

FEMSA

Investor Presentation

March 2016

FMX
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NYSE



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

- 3.4 Bn Unit Cases per annum.
- Over 10 million OXXO customers per day.

Powerful Brands

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

Efficient Production and Distribution

- 63 beverage bottling plants.
- 327 distribution facilities.

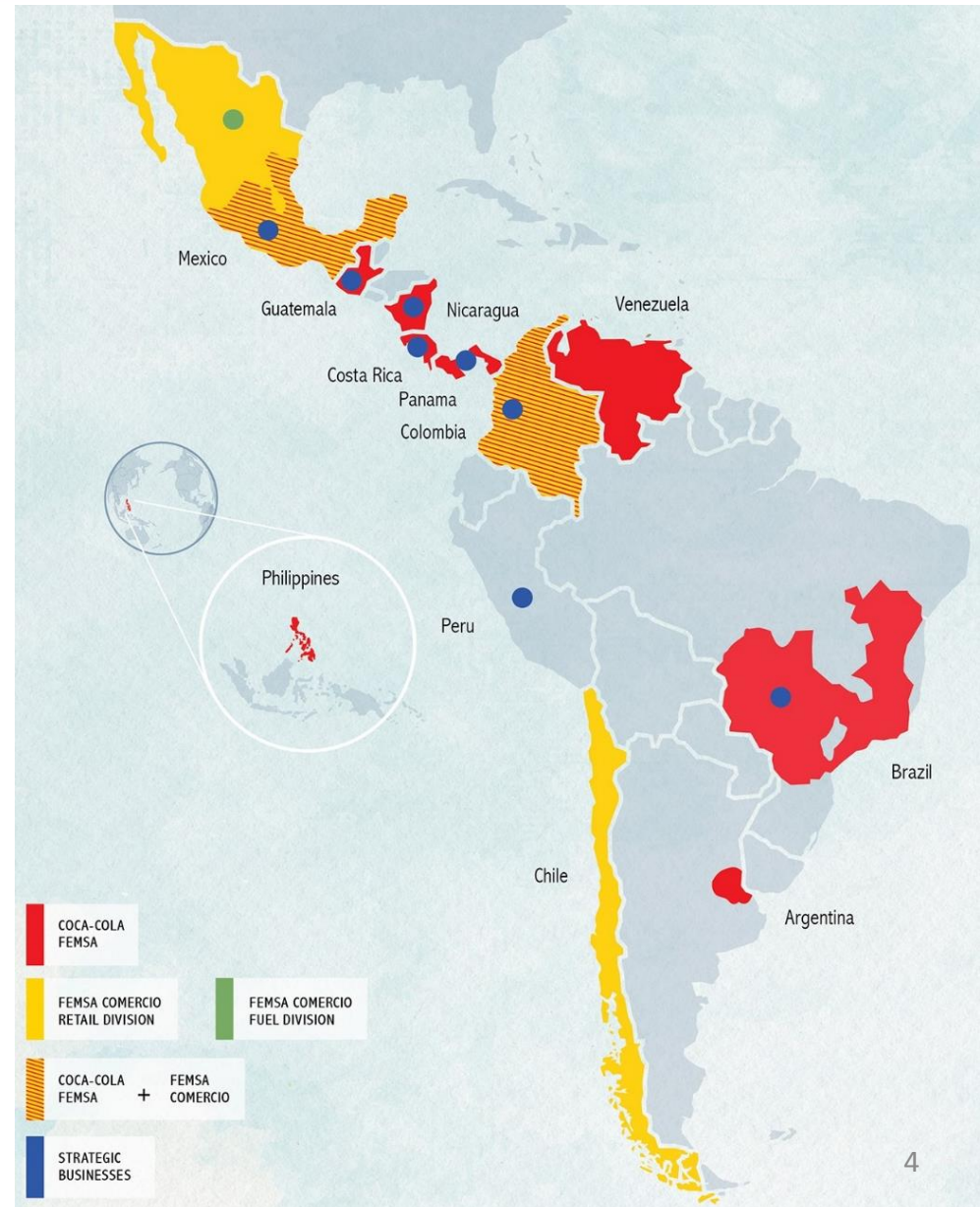
Growing Beverage Consumer Base

- 2.8 mm clients.
- 358 mm customers.

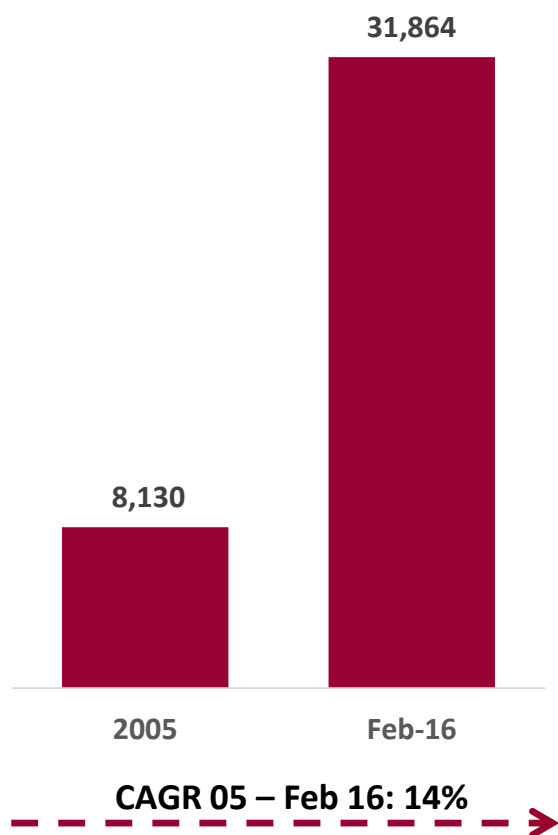
Dynamic Store Platform

- +14,000 OXXO Stores

+220,000 Employees



FEMSA Market Cap Evolution (US\$ MM)



Financial Highlights

	2015	2005 ⁽²⁾	CAGR%
Revenue ₍₁₎	311,589	78,932	15%
EBIT ₍₁₎	33,735	9,942	13%
EBIT Margin	10.8%	12.6%	
EBITDA ₍₁₎	46,626	13,073	14%
EBITDA Margin	15.0%	16.6%	
CAPEX ₍₁₎	18,885	3,477	18%

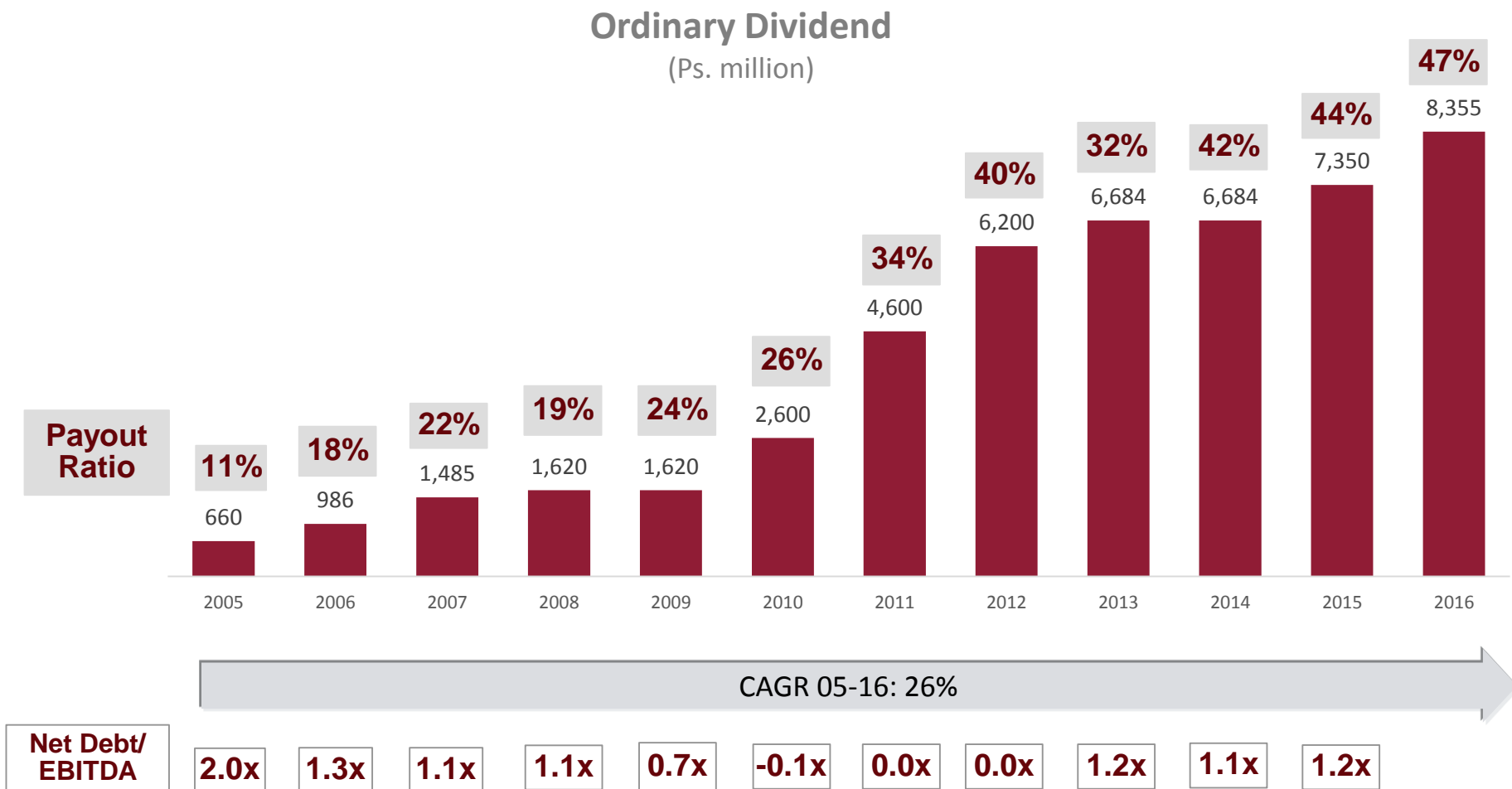
¹ Amounts expressed in millions of Mexican Pesos

² Figures for 2005 are the 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

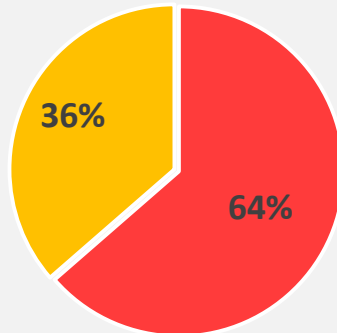
...while retaining strategic and financial flexibility



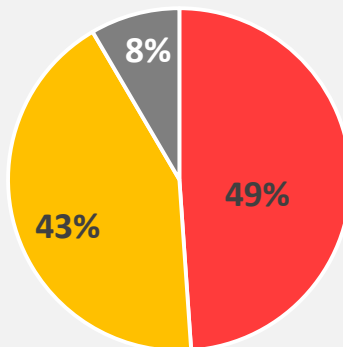
Note: Dividend figures are in Mexican pesos. Payout ratio figures are the division of the dividend between previous year net majority income. 2010 net majority income does not include Heineken transaction effect. 2011 and thereafter figures are under International Financial Reporting Standards ("IFRS").

Revenue Contribution

2005



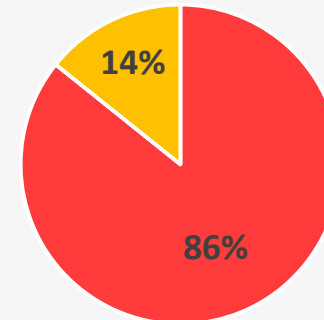
2015



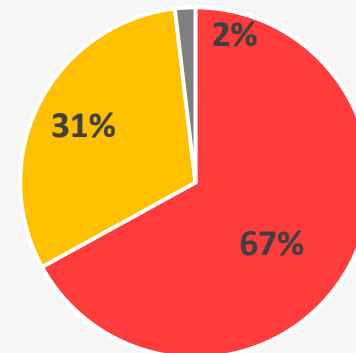
- Coca-Cola FEMSA
- FEMSA Comercio – Retail Division
- Others

EBITDA Contribution

2005



2015



- Coca-Cola FEMSA
- FEMSA Comercio – Retail Division
- Others



FEMSA

COMERCIO

OXXO: A Format that Fits our Consumer's Needs

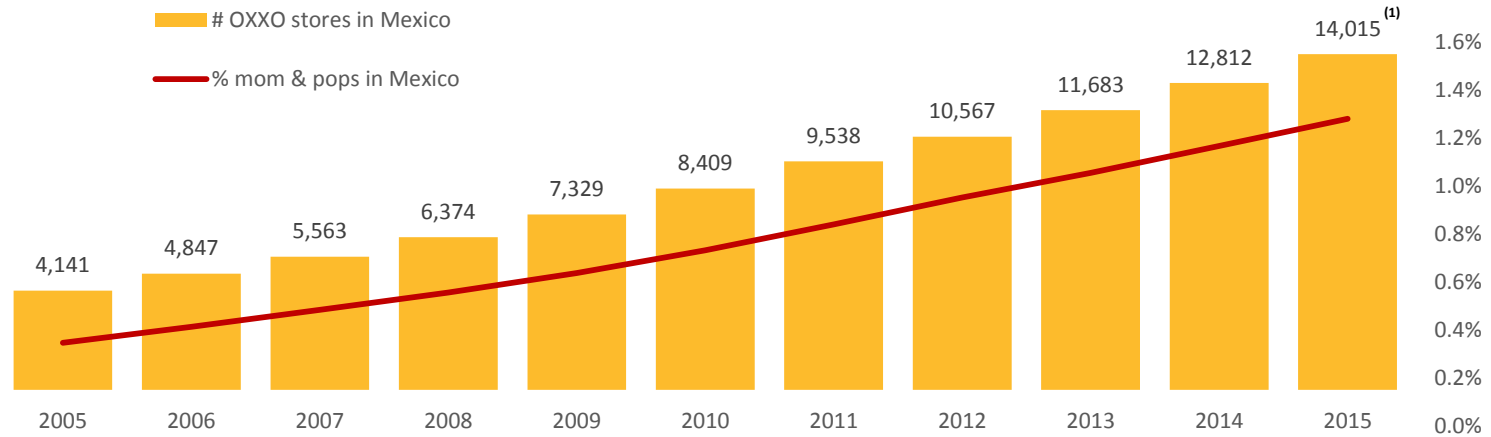


- **Third largest retailer in terms of Revenues in Mexico.**
- **Benchmark for SSS and sales density in Mexico.**
- **Best-in-class margins and returns.**
- **We open one new store every 8 hours on average.**
- **Every day, more than 10 million people make a purchase at an OXXO Store.**

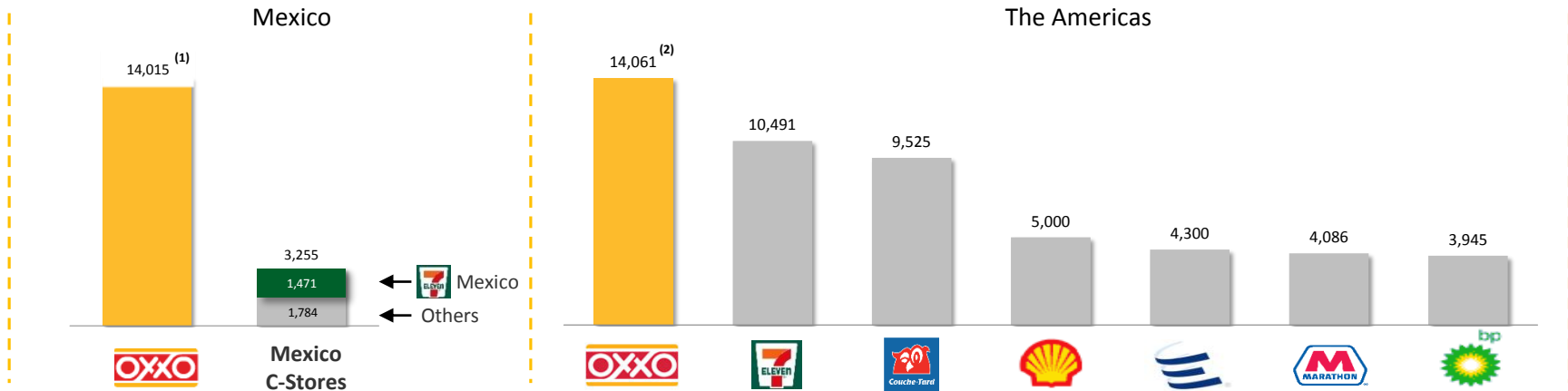


Largest Store Chain in the Americas by Units

OXXO Stores as a Percentage of Mom & Pops in Mexico



Number of Stores



Note: For The Americas Section: Alimentation Couche-Tard includes US and Canada Operations. 7 Eleven includes US, Mexico and Canada Operations
 Source: CS News "Top 100 US Convenience Store Companies", Published July 2015. Mom & pops: Company information
 (1) OXXO stores as of December 31, 2015 in Mexico
 (2) Total OXXO stores, (includes Mexico and Colombia) as of December 31, 2015.

Horizontal Growth: Plenty of Runway Ahead

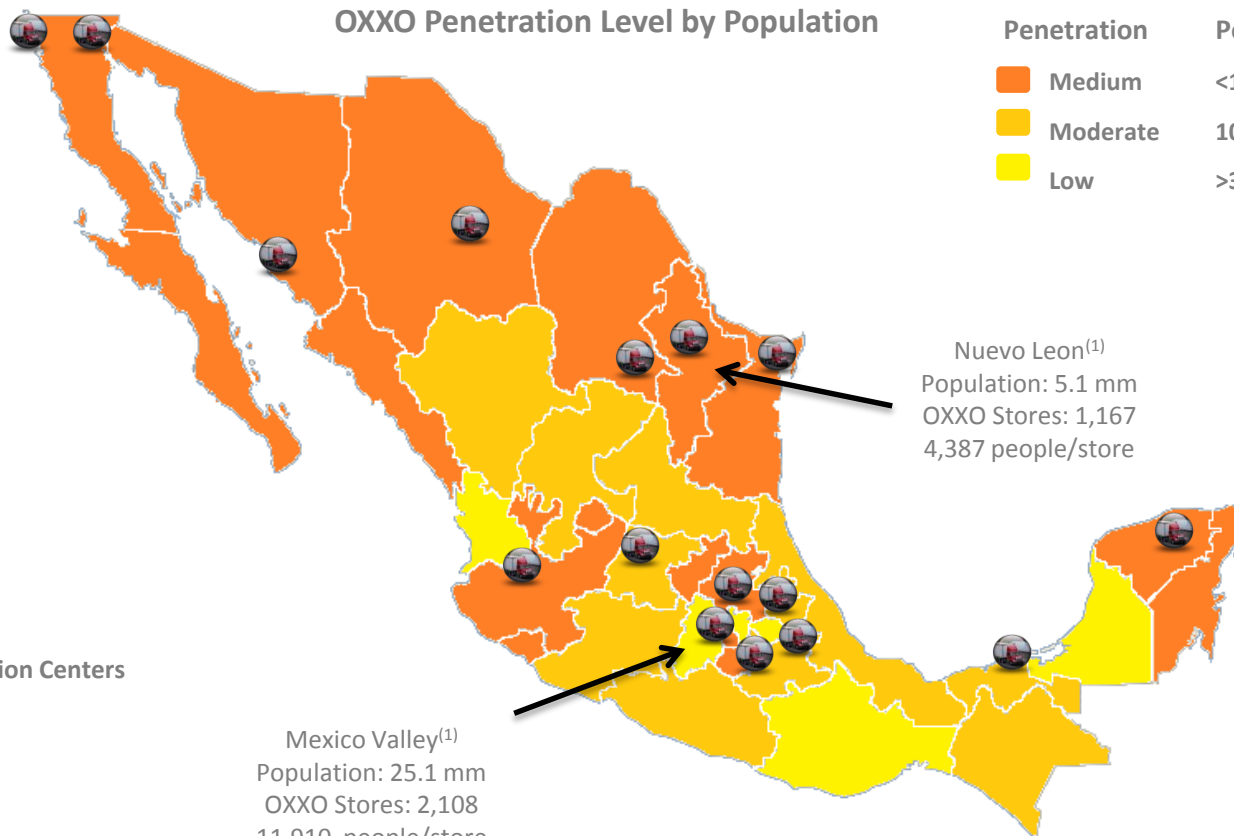


14,015 stores in Mexico and counting

FEMSA Comercio has developed proprietary models to assist in identifying optimal store locations, store formats and product categories

OXXO Penetration Level by Population

Penetration	Population / OXXO
Medium	<10,000 per store
Moderate	10,000-30,000 per store
Low	>30,000 per store



16 Distribution Centers

Note: INEGI 2015 Inter Population Consensus Survey . FEMSA information as of December 31, 2015
⁽¹⁾ OXXO stores as of December 31, 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



Acquisition of Yza, Moderna, Farmacon and Grupo Socofar, will help amplify FEMSA's current drugstore market share



✓ FEMSA Comercio operates 933 drugstores in Mexico, or approximately 3% of the industry

✓ Current expected organic growth rate of 15-20% in the Mexican operations

✓ Socofar operates approximately 650 drugstores in Chile and 150 pharmacies in Colombia, and offers a platform for growth in South America

✓ Aspirations to consolidate fragmented industry following OXXO game plan

New Formats: Gas Stations (OXXO Gas)

OXXO GAS stations now allow FEMSA to participate in the Energy Sector

- ✓ **New changes to Mexican regulatory framework now allow FEMSA to participate directly in the Energy sector, particularly petrol stations**
- ✓ **High-growth, high-return business, unique position to pursue and capture this compelling opportunity**
- ✓ **We concentrate mainly in the northern part of the country but with a presence in 14 different Mexican States**
- ✓ **As of December 31 2015 there were 307 OXXO GAS stations, which generated Ps. 18,510 million in revenues during 2015, representing less than 3% of a highly-fragmented industry**



The Coca-Cola logo, featuring the brand name in its signature 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

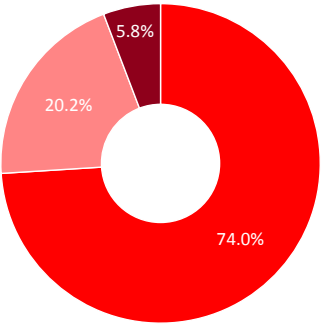
Largest Coca-Cola Franchise Bottler in the World, Operating in Attractive Regions



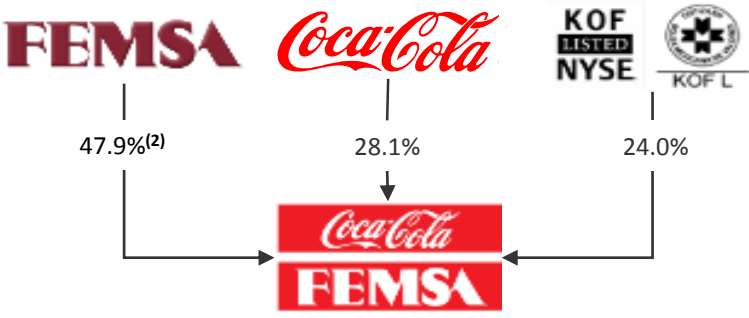
- ✓ Strategic partner to the Coca-Cola system representing about 13% of Global Volume
- ✓ 3.4 Billion Unit Cases
- ✓ ~ US\$ 9 Billion in Revenues
- ✓ +358 Million consumers ⁽¹⁾
- ✓ Close to 2.8 Million points of sale ⁽¹⁾
- ✓ ~ 83,000 employees



Volume Mix



Ownership:

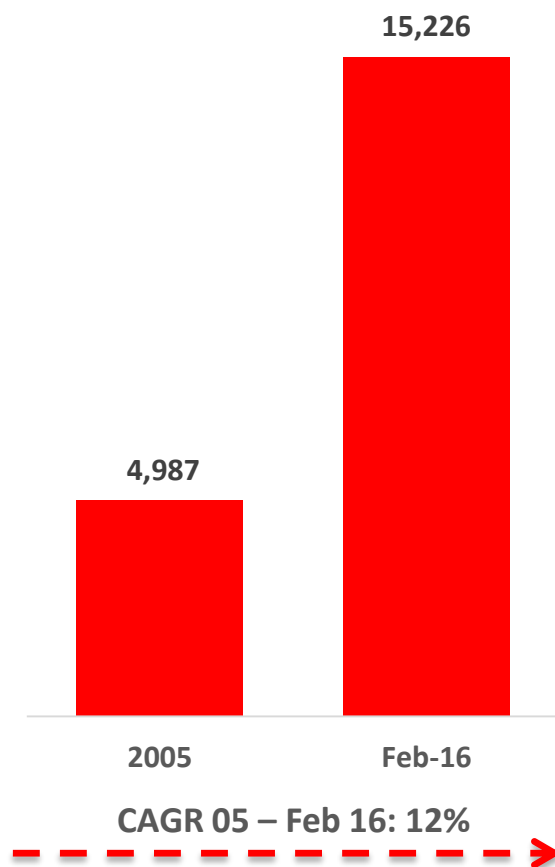


(1) KOF Figures reflect FY 2015. Philippines in a proforma basis
 (2) Represents 63% of shares with voting rights

Creating Economic Value During the Last Decade



KOF Market Cap Evolution (US\$ MM)



Financial Highlights

	2015	2005	CAGR%
Revenue ₍₁₎	152,360	50,198	12%
EBIT ₍₁₎	22,645	8,683	10%
EBIT Margin	14.9%	17.3%	
EBITDA ₍₁₎	31,233	11,210	11%
EBITDA Margin	20.5%	22.3%	
CAPEX ₍₁₎	11,484	2,062	19%

¹ Amounts expressed in millions of Mexican Pesos

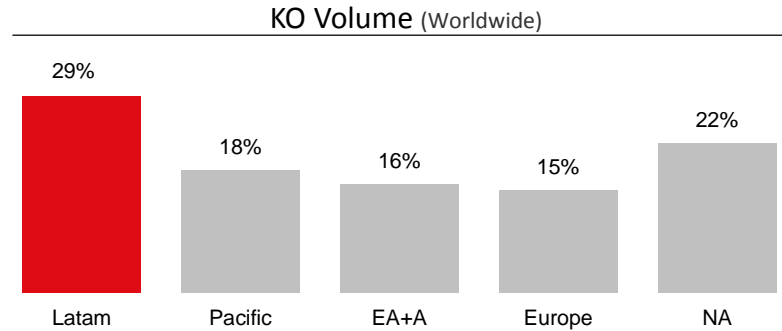
- Consolidate as a Multi-category Leader.
- Reach Full Operating Potential.
- Growth Through Innovation.
- Growth Through Acquisitions.
- Proactive Environment Management.

Source: Bloomberg, as of February 29, 2016.

Strategic partner to the Coca-Cola System towards fulfilling its 2020 vision



KOF operates in some of the most attractive markets and has pursued relevant opportunities in every category to contribute to the system's future growth



KOF Volume Evolution (MMUC) and acquisition track record



	2000	2003	2006	2009	2012	2013	2014	2015
Consumers (MM)	40	174	184	198	314	346	351	358
Plants	10	32	31	31	60	64	64	63
Distribution facilities	68	247	206	210	246	329	329	327

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



The Philippines provides a unique opportunity to operate in a country with (i) very attractive economic growth prospects, (ii) a private consumption driven economy, (iii) an attractive socio-economic and demographic profile and (iv) a cultural resemblance to Latin America

KOF acquired **51%** non-controlling majority stake of CCFP⁽¹⁾ for US\$ **688.5** million in all-cash transaction:

- Aggregate EV of US \$1,350 for 100% of the operations
- Call option for the remaining 49% at any time during the seven years following the closing
- Put option exercisable in year 6 after closing



Highlights:

- 2015 Volume: **522** Mn Unit Cases
 - US \$**1.1** Bn in Sales
- Important mix of returnable **53%**⁽¹⁾
- More than **800,000** points of sale
 - **19** plants
 - Population: ~**102** million
- Close to **10,000** direct employees

(1) CCFP: Coca-Cola FEMSA Philippines, Inc.
Source: Coca-Cola Femsa S.A.B. de C.V.

We see changes in global trends as opportunities to capture increased value



Long-term, Carbonated Soft Drinks (CSDs) are expected to grow at lower rates in LatAm and even decrease in developed countries



Focusing on transactions through higher profitability packages to maximize margins



Non-Carbonated Beverages (NCBs) will drive industry growth, while consumption of dairy products increases in LatAm driven by UHT milk and value added dairy



Investing in our joint ventures to gain profitable market leadership in relevant categories while redefining the potential of value added dairy



Consumers are increasing the variety of channels where they buy



Assess the opportunity that proximity, technology and disintermediation represent



Sustainability



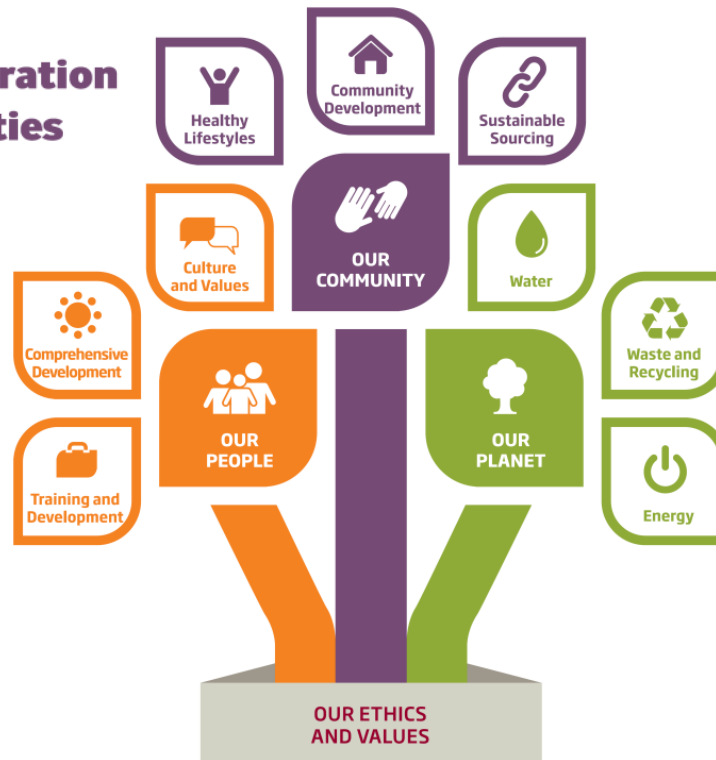
Sustainability Strategy: Structure



We are committed to developing the capabilities needed to **generate the economic, social, and environmental conditions** required to operate today—and to grow in the future—in harmony with our environment. That is how we understand **sustainability**.

We contribute to **create economic and social value** through our Strategic Sustainability Framework:

Contributing to the generation of sustainable communities



Minimizing our operations' environmental impact

Promoting employees' comprehensive development

Selected Sustainability Achievements 2015



We are aware of the fact that our communities face challenges that are increasingly more complex. Consequently, we know we need to **evolve and strengthen our decision-making processes** based on criteria that simultaneously creates **economic and social value**, as defined by our mission.



- We participated in the **Carbon Disclosure Project** in the Climate Change and Water versions.



- Coca-Cola FEMSA has been for three consecutive years part of the **Dow Jones Sustainability Index for Emerging Markets**.



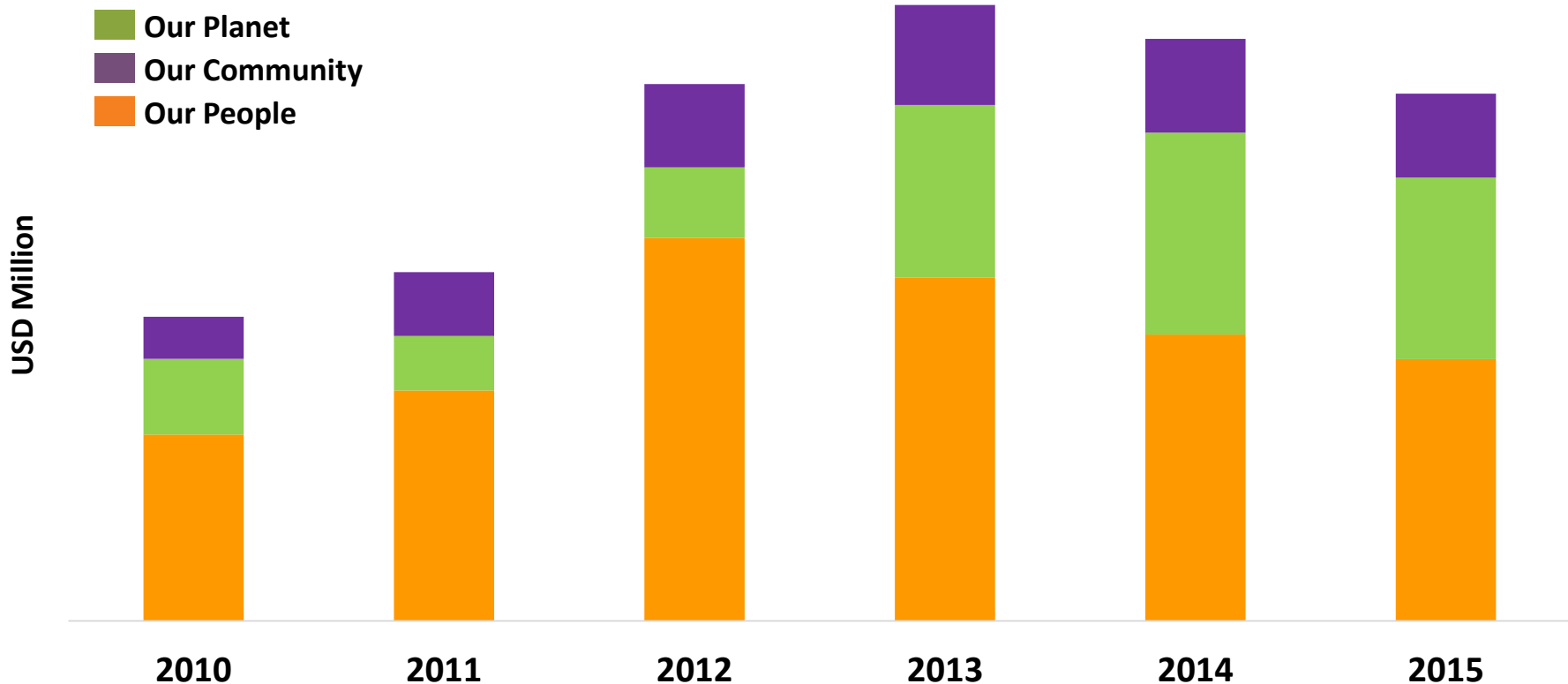
- FEMSA and Coca-Cola FEMSA have been part of the **Mexican Stock Exchange Sustainability Index** for four consecutive years.

Our Investment in Sustainability



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

Total Spending on Sustainability (by Pillar)



Note: In MXN terms the investment made on Sustainability during 2015 grew compared to 2014 and during 2014 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)



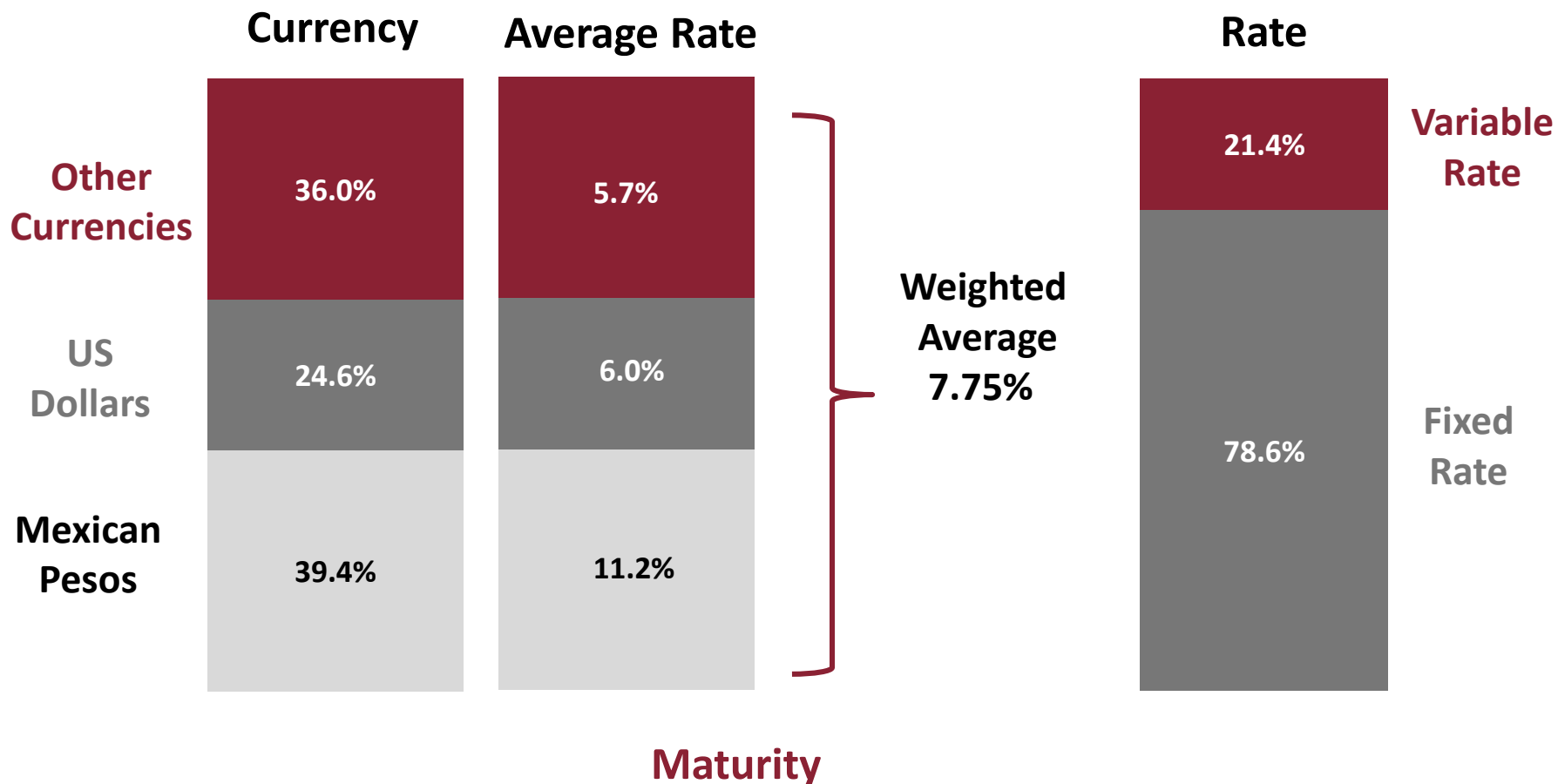
	2010	2011	% Var	2012	% Var	2013	% Var	2014	% Var	2015	% Var
Total Revenues	169,702	201,540	19%	238,309	18%	258,097	8%	263,449	2%	311,589	18%
Income from Operations	22,529	24,484	9%	29,227	19%	29,857	2%	29,983	0%	33,735	13%
% of Revenues	13%	12%		12%		12%		11%		11%	
Operative Cash Flow	28,417	31,498	11%	37,680	20%	39,870	6%	40,945	3%	46,626	14%
% of Revenues	17%	16%		16%		15%		16%		15%	
CAPEX	11,171	12,609	13%	15,560	23%	17,882	15%	18,163	2%	18,885	4%
% of Revenues	7%	6%		7%		7%		7%		6%	



	2010	2011	% Var	2012	% Var	2013	% Var	2014	% Var	2015	% Var
Total Revenues	62,259	74,112	19%	86,433	17%	97,572	13%	109,624	12%	151,401	38%
Income from Operations	5,200	5,523	6%	6,778	23%	7,906	17%	8,680	10%	11,105	28%
% of Revenues	8%	7%		8%		8%		8%		7%	
Operative Cash Flow	6,797	7,506	10%	8,994	20%	10,546	17%	11,756	11%	14,801	26%
% of Revenues	11%	10%		10%		11%		11%		10%	
CAPEX	3,324	4,187	26%	4,708	12%	5,683	21%	5,191	-9%	6,276	21%
% of Revenues	5%	6%		5%		6%		5%		4%	
Same Store Sales %growth	5.2	9.2		7.7		2.4		2.7		46,626	



	2010	2011	% Var	2012	% Var	2013	% Var	2014	% Var	2015	% Var
Total Revenues	103,456	123,224	19%	147,739	20%	156,011	6%	147,298	-6%	152,360	3%
Income from Operations	17,079	18,392	8%	21,956	19%	21,450	-2%	20,743	-3%	22,645	9%
% of Revenues	17%	15%		15%		14%		14%		15%	
Operative Cash Flow	21,022	23,223	10%	27,923	20%	28,594	2%	28,385	-1%	31,233	10%
% of Revenues	20%	19%		19%		18%		19%		20%	
CAPEX	7,478	7,810	4%	10,259	31%	11,703	14%	11,313	-3%	11,484	2%
% of Revenues	7%	6%		7%		8%		8%		8%	
Volume (mill UC)	2,500	2,649	6%	3,046	15%	3,205	5%	3,417	7%	3,436	



FEMSA

Contact Information

investor@femsa.com.mx

www.femsa.com

Phone: (52) 818328-6167

Stock Information

Bolsa Mexicana de Valores (BMV): FEMSAUBD

New York Stock Exchange, Inc (NYSE): FMX

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