

Great Challenges,  
Greater Opportunities

**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.

## FEMSA



# Leading Consumer Company in Latin America



## Large Scale

- +3.5 bn unit cases of beverages

## Powerful Brands

- #1 in beverages in all regions

## Efficient Production and Distribution

- 65 beverage bottling plants
- 329 distribution facilities

## Growing Consumer Base

- 2.9 mm clients
- 346 mm consumers

## Dynamic Store Platform

- +12,200 OXXO stores

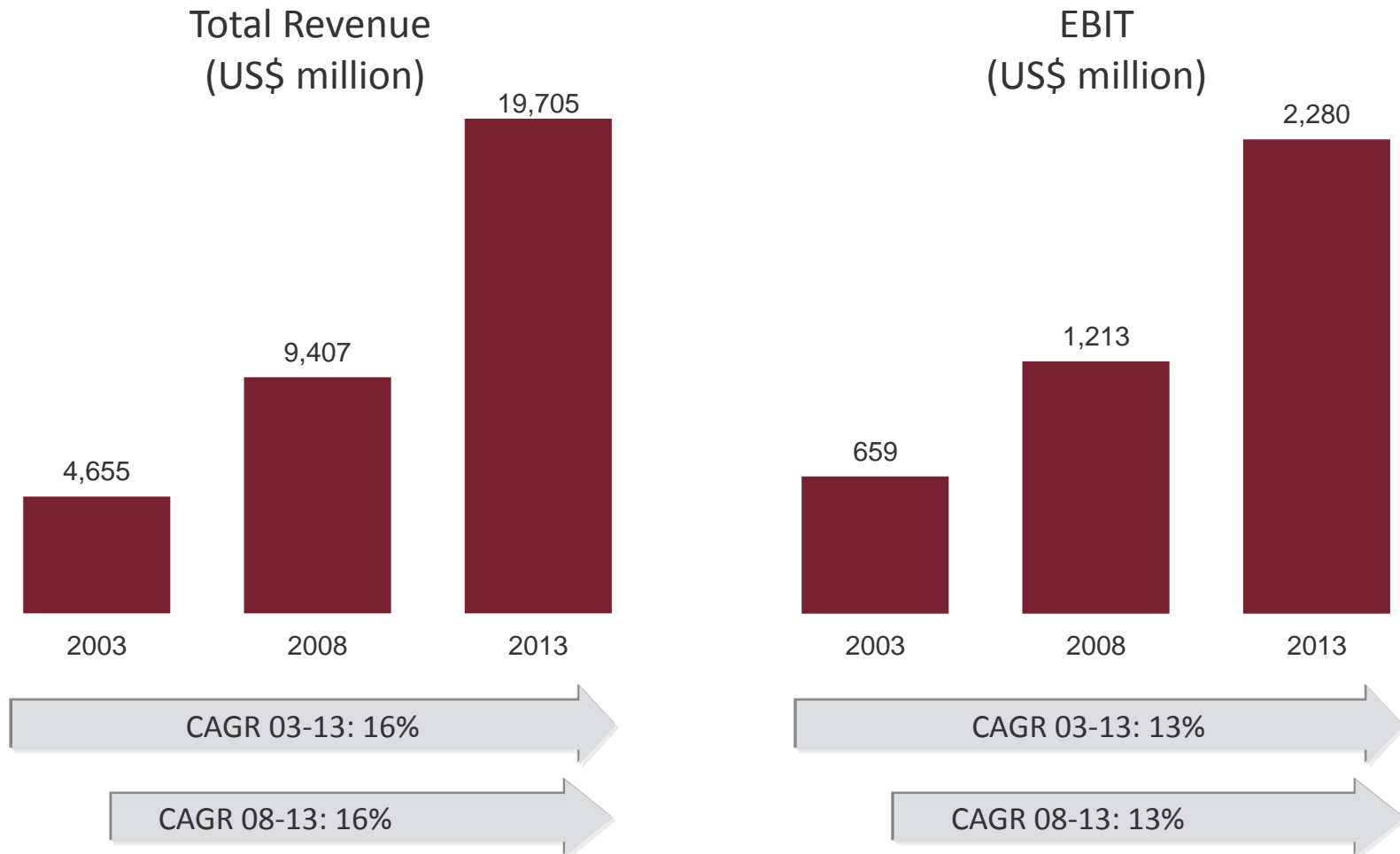
+ 200,000 employees and associates

2<sup>nd</sup> Largest investor in Heineken



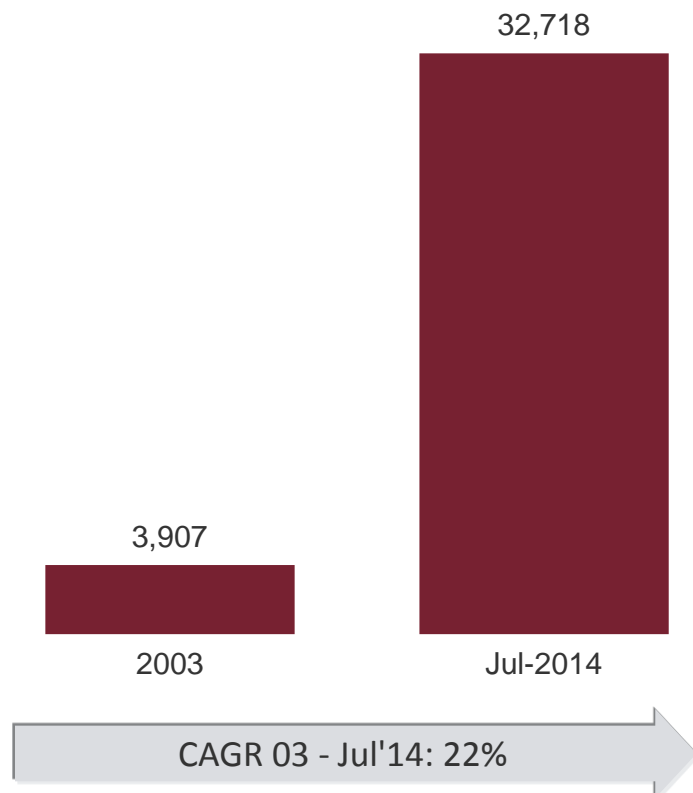
Note: OXXO stores as of July 31, 2014.

# Delivering consistent double-digit growth



Notes: 2013 figures in nominal Mexican pesos converted to US dollars using EOP exchange rate, prior figures in constant pesos as of year end and converted to US dollars using the EOP exchange rate. 2013 figures are under International Financial Reporting Standards ("IFRS"). From 2003-2008 figures are the arithmetical sum of Coca-Cola FEMSA and FEMSA Comercio. These figures are not proforma.

FEMSA Market Cap Evolution  
(US\$ million)

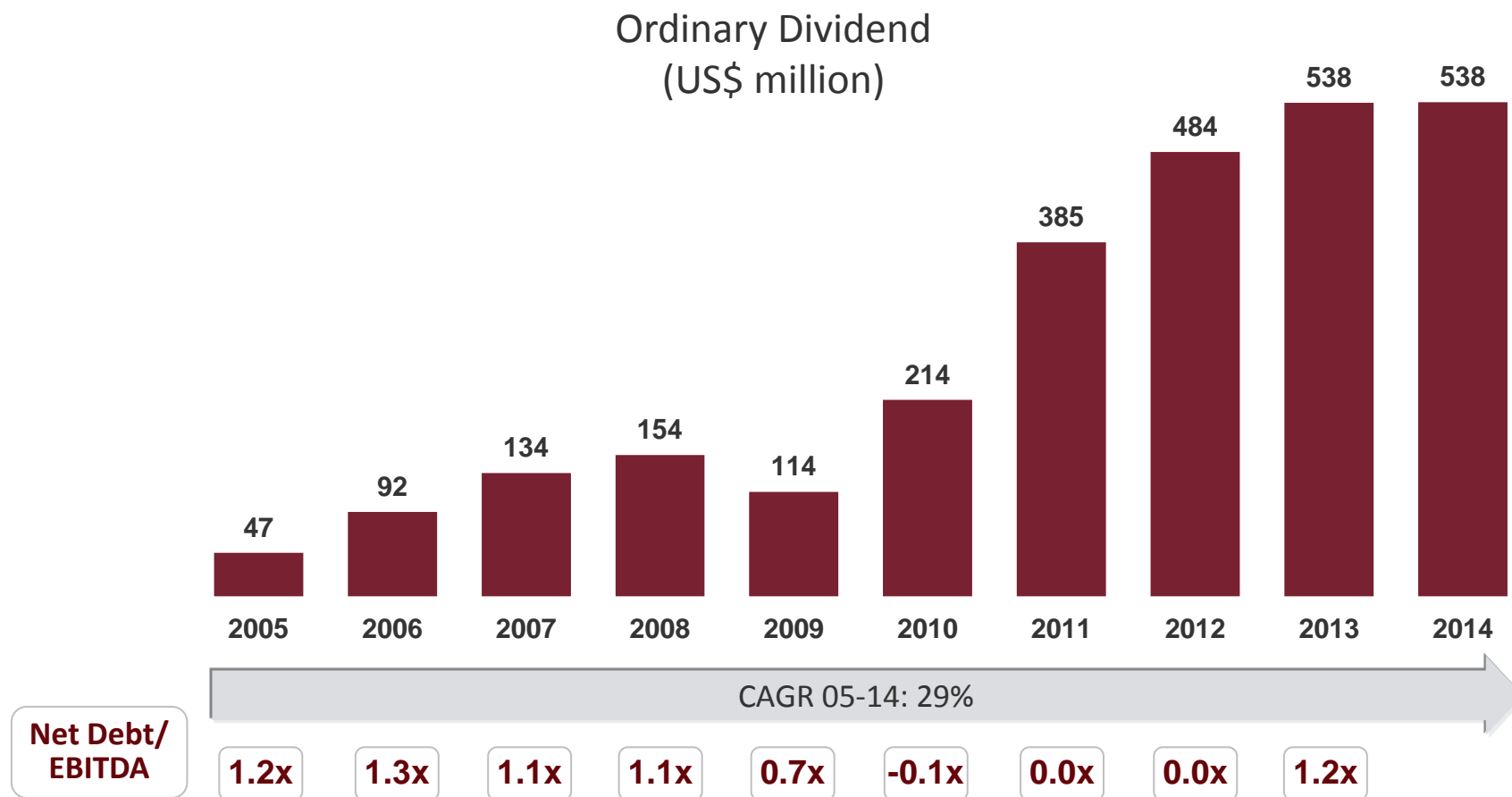


- Consistently strengthening our competitive position
- Ability to operate in a rapidly changing economic environment
- Strong brand portfolio and exceptional operational capabilities

# Increasing cash to shareholders over time...



...while retaining strategic and financial flexibility



Note: Dividend figures in nominal Mexican pesos converted to US dollars using EOP exchange rate. 2014 Dividend was paid in December 2013 and therefore converted to US dollars using 2013 EOP exchange rate. 2011, 2012 and 2013 figures are under International Financial Reporting Standards ("IFRS").

# Mexico: How is the consumer doing?

- High expectations from government's agenda
- Sub-par consumer environment in 2013
- Tax reform exacerbates pressure on the consumer
- Moderate and gradual signs of improvement
- Bullish on medium and long term reform-driven growth





# FEMSA 2Q14 snapshot



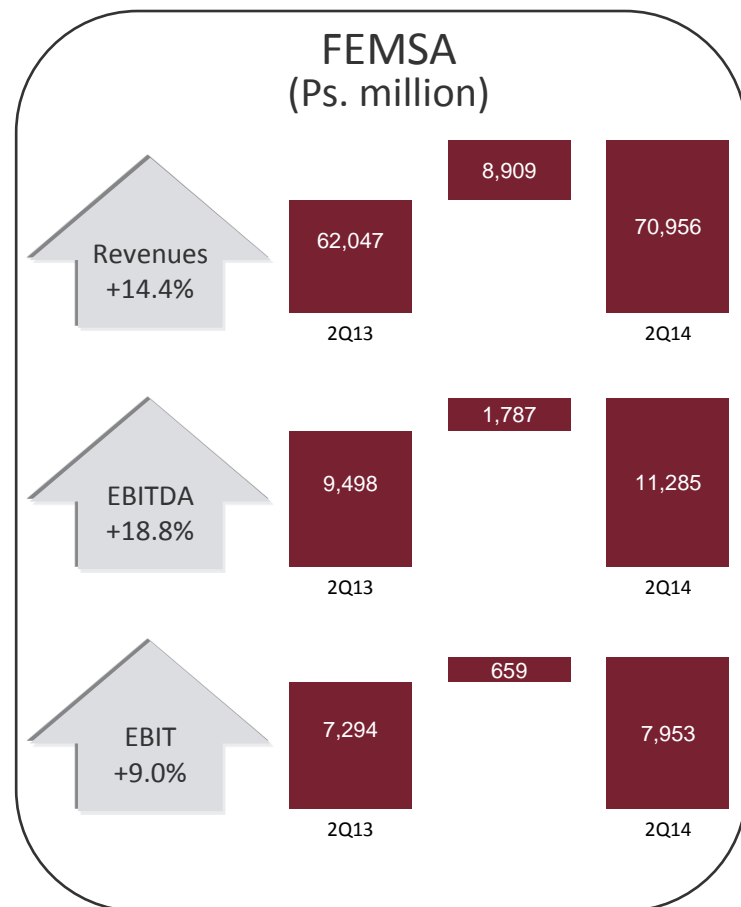
Total revenues increased 14.3% and income from operations grew 11.7% reflecting the integration of Fluminense, Spaipa and Yoli combined with revenue growth in most markets



Achieved total revenues growth of 12.4% and income from operations growth of 8.9%, reflecting 1,189 net new store openings and stable same-store sales



We include our 20% participation in Heineken's net income using the equity method



Constant Growth

**FEMISA**

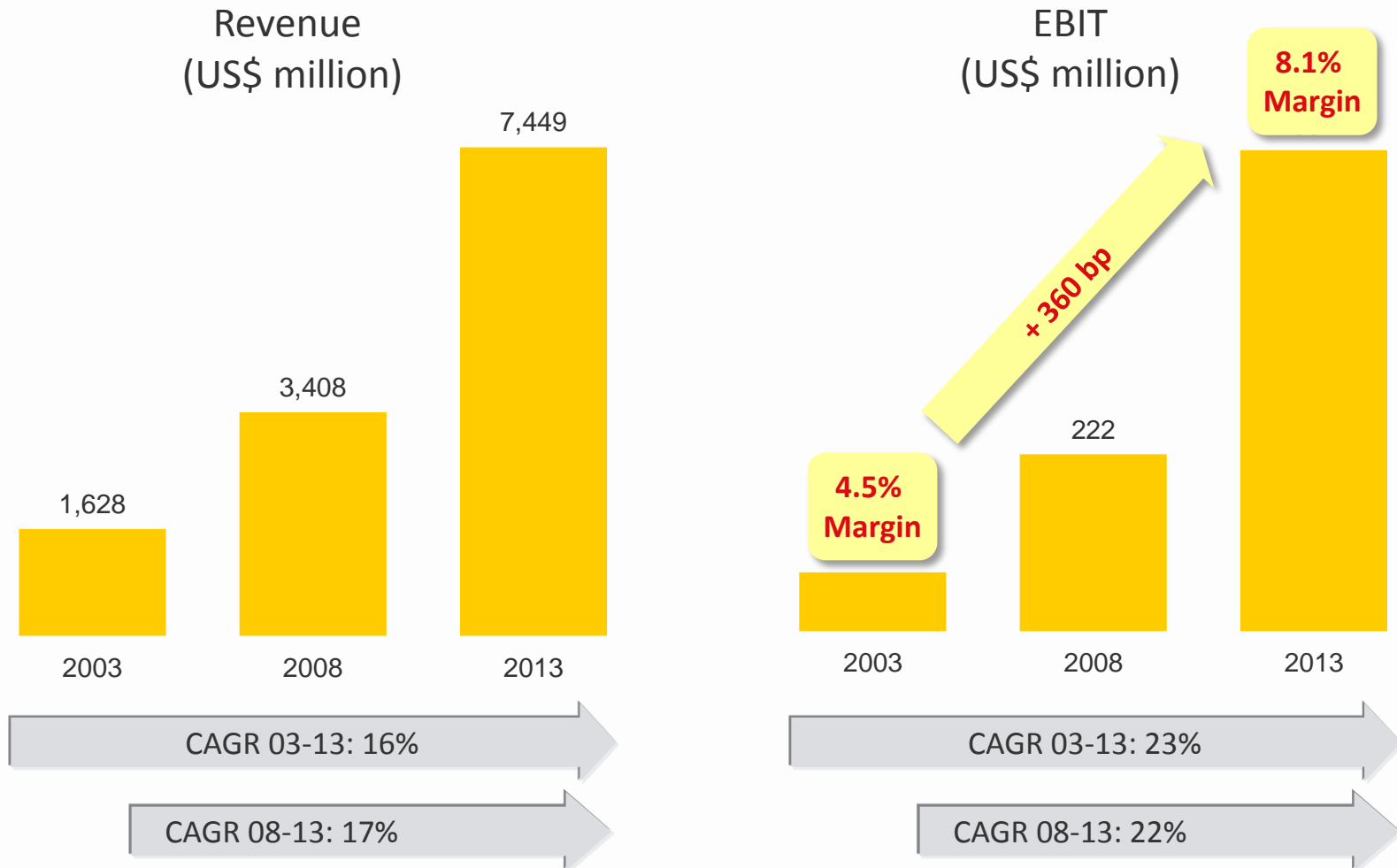
COMERCIO

COMERCIO

COMERCIO



# FEMSA Comercio: Accelerated profitable growth



Note: 2013 figures in nominal Mexican pesos converted to US dollars using EOP exchange rate, prior figures in constant pesos as of year end and converted to US dollars using the EOP exchange rate. 2013 figures are under International Financial Reporting Standards ("IFRS").

# OXXO: The way to play the Mexican Retail



- **Third largest retailer** in terms of Revenues in Mexico
- We are the **benchmark for SSS and Sales per sq. meter** in Mexico
- **Profitability in line** with leading benchmark in Mexico
- We open a new store **every 8 hours** on average
- Every day, close to **9 million** people buy at an OXXO Store

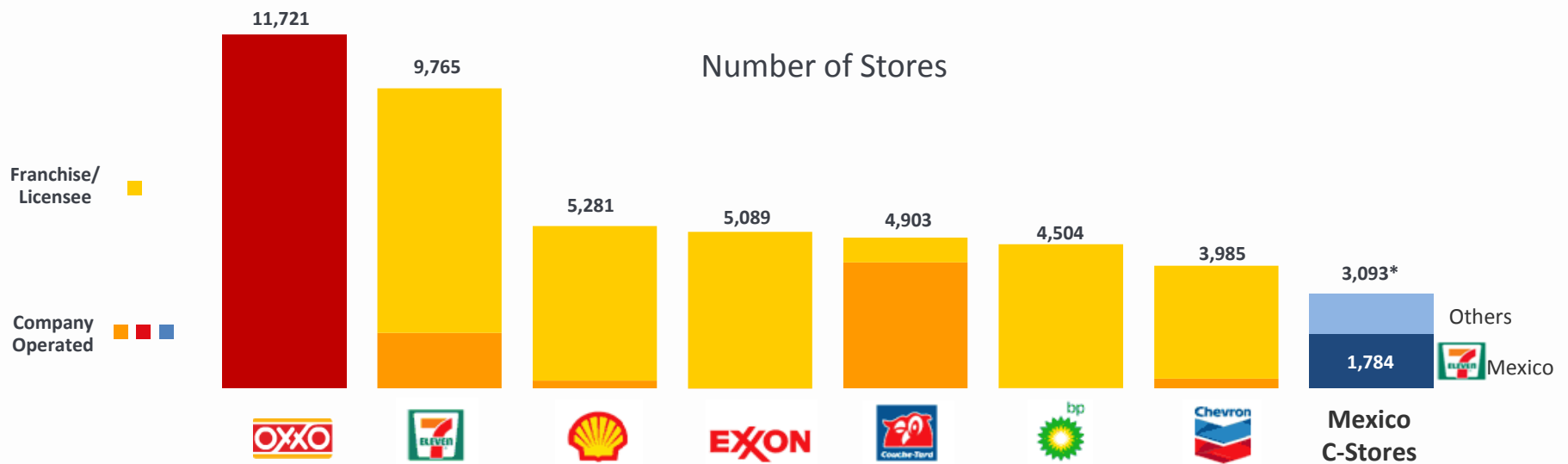
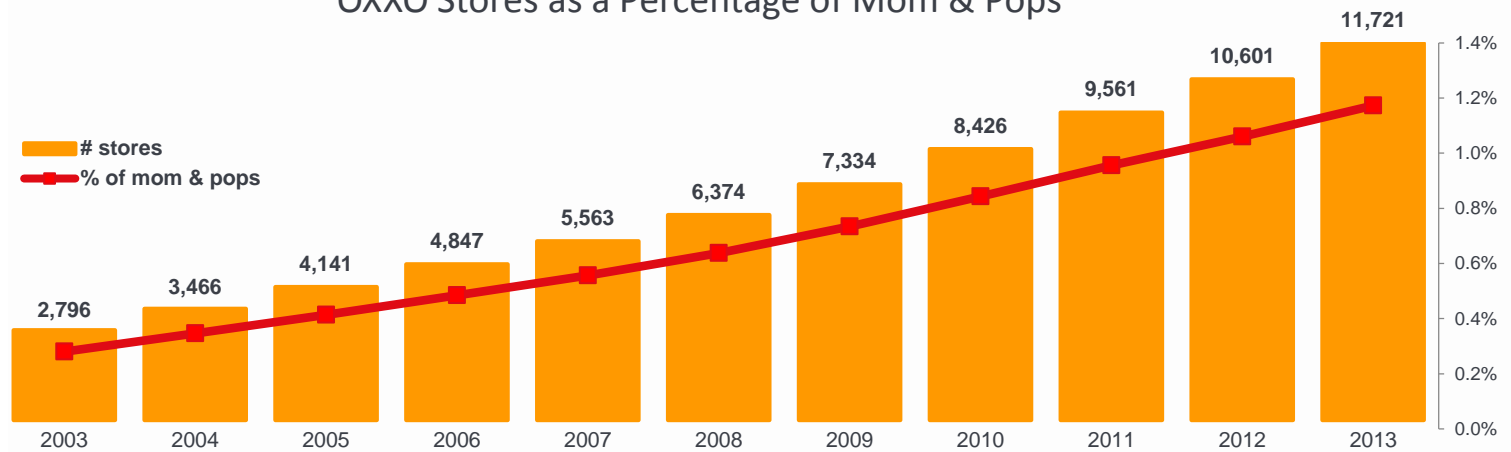




# The largest store chain in the Americas...



## OXXO Stores as a Percentage of Mom & Pops



Note: Alimentation Couche-Tard includes US and Canada Operations. 7 Eleven includes US, Mexico and Canada Operations. OXXO stores as of December 2013.

Source: CSNews "Top 100 US Convenience Store Companies", Published July 2013. Mom & pops: Company information .

\*Number of stores in Mexico

# Horizontal growth: That's the easy part



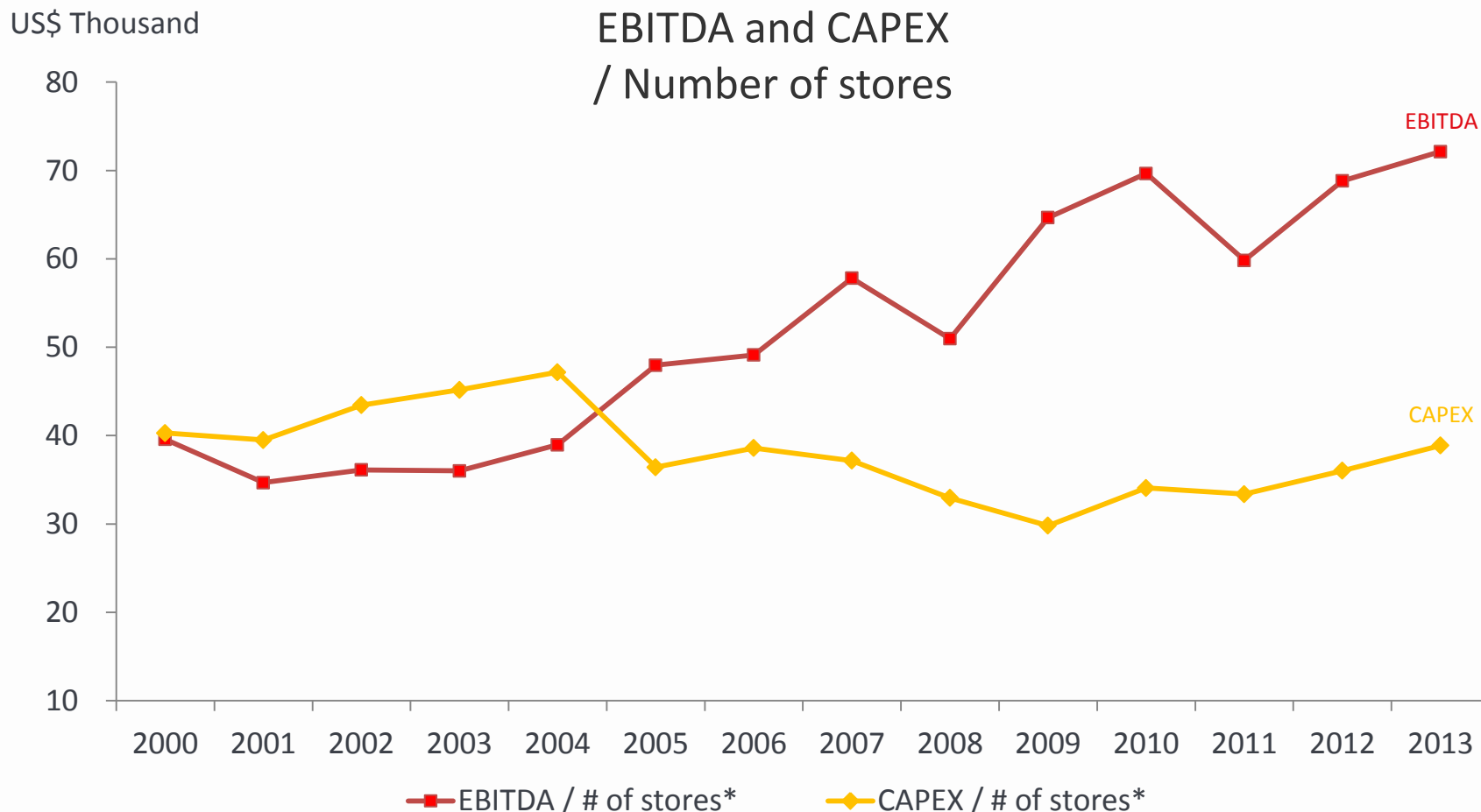
12,204 stores and counting

## OXXO Penetration Level by Population



Note: CONAPO information as of December 2010. FEMSA information as of December 31, 2013.  
(1) OXXO stores as of July 31, 2014.

# Holding CAPEX steady while driving profitability



Notes: Figures in nominal Mexican pesos converted to US dollars using EOP exchange rate, prior figures in constant pesos as of year end and converted to US dollars using the EOP exchange rate.. 2011, 2012 and 2013 information are under International Financial Reporting Standards ("IFRS"). The # of stores are based on average stores per year.

# Opening new avenues of growth and an attractive growth opportunity

## Drugstores:

- We have acquired a 75% stake in Farmacias YZA, and 100% of Farmacias FM Moderna
- Femsa Comercio now operates more than 450 drugstores
- FEMSA seeks to contribute its expertise developing small-box retail formats to already successful regional players



## Prepared Food:

- FEMSA Comercio acquired a 80% stake in Doña Tota, a leading quick-service restaurant operator founded in the state of Tamaulipas which operates over 200 units across Mexico and Texas





# Developing our value proposition to satisfy our customer needs



## **THIRST**

Quench your thirst immediately



## **CRAVING**

Satisfy your sudden craving for a snack, a meal or drink



## **TIME OPTIMIZATION**

Acquire one-stop products and services in a simple and fast way



## **BREAKFAST**

Start your day with a practical breakfast



## **LUNCH**

Satisfy your hunger with an on-the-go meal



## **GATHERING**

Stop by for your party needs



## **DAILY**

Take home your everyday grocery needs



## **REPLENISHMENT**

Replenish your depleted grocery and non-food products

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



## Segmentation



Replenishment

Base

Indulgence



## Category Development - Prepared Food



## Category Development - Services



## Paga tus tarjetas y deposita dinero más cerca de ti.

En OXO haz depósitos bancarios o paga tus tarjetas de crédito de manera segura e inmediata de 8am a 8pm todos los días.



# Greater Opportunities

*Coca-Cola*

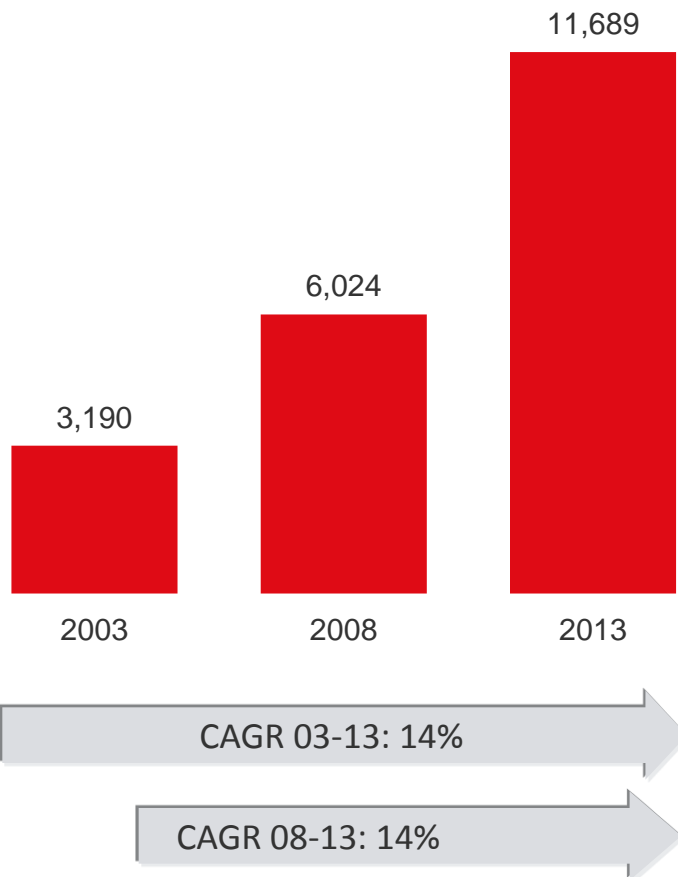
**FEMSA**



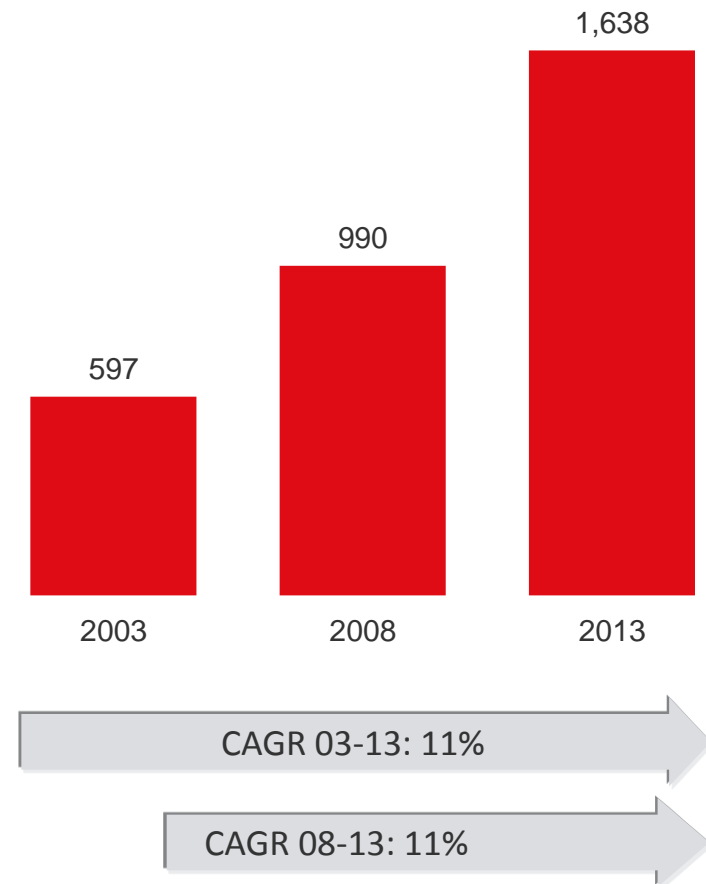
# A decade of solid double-digit growth



Revenue  
(US\$ million)



EBIT  
(US\$ million)



(1) Figures reflect LTM as of December, 2013.



# Largest franchise bottler in the world, operating in attractive regions for its industry



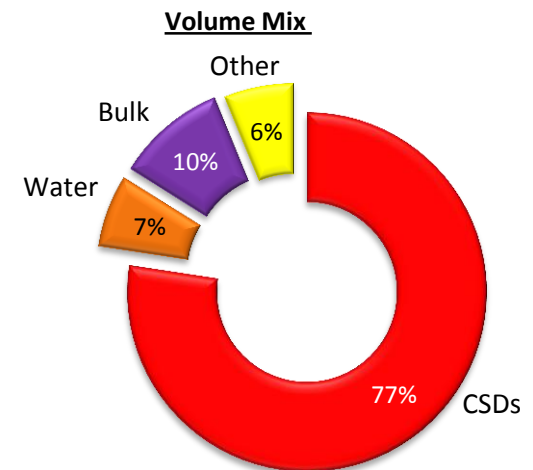
~**3.5** Bn Unit Cases<sup>(1)</sup>

US\$ **12.4** Bn in Revenues<sup>(1)</sup>

more than **346** Mn consumers<sup>(1)</sup>

Close to **2.9** Mn points of sale<sup>(1)</sup>

Almost **120,000** employees<sup>(1)</sup>

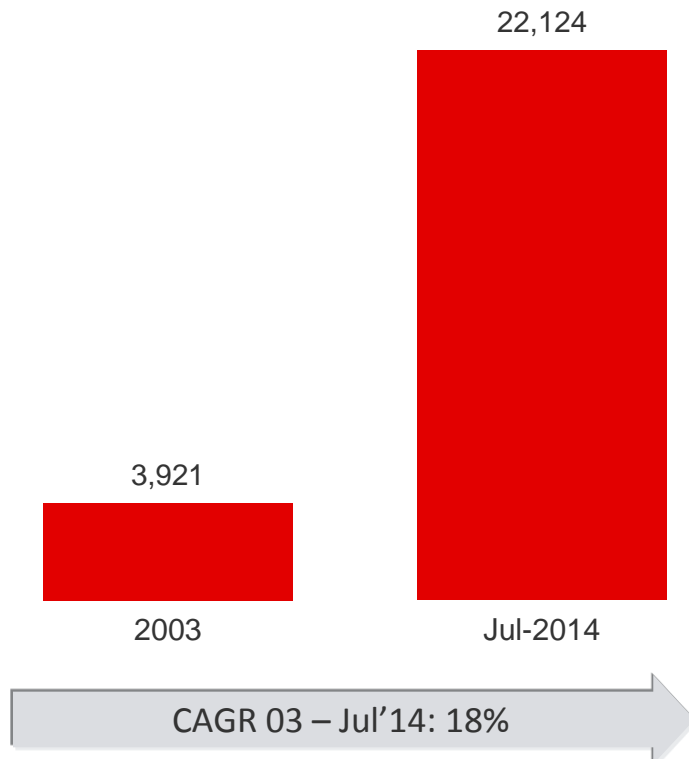


(1) KOF Figures reflect LTM2Q'14 Proforma and include Philippines, Fluminense and Spaipa.

# Creating economic value during the last decade

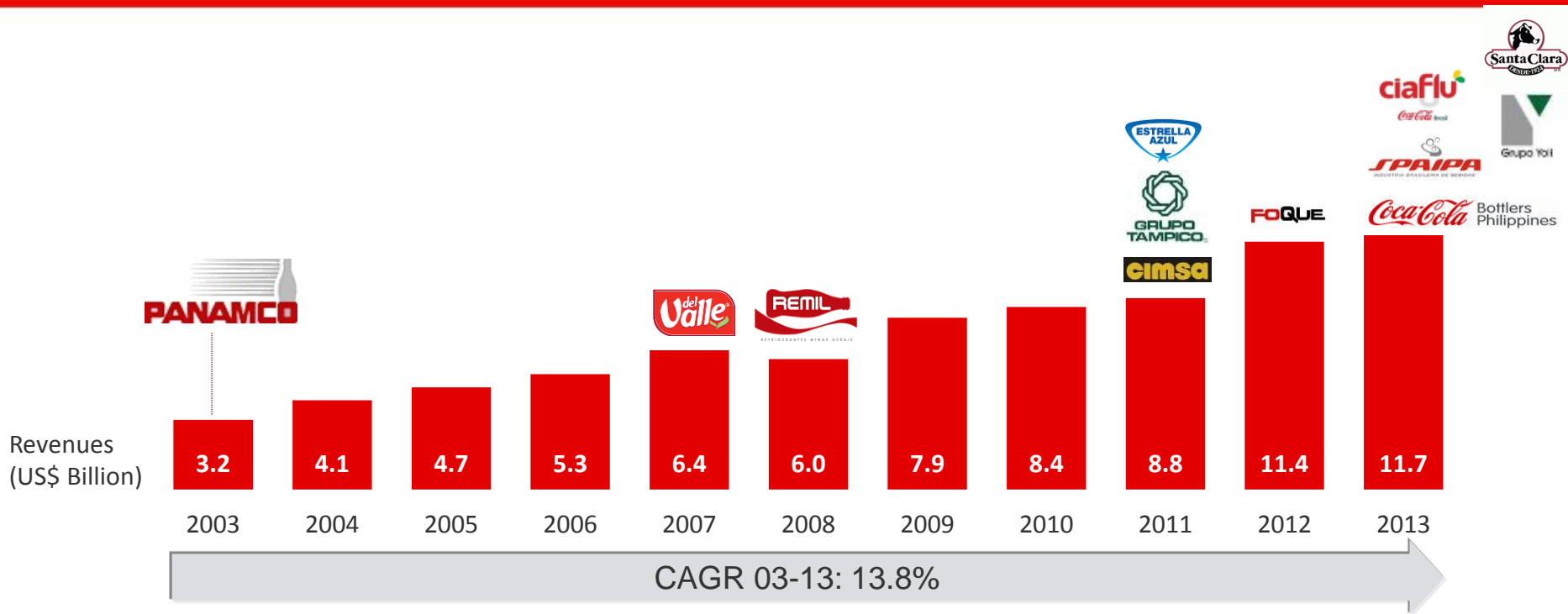


KOF Market Cap Evolution  
(US\$ million)



- Consolidate as a Multi-category Leader
- Reach Full Operating Potential
- Growth Through Innovation
- Growth Through Acquisitions
- Proactive Environment Management

# The acquisition of PANAMCO transformed KOF from being a Mexican bottler with operations in Argentina into a Continental Bottler



	2003	2013	CAGR
Unit Cases (Billion)	1.8	4.0	8.3%

- KOF turned into the largest bottler in Latin America with presence in ten countries, posting double-digit growth, becoming a consolidation vehicle of the Coca-Cola system and new beverage categories.

# Strategic partner to the Coca-Cola System



KOF has presence in some of the most important regions for the beverage industry and has pursued relevant opportunities in every category to contribute to the system's future growth

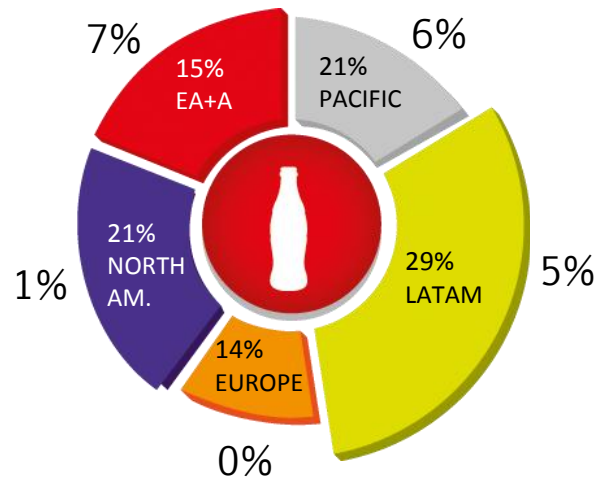


*"Our brands and our business have very deep roots in the Philippines, and we look forward to working with our strong partners at Coca-Cola FEMSA to capture future opportunities for growth and investment and bring even more social and economic value to customers and communities throughout the country."*

Muhtar Kent,  
The Coca-Cola Company –  
President and CEO

## Worldwide KO Volume Growth<sup>(1)</sup>

5y-CAGR  
(2008-2012)



*"... we partnered with Coca-Cola FEMSA to jointly acquire the Jugos del Valle business in 2007... Today, Del Valle is the first of our \$1 billion brands with its roots in our Latin America region."*

Muhtar Kent,  
The Coca-Cola Company –  
President and CEO

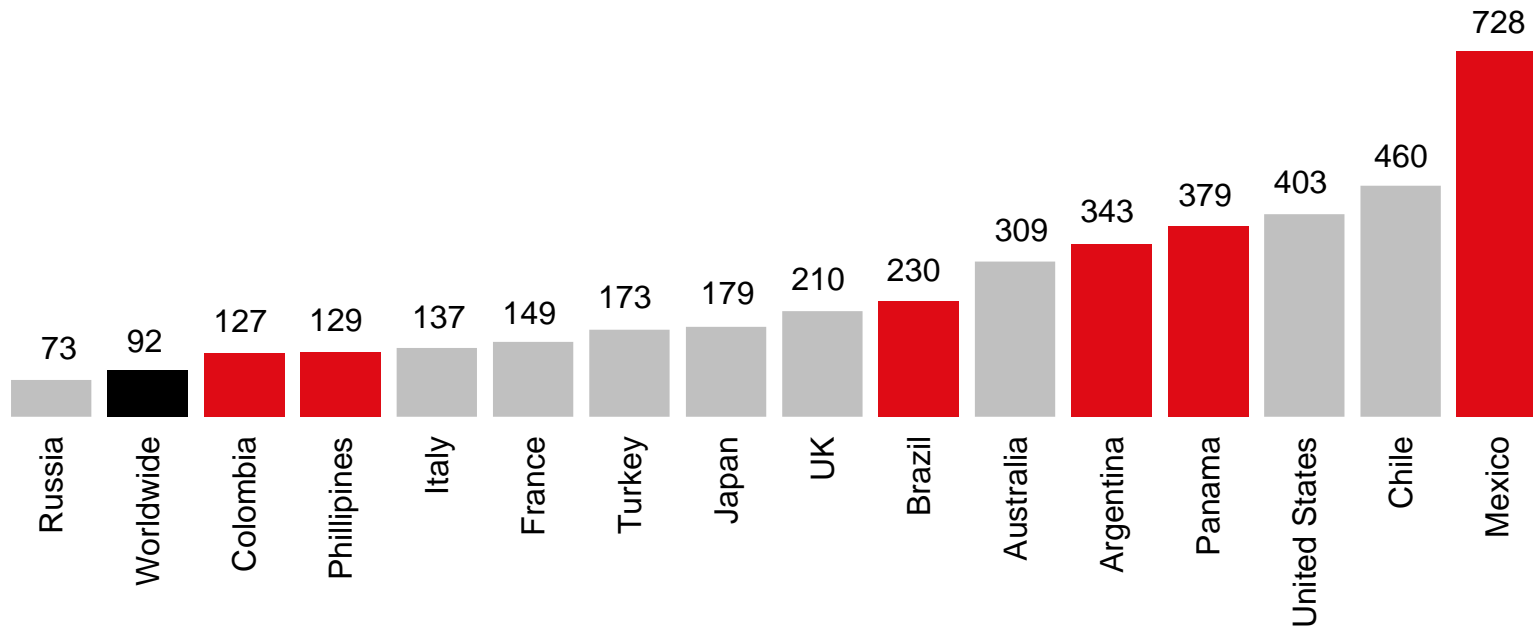
(1) The Coca-Cola Company annual report 2013.



# High Organic Growth Potential



Per Capita Consumption of KO Products  
(8 oz presentations)

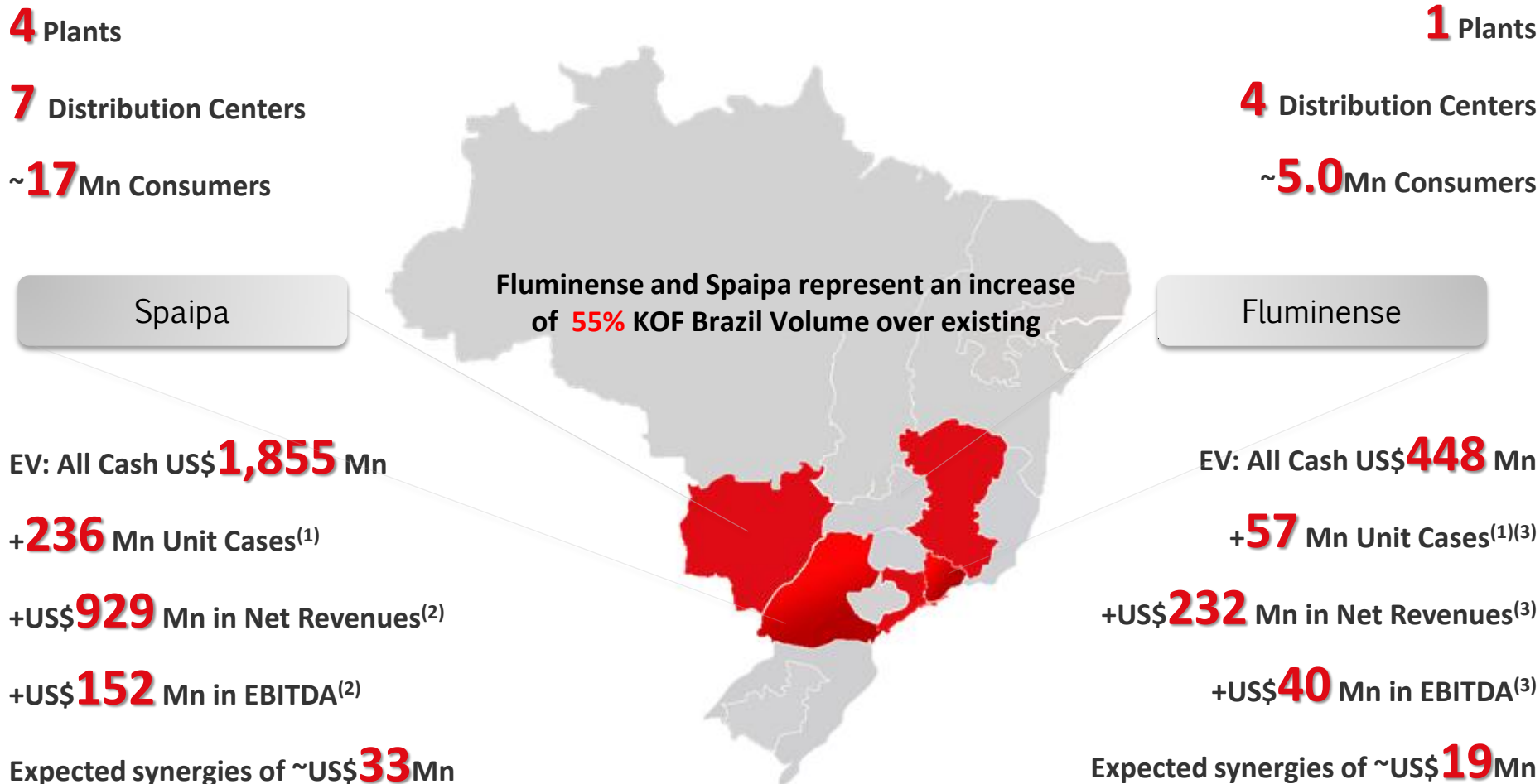


- Organic growth has high growth potential based on improving per-capita consumption across most of our operations.

# Brazil: Expanding our geographic footprint



*Our combined territories will allow Coca-Cola FEMSA to serve more than 72 million consumers, a third of the population in Brazil*



(1) Volume includes Beer  
(2) Figures reflect Full Year 2012  
(3) Figures reflect LTM 1Q'13

# Philippines: tropicalizing KOF's culture by leveraging local talent



- Implementing strategic framework based on three pillars: Portfolio, Route to Market and Supply Chain
- Medium to long-term growth strategies in place to increase per capita consumption



**20** Plants

Close to **925** M points of sale

More than **101** Mn consumers

KOF population coverage: **100%**

US\$ **1.1** Bn in Revenues<sup>(1)</sup>

~US\$ **100** Mn of EBITDA

**515** Mn Unit Cases<sup>(1)</sup>

Important mix of returnables **71%**

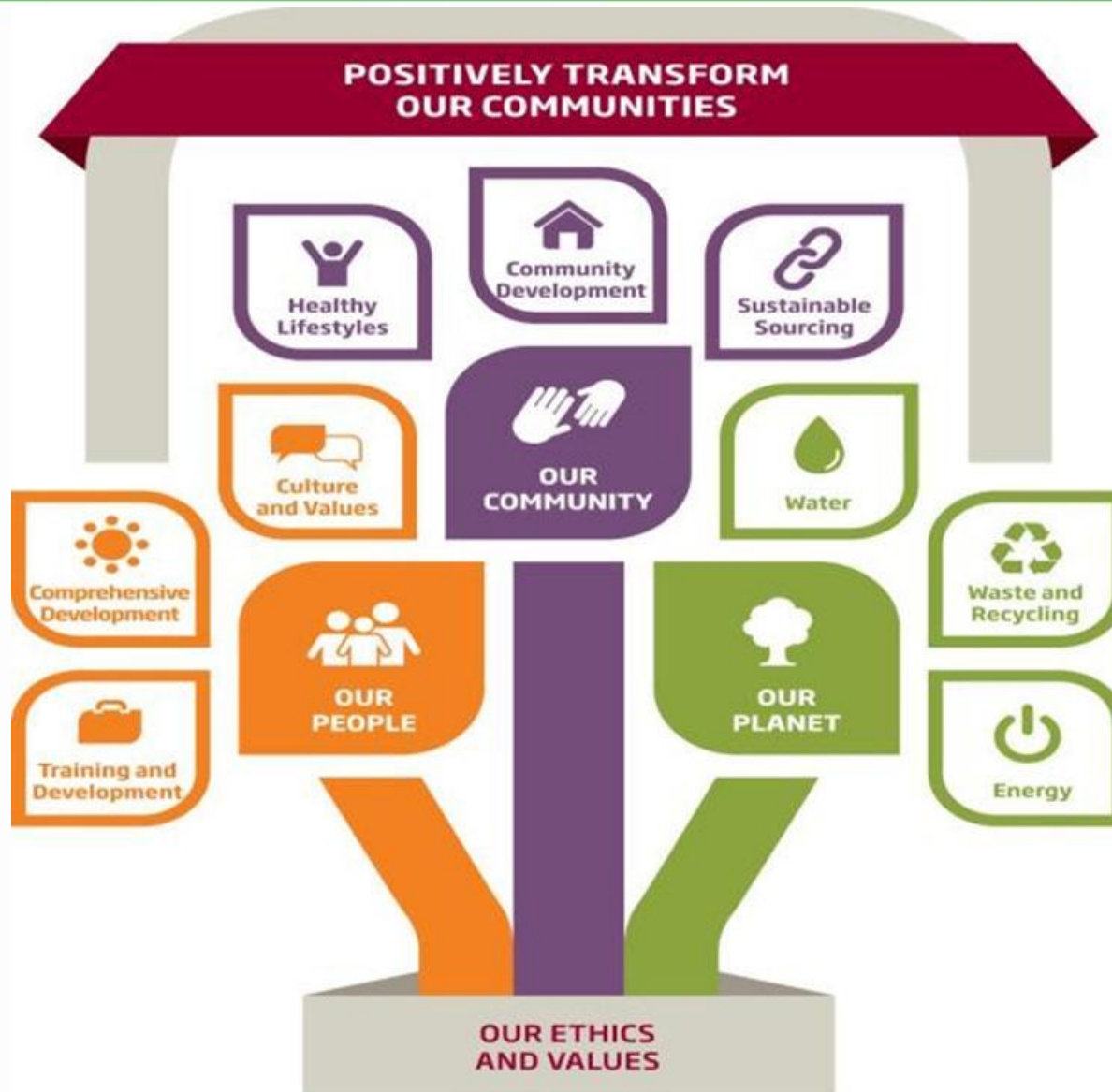
(1) CCBPI: Coca-Cola Bottling Philippines, Inc. estimated for 2012.



# Fostering Sustainable Development



# Sustainability Framework



## Some Achievements during 2013

- KOF was selected as a member of the DJSI Emerging Markets
- FEMSA and KOF participated in the Carbon Disclosure Project “CDP Investors” FEMSA joined the GLOBAL 500 group of companies that measure and report their climate change strategies, with the highest score among Mexican companies (73C)
- For the second consecutive year, FEMSA and KOF were included in the Sustainability Index of the Mexican Stock Exchange
- We began the implementation of the SAP Sustainability Performance Management module for company-wide reporting

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM



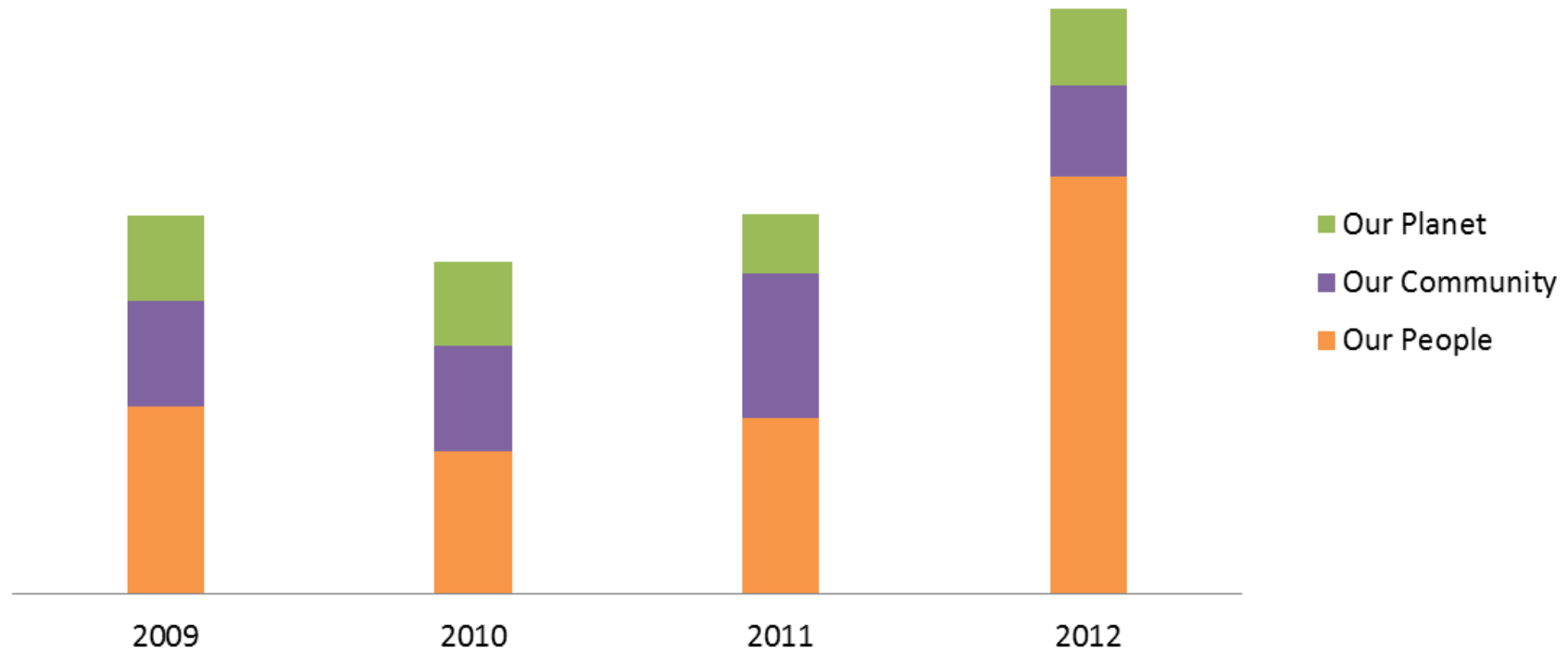
**IPC**  
Sustentable



# Our investment in Sustainability

- At FEMSA we invest ~ 1% of our consolidated net income in sustainability every year.

**Total Spending on Sustainability (by Pillar)**





Focus on disciplined capital deployment to take advantage of balance sheet flexibility, targeting assets consistent with our business platform and set of capabilities



Sustained organic growth at OXXO in Mexico, with compelling growth in new complementary drugstore and prepared food operations, as well as medium-term objectives to test additional international markets



Continue to drive organic revenue growth across markets, working in tandem with The Coca-Cola Company to enhance our portfolio by addressing evolving consumer preferences

Continue to position ourselves to go after incremental territories that are structurally well suited to our skill set