

FEMSA



Investor Presentation – September 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



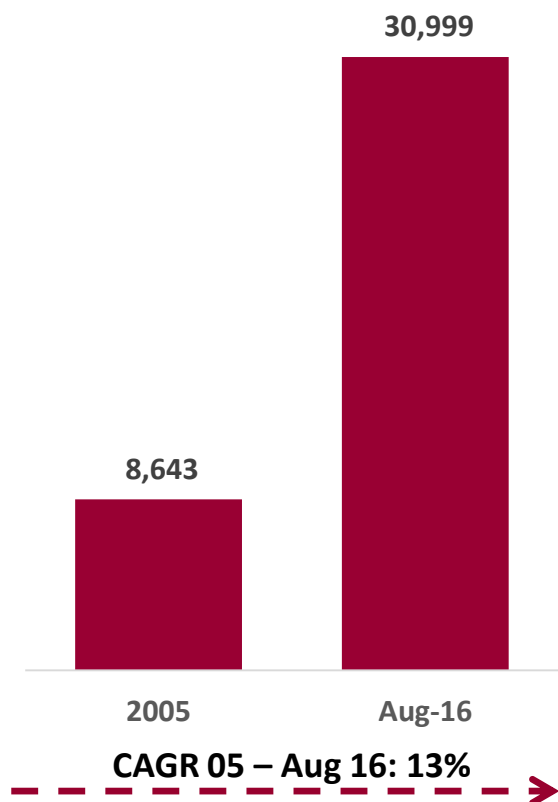
(1) Represents 63% of shares with voting rights

Leading Consumer Company in Latin America



		FEMSA Comercio			Coca-Cola FEMSA	Logistics/ Refrigeration
		Retail Division	Health Division	Fuel Division		
	Mexico					
	Brazil					
	Colombia					
	Argentina					
	Venezuela					
	Chile					
	Panama					
	Costa Rica					
	Philippines					
	Guatemala					
	Nicaragua					

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.

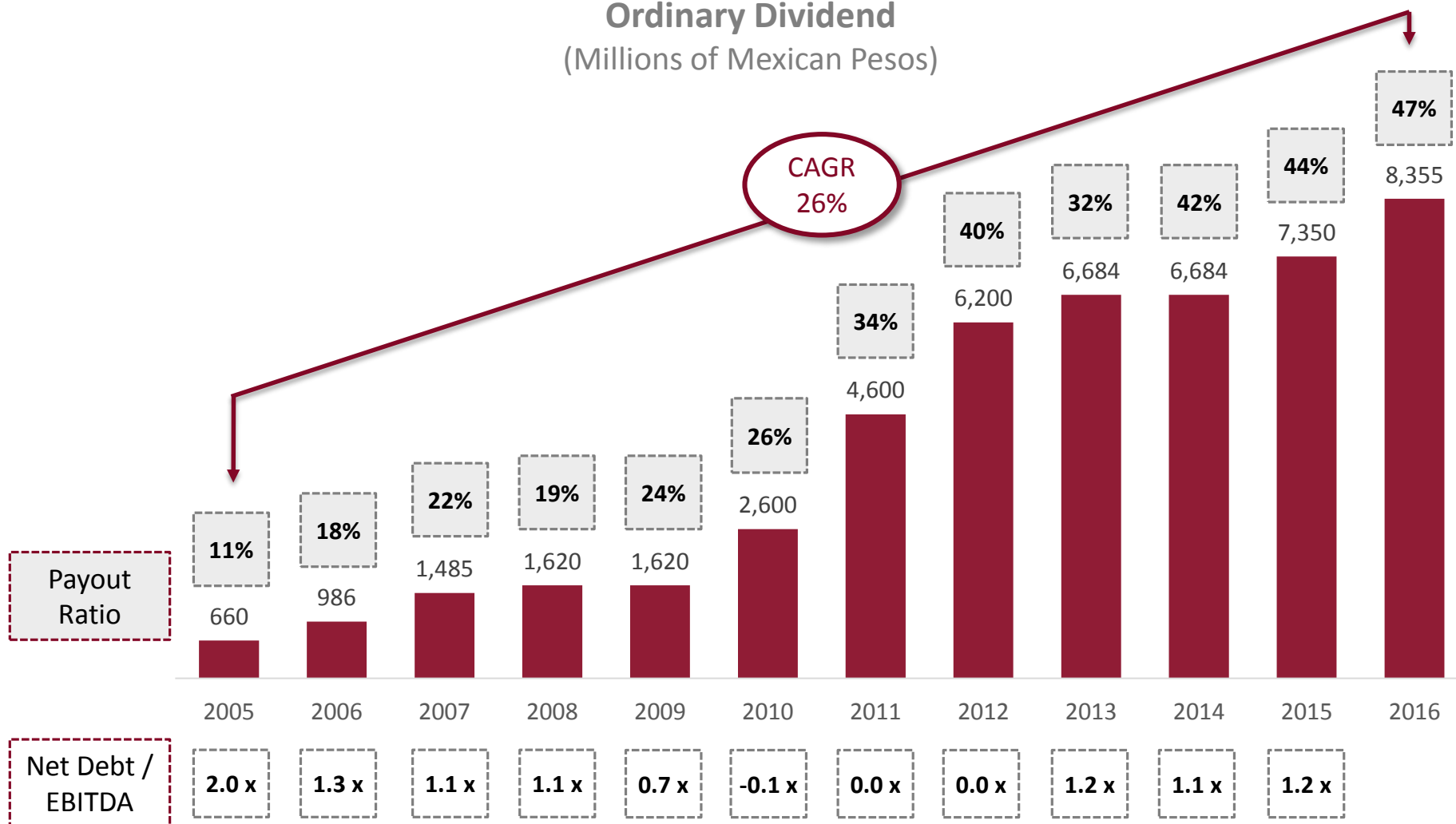
- Consistently strengthening our competitive position.
- Ability to operate in a rapidly changing economic environment.
- Strong brand portfolio and exceptional operational capabilities.

Increasing Cash to Shareholders Over Time...



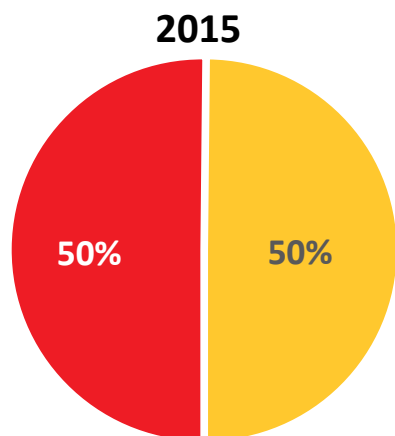
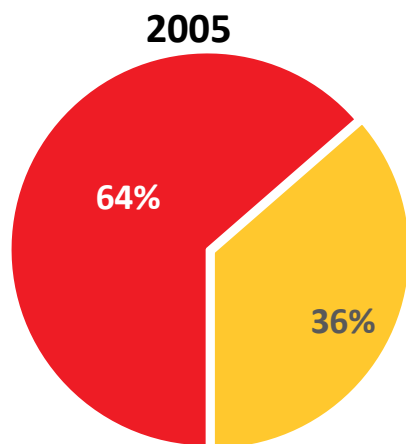
...while retaining strategic and financial flexibility

Ordinary Dividend (Millions of Mexican Pesos)

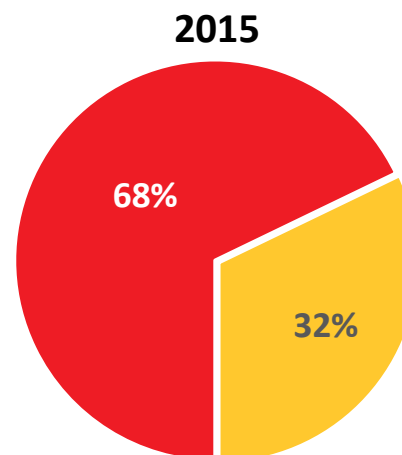
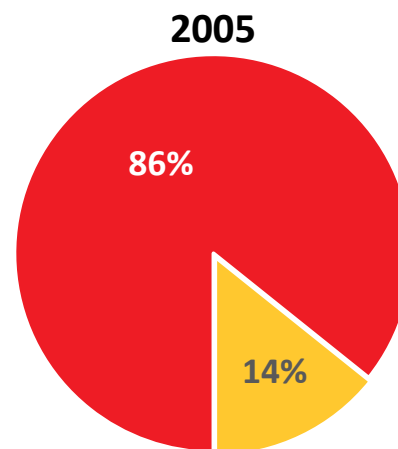


Note: Dividend figures are in Mexican pesos. Payout ratio figures are the division of the dividend between previous year net majority income. 2010 net majority income does not include Heineken transaction effect. 2011 and thereafter figures are under International Financial Reporting Standards ("IFRS").

Revenue Contribution



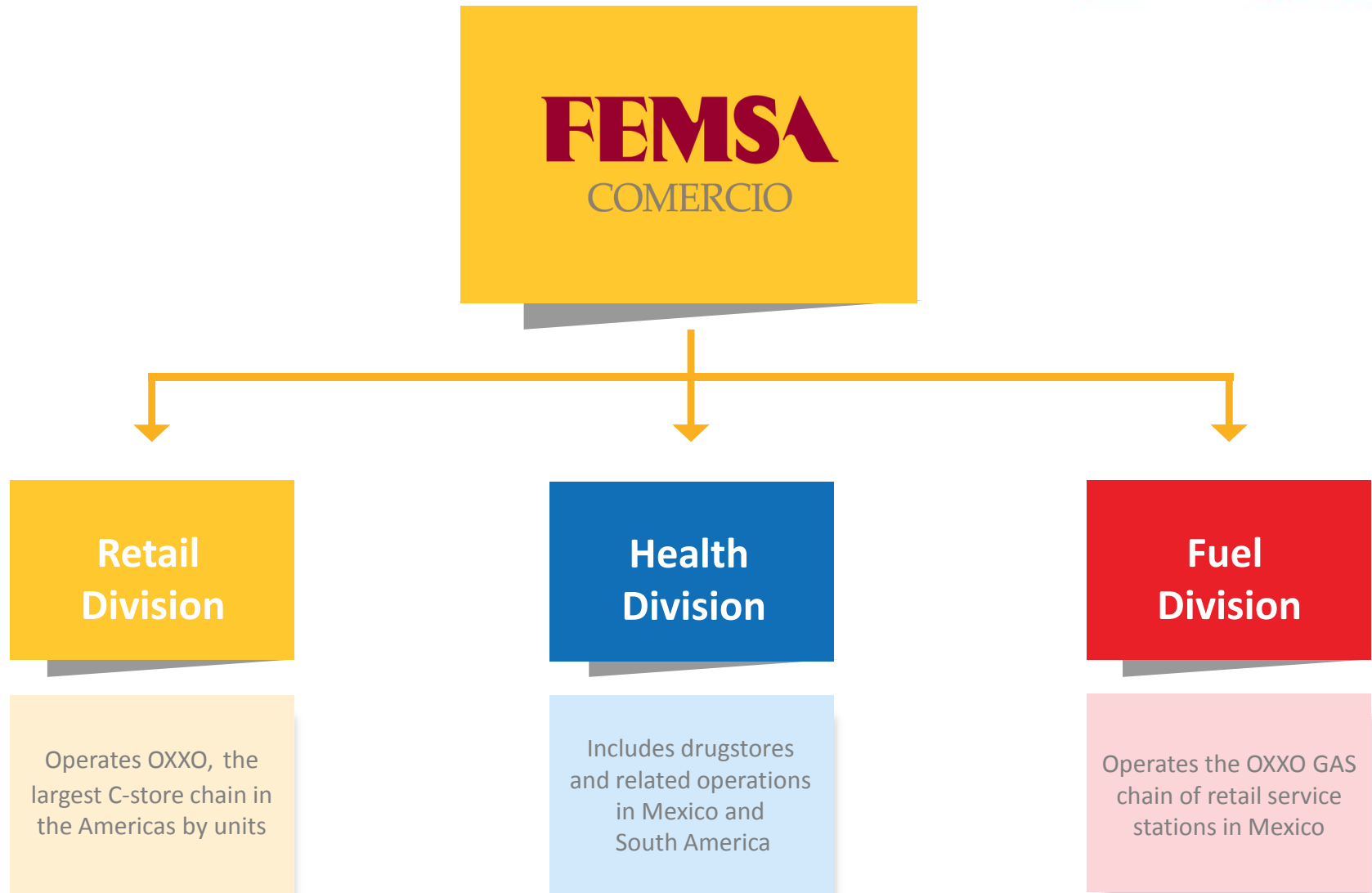
EBITDA Contribution



 Coca-Cola FEMSA
 FEMSA Comercio

FEMSA
COMERCIO





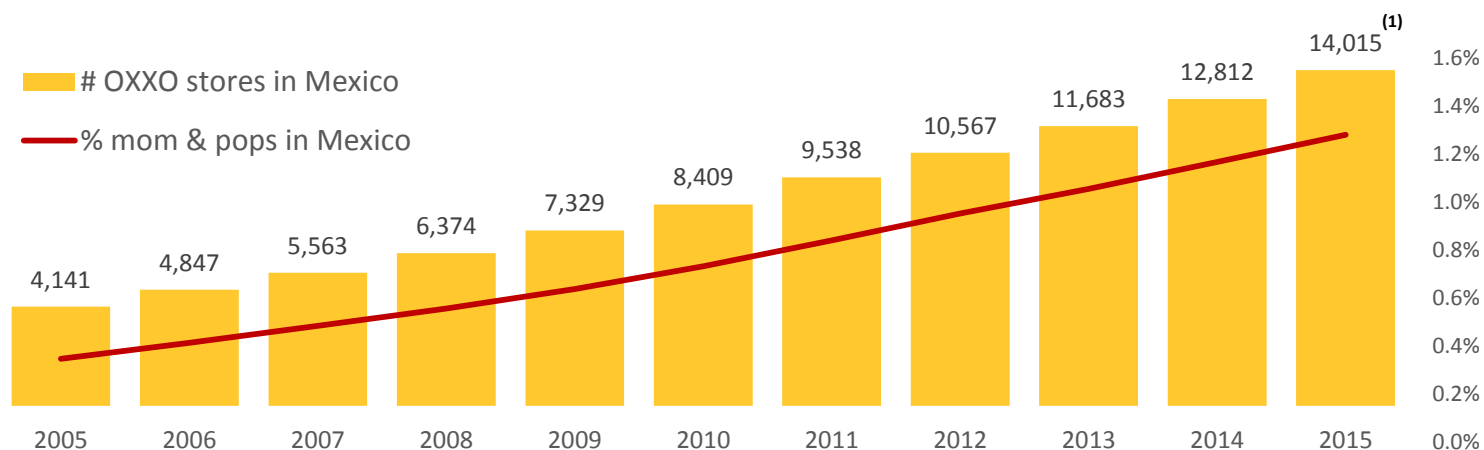
OXO: A Format that Fits our Consumer's Needs

- **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 OXO Store.

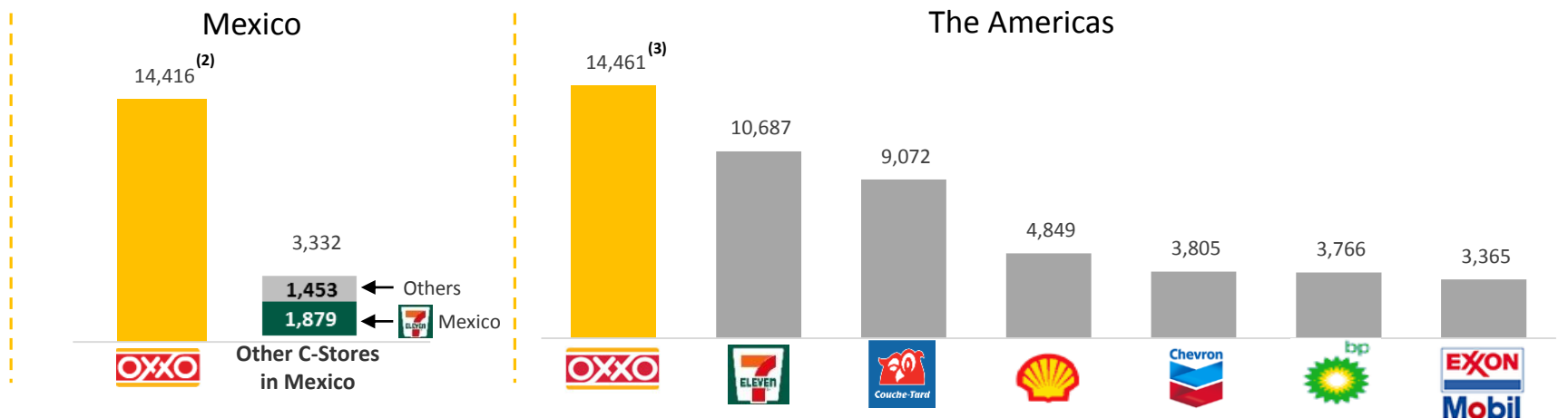


Largest Store Chain in the Americas by Units

OXXO Stores as a Percentage of Mom & Pops in Mexico



Number of Stores



Note: For The Americas Section: Alimentation Couche-Tard includes US, Canada and Mexico (Extra) Operations as of April 2016. Source: Company Information
7-Eleven: US, Canada and Mexico Operations as of Dec 2015. Source: Company Information.

Rest of the companies: Source: CS News "Top 100 US Convenience Store Companies", Published July 2016. Mom & pops: Company information

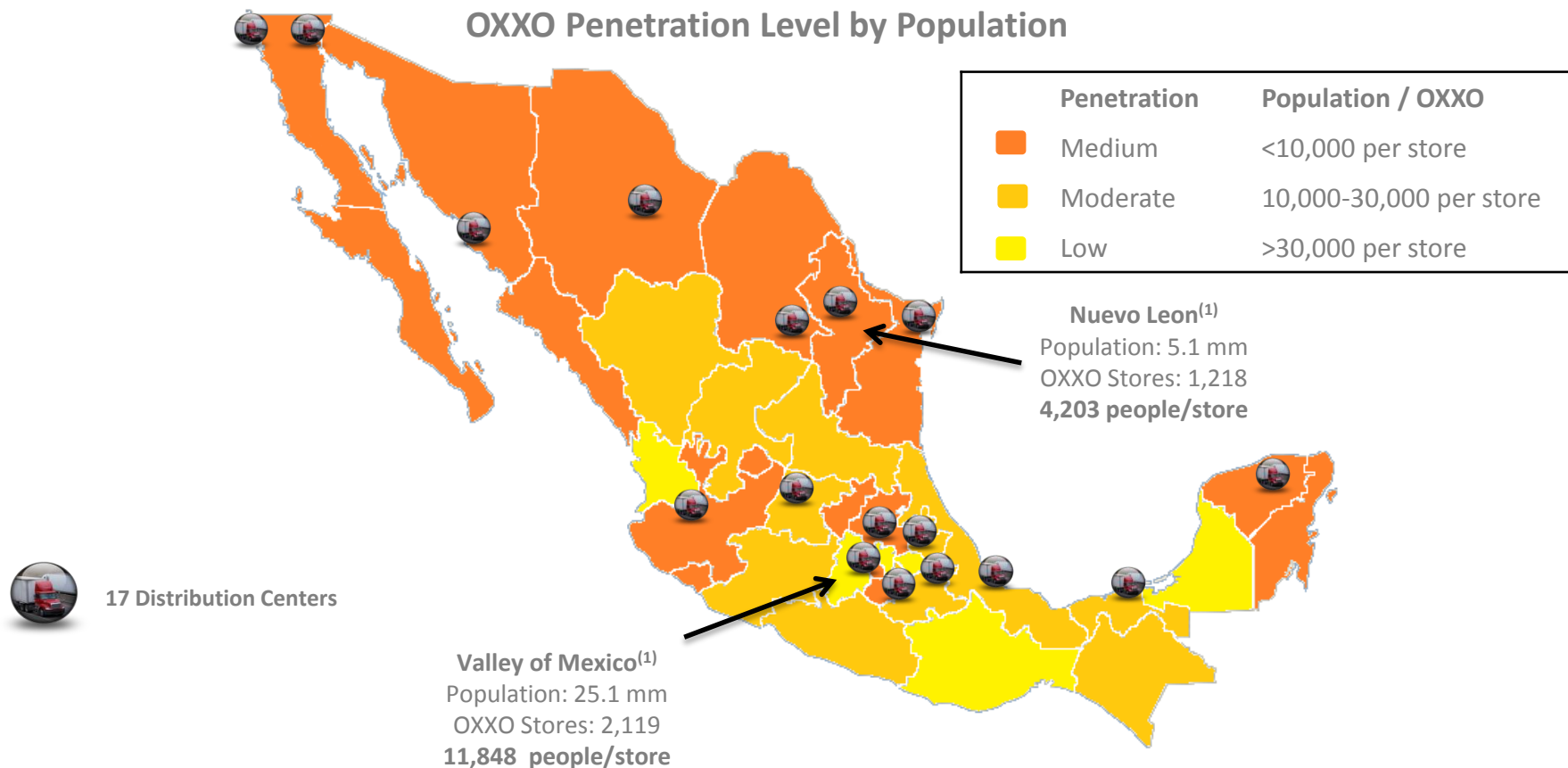
(1) OXXO stores as of December 31, 2015 in Mexico. (2) OXXO stores as of June 30, 2016 in Mexico. (3) Total OXXO stores, (includes Mexico and Colombia) as of June 30, 2016

Horizontal Growth: Plenty of Runway Ahead

14,416 stores in Mexico and counting

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

OXO Penetration Level by Population



Note: INEGI 2015 Inter Population Consensus Survey . FEMSA information as of June 30, 2016

⁽¹⁾ OXO stores as of June 30, 2016

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

Category Development
-Services

+1,000 services offered in the store



Category Development
-Prepared Food

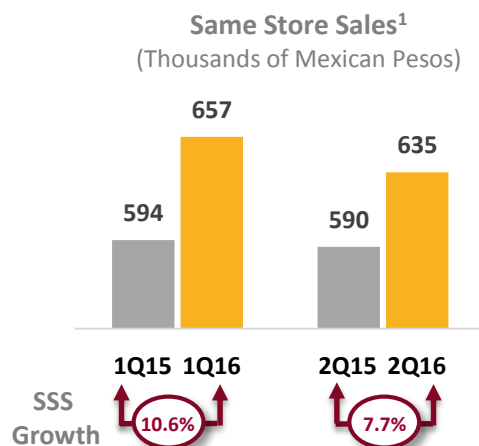


Segmentation



Aspiring to **consolidate fragmented industry** following OXXO game plan

- FEMSA Comercio now operates more than **1,000 drugstores in Mexico**, or **approximately 3% of industry units**
- Current expected organic revenue growth of **15-20% in the Mexican operations**
- **Oxxo's operational and logistics expertise will facilitate national expansion**
- **Standardizing business model across different regional brands**



¹ Monthly average information per store, considering same stores with more than twelve months of operations in Mexico for FEMSA Comercio - Health Division
Note: Numbers as of June 30, 2016

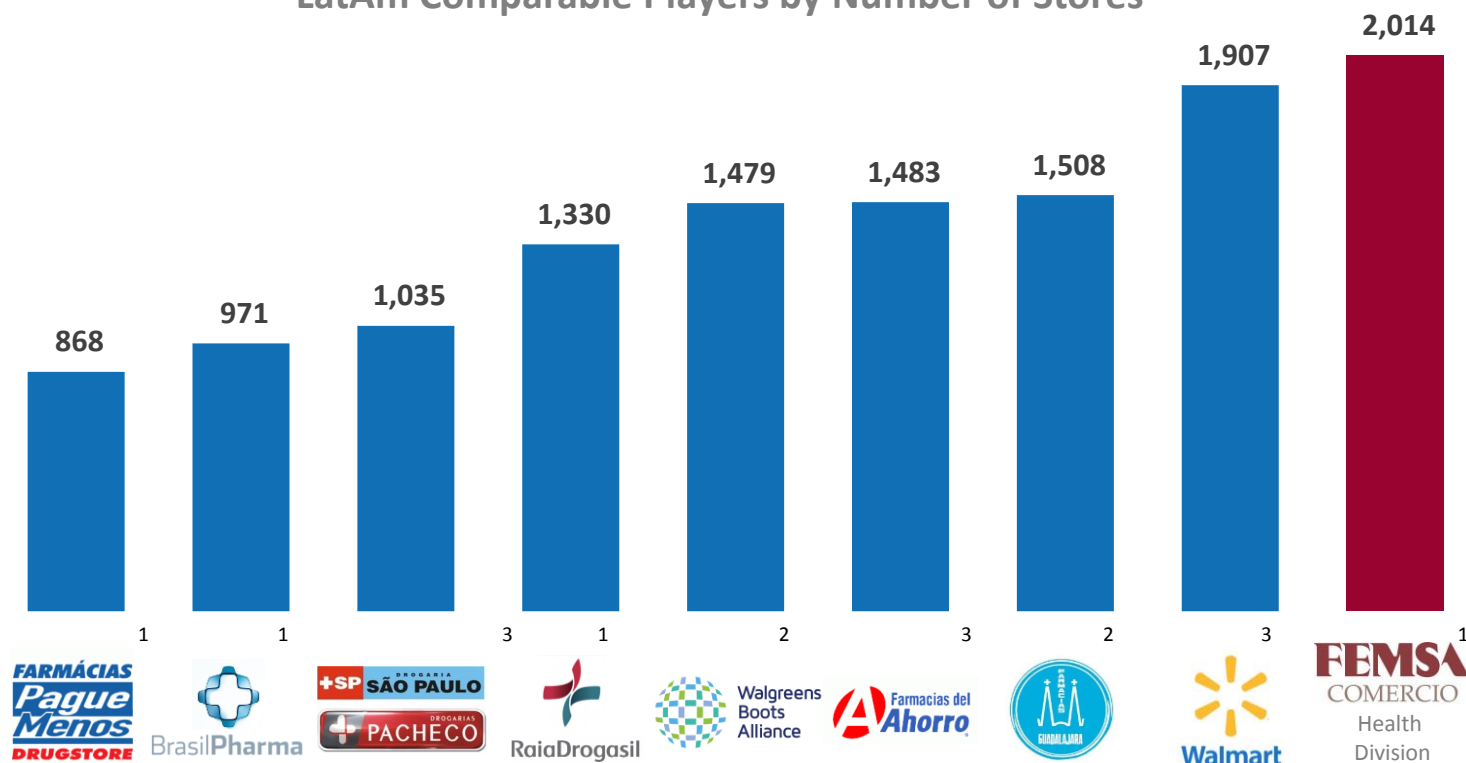
Providing a solid platform for continued growth across the region



- We operate approximately **670** drugstores and **160** beauty stores in Chile, as well as **150** pharmacies in Colombia
- Strong brand recognition and industry leadership in Chile
- Operational expertise will serve as a driver of profitability
- Region presents opportunities for further international and cross-format growth

FEMSA Comercio's Health Division is gradually becoming a key drugstore operator in Latin America

LatAm Comparable Players by Number of Stores



Source:

(1) 2Q16 Company Reports. (2) 2015 Company Annual Reports. (3) LatAm Retail Pharma Map, ILACAD World Retail, points of sale as of March, 2015.

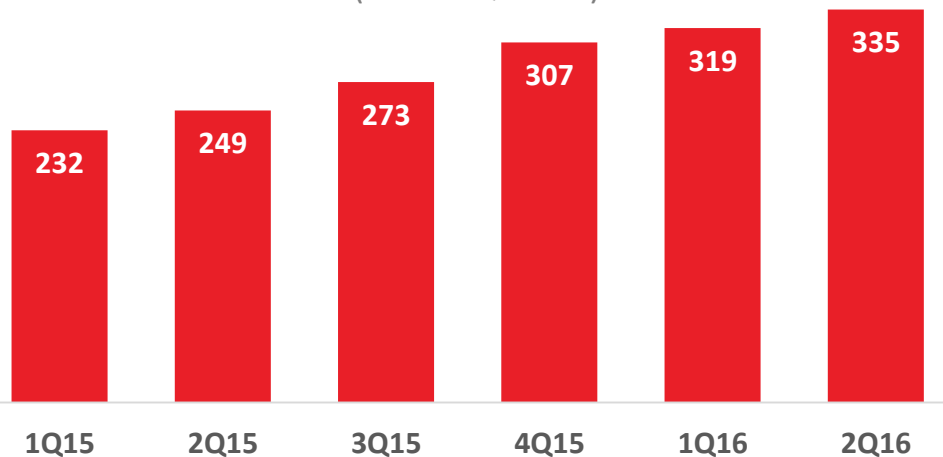
FEMSA Comercio – Health Division includes drugstores and beauty stores.

FEMSA is participating in the rapid transformation of Mexico's Fuel industry

- New changes to Mexican regulatory framework now **allow FEMSA to participate directly in the Energy sector, particularly through petrol stations**
- We concentrate mainly in the northern part of the country, but with a **growing presence in 14 Mexican States**

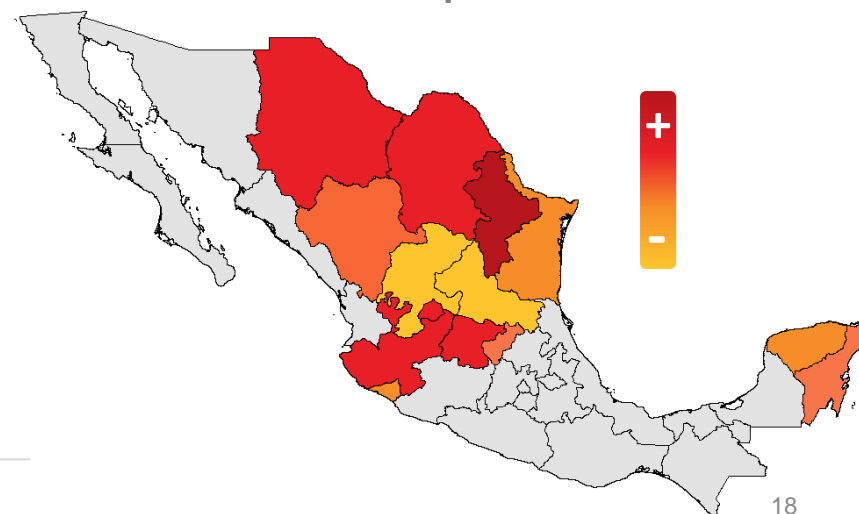


Number of Stations
(End of Quarter)



Note: Numbers as of June 30, 2016

Footprint

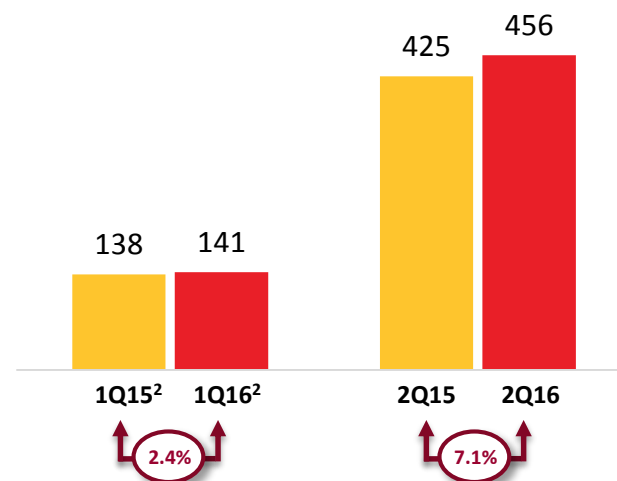


Gas Stations (OXXO GAS)

- High-growth, low asset-intensity, high-return business

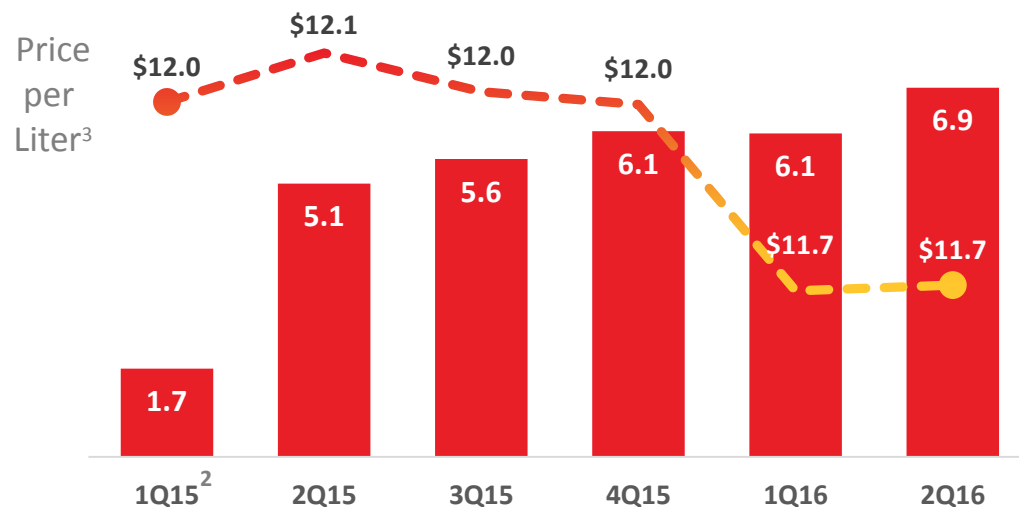
- As of June 30, 2016 there were **335 OXXO GAS stations**, representing less than **3%** of a highly-fragmented industry

Same Store Volume^{1,2}



Revenue

(Billions of Mexican Pesos)



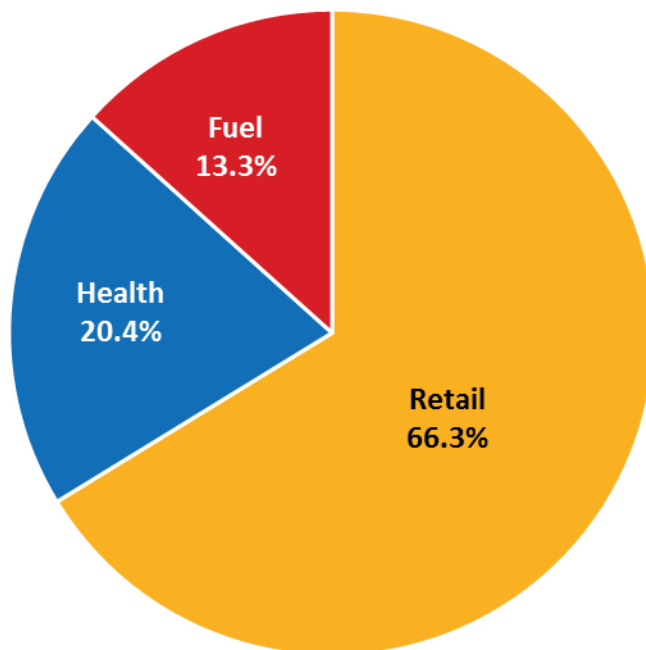
¹ Volume in million of liters considering same stations with more than twelve months of operations

² 1Q15 and 1Q16 comprise the one-month period of March 2015 and 2016 respectively

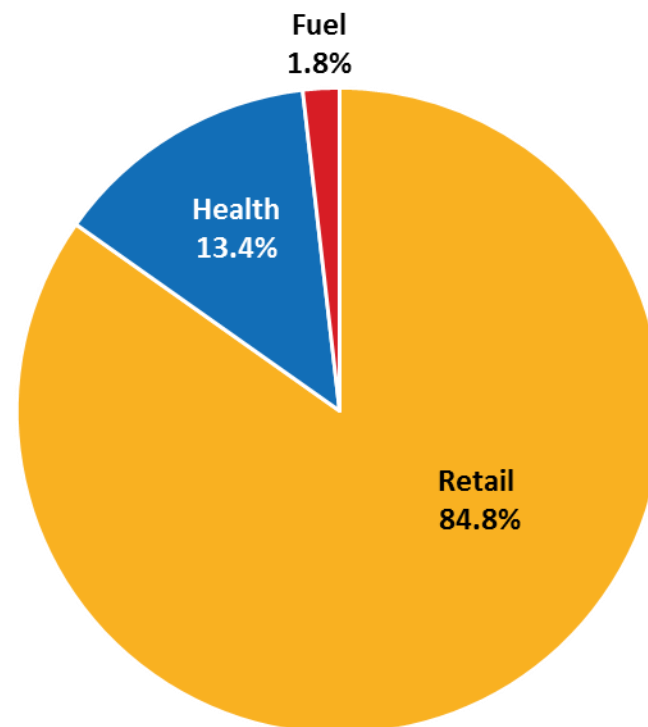
³ Average price per liter in Mexican Pesos.

Contribution for the First Half of 2016

Revenue

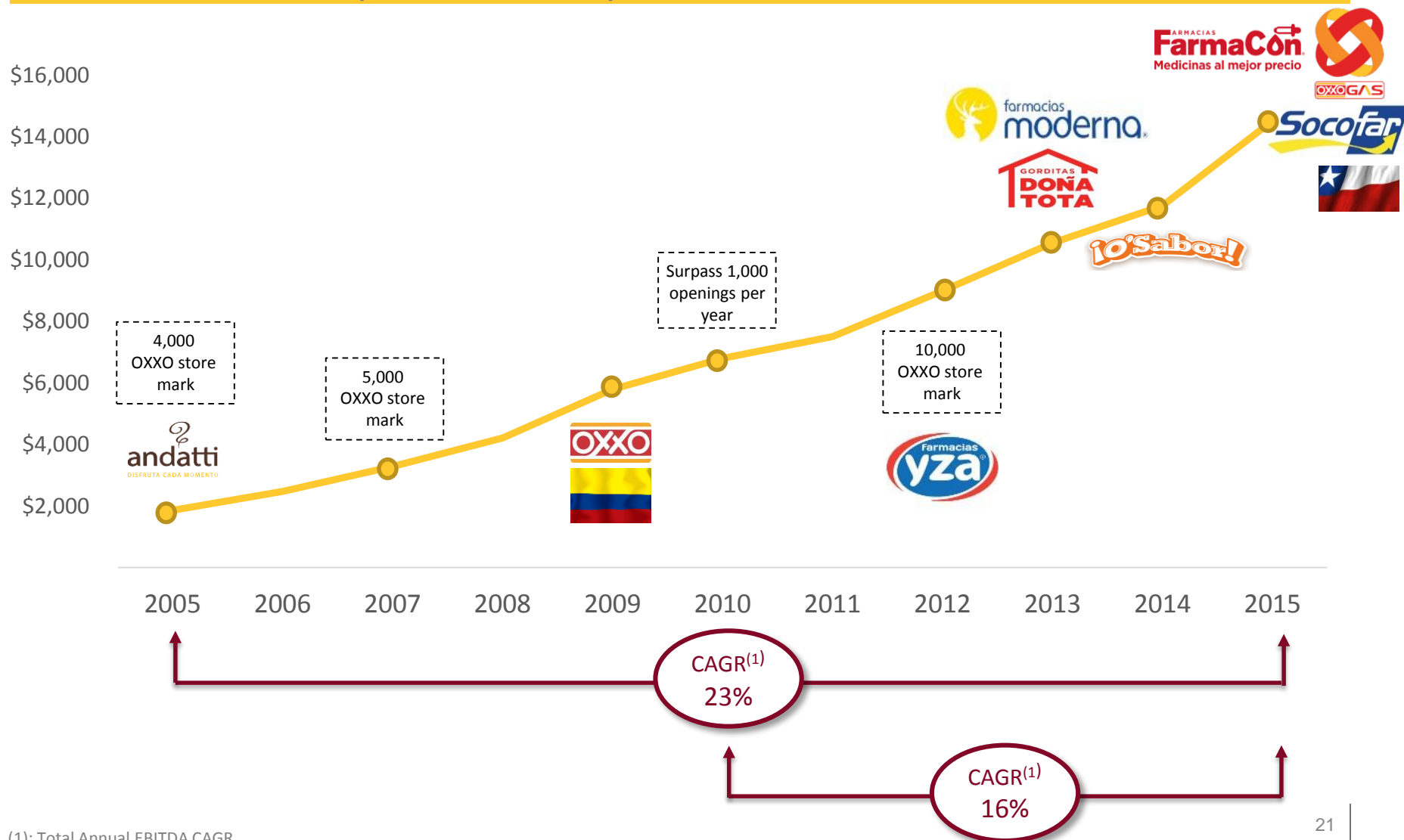


EBITDA



FEMSA Comercio Business Evolution

FEMSA Comercio EBITDA (\$Millions of Pesos) and Business Evolution



(1): Total Annual EBITDA CAGR



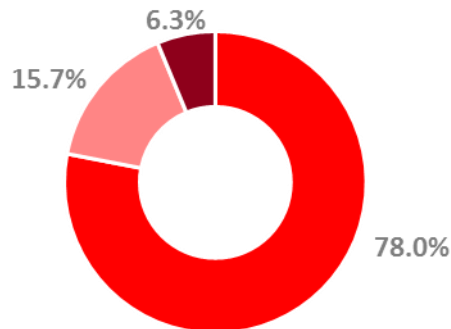
Largest Coca-Cola Franchise Bottler in the World by Volume, Operating in Attractive Regions



- Strategic partner to the Coca-Cola system representing about 13% of Global Volume
- 4 Billion Unit Cases ⁽¹⁾
- +US\$ 10 Billion in Revenues ⁽¹⁾
- +358 Million consumers ⁽¹⁾
- Close to 2.8 Million points of sale ⁽¹⁾
- ~ 83,000 employees

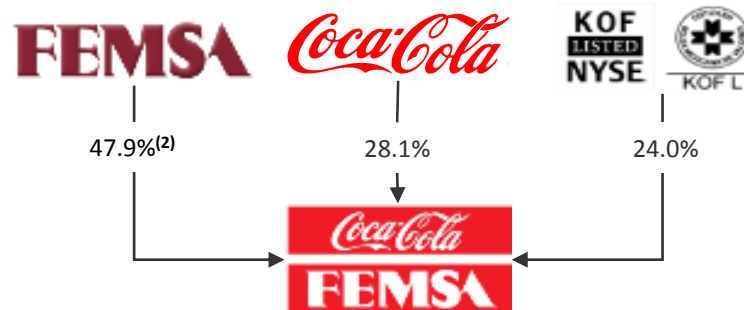


Volume Mix



■ Sparkling Beverages ■ Water ■ Still Beverages

Ownership:



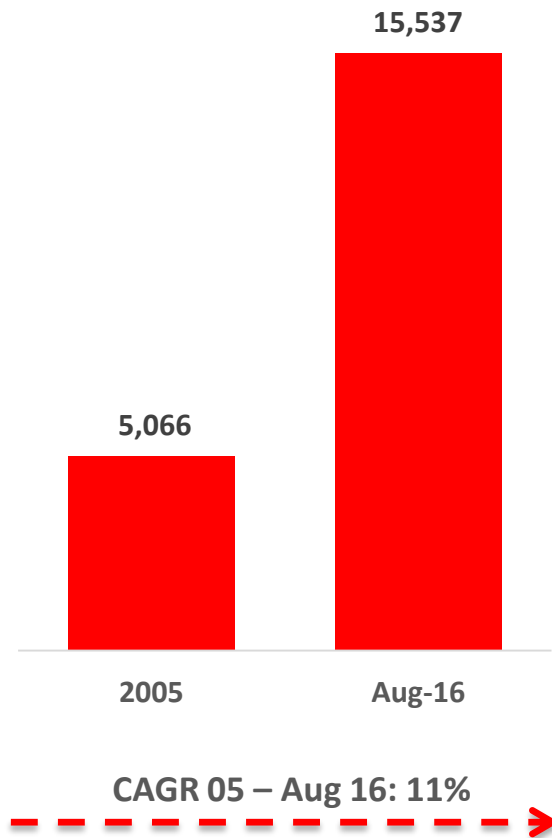
(1) KOF Figures reflect FY 2015. Philippines in a proforma basis

(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.

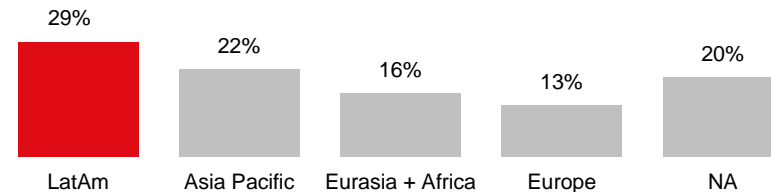
Source: Bloomberg, as of August 30, 2016.

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

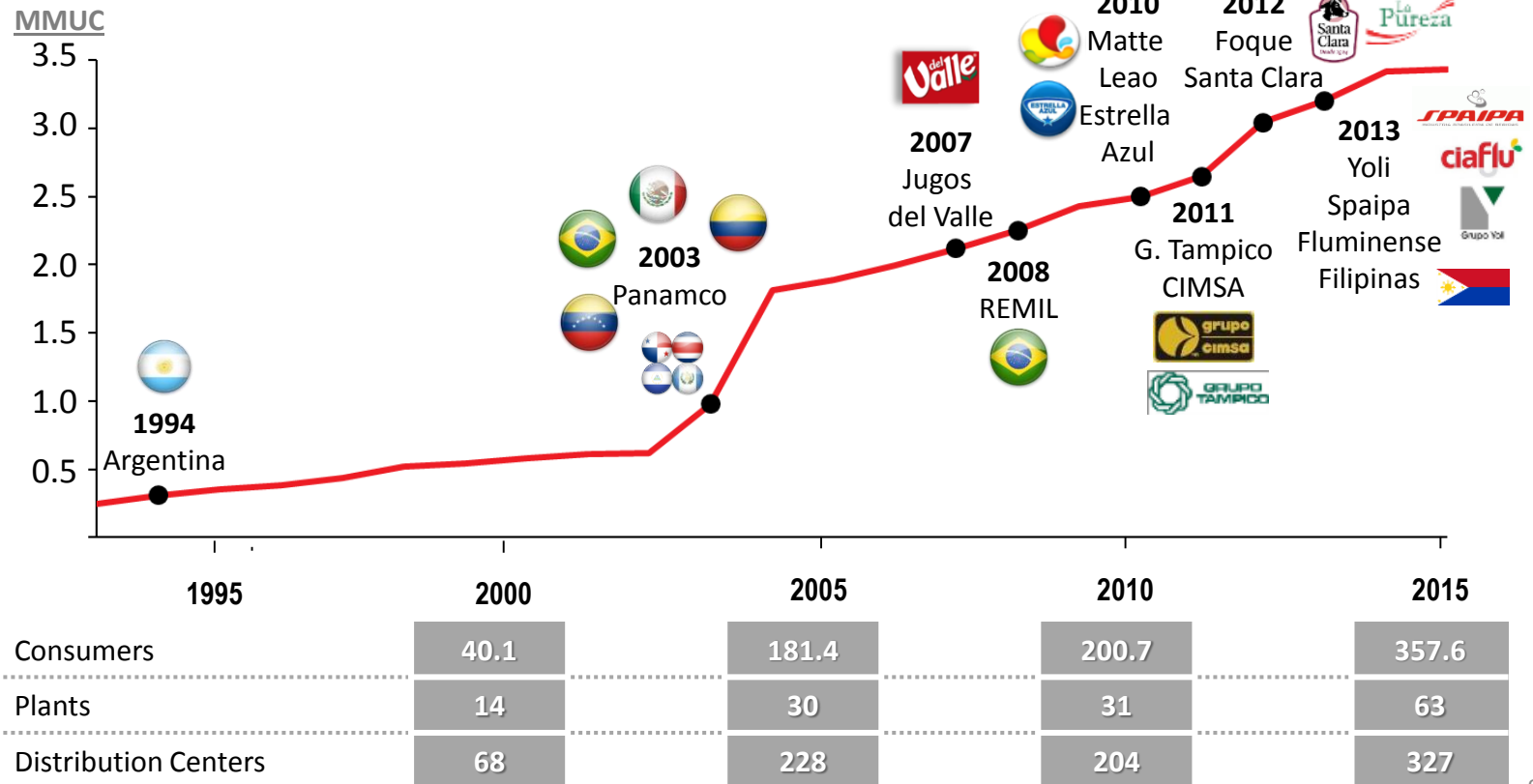


KOF operates in some of the most attractive markets and has pursued relevant opportunities in every category to contribute to the system's future growth

KO Volume (Worldwide)



KOF Volume Evolution (MMUC) and acquisition track record



KOF industry faces short term challenges that are being addressed



- Mexican economy growing **slower than expected** and **Brazilian deceleration** continues
- **Significant depreciation** across Latin American **currencies**
- **Category Attacks** continue to threaten our operations
- Changing **consumer habits**



- **Affordable portfolio** with focus on returnable presentations
- **Increasing** the number of **transactions** through single serve presentations at relevant price points
- Reinforcing **point-of-sale execution**
- Organizational re-design to become a **nimbler, faster and more competitive** company with the right capabilities
- **Widening portfolio** offering to satisfy the evolving needs of consumers through **relevant innovation**

Becoming a multi-category leader with global footprint



KOF is evolving and preparing for the next wave of growth

Expanding its footprint, monitoring other opportunities within TCCC System

- KOF and KO have reached an understanding to assess, on a preferred basis, the acquisition of specific territories in Latin America, the United States and other regions

The Coca-Cola Company



Diversifying its portfolio, providing its consumers with a wider range of choices

- AdeS works as a platform to enter the Neo Natural Nutrition category
- Latam's leading soy-based beverage



SUSTAINABILITY



OUR PEOPLE



OUR COMMUNITY



OUR PLANET

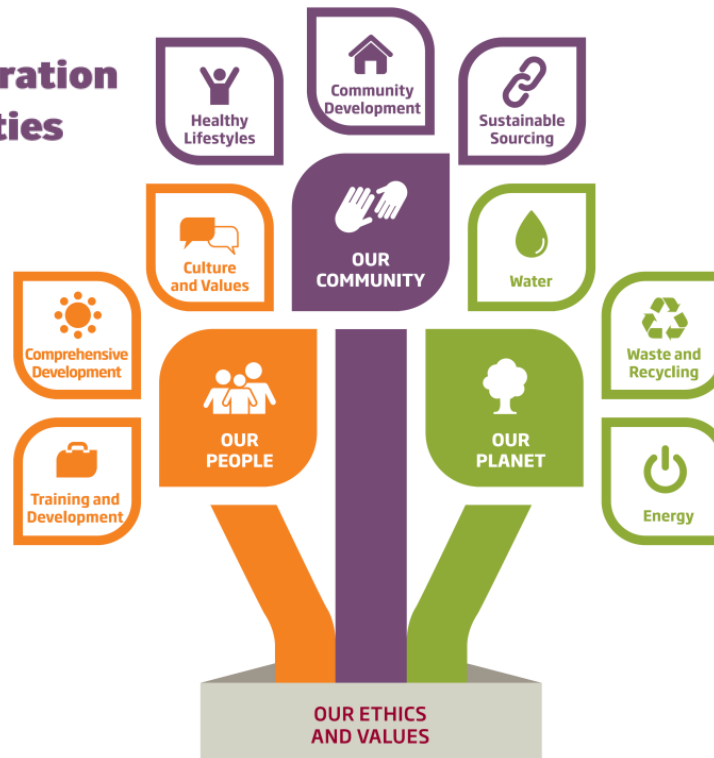
Sustainability Strategy: Structure

SUSTAINABILITY

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

Selected Sustainability Achievements 2015

SUSTAINABILITY

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.

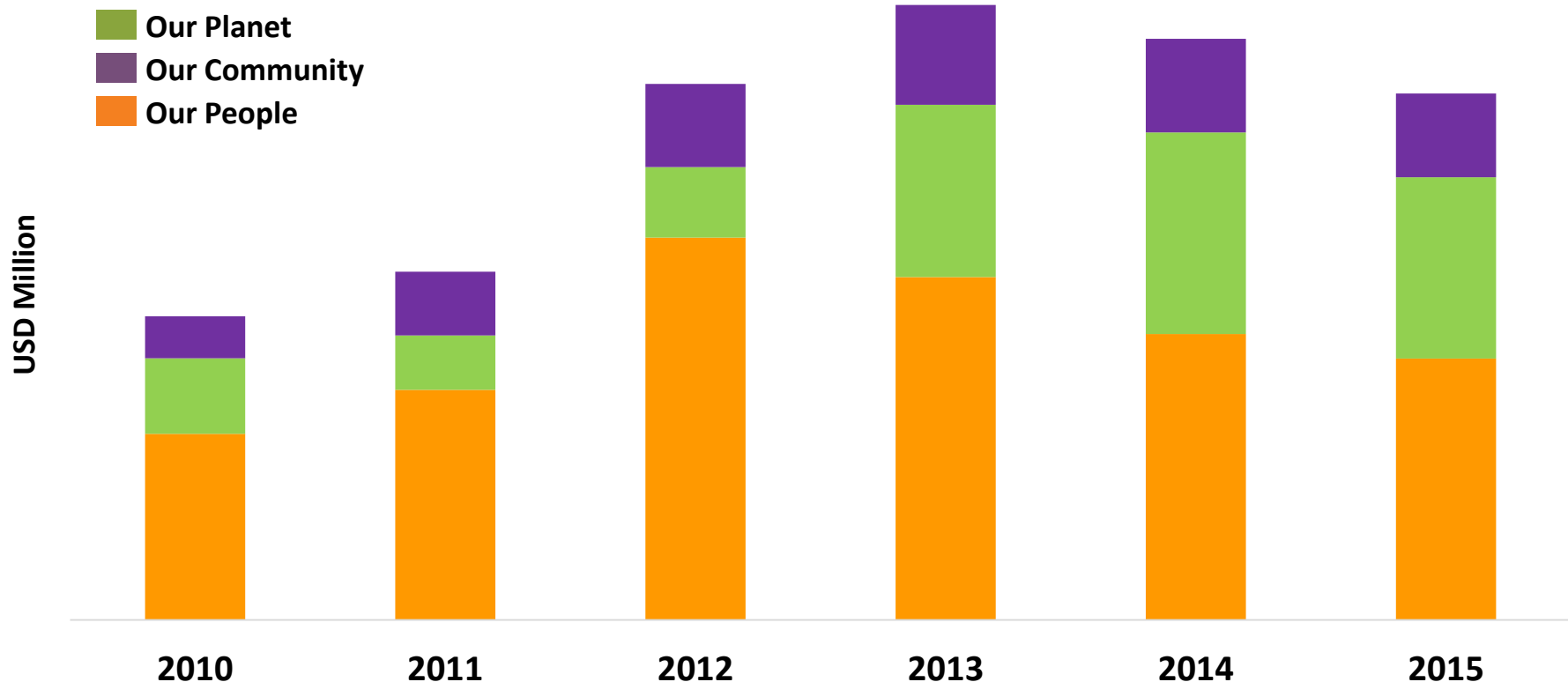


Our Investment in Sustainability

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 and fuel 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%	

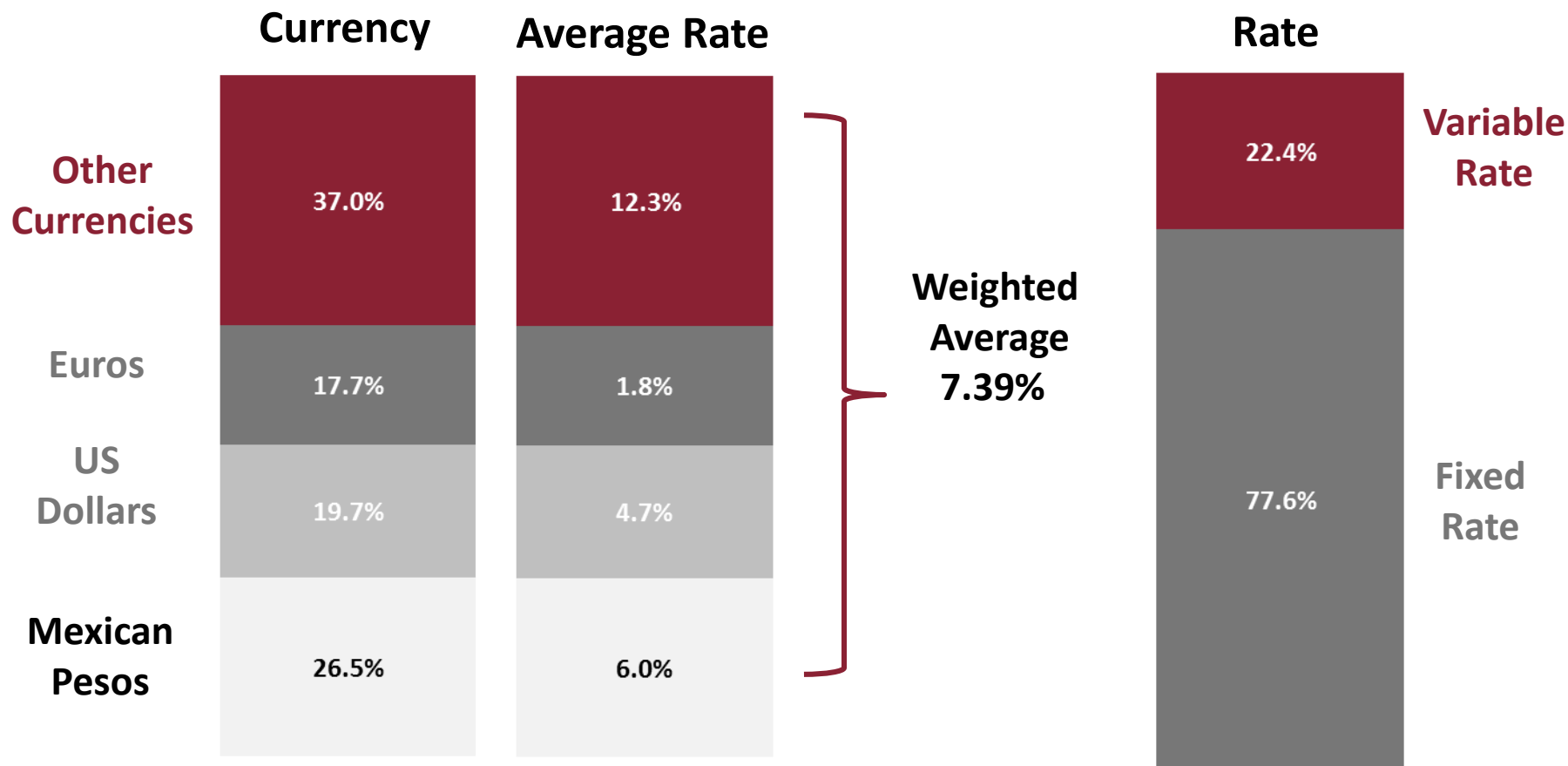


	2010	2011	% Var	2012	% Var	2013	% Var	2014	% Var	2015	% Var
Total Revenues	62,259	74,112	19%	86,433	17%	97,572	13%	109,624	12%	151,401	38%
Income from Operations	5,200	5,523	6%	6,778	23%	7,906	17%	8,680	10%	11,105	28%
% of Revenues	8%	7%		8%		8%		8%		7%	
Operative Cash Flow	6,797	7,506	10%	8,994	20%	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		6.9	



	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	

Debt Profile – June 30, 2016





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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