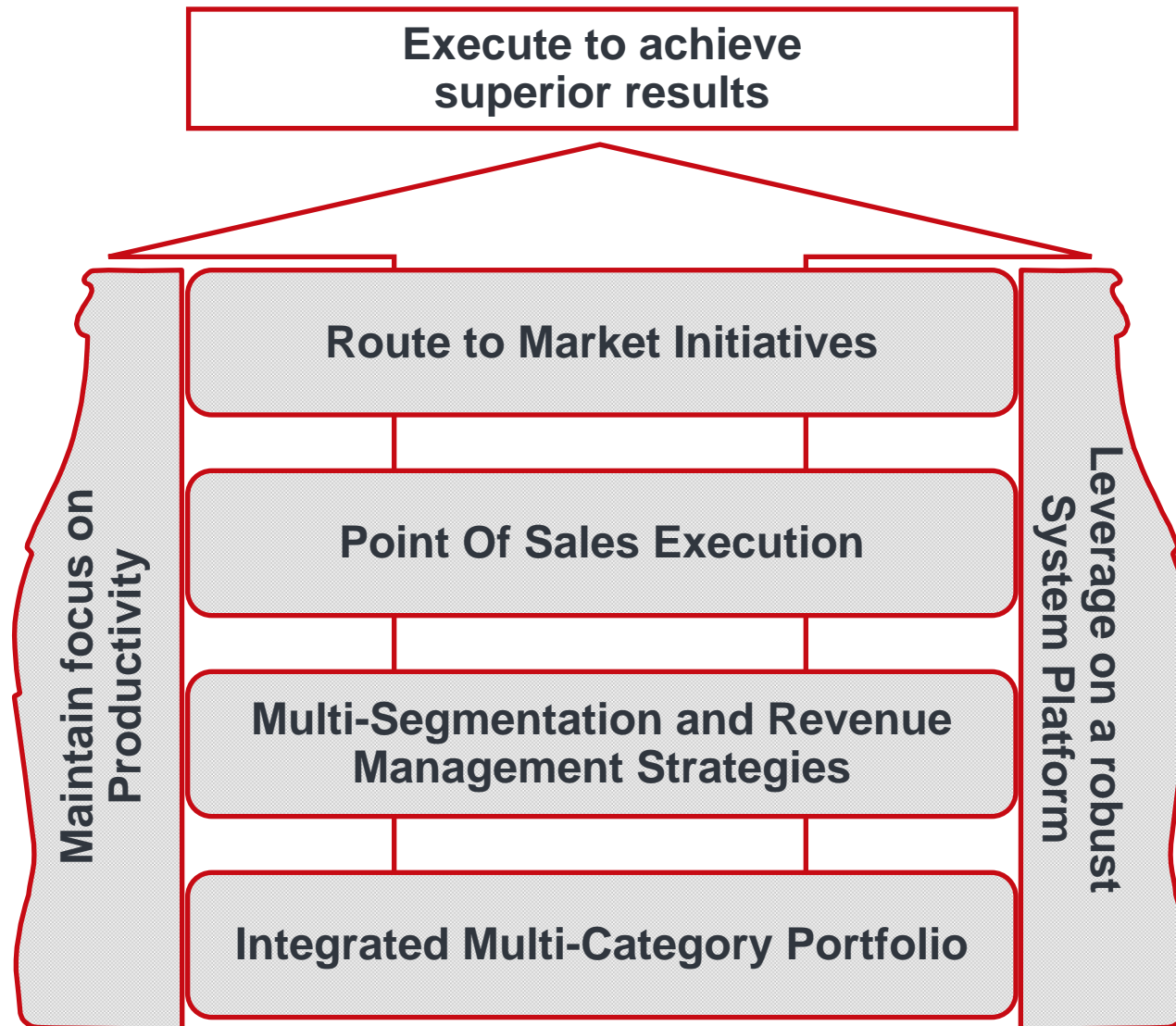
EBITDA
(Million of US)



- KOF's EBITDA generated outside of Mexico in 2007 **is higher** than the one KOF generated in 2002
- On a consolidated basis KOF has almost **tripled** in size in terms of EBITDA Generation during the last five years.

* Figures in Mexican pesos converted to US dollars at exchange rate from each period. See reconciliation table on page 37.

KOF Strategic Framework



Multi-Segmentation Strategies



- Multi-segmented approach to serve clients based on socio – demographic variables, competitive intensity, consumption occasion and consumer behavior at the POS...

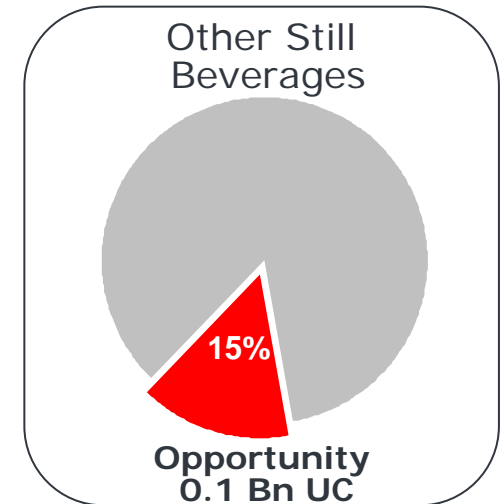
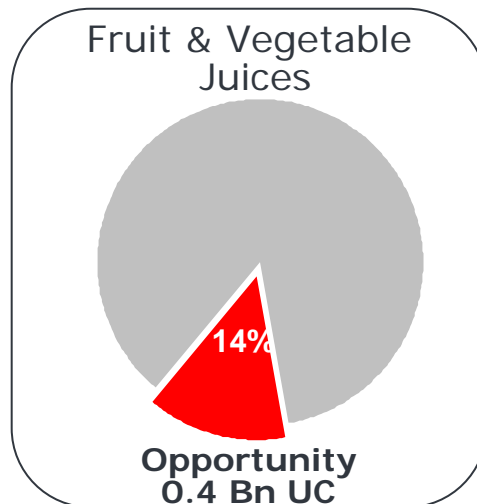
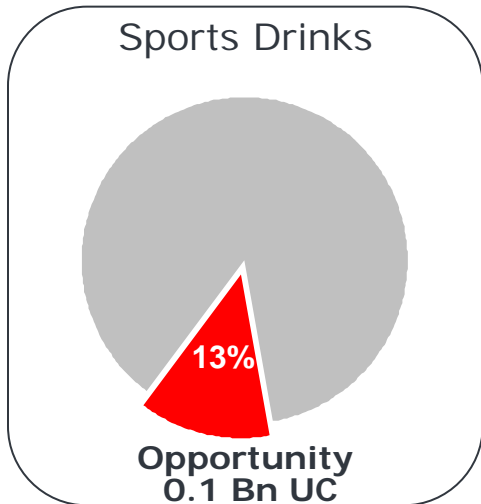
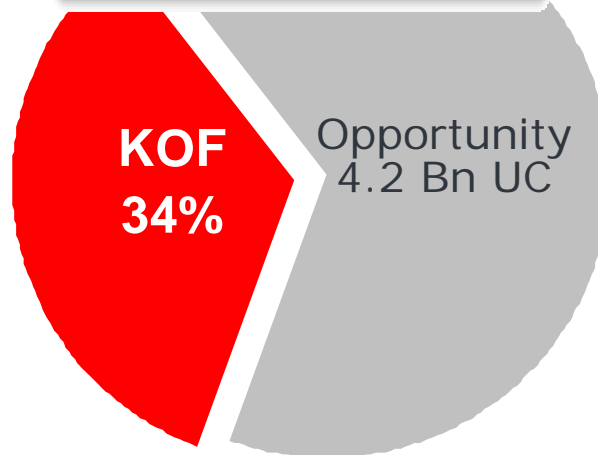
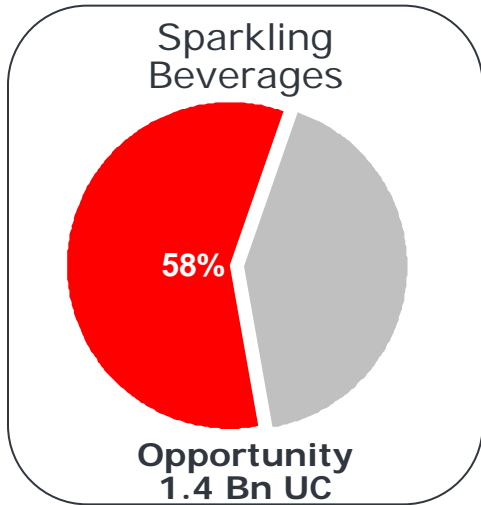


- Defining high priority SKU´s by cluster
 - Improve execution and assure the presence of our main packages
- Strong mobile computing technology
 - Strict POS Portfolio Management

Solid ongoing business, with great potential ahead



KOF Territories Total NARTD in 2007



Source: Euromonitor International 12/02/2008. Note: NARTD – Non-Alcoholic ready to drink.

A high-speed photograph of water splashing, creating a dynamic and energetic background. The water is captured in mid-air, with numerous droplets and bubbles visible. The color is a deep, clear blue, and the lighting highlights the texture and movement of the liquid.

FEMSA

Shareholder Structure

Current Structure



- In 1998, Mexican securities regulators authorized FEMSA to issue up to 49% of its capital stock in limited-voting shares. However, then-current legislation required that this limit be reduced to 25% by May 11, 2008
- Since 1998, FEMSA's shares have been bundled into two types of units: B Units and BD Units; both of which are listed on the Mexican Stock Exchange. ADRs representing ten BD Units are listed on the NYSE
- B Units are comprised solely of 5 B shares, whereas the BD Units are comprised of 1 B share, 2 D-B shares and 2 D-L shares
 - B shares have full voting rights, D-B and D-L have limited voting rights
 - D-B and D-L shares currently receive a 25% premium on dividends paid to B shares, and have the right to vote on significant corporate matters, as well as the right to name five members of the Board of Directors

Preservation of units to maintain orderly trading



- On May 11, 2008, absent further corporate action, the D-B shares will convert into B shares, and the D-L shares will convert into L shares. Furthermore, both the B and BD Units will be “unbundled” in Mexico
- After the Units unbundle, the B and L shares will trade independently on the Mexican Stock Exchange, and the NYSE-listed ADRs will represent a mix of shares
 - Each ADR will be comprised of 30 B shares and 20 L shares, but there will be no comparable traded security in Mexico
- In order to maintain an orderly trading market in the US and Mexico, FEMSA shareholders may vote to preserve the Unit structure, thereby ensuring that the ADRs continue to represent a security that is also traded in Mexico
- This matter will be presented for a vote at FEMSA’s shareholders meeting on April 22, 2008
- The approval of a majority of the UBD and ADR holders, voting as one class, will be required to preserve the Unit trading structure, and FEMSA management recommends that shareholders vote in favor of this proposal

In addition, current regulations allow us to present shareholders with the following election



- In addition to the proposal to preserve the Unit structure, FEMSA shareholders will have the opportunity to collectively choose between two share structures:
 1. Preservation of current share structure (B and D shares)
 2. Implement the conversion of D shares to B and L shares

	<u>1.- MAINTAIN CURRENT STRUCTURE</u> (51 – B / 49 - D)	<u>2.- IMPLEMENT SHARE CONVERSION</u> (75 - B / 25 - L)
Board Members elected by limited-voting shareholders	5	2
25% Dividend Premium to limited-voting shareholders	Preserved	Eliminated

1. Under Mexican Securities Law, all share types are entitled to vote on strategic corporate matters such as mergers, acquisitions or divestitures representing more than 20% of consolidated assets, changes in main lines of business, and delisting of securities
2. Under both scenarios, FEMSA's Control Group maintains ownership of voting shares above 50%

In sum, shareholders have two decisions to make



- FEMSA's Management recommends that shareholders vote in favor of maintaining shares bundled into Units to ensure orderly trading in Mexico and the United States
- Shareholders must also decide whether to preserve the current share structure, or allow the conversion of shares
- Both corporate actions will require a majority vote of each share class
- FEMSA's Voting Trust will vote in accordance with the majority of public shareholders
- FEMSA Management is encouraging your participation at the shareholders meetings to be held on April 22, 2008 so that these two matters can be resolved prior to May 11, 2008



FEMSA

FEMSA Investment Highlights



- Largest beverage company in Latin America
- Proven track record of profitable growth
- Leading market position with strong brands
- Unique and dynamic business model and capabilities
- Significant growth potential across markets

EBITDA Reconciliation By Division



In US\$ million

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Consolidated FEMSA										
Income from Operations	477	638	737	896	910	1,078	1,232	1,467	1,610	1,793
Depreciation	137	178	201	212	194	232	298	338	375	399
Amortization	102	137	179	192	198	232	280	314	346	355
EBITDA	717	952	1,117	1,300	1,303	1,542	1,810	2,119	2,332	2,547
FEMSA Cerveza										
Income from Operations	197	277	297	344	340	319	425	504	548	495
Depreciation	64	81	90	102	107	104	132	139	153	148
Amortization	54	72	108	121	134	151	182	202	219	221
EBITDA	315	430	494	567	581	574	739	844	920	864
Coca-Cola FEMSA										
Income from Operations	161	217	302	415	426	597	690	817	876	1,049
Depreciation	37	60	73	71	50	86	111	123	139	151
Amortization	46	54	59	53	44	59	97	115	117	123
EBITDA	244	331	434	539	519	742	898	1,055	1,131	1,322
FEMSA Comercio										
Income from Operations	14	24	29	31	47	62	82	118	149	212
Depreciation	4	5	7	8	9	12	19	30	38	50
Amortization	3	4	6	9	9	12	21	26	34	39
EBITDA	22	33	42	48	64	85	122	175	221	301

Note: Figures in nominal pesos as of the reported year and converted into US\$ for each respective year's ending exchange rate.