

FEMSA

Investor Presentation

January 2016



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

Ownership



(1) Represents 63% of shares with voting rights

Large Scale

- ~4 Bn Unit Cases per annum.
- ~ 10 million OXXO transactions per day.

Powerful Brands

- #1 in beverages in all regions.
- OXXO one of top brands in Mexico.

Efficient Production and Distribution

- 64 beverage bottling plants.
- 329 distribution facilities.

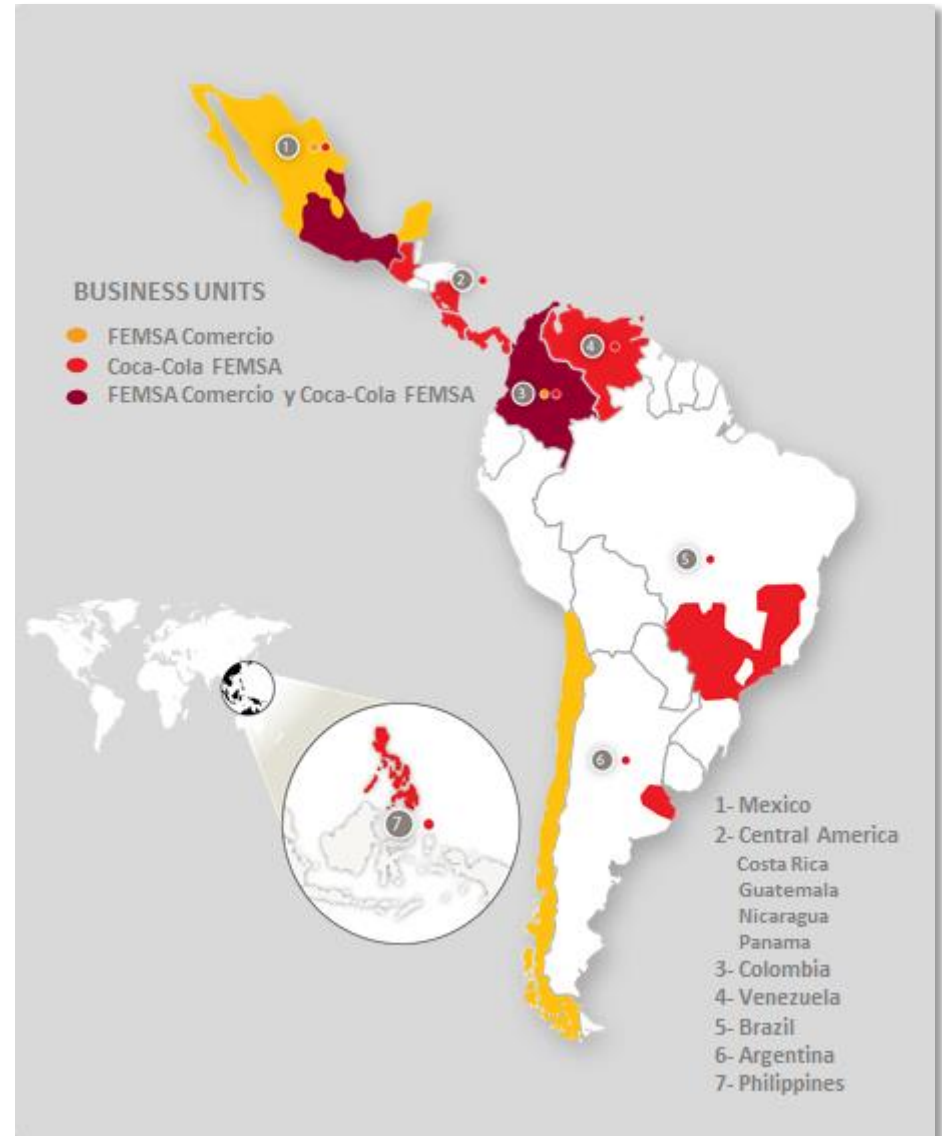
Growing Beverage Consumer Base

- 2.9 mm clients.
- 351 mm customers.

Dynamic Store Platform

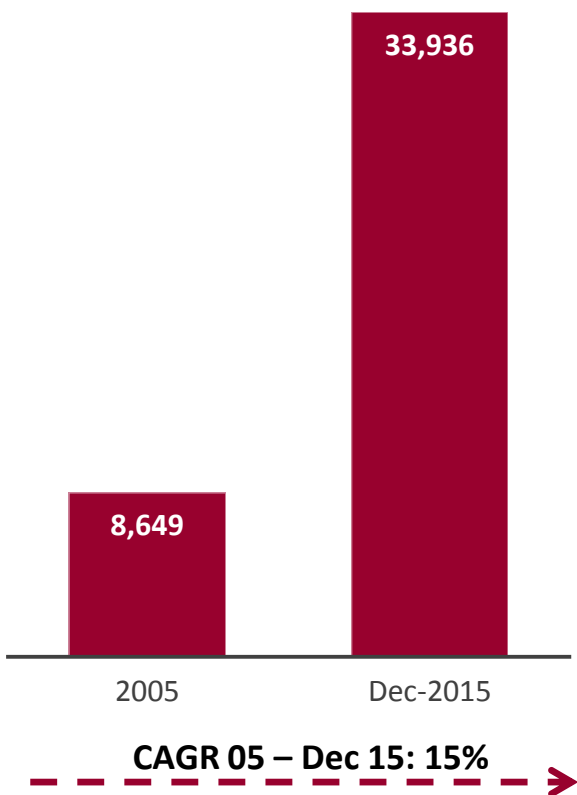
- +13,500 OXXO Stores⁽¹⁾

+220,000 Employees



(1) Number of stores as of September 30, 2015.

FEMSA Market Cap Evolution (US\$ MM)



Source: Bloomberg, as of December 04, 2015.

Financial Highlights

	2014	2005 ⁽²⁾	CAGR%
Revenue ₍₁₎	263,449	125,448	9%
EBIT ₍₁₎	29,938	15,324	8%
EBIT Margin	11.4%	12.2%	
EBITDA ₍₁₎	40,945	20,566	8%
EBITDA Margin	15.5%	16.4%	
CAPEX	18,163	3,724	9%

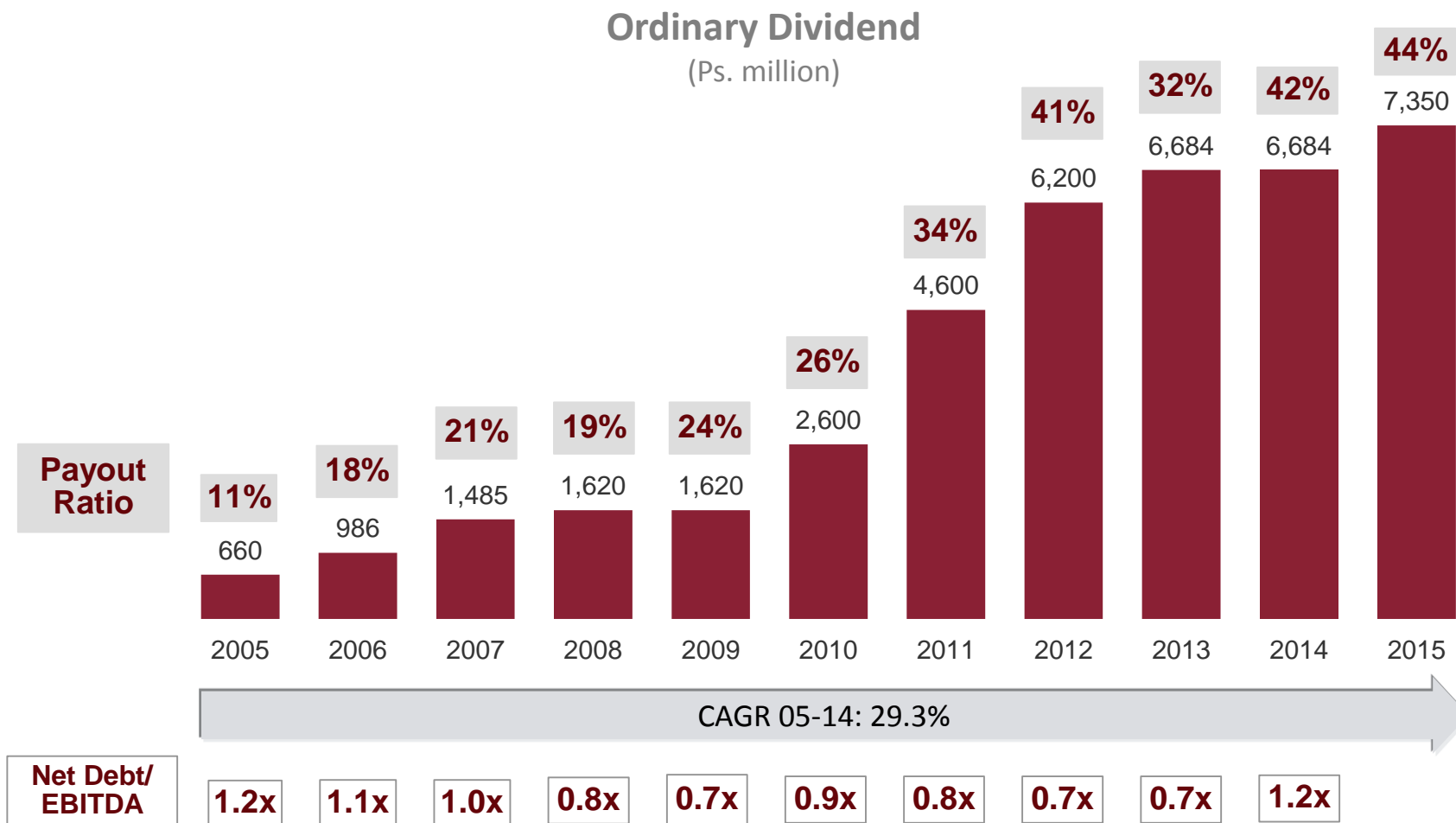
¹ Amounts expressed in millions of Mexican Pesos

² Arithmetical sum of Coca Cola FEMSA and FEMSA Comercio, therefore figures exclude sold businesses

- 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

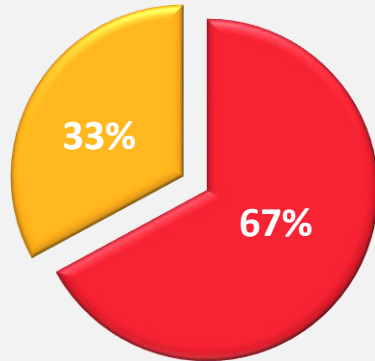
...while retaining strategic and financial flexibility



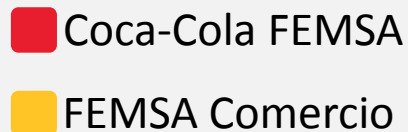
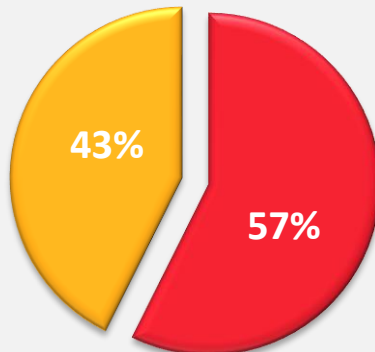
Note: Dividend figures are in Mexican pesos. Payout ratio figures are the division of the dividend between previous year net majority income. 2012 and thereafter figures are under International Financial Reporting Standards ("IFRS").

Revenue Contribution

2004

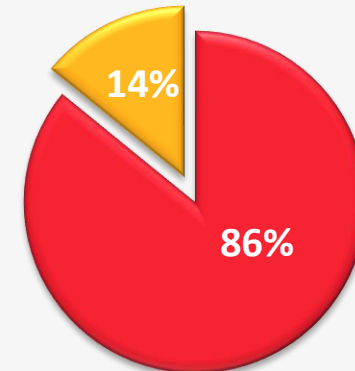


2014

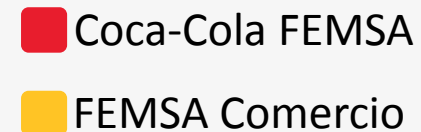
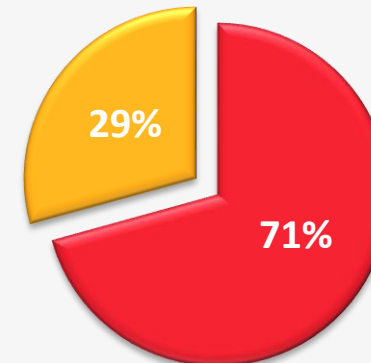


EBITDA Contribution

2004



2014





FEMSA

COMERCIO

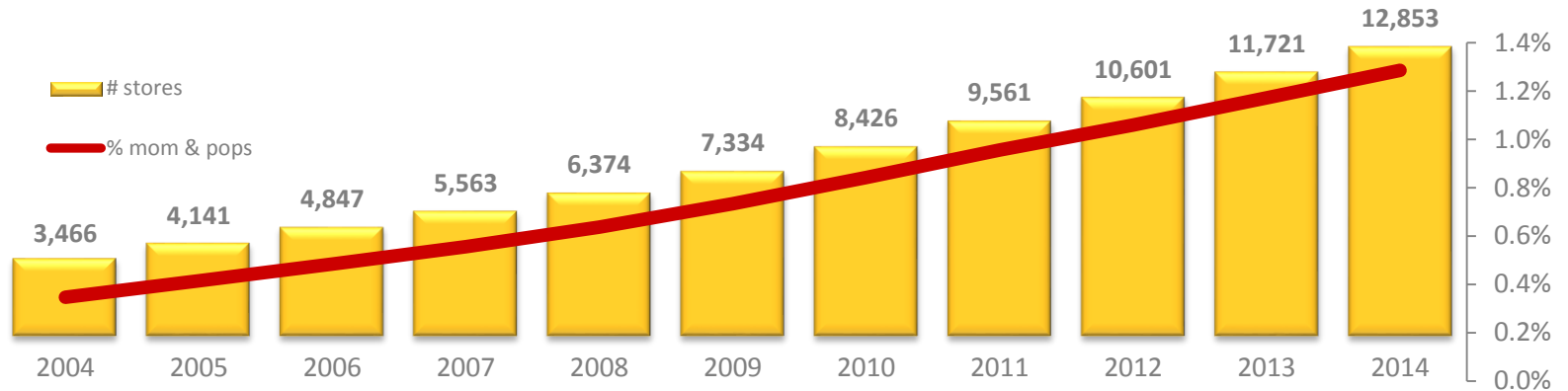
- **Third largest retailer in terms of Revenues in Mexico.**
- **Benchmark for SSS and sales density in Mexico.**
- **Best-in-class margins and returns.**
- **We open one new store every 8 hours on average.**
- **Every day, more than 10 million people make a purchase at an OXXO Store.**



Largest Store Chain in the Americas by Units



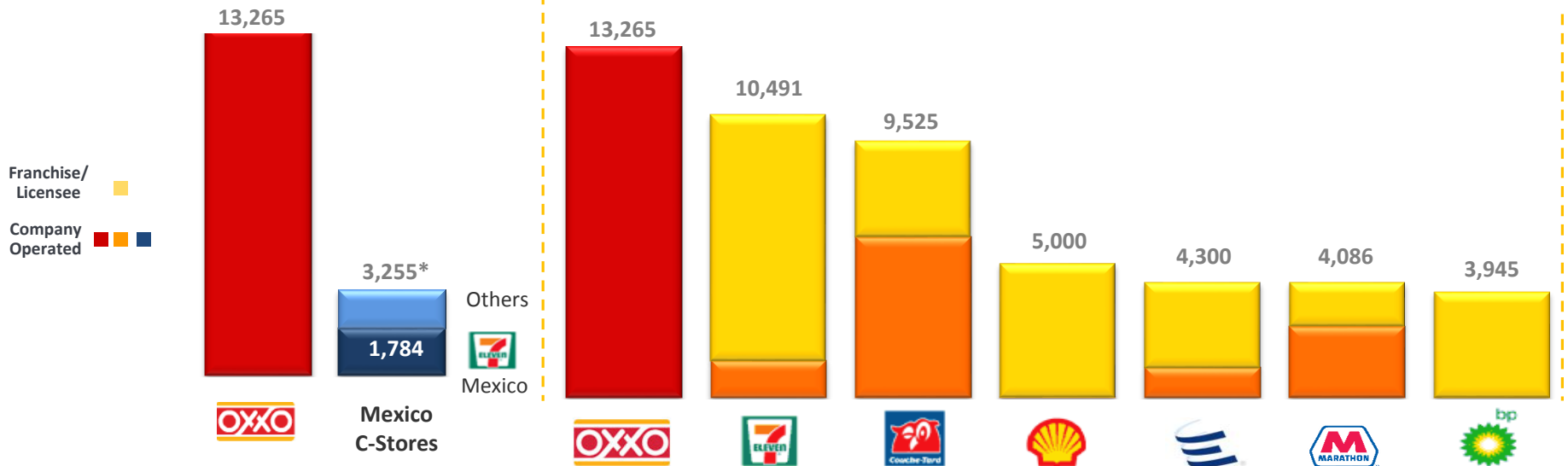
OXXO Stores as a Percentage of Mom & Pops in Mexico



Number of Stores

Mexico

The Americas



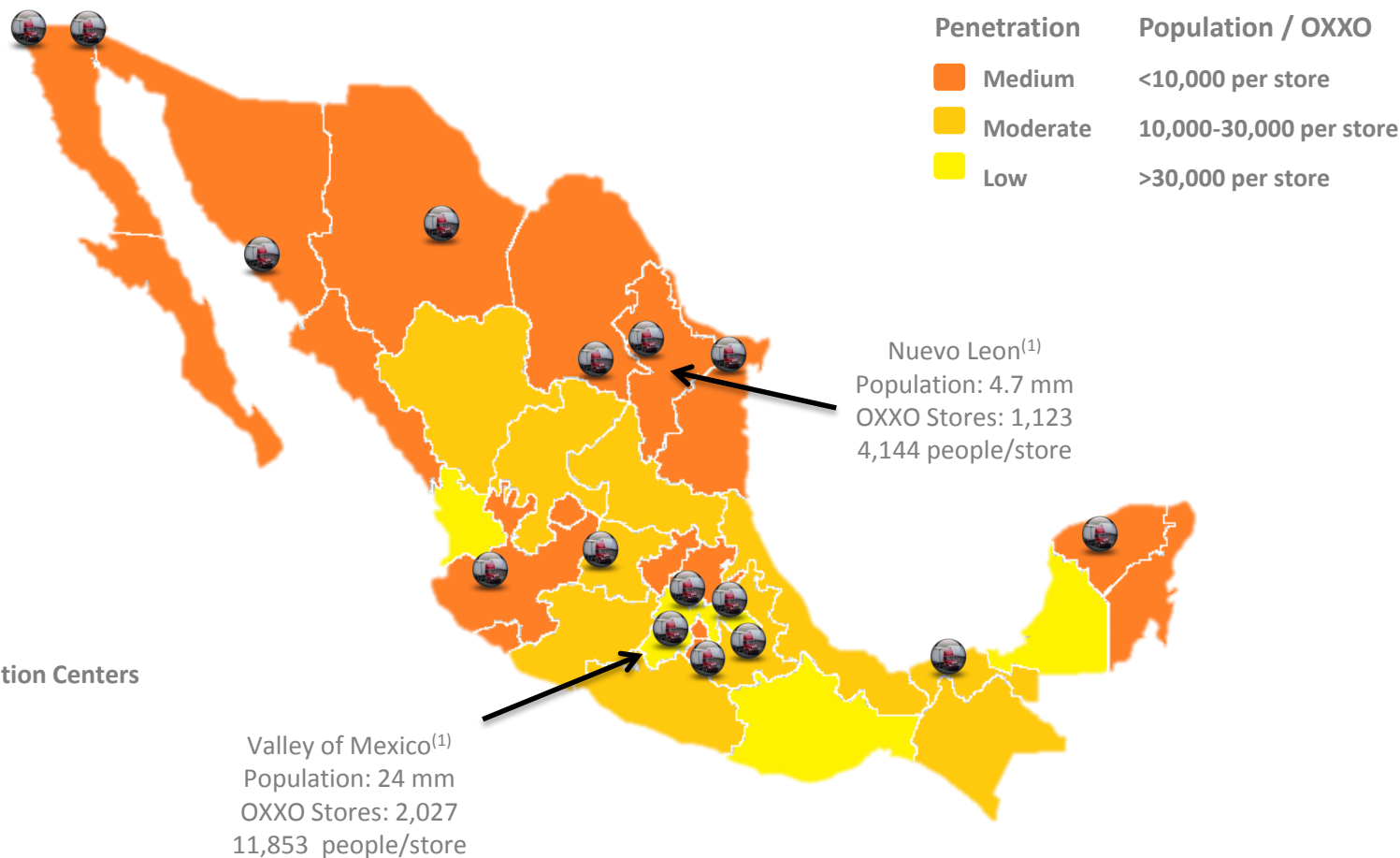
Note: Alimentation Couche-Tard includes US and Canada Operations. 7 Eleven includes US, Mexico and Canada Operations. OXXO stores as of June 2015.
 Source: CS News "Top 100 US Convenience Store Companies", Published July 2015. Mom & pops: Company information.
 *Number of stores in Mexico

Horizontal Growth: Plenty of Runway Ahead



13,541 stores and counting

OXXO Penetration Level by Population



16 Distribution Centers

Note: INEGI 2010 Population Census updated in 2012. FEMSA information as of September 30, 2015.

(1) OXXO stores as of September 30, 2015.

Differentiated Approach to Fill Consumer 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

Segmentation



Category Development -Prepared Food



Category Development -Services



- Recent acquisition of three regional drugstore chains in Mexico (Yza, Moderna and Farmacon) and the recently announced majority investment in Chile's leading drugstore operator: Grupo Socofar.
- **Drugstores in Mexico:**
 - ✓ FEMSA Comercio now operates approximately 880 drugstores or less than 3% of the industry.
 - ✓ Current expected organic growth rate of 15-20% in the Mexican operations.
 - ✓ Aspiration to consolidate fragmented industry following OXXO game plan.



New Formats: Gas Stations (OXXO Gas)

- New changes to Mexican regulatory framework now allow FEMSA to participate more directly in the Energy sector, particularly Gas stations.
- High-growth, high-return business, unique position to pursue and capture this compelling opportunity.
- As of December 31 2014 there were 227 OXXO Gas stations, which generated Ps. 16,178 million in revenues during 2014, also representing 2% of the industry.



The Coca-Cola logo, featuring the brand name in its iconic white script font, centered within a solid red rectangular background.

Coca-Cola

The FEMSA logo, featuring the brand name in a bold, white, sans-serif font, centered within a solid red rectangular background.

FEMSA

Largest Franchise Bottler in the World, Operating in Attractive Regions for its Industry

- ~4 Billion Unit Cases. ⁽¹⁾

- ~ US\$ 11 Billion in Revenues. ⁽¹⁾

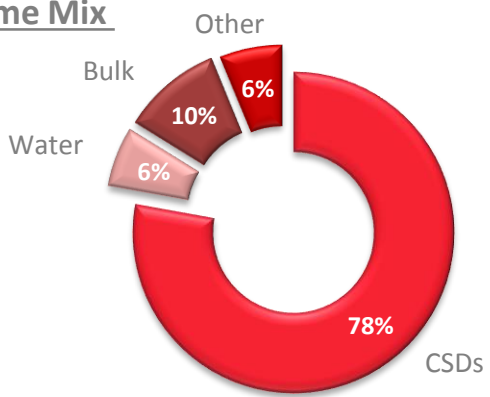
- +351 Million consumers. ⁽¹⁾

- Close to 2.9 Million points of sale. ⁽¹⁾

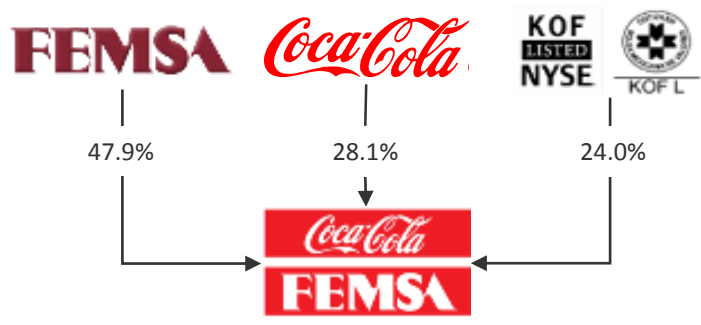
- More than 120,000 employees. ⁽¹⁾



Volume Mix



Ownership:

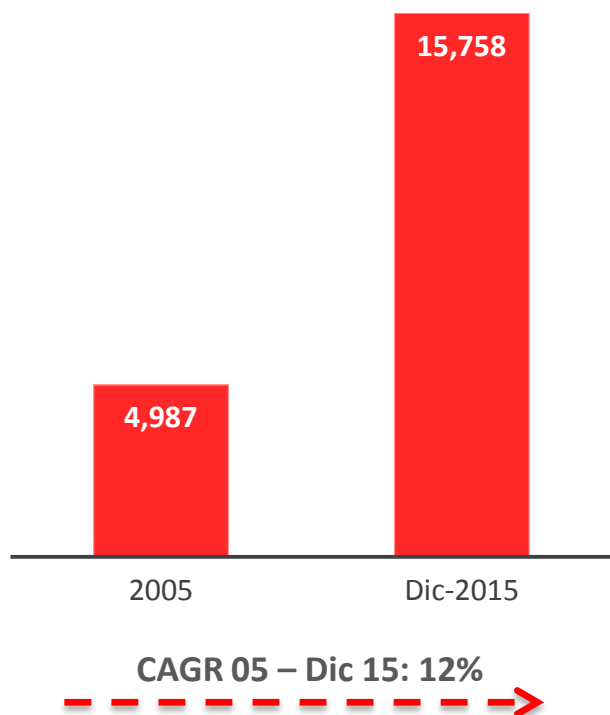


(1) KOF Figures reflect FY 2014. Philippines in a proforma basis.

Creating Economic Value During the Last Decade



KOF Market Cap Evolution (US\$ MM)



	2014	2005	CAGR%
Revenue	174,298	50,198	15%
EBIT ₍₁₎	20,743	8,683	10%
EBIT Margin	14.1%	17.3%	
EBITDA ₍₁₎	28,385	11,210	11%
EBITDA Margin	19.3%	22.3%	
CAPEX	11,313	2,062	21%

¹ Amounts expressed in millions of Mexican Pesos

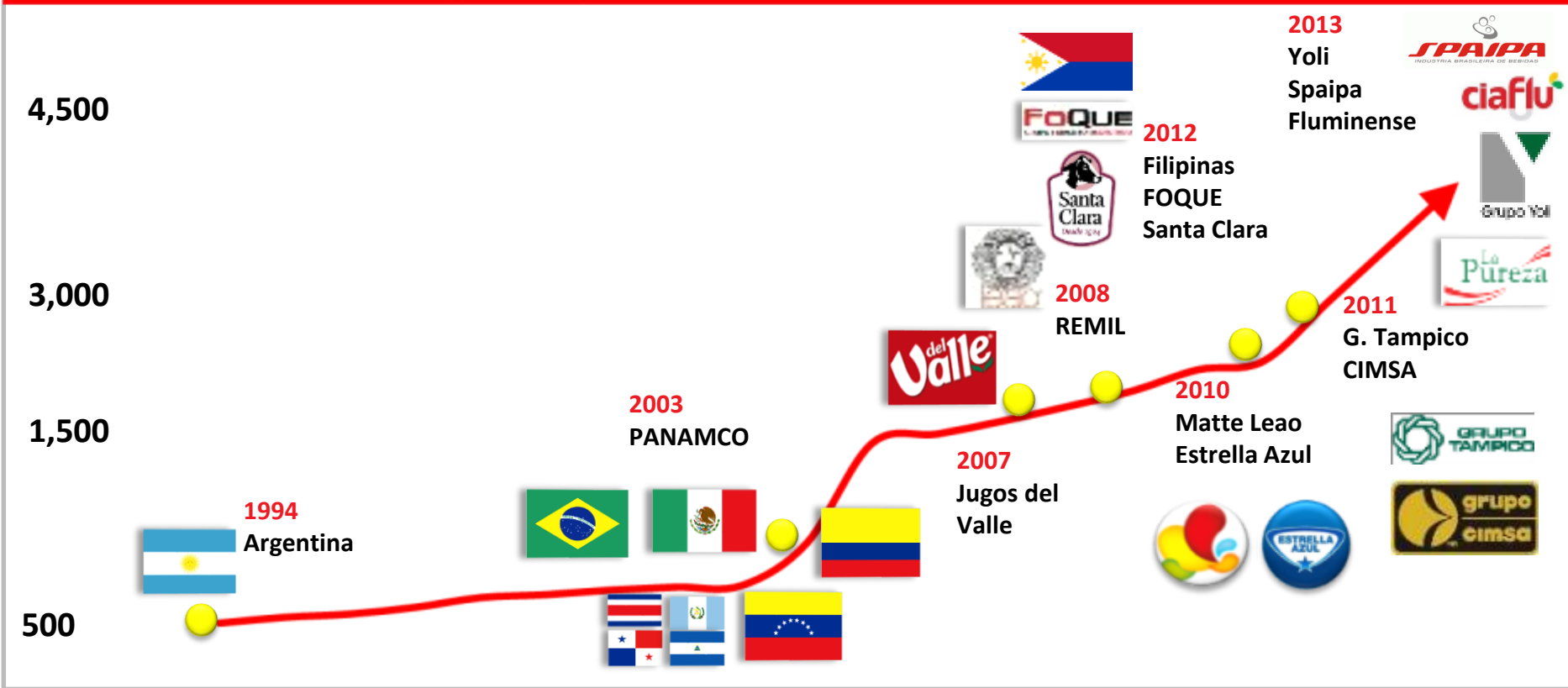
- Consolidate as a Multi-category Leader.
- Reach Full Operating Potential.
- Growth Through Innovation.
- Growth Through Acquisitions.
- Proactive Environment Management.

Source: Bloomberg, as of December 04, 2015.

In the last two decades as a public bottler, KOF has travelled a successful growth journey...



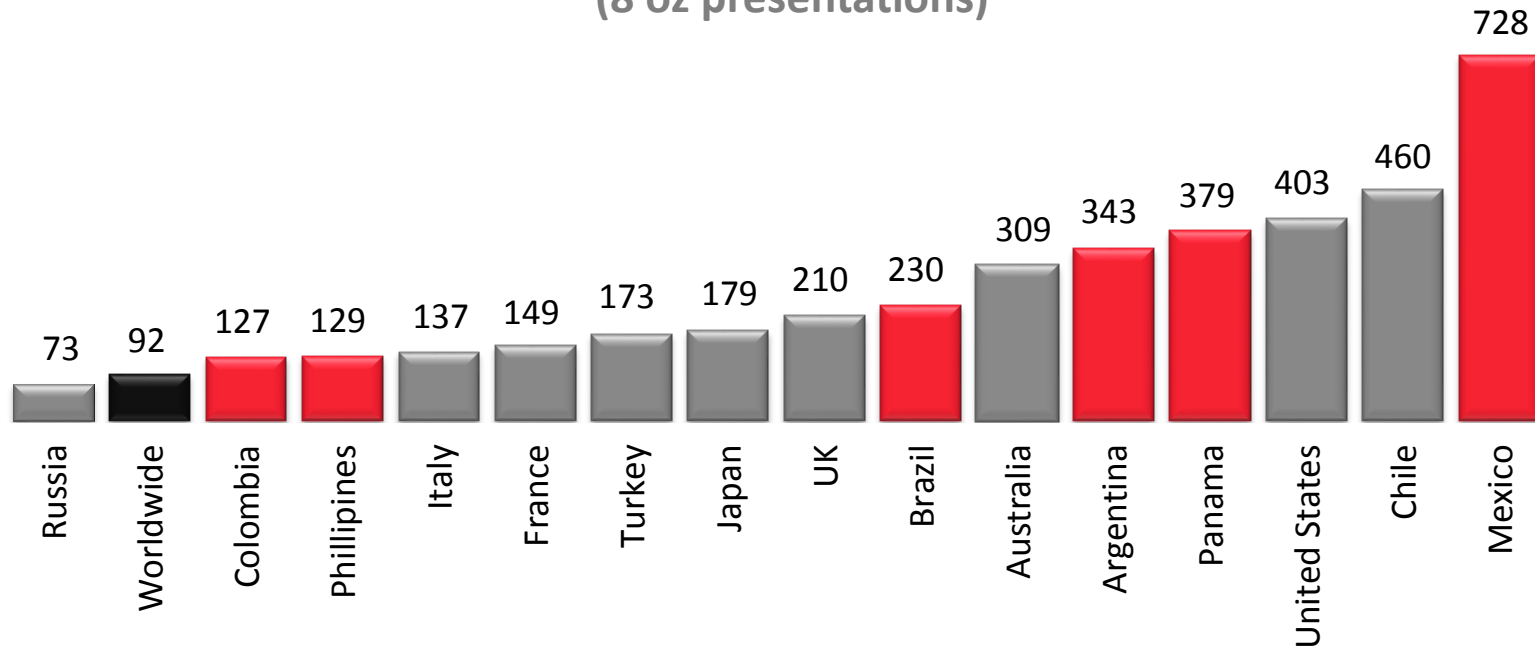
Coca-Cola FEMSA Volume (MMUC)



2000 2003 2006 2009 2012 2013 2014

Consumers (MM)	40	174	184	198	314	346	351
Plants	10	32	31	31	60	64	64
Distribution centers	68	247	206	210	246	329	329

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.

Philippines: turnaround process successfully continues, with relevant operational performance achievements



- 19 Plants and 54 distribution centers.
- Close to 853 MM points of sale.
- +100 Mn Consumers.
- + 510 Mn Unit Cases.⁽¹⁾
- ~5 Bn Transactions.



A healthier mix of Core CSD's Brands (Coke)

Significant one-way mix increase for a more balanced portfolio

2012 vs 2014

+19 pp
(from 51% to 70%)

+12 pp
(from 31% to 43%)



Operational achievements

- ✓ New RTM model implemented in more than **60%** of the country, yielding **+7%** average volume growth.
- ✓ More than **2,400** pre-sellers in the country.
- ✓ Simplified the portfolio reducing the number of SKU's, concentrating on those with the highest potential.
- ✓ Increased **400%** our PET capacity in the region to support our new portfolio evolution (from 5 in 2012 to 9 in 2014).

Sustainability



Sustainability Strategy: Structure



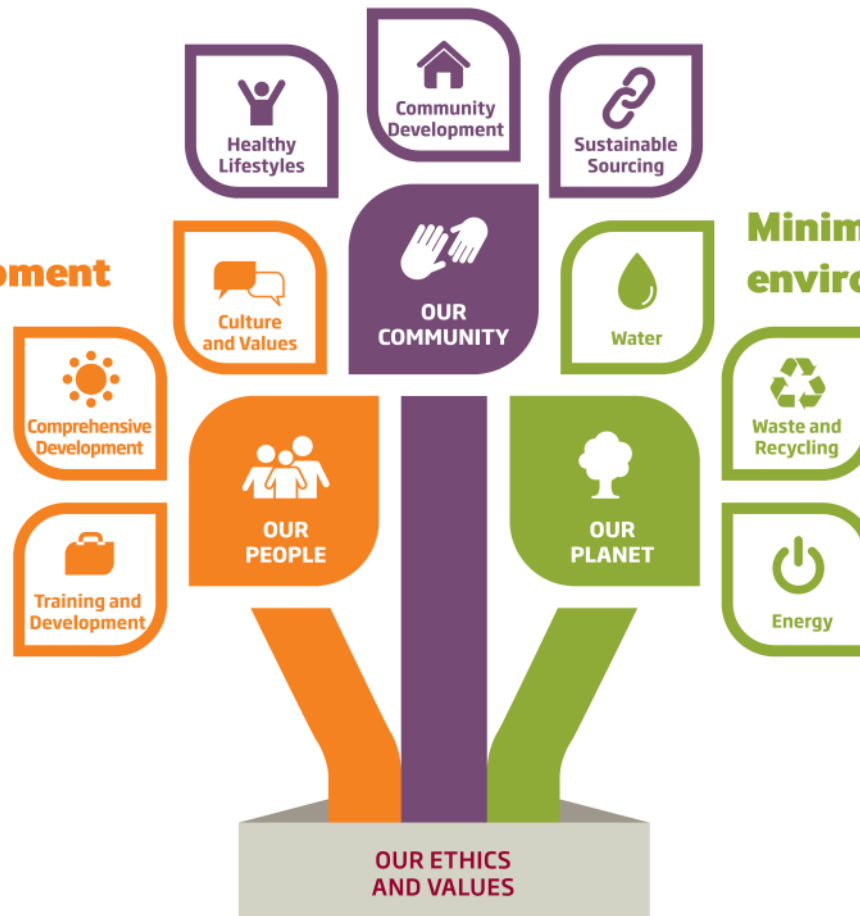
Our long term ambition:

Positively transform our communities

**Contributing to the generation
of sustainable communities**

**Promoting employees'
comprehensive development**

**Minimizing our operations'
environmental impact**



Selected Sustainability Achievements



- FEMSA is part of the **Newsweek Green Rankings 2014** with 1st place for the Food & Beverage Industry in Latin America and 87th place in the global ranking.
- Coca-Cola FEMSA (KOF) is part of the **Dow Jones Sustainability Indexes**, as part of the emerging markets index.
- FEMSA and Coca-Cola FEMSA have been part of the **Mexican Stock Exchange Sustainability Index** for three consecutive years.
- **Carbon Disclosure Project (CDP)** reporting and participation:
 - FEMSA and Coca-Cola FEMSA 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.
 - FEMSA Comercio, FEMSA Logistica, Imbera y ptm[®] joined in 2013, participating for the first time in the CDP Supply Chain in collaboration with The Coca-Cola Company.
- We announced our **Clinton Global Initiative Commitment to Action** to promote 520 social entrepreneurship projects led by young entrepreneurs with an investment of USD \$4.5 million over the next four years, from 2014 to 2017.

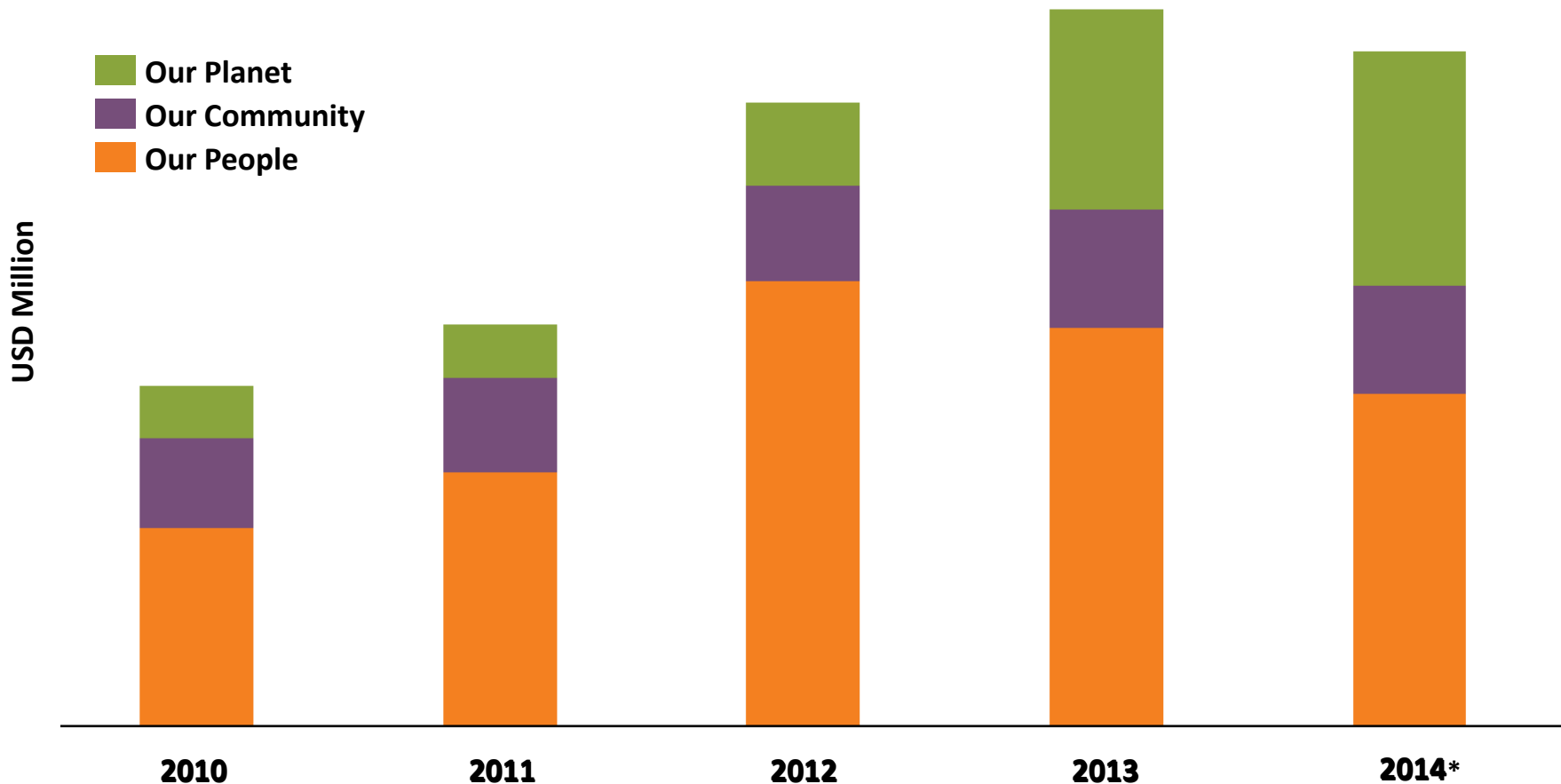


Our Investment in Sustainability



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

Total Spending on Sustainability (by Pillar)



* In MXN terms the investment made on Sustainability during 2014 grew compared to 2013, but when translated to USD it decreases due to the depreciation of the MXN against the USD.



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, petrol 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, and continue to pursue incremental territories that are structurally well suited to our skill set.

Financial Summary (Amounts in millions of Mexican Pesos)



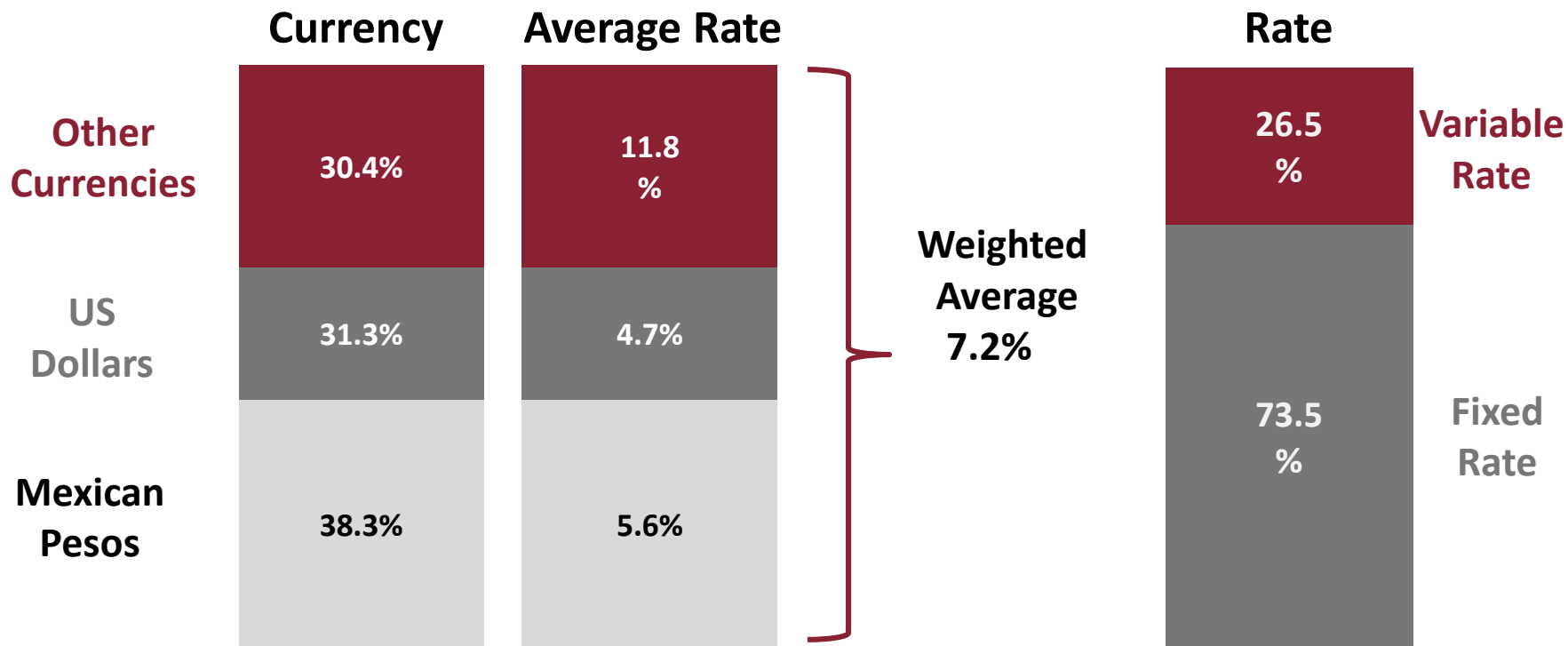
	2010	2011	% Var	2012	% Var	2013	% Var	2014	% Var
Total Revenues	169,702	201,540	19%	238,309	18%	258,097	8%	263,449	2%
Income from Operations	22,529	24,894	10%	29,227	17%	29,857	2%	29,983	0%
% of Revenues	13%	12%		12%		12%		11%	
Operative Cash Flow	28,417	31,716	12%	37,680	19%	39,870	6%	40,945	3%
% of Revenues	17%	16%		16%		15%		16%	
CAPEX	11,171	12,515	12%	15,560	24%	17,882	15%	18,163	2%
% of Revenues	7%	6%		7%		7%		7%	



	2010	2011	% Var	2012	% Var	2013	% Var	2014	% Var
Total Revenues	62,259	74,112	19%	86,433	17%	97,572	13%	109,624	12%
Income from Operations	5,200	5,577	7%	6,778	22%	7,906	17%	8,680	10%
% of Revenues	8%	8%		8%		8%		8%	
Operative Cash Flow	6,797	7,525	11%	8,994	20%	10,546	17%	11,756	11%
% of Revenues	11%	10%		10%		11%		11%	
CAPEX	3,324	4,096	23%	4,708	15%	5,651	20%	5,191	-8%
% of Revenues	5%	6%		5%		6%		5%	
Same Store Sales %growth	5.2	9.2		7.7		2.4		2.7	



	2010	2011	% Var	2012	% Var	2013	% Var	2014	% Var
Total Revenues	103,456	123,224	19%	147,739	20%	156,011	6%	147,298	-6%
Income from Operations	17,079	18,739	10%	21,956	17%	21,450	-2%	20,743	-3%
% of Revenues	17%	15%		15%		14%		14%	
Operative Cash Flow	21,022	23,400	11%	27,923	19%	28,594	2%	28,385	-1%
% of Revenues	20%	19%		19%		18%		19%	
CAPEX	7,478	7,826	5%	10,259	31%	11,703	14%	11,313	-3%
% of Revenues	7%	6%		7%		8%		8%	
Volume (mill UC)	2,500	2,649	6%	3,046	15%	3,205	5%	3,417	7%



Maturity



FEMSA

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Stock Information

Bolsa Mexicana de Valores (BMV): FEMSAUBD

New York Stock Exchange, Inc (NYSE): FMX

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