



# FEMSA

FMX  
LISTED  
NYSE



FEMSAUBD

## Safe harbor statement

The FEMSA logo is a dark red, circular emblem with a scalloped, gear-like border. The word "FEMSA" is written in a bold, white, sans-serif font across the center of the emblem.

**FEMSA**

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.

Agenda



**FEMSA**

FEMSA

OXXO

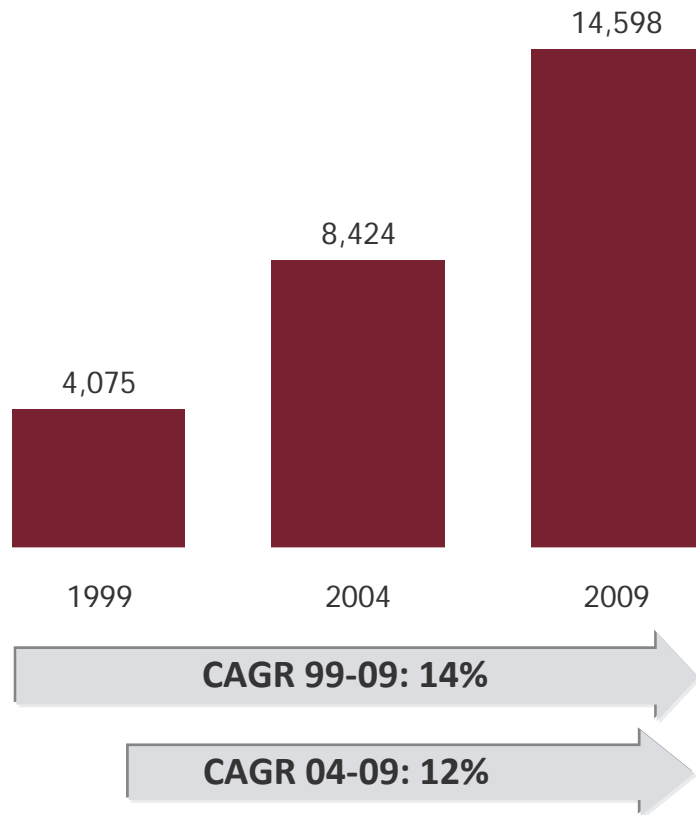
Coca-Cola FEMSA

# Delivering consistent double-digit growth

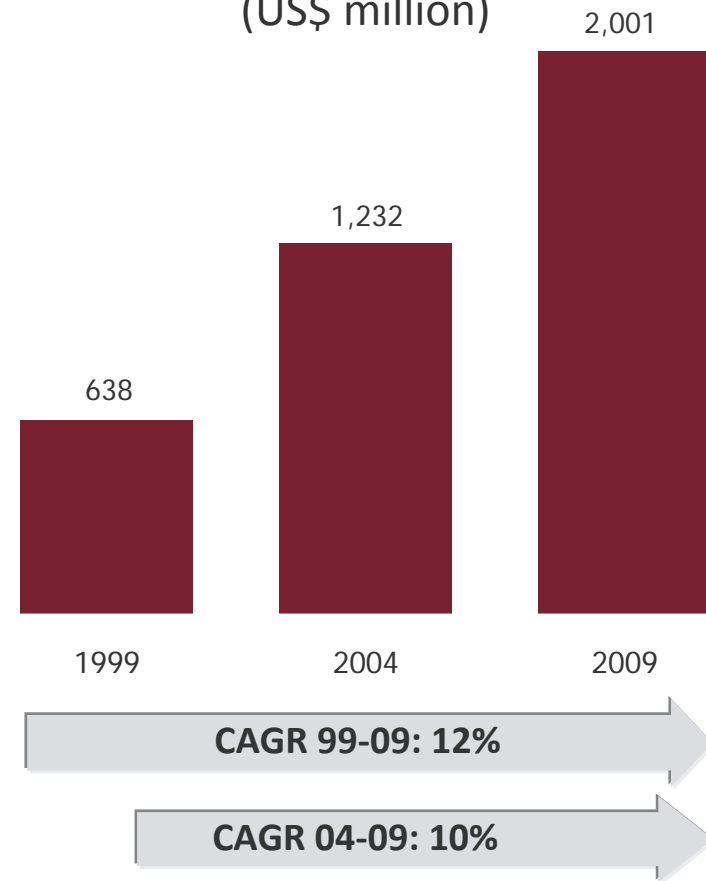


**FEMSA**

Total Revenue  
(US\$ million)



EBIT  
(US\$ million)



Note: 2009 figures in nominal Mexican pesos converted to US dollars using average exchange rate of the year, prior figures in constant pesos as of year end and converted to US dollars using the period-end exchange rate.

# FEMSA 2009 snapshot



**FEMSA**

Despite facing mid-single-digit GDP contraction in its markets, FEMSA delivers double-digit Revenues and EBIT growth



Strong pricing and operating expense containment offset raw material and FX pressures, resulting in 9.3% EBIT growth

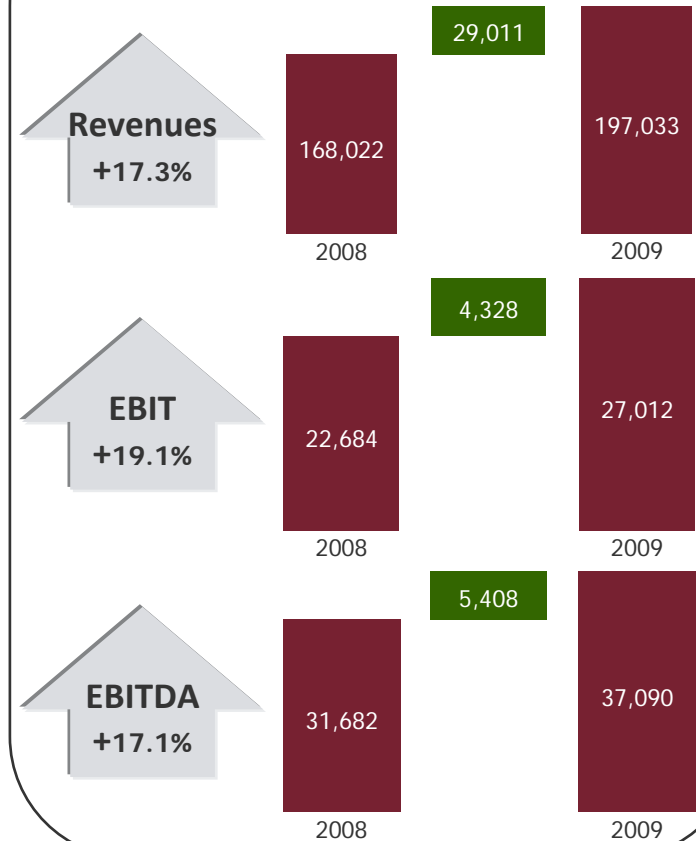


Double-digit EBIT growth supported by operations in Latincentro and Mercosur, and stable growth in Mexico



Stellar results delivering approximately 45% EBIT growth and 180 basis-point margin expansion

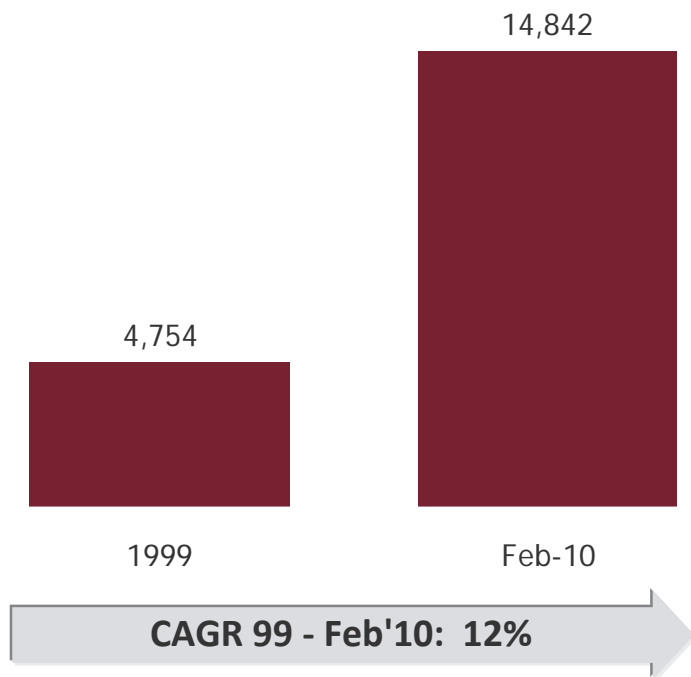
**FEMSA**  
(Millions of Pesos as reported)



# Creating economic value during the last decade

FEMSA

FEMSA Market Cap Evolution  
(US\$ million)



- Consistently strengthening our competitive position
- Ability to operate in a rapidly changing economic environment
- Strong brand portfolio and exceptional operational capabilities

## FEMSA to exchange beer operations for 20% economic interest in Heineken



**FEMSA**

- FEMSA becomes the second largest holder in Heineken, and obtains right to appoint two members to Heineken NV Supervisory Board



- Transaction Value of US\$7.4<sup>(1)</sup> billion, includes US\$2.1 billion of assumed net debt<sup>(2)</sup> with implied EBITDA<sup>(3)</sup> multiple of 10.9X
- Transaction has been approved by FEMSA Board of Directors, subject to shareholder and regulatory approval and expected to close in 2Q 2010

(1) Based on respective closing prices of Heineken NV and Heineken Holding as of Jan. 8, 2010 and an € -US exchange rate of 1.4415.

(2) Net debt and other liabilities assumed by Heineken includes: i) Bank debt registered or to be transferred to Cerveza; ii) the mark-to-market of hedging instruments relating to financings (interest rates and currency); iii) intercompany loans to Cerveza; and iv) liability associated with unfunded pension at Cerveza, net of cash and cash equivalents to be transferred to Heineken.

(3) Comparable EBITDA last 12 months reported as of Sept. 30, 2009, adjustment reflect non-cash amortization of customer agreements as a cash expense, and converted from MXN to US at the average of the "fixed" rate published by Banco de México.

## Transaction rationale

FEMSA

- Ongoing reconfiguration of the global brewing industry and the resulting need to increase scale and geographic reach to compete effectively, FEMSA has transformed its beer operations in a 20% economic stake in Heineken
- Heineken presented us with the most compelling opportunity
- Heineken has the global footprint, scale, brand building and innovation capabilities, as well as the only truly global beer brand to compete and win on a global scale
- FEMSA's potential for long-term value creation is enhanced by this investment and we expect to contribute significantly to Heineken's success globally and particularly in Mexico





# FEMSA going forward

FEMSA

FEMSA

53.7%



Largest Coke bottler in Latin America, second largest in the world

100%



Market leader and fastest growing retail chain in Mexico

20%



The world's most international brewer

- Combined strength of balanced positions in three leading iconic branded companies should provide significant opportunities for further growth and generate compelling investment returns
- FEMSA has achieved considerable financial and strategic flexibility as a result of this transaction
- Transaction enables FEMSA to focus and concentrate efforts on Coca-Cola FEMSA and OXXO, continue developing operational excellence, maintain dominant market positions and tap potential growth through acquisition opportunities
- Benefit from participation in Heineken's future value creation

Agenda



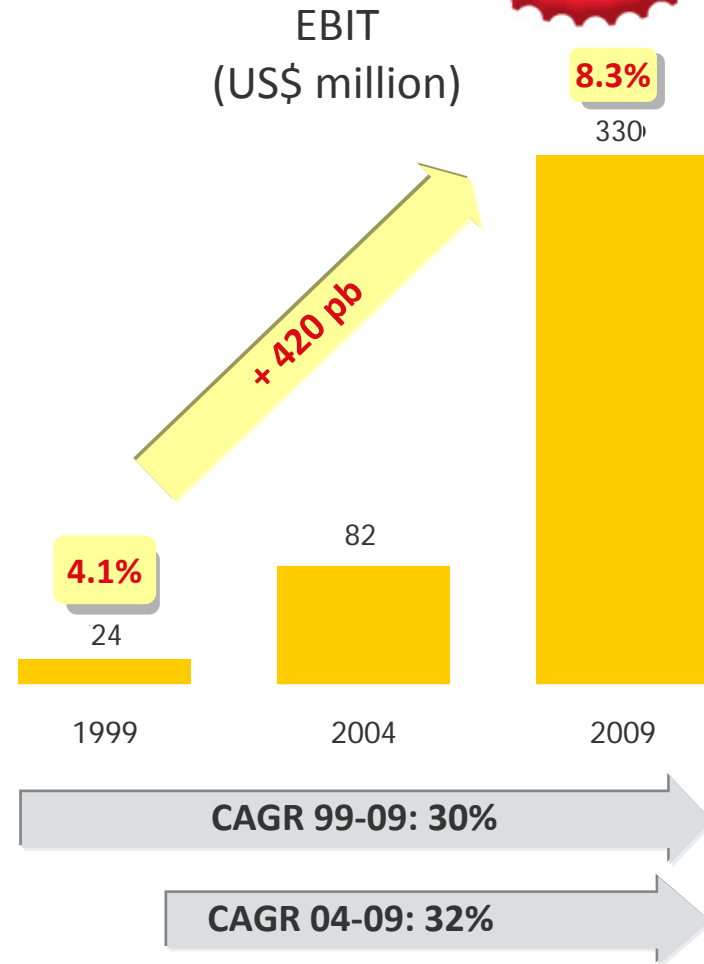
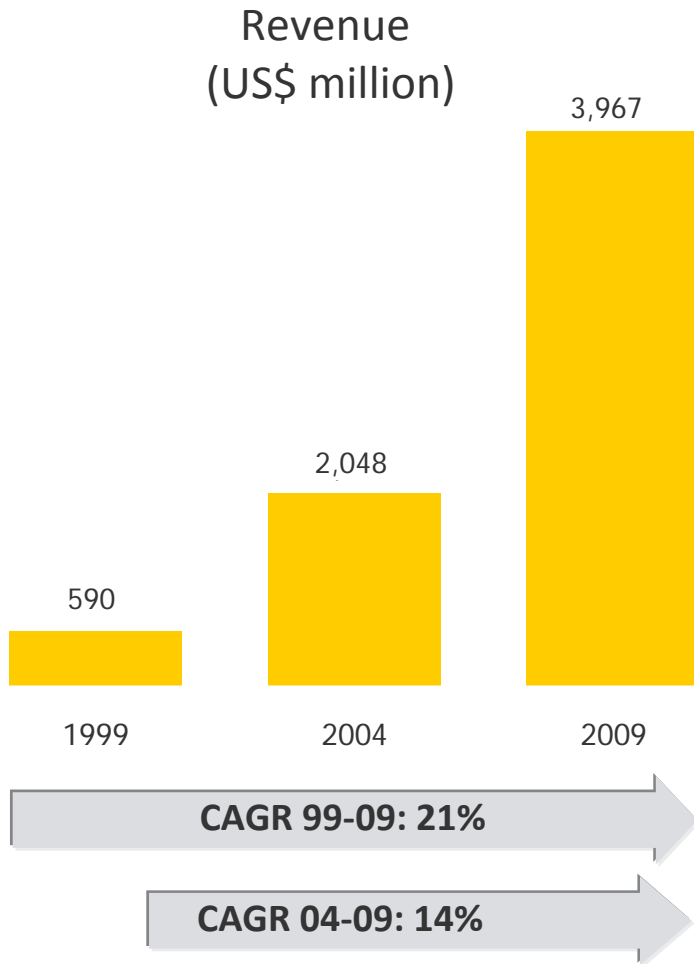
**FEMSA**

FEMSA

OXXO

Coca-Cola FEMSA

# Accelerated profitable growth



Note: 2009 figures in nominal Mexican pesos converted to US dollars using average exchange rate of the year, prior figures in constant pesos as of year end and converted to US dollars using the period-end exchange rate.

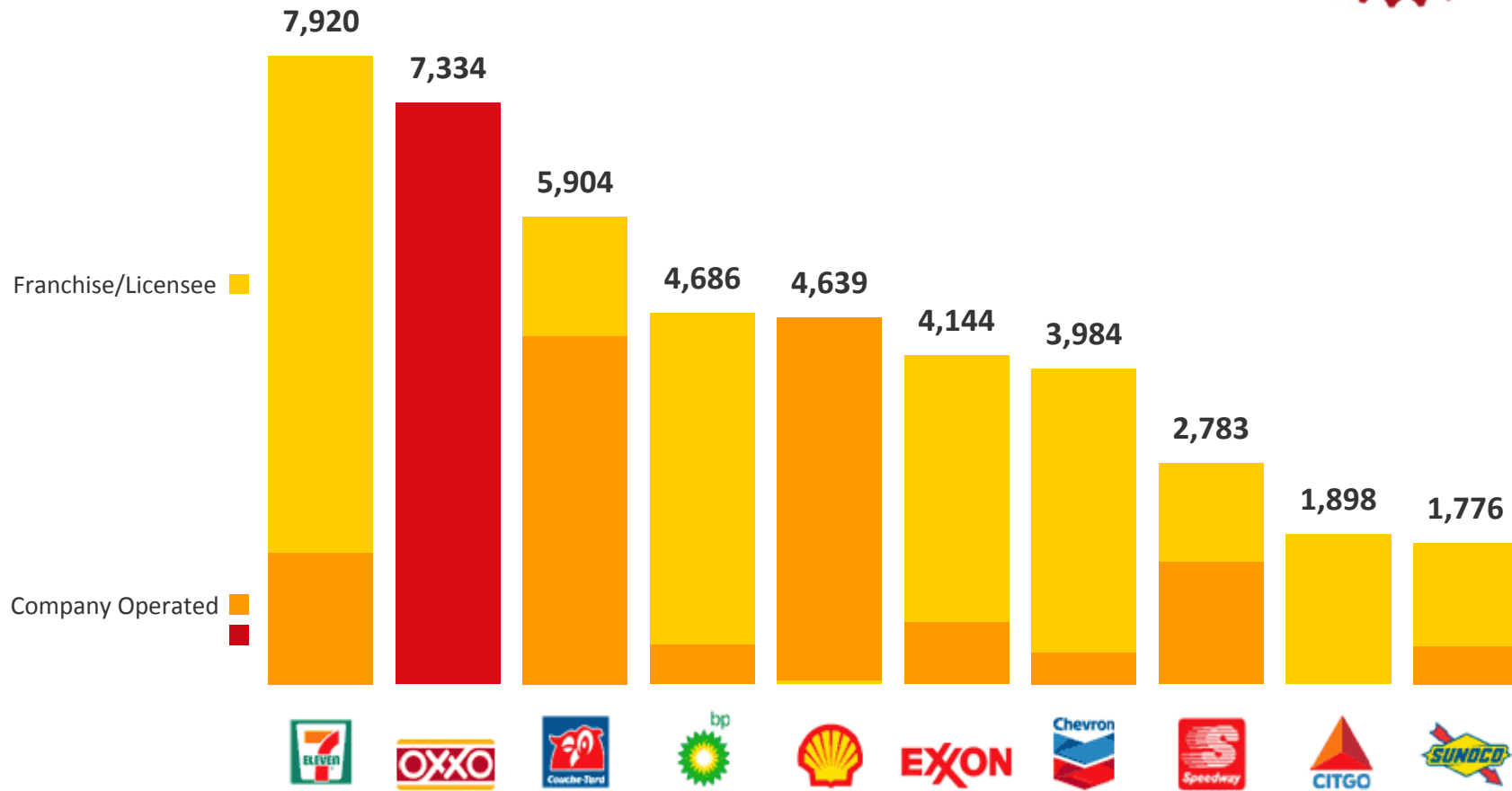
## OXXO going forward



- Maintain focus on OXXO's extraordinary growth potential across Mexico and other suitable markets
- Be the most successful convenience store operator
- Continue driving agenda to define the convenience category in the region through the evolution of our value proposition

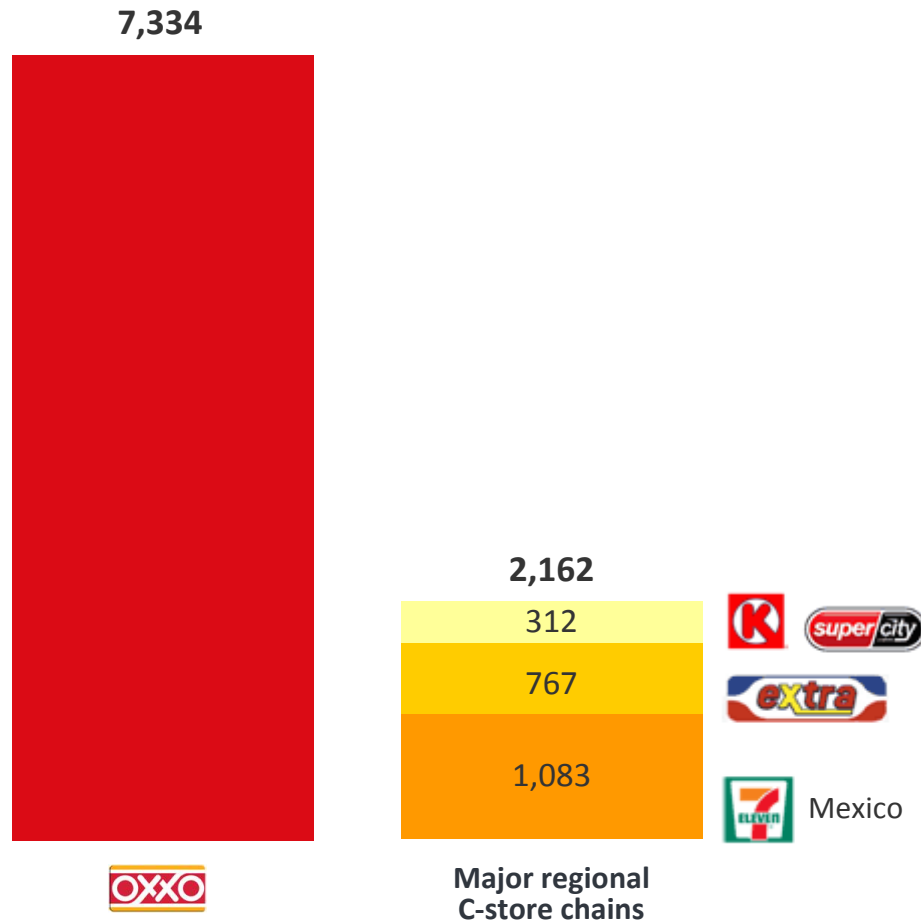


# The largest company-operated store chain in the Americas



Note: 7 Eleven includes US, Canada and Mexico Operations, Alimentation Couche-Tard includes Canada Operations.  
 Source: CSNews "Top 100 US Convenience Store Companies, 2009."

## ...and Mexico's leading convenience store chain



- An effective and rapidly growing sales channel for several categories in Mexico driving an important portion of their growth
- The only truly national convenience store chain with over five million transactions per day and surpassing two billion transactions in 2009

# Strategic tools enabling us to continually expand our range of one-stop products and services



## Strategic Dimension

Store Base Growth



Differentiation

- Segmentation
- Customer Service



Replenishment Base Indulgence

Category Development

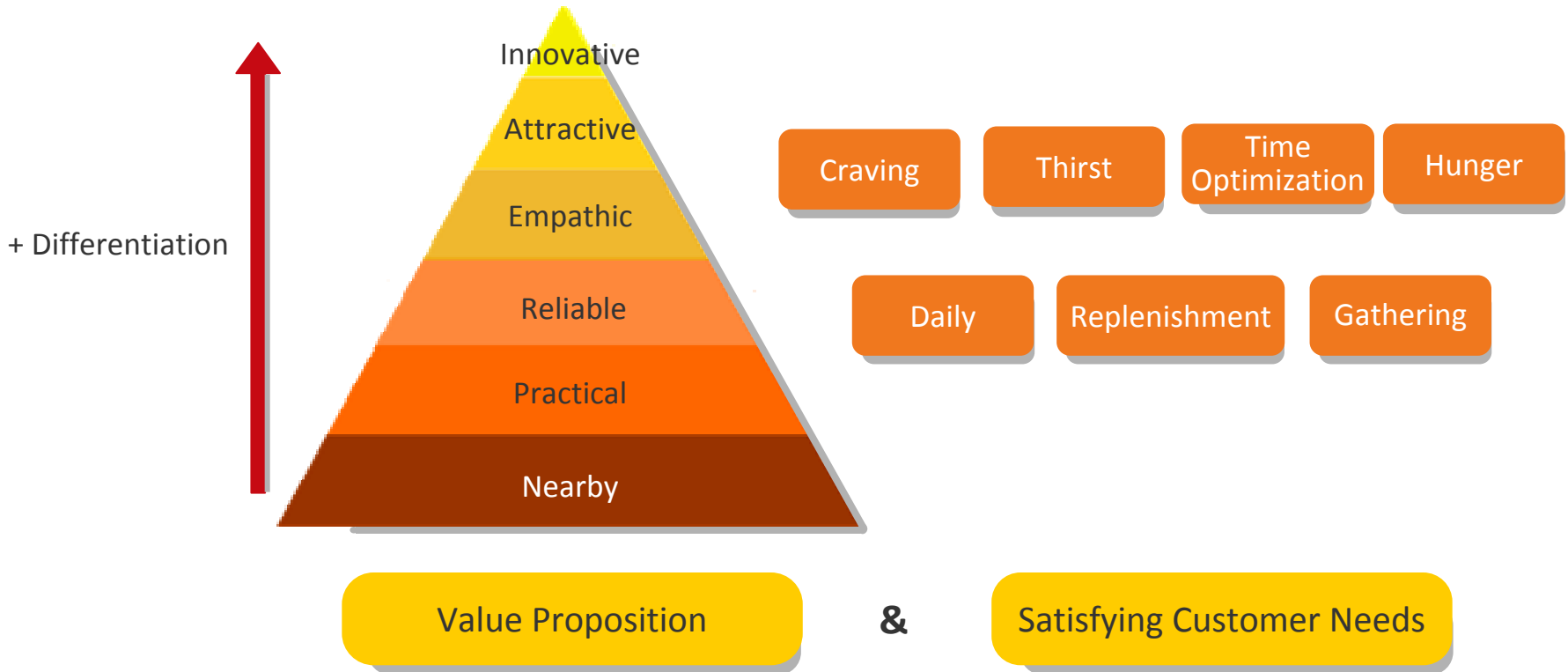
- Fast Food & Services



# Developing our value proposition to satisfy our customer needs



## Customer Dimension





# OXXO momentum continues



## Financial Dimension

### OXXO Store Base Growth



### Δ Sales/ Margin per Store

- New objective of 12,000 stores by 2014
- Driving profitability and margin expansion by leveraging supplier and category management, together with operational efficiencies

# Building capabilities to achieve competitive advantage



## Core Competencies

Organization

+

Supply Chain

+

IT and Processes

+

Execution



Productivity and Efficiency

Culture: Values, Leadership, Service, Coordination, Collaboration, Good Neighbor

Agenda



**FEMSA**

FEMSA

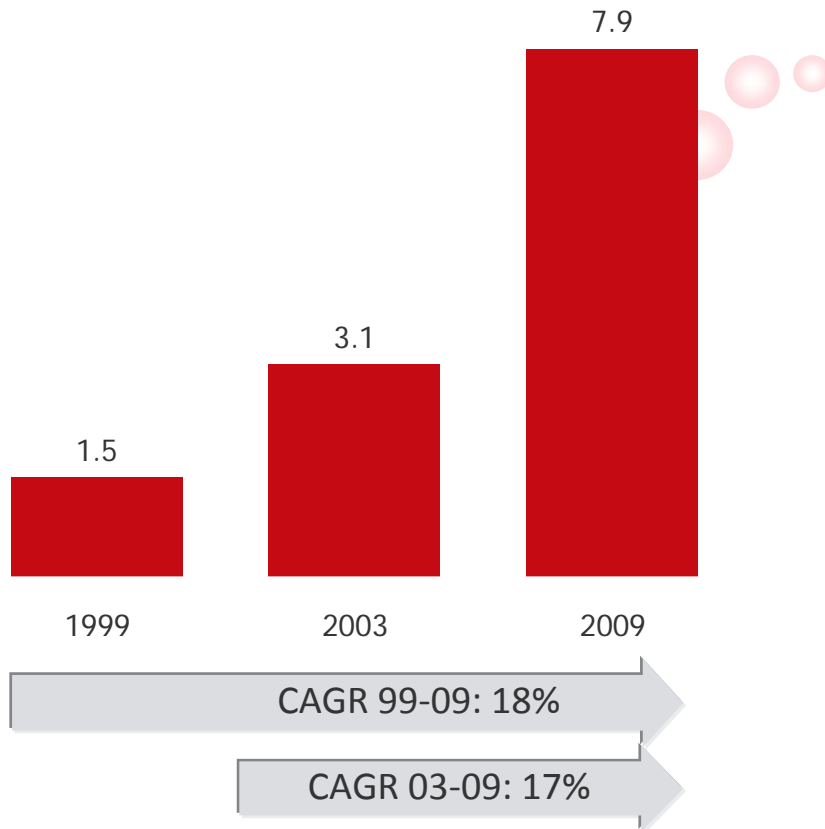
OXXO

Coca-Cola FEMSA

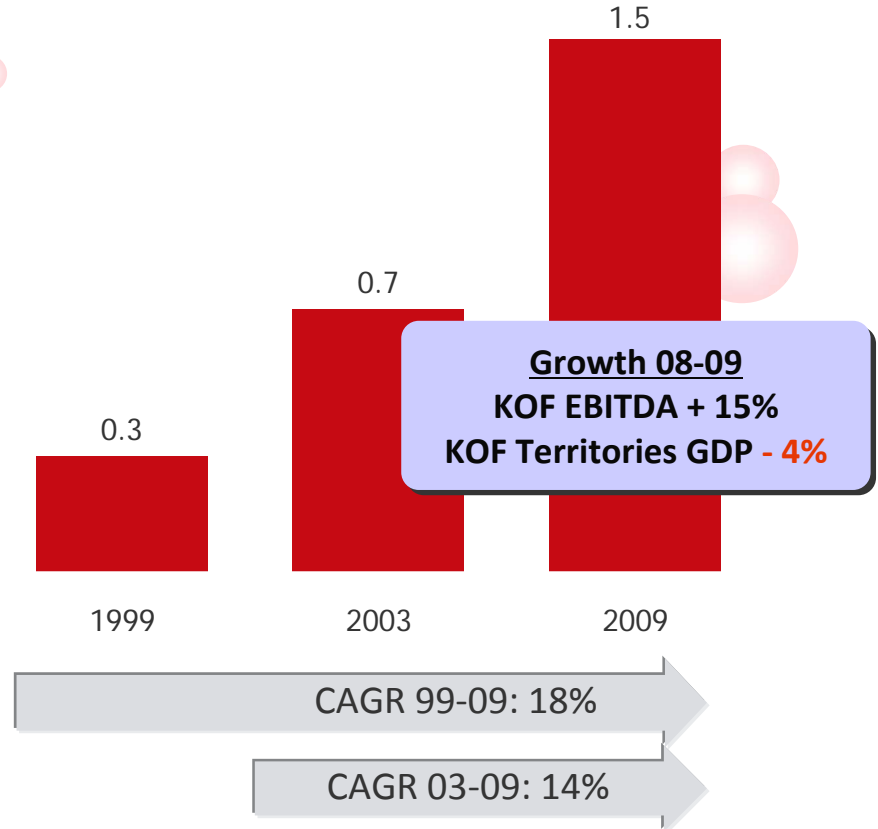
# Solid growth track record

COCA-COLA  
**FEMSA**

Revenues  
(US\$ Bn)



EBITDA  
(US\$ Bn)



Note: Figures in Nominal Mexican Pesos converted to US Dollars using EOP exchange rate of each year.

As we continue growing, we face more **complex challenges...**

COCA-COLA  
**FEMSA**

Category convergence,  
**Industry consolidation**  
and tougher competitive  
environment

Modern trade  
development &  
emerging **channels**  
pressuring our  
traditional service  
model

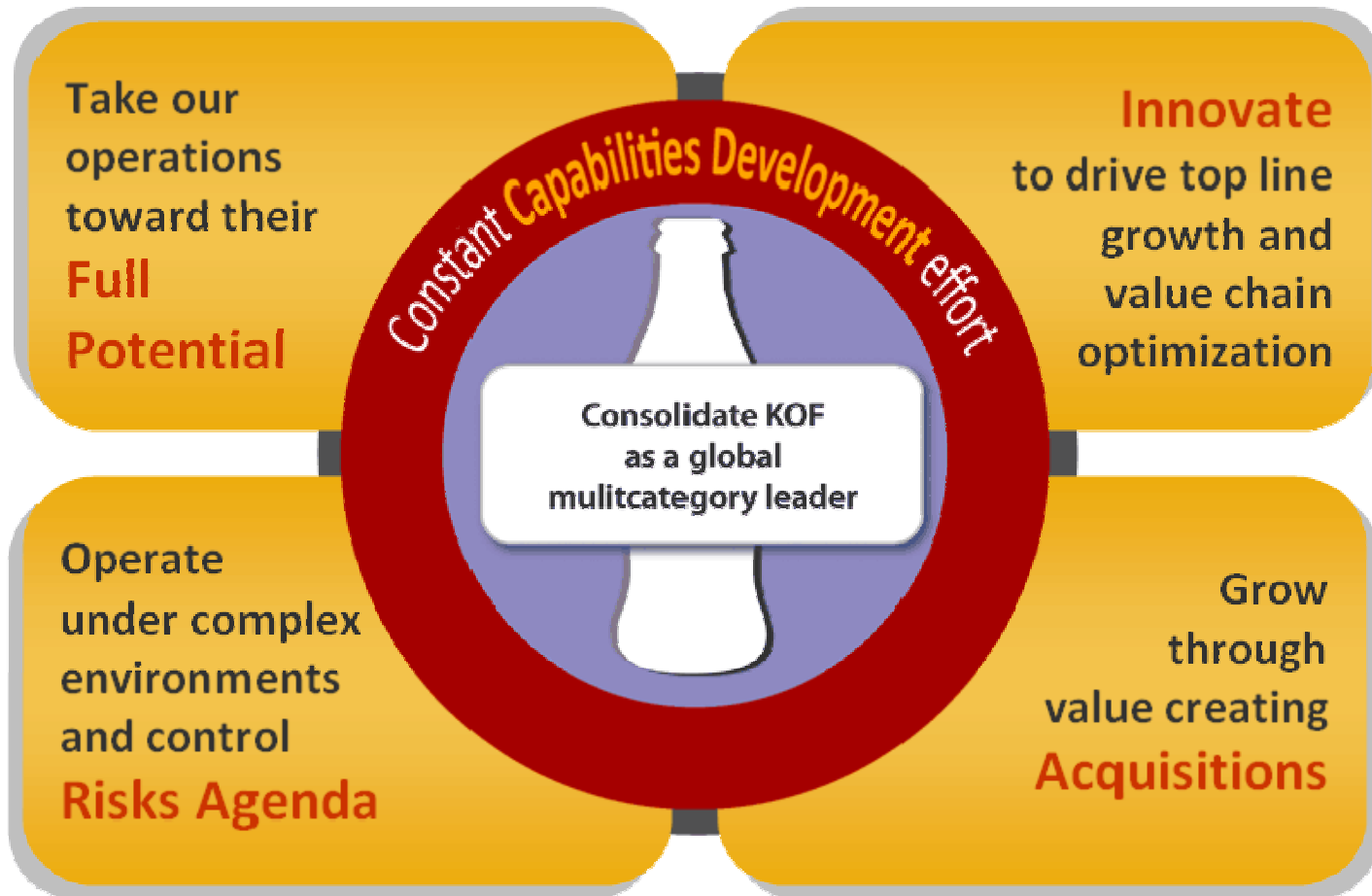
Requires a more  
comprehensive approach to  
constantly improve  
**execution**

**Multi-category** and  
segmentation driving  
**complexity**  
(e.g. more SKUs,  
new capabilities and  
service models)

Ever-changing **consumer**  
**trends** requiring  
constant innovation and  
adaptation

...for which we prepare using a strategic framework based on 5 cornerstones

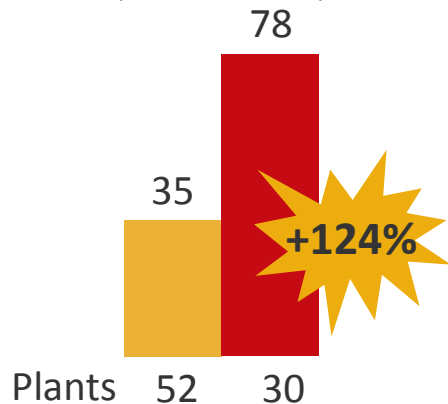
COCA-COLA  
**FEMSA**



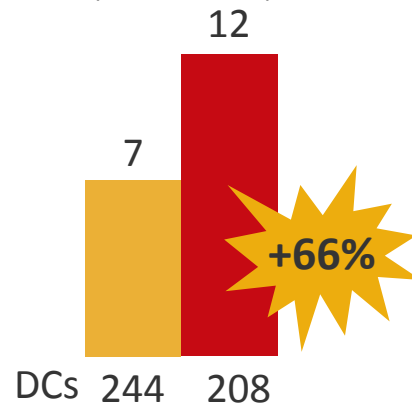
Aiming at our **full potential**, we strongly focus on leveraging existing asset utilization...

COCA-COLA  
**FEMSA**

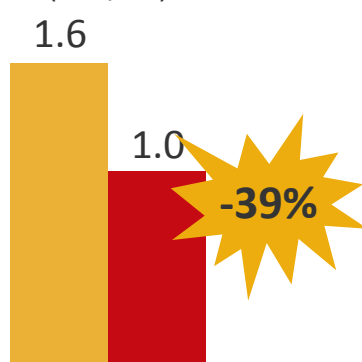
Manufacturing Productivity  
(MM UC / Plant)



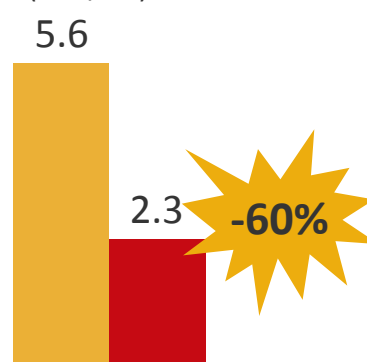
Distribution Productivity  
(MM UC / DC)



Assets per UC<sup>(1)</sup>  
(US\$/UC)



Capex per Incremental Volume  
(US\$/UC)<sup>(1)</sup>



2004  
2009

**Productivity opportunities:**

- Distribution network restructuring - Brazil
- Asset reconfiguration – Colombia
- Reconfiguration of plants and DCs – Mexico
- ... and we keep on looking for more

Source: KOF Strategic Planning. Figures in Nominal Mexican pesos converted to US Dollars using EOP exchange rate.

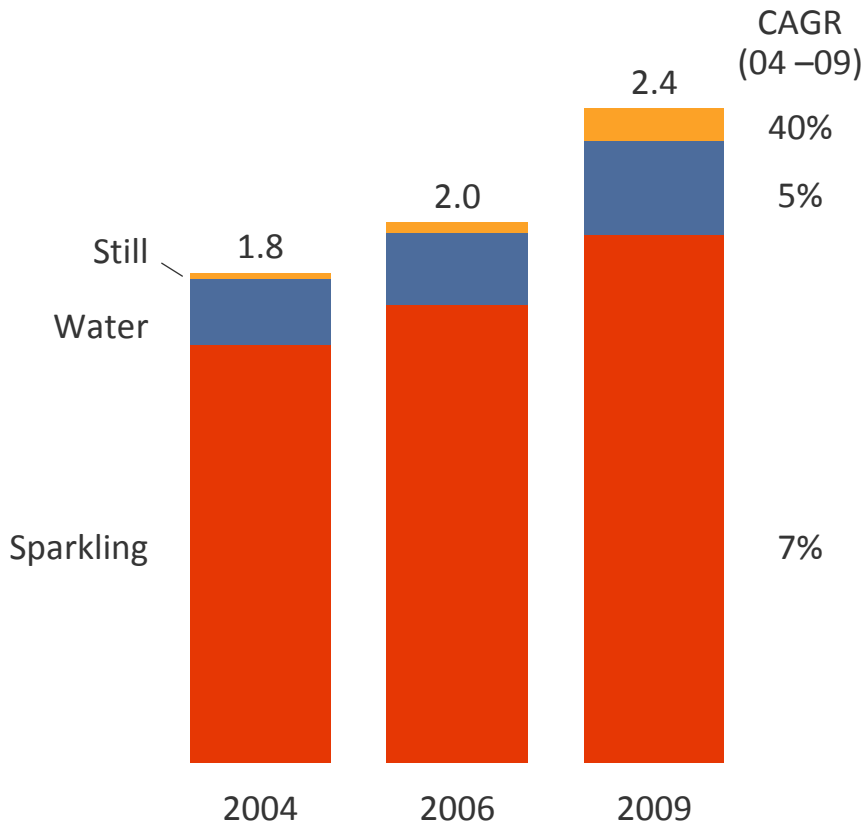
(1) Property, Plant and Equipment Net

(2) Considers all CAPEX, including CAPEX to replace depreciated assets.

Our **multi-category focus** has allowed us to grow consistently, yet opportunities remain

COCA-COLA  
**FEMSA**

KOF Sparkling, Water and Emerging Categories Volume (Bn Unit Cases)



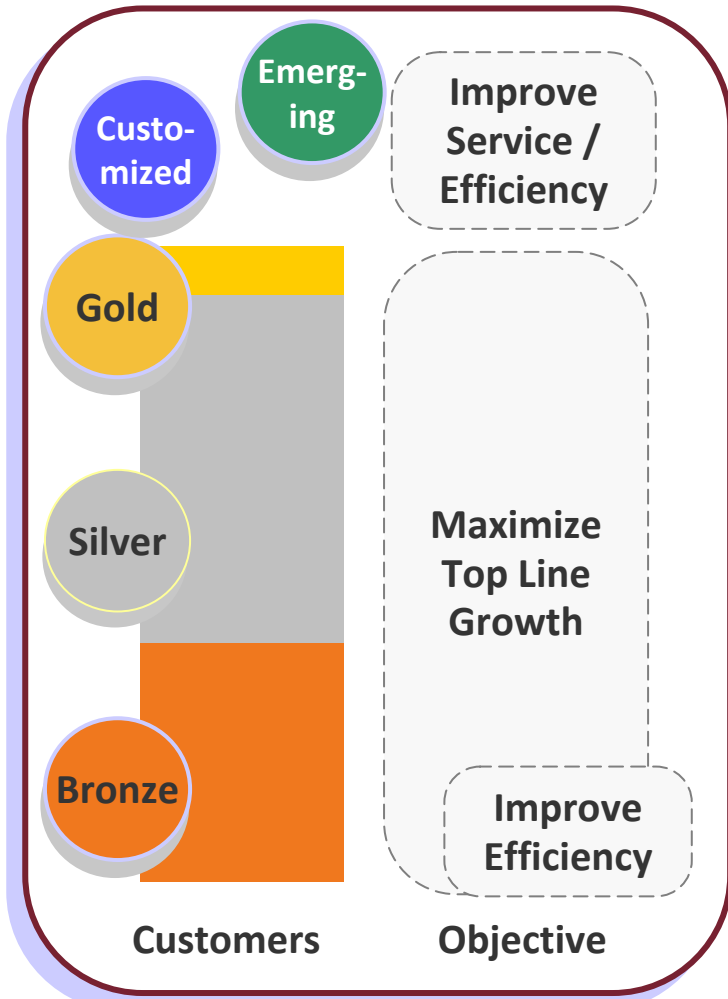
Source: Nielsen, and KOF Strategic Planning Estimates.



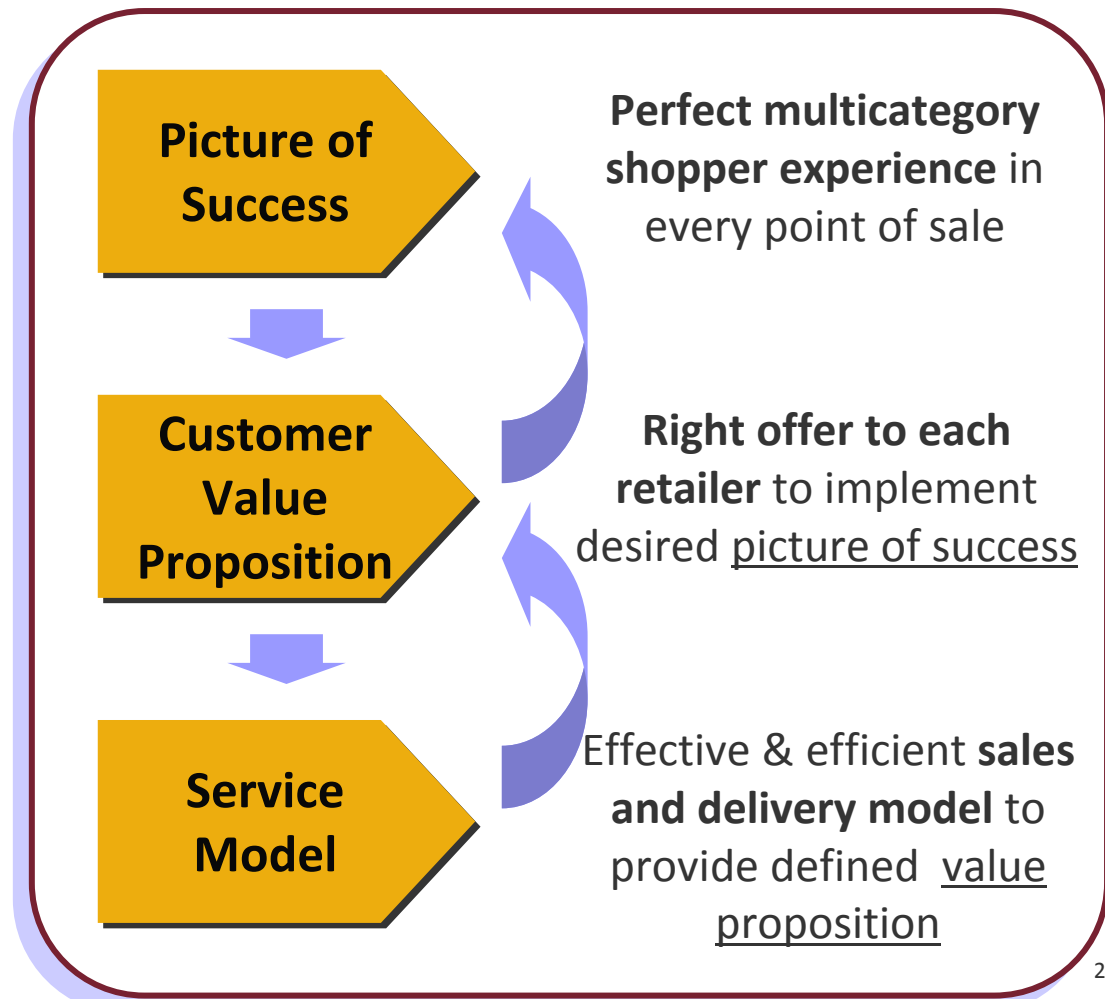
# We have transformed our commercial model to **focus on our customers' value**

COCA-COLA  
**FEMSA**

## Value Based Customer Segmentation



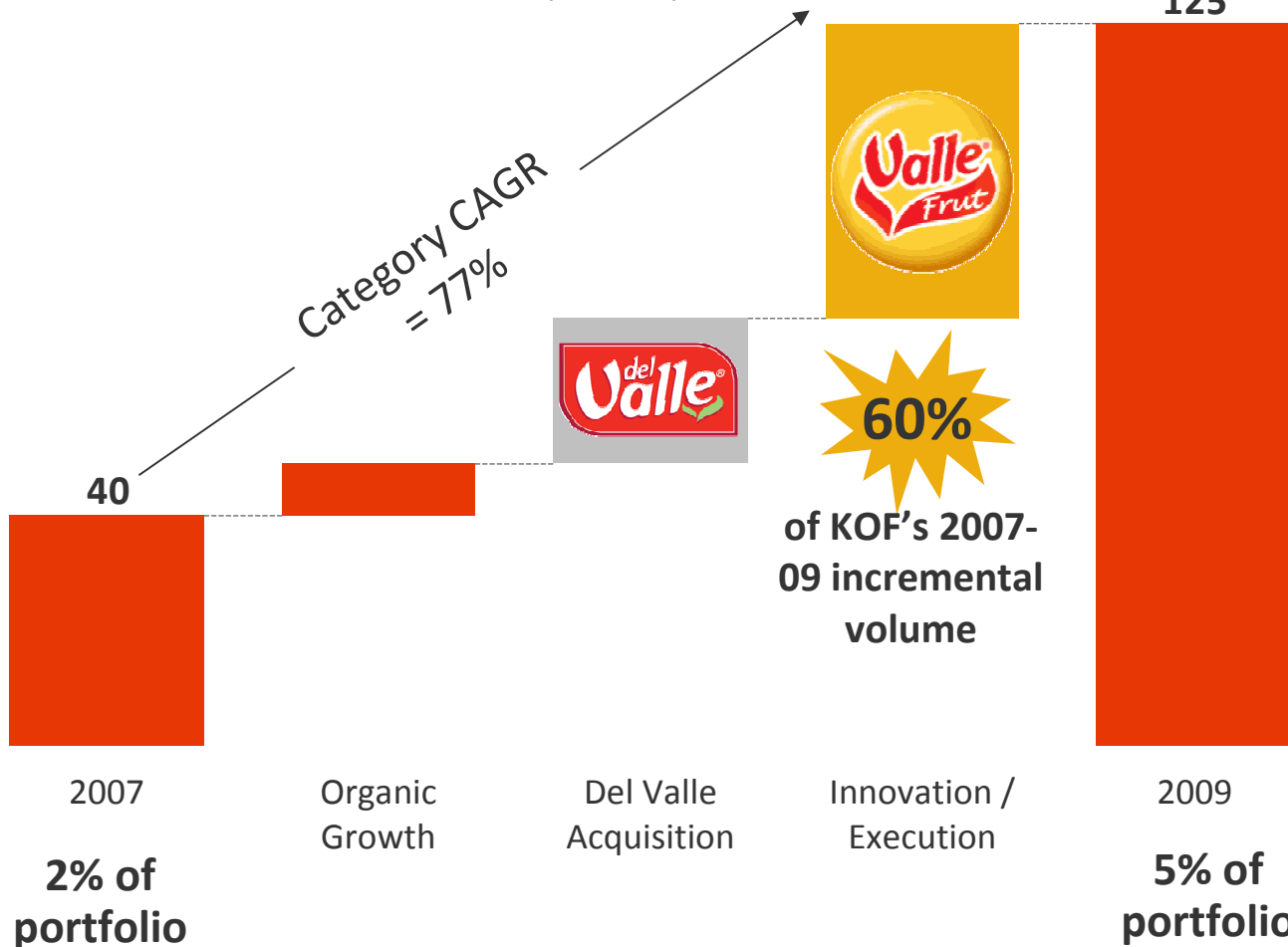
## Core Commercial Processes



For example, Valle Frut success shows how value creating **acquisitions** levered with **innovation** & **execution** deliver growth

COCA-COLA  
**FEMSA**

KOF Still Beverage Volume: 2007 - 2009  
(MM UC)



Transformed a US\$ 300MM into a US\$ 600MM business in two years

FEMSA: Committed to further strengthening our soft drinks and retail businesses based on our proven track record to create shareholder value



FEMSA



- Sustained growth and leadership through further consolidation of the regional Coca-Cola system and increased development of the NAB segment



- Accelerated growth of store base in Mexico and beyond, while focusing on improving the value proposition to drive same-store sales and expand margins

**Heineken**

- Participation in growth of the leading premium brand-driven global brewer, with a balanced reach across developed and emerging markets

# EBITDA reconciliation by division



In US\$ million

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Consolidated FEMSA</b>											
Income from Operations	638	737	896	910	1,078	1,232	1,467	1,610	1,793	2,036	2,001
Depreciation	178	201	212	194	232	298	338	375	399	446	415
Amortization	137	179	192	198	232	280	314	346	355	362	332
<b>EBITDA</b>	<b>952</b>	<b>1,117</b>	<b>1,300</b>	<b>1,303</b>	<b>1,542</b>	<b>1,810</b>	<b>2,119</b>	<b>2,332</b>	<b>2,547</b>	<b>2,844</b>	<b>2,748</b>
<b>FEMSA Cerveza</b>											
Income from Operations	277	297	344	340	319	425	504	548	495	484	437
Depreciation	81	90	102	107	104	132	139	153	148	154	140
Amortization	72	108	121	134	151	182	202	219	221	228	201
<b>EBITDA</b>	<b>430</b>	<b>494</b>	<b>567</b>	<b>581</b>	<b>574</b>	<b>739</b>	<b>844</b>	<b>920</b>	<b>864</b>	<b>866</b>	<b>778</b>
<b>Coca-Cola FEMSA</b>											
Income from Operations	217	302	415	426	597	690	817	876	1,049	1,229	1,173
Depreciation	60	73	71	50	86	111	123	139	151	227	208
Amortization	54	59	53	44	59	97	115	117	123	80	82
<b>EBITDA</b>	<b>331</b>	<b>434</b>	<b>539</b>	<b>519</b>	<b>742</b>	<b>898</b>	<b>1,055</b>	<b>1,131</b>	<b>1,322</b>	<b>1,536</b>	<b>1,463</b>
<b>FEMSA Comercio</b>											
Income from Operations	24	29	31	47	62	82	118	149	212	276	330
Depreciation	5	7	8	9	12	19	30	38	50	60	61
Amortization	4	6	9	9	12	21	26	34	39	42	38
<b>EBITDA</b>	<b>33</b>	<b>42</b>	<b>48</b>	<b>64</b>	<b>85</b>	<b>122</b>	<b>175</b>	<b>221</b>	<b>301</b>	<b>378</b>	<b>429</b>
Fx Rate (Pesos per US\$)	9.48	9.62	9.16	10.43	11.24	11.15	10.63	10.80	10.92	11.14	13.50

Note: 2009 and 2008 figures in nominal Mexican pesos converted to US dollars using average exchange rate of the year, prior figures in constant pesos as of year end and converted to US dollars using the period-end exchange rate.