Coca-Cola FEMSA
2016 Annual Report

Accelerating towards excellence


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Coca-Cola

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Guided by our Strategic Framework, we are accelerating our company's quest for excellence by satisfying and exceeding our consumers' evolving needs. In our pursuit of excellence, we are building a winning portfolio of beverages, transforming our operational capabilities, and inspiring a cultural evolution to become the preferred choice for all of our customers and consumers, while consolidating our position as a truly multicultural, multi-category global beverage leader.

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Financial Highlights

Millions of Mexican pesos and U.S. dollars as of December 31, 2016 (except volume and per share data).
Results under International Financial Reporting Standards. Figures do not include results of Coca-Cola FEMSA Philippines, Inc.
To translate the full-year 2016 reported results of Venezuela, we use the DICOM [3] exchange rate of 673.7617 bolivars per U.S. dollar.
The 2015 results of our Venezuelan operation were translated using the SIMADI [4] exchange rate of 198.70 bolivars per U.S. dollar.

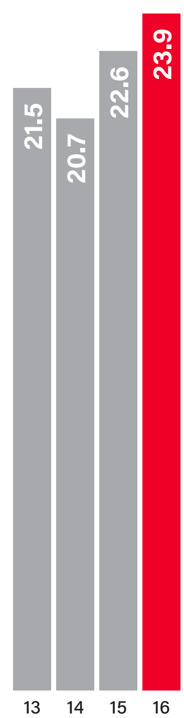
	(U.S.$) 2016 [1]	(Ps.) 2016	(Ps.) 2015	2015 % change
Sales Volume (million unit cases)	**3,334.0**	**3,334.0**	3,435.6	-3.0%
Total Revenues	**8,620**	**177,718**	152,360	16.6%
Income from Operations	**1,160**	**23,920**	22,645	5.6%
Controlling Interest Net Income	**488**	**10,070**	10,235	-1.6%
Total Assets	**13,546**	**279,256**	210,249	32.8%
Long-Term Bank Loans and Notes Payable	**4,164**	**85,857**	63,260	35.7%
Controlling Interest	**5,924**	**122,137**	104,749	16.6%
Capital Expenditures	**601**	**12,391**	11,484	7.9%
Book Value per Share [2]	**2.86**	**58.92**	50.53	16.6%
Controlling Interest Earnings per Share [2]	**0.24**	**4.86**	4.94	-1.6%

(1) U.S. dollar figures are converted from Mexican pesos using the exchange rate for Mexican pesos published by the U.S. Federal Reserve Board on December 31, 2016, which exchange rate was Ps. 20.6170 to U.S.$1.00.
(2) Based on 2,072.9 million outstanding ordinary shares in 2016 and 2015.
(3) Divisas Complementarias (Complementary Currencies).
(4) Sistema Marginal de Divisas (Marginal Currency Administration System).

Our operating and financial discipline, solid capital structure, talented team of professionals, strong point-of-sale execution, and ability to adapt to ever-changing market dynamics enable us to continue creating value for our shareholders.

Sales Volume
million unit cases

Total Revenues
billion Mexican Ps.



Income from Operations
billion Mexican Ps.

Dividend per Share
Mexican Ps.

+3.8%

volume growth
Our Coca-Cola, Limon&Nada, Naranja&Nada, and Sidral Mundet brands contributed to achieve a 3.8% volume growth across our sparkling beverage portfolio in Mexico.

+4.5%

transaction growth
Our sparkling beverage transactions continued to outperform volume growth in our key markets. In Mexico, our sparkling beverage transactions increased by 4.5% during 2016.

Dear fellow Shareholders

José Antonio Fernández Carbajal
Chairman of the Board

2016 was not only a year full of great challenges—from currency and raw material volatility to a demanding consumer environment—but also a year full of great growth and positive results. Among our achievements, we accelerated our transformation by focusing on the pillars of our Strategic Framework to expand and consolidate our position as a truly diversified multi-category global beverage leader.

Accelerating Towards Excellence: Strategic Pillars

To satisfy and adapt to our customers and consumers diverse lifestyles, we are building our winning product portfolio for each of our markets, including a wider array of sparkling beverages, waters, teas, juices, isotonics, and dairy products. Capitalizing on the strength of brand Coca-Cola, we are reinforcing our non-caloric sparkling beverage portfolio. We are revitalizing our flavored sparkling beverage growth, and we are escalating our portfolio growth throughout the still beverage category.

Together with our partner The Coca-Cola Company, we agreed to acquire Unilever's AdeS soy-based beverages business. As the leading soy-based beverages brand in Latin America, AdeS will complement and strengthen our still beverage portfolio, providing our consumers with a broader range of nutritious, delicious choices.

Launch of our 250-ml presentation
Through our Magic Price Points strategy, we launched our 250-ml presentation for brand Coca-Cola in Mexico—generating almost 4 million incremental unit cases and reinforcing our robust portfolio of single-serve presentations during 2016.

We continue to optimize our portfolio through our innovative packaging, proactive pricing architecture, and profitable product mix.

Propelled by our centers of excellence (CoEs), we are accelerating the transformation of our operating model—highlighted by the launch of our KOFmmercial Digital Platform (KDP). During 2016, we rolled out KDP across almost 3,500 routes in Mexico, serving over 600,000 clients across our traditional sales channel, and we began implementation of KDP at 50 routes in Brazil. Consequently, we achieved incremental volume and revenue growth, with improved point-of-sale execution, in the areas with KDP.

Led by our Distribution & Logistics CoE, we are developing an integrated, best-in-class supply chain across our global beverage categories, geographies, and business models. Simultaneously, our Distribution & Logistics CoE began the rollout of our Digital Distribution platform at four distribution centers in Mexico, covering 360 delivery routes.

Moreover, our Manufacturing CoE's comprehensive Manufacturing Management Model will offer us an integrated operational perspective to optimize costs, raise productivity, and drive efficiency. Through our relentless effort to maximize every resource in our production process, we achieved hard manufacturing savings of US$36 million in 2016. We also achieved the best quality index in the history of our company.

We are further accelerating our cultural evolution. To this end, we are creating a unified corporate culture founded on the cornerstones of leadership, talent, and innovation. Among our initiatives, we are cultivating inspiring leaders; defining clear career tracks; offering a more flexible work environment; and utilizing innovative technology to empower our employees to speak up, provide ideas, and help solve problems.

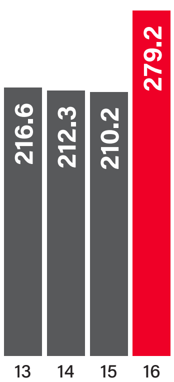
Accelerating Towards Excellence: Operating Highlights
Guided by our Strategic Framework, our company navigated strong headwinds to deliver positive results for the year. For 2016, our reported total sales volume was over 3.3 billion unit cases,

John Santa Maria Otazua
Chief Executive Officer

+20%

volume growth

In Mexico, our del Valle juice brand achieved 20% volume growth during the year. To sustain and build this robust brand, we rolled out several initiatives, including our launch of del Valle Blends—a 100% juice available in an appealing mix of mango and strawberries, pineapple and tangerine, and orange and guava.



Assets

billion Mexican Ps.

The three pillars of our Strategic Framework:

1. Winning Portfolio Buildup
2. Operating Model Transformation
3. Cultural Evolution

In 2017, we will continue to rollout KDP throughout Mexico and Brazil, as well as other targeted markets.

with transactions outpacing volumes to reach almost 19.8 billion throughout Latin America. Total revenues grew 16.6% to Ps. 177.7 billion. Operating income grew 5.6% to Ps. 23.9 billion. Operating cash flow grew 13.6% to Ps. 35.5 billion, and net controlling interest income was Ps. 10.1 billion, resulting in earnings per share of Ps. 4.86 and earnings per ADS of Ps. 48.58.

Throughout the year, we created opportunities for further growth across our operations. In Mexico, transactions once again outperformed our volume growth—totaling 9.9 billion. For the year, we expanded our leading market position in the sparkling beverage category, while achieving gains across the still beverage category. In Central America, our volumes grew by 4.2%, driven by Costa Rica and Nicaragua's highest volume growth in the past 10 years.

In Brazil, we overcame a tough consumer and economic environment to continue growing market share across every beverage category. Notably, we acquired Vonpar. This strategically important franchise borders our territories in southern Brazil, and bolsters our leading position in one of the largest markets for Coca-Cola products—enabling us to serve approximately 88 million consumers.

Our transactions outperformed volumes by 3.7% in Colombia, reaching 2.4 billion. In Argentina, we closed the year positively, with market share gains across every beverage category. Moreover, in Venezuela, we managed an exceptionally challenging environment.

In the Philippines, we achieved high single-digit transaction and volume growth, together with improved profitability during 2016. Looking ahead, our Philippines' business top- and bottom-line growth will continue to positively contribute to our revenues, profits, and overall consolidated results for 2017.

During 2016, we reached a broad new cooperation framework with our partner The Coca-Cola Company. Designed to maintain a mutually beneficial business relationship over the long term,

After rolling out KDP across our traditional sales channel in Mexico and 50 routes in Brazil, we achieved incremental volume and revenue growth, along with improved point-of-sale execution.

this framework sets the stage for us to capture the next wave of inorganic growth through our understanding to assess, on a preferred basis, the acquisition of specific territories within The Coca-Cola Company's Bottling Investments Group in Latin America, the United States, and other regions.

Furthermore, we advanced our company's strategic commitment to sustainable development. Among our results, we contributed more than 374,000 volunteer hours for our communities; benefited close to 1,000,000 people through our healthy lifestyles programs; utilized recycled material in almost 19.8% of our PET packaging; and returned 100% of the water we used to produce our beverages in Mexico and Brazil to the environment.

As we enter 2017, we welcome a renewed focus on every aspect of our business. Moving forward, we will focus on: maximizing our cash flow generation, protecting our financial margins, and reducing our debt; advancing our CoEs' big transformational initiatives, bolstered by the launch of our new Analytics CoE; growing sparkling beverages while diversifying aggressively in still beverages; enriching our close, accretive relationship with The Coca-Cola Company; and attracting, retaining, and developing the best multicultural talent in the industry.

On behalf of every employee who works for our company daily, we would like to thank you for your continued confidence in our capability to deliver economic, social, and environmental value for you all.

José Antonio Fernández Carbajal
Chairman of the Board

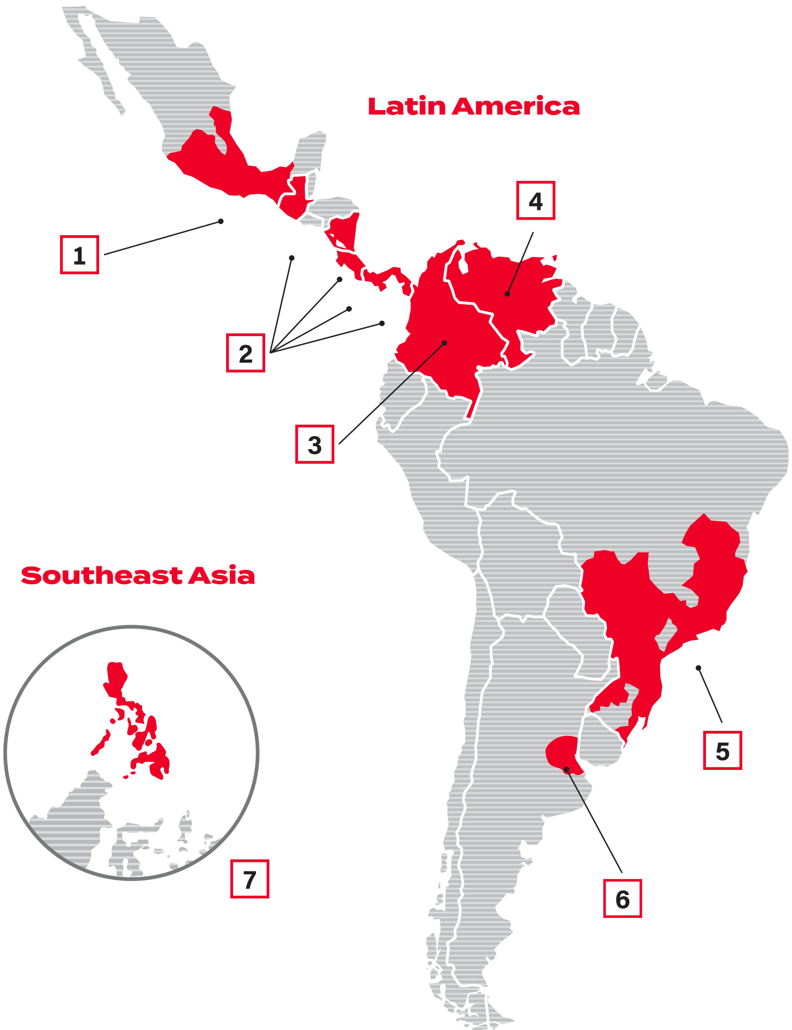
John Santa Maria Otazua
Chief Executive Officer

Through our innovative one-brand "Taste the Feeling" campaign, we generated significant incremental sparkling beverage transactions during the year.

Transactions per operation

Mexico	50.0%
Central America	7.6%
Argentina	5.1%
Brazil	21.3%
Colombia	12.1%
Venezuela	3.9%

Operating Highlights



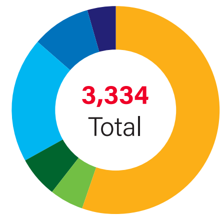
Aligned with our **8.9%** volume growth, our total transactions in the Philippines rose **8.6%** for the year, driven by the performance of our cola and flavored sparkling beverage categories.

	Population served (millions)	Points of sale	Plants	Distribution centers
1 Mexico	71.1	854,459	17	145
2 Central America	21.3	125,778	5	34
3 Colombia	46.9	401,234	7	24
4 Venezuela	31.7	168,833	4	26
5 Brazil	87.7	394,489	12	43
6 Argentina	12.2	49,416	2	4
7 Philippines	104.5	846,588	19	52
Total	**375.4**	**2,840,797**	**66**	**328**

	Sparkling Beverages	Water & Bulk Water	Still Beverages
Volume [1] million unit cases	**2,589.2**	**531.7**	**213.0**
Transactions [1] millions	**16,033.1**	**1,718.3**	**2,022.9**

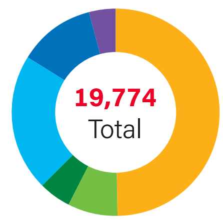
Total Volume

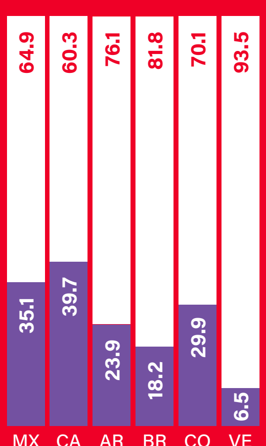
million unit cases



Transactions

million

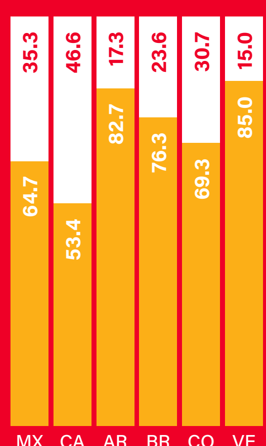




Product Mix by Package

% of volume of sparkling beverages

Returnable
Non-returnable



Product Mix by Size

% of volume of sparkling beverages

Multi-serve
Single-serve

We continue to capture market opportunities through our enriched mix of single-serve and multi-serve presentations, together with our affordable portfolio of innovative returnable packages.

Product Mix by Category

% of volume of total beverages

	Sparkling	Water[2]	Bulk Water[3]	Still
Mexico	73.3%	5.2%	15.7%	5.8%
Central America	83.0%	5.7%	0.4%	11.0%
Colombia	73.8%	9.0%	6.9%	10.3%
Venezuela	83.8%	9.1%	0.9%	6.2%
Brazil	88.1%	6.0%	0.9%	5.0%
Argentina	80.7%	11.1%	1.6%	6.6%

(1) Excludes Phillipines.
(2) Excludes still bottled water in presentations of 5.0 Lt. or larger. Includes flavored water.
(3) Bulk water - still water in presentations of 5.0 Lt. or larger. Includes flavored water.

Accelerating towards portfolio

To connect more closely with our consumers, we are building a winning product portfolio, including a wider array of sparkling beverages, juices, sports and energy drinks, teas, waters, and dairy products. Through product growth, innovation, and affordability, we accelerate our quest for excellence in each beverage segment.

Through our **one-brand** commercial strategy, we launched our 235-ml entry-level glass presentation to enable more consumers to enjoy the magic of Coke at fewer than 99 calories per serving.

Launch of 220-ml Presentation
Among our portfolio initiatives, we continued to maximize value across each beverage segment through innovation and affordability. Consistent with our commitment to offer consumers fewer calories per serving, during 2016, we launched our 220-ml presentation in Brazil for both colas and flavored sparkling beverages as part of our single-serve strategy.

We satisfy growing consumer demand for our low- to zero-calorie Coca-Cola beverage portfolio. Building on Coca-Cola Zero's popularity, we launched Coca-Cola Stevia

Brazil during the second half of 2016. Thanks to our robust distribution network, Monster outperformed expectations, totaling over 8.5 million transactions in Mexico and over 2.6 million transactions in Brazil in almost five and two months, respectively.

We continue to capitalize on our position in Mexico's dairy category. Since our 2014 launch of wholesome Santa Clara premium brand UHT milk, we expanded coverage of our four types of UHT milk in 1-liter presentations, along with our five flavors of UHT milk in 200-ml presentations.

Our innovative portfolio of bottled water hydrates our consumers daily. Launched in October 2015, Ciel Exprim offers four different flavors of water in five one-way presentations for our consumers' enjoyment in Mexico. Also in October 2015, we launched a new formula of our Ciel Mineralizada sparkling water with longer lasting bubbles. Building on their momentum, our Ciel flavored and sparkling water volumes grew over 70% and 4%, respectively, year over year.

Harnessing the Power of Powerade®
We are satisfying health conscious consumers' growing demand for isotonic sports drinks with the innovative growth of Powerade®. In Mexico, Powerade® continued to expand its leading position in this category to more than 51% market share in the traditional trade channel, while extending its track record of growth in Argentina—reaching more than 30% market share for the year.

excellence

across targeted trade channels in Brazil. Naturally sweetened, Coca-Cola Stevia offers consumers a reduced calorie alternative for one of the world's most beloved brands. In 2016, Coca-Cola Zero, Coca-Cola Light, and Coca-Cola Stevia accounted for 6.4% of our volume in the cola category. In Mexico, we launched our successful "Taste the Feeling" campaign. Leveraging Coke's brand equity, this innovative "one brand" promotion features our core Coca-Cola brands under a unified marketing strategy. Through such campaigns, we generated more than 185 million transactions year over year across Mexico's cola category.

To quench consumers' thirst for vitality, we began distributing Monster energy drink throughout our trade channels in Mexico and

To intensify our connection with consumers, we continue our Magic Price Points strategy. For brand Coca-Cola in Brazil, we launched a 310-ml, one-way slim aluminum can at R$1.99, reinforcing our competitiveness and consolidating our leading position in the modern trade channel. In Mexico, we launched an entry-level 250-ml one-way presentation—capturing over 132 million transactions at the magic price point of Ps. 5. Moreover, we expanded the coverage of our affordable 1- and 2-liter multi-serve returnable presentations in Brazil. Thanks to such initiatives, we gained share across these countries' sparkling beverage category with the right portfolio at the right price for consumers.

Fostering Flavored Sparkling Growth
Launched in October 2015, our innovative Naranja & Nada sparkling orangeade and our Limon & Nada sparkling lemonade accounted for 70% of our incremental flavored sparkling beverage volume growth in Mexico for 2016. Notably, these brands captured close to 35% market share in the ADAS category.

Accelerating towards operational

Through our centers of excellence (CoEs), we are accelerating the transformation of our operating model to achieve more competitive advantages—creating the next generation of strategic capabilities across our value chain supported by best-in-class processes, technology, and innovation.

+84%

volume growth

During 2016, our Santa Clara dairy volume reached 27.1 million liters.

excellence

Importantly, our Commercial CoE began implementation of our KOFmmercial Digital Platform (KDP), based on three pillars. **Advanced analytics for revenue transformation** enable us to improve our revenue growth by optimizing our price promotion and portfolio mix for each customer, while identifying additional market opportunities. **Next generation trade marketing** utilizes a new customer relationship management (CRM) platform, including back-office tools and processes, to implement granular segmentation, through which we prioritize targeted initiatives for specific clients, enabling our sales force to enhance point-of-sale execution, maximize the value of their customer visits, and achieve better resource allocation in the market. **Sales force automation**, with a new user-centric app and mobile device, empowers our sales force with improved hand-held functionalities, including sales quota progress, priority portfolio coverage, a targeted initiatives module, 360° customer data, and faster order entry.

Our Distribution & Logistics CoE is transforming our supply chain planning into a 360° process: end-to-end, from materials to final distribution; and top-down, from strategic network design to day-to-day planning. Our goal is to create a best-in-class supply chain across all of our beverage categories, geographies, channels, and business models. Our new 360° supply chain planning process will increase customer service while optimizing costs and capital by leveraging our scale and expertise through standardized processes, enhanced centralized organizational capabilities, and cutting-edge technological tools.

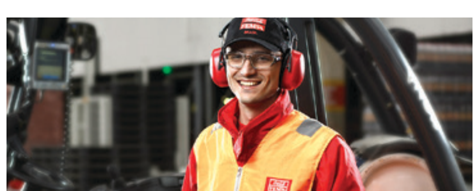
We are also incorporating digital technology into our distribution system, integrating three elements—Mobile Delivery App, Vehicle Telematics, and Live Web Platform. These features enable us to deliver customer satisfaction, route-to-market resource optimization, and enhanced driver safety. Already, we implemented Digital Distribution at four distribution centers in Mexico, and will expand this initiative to the rest of Mexico in 2017.

To bolster manufacturing efficiency and productivity, our Manufacturing CoE continued the rollout of our proprietary Manufacturing Management Model, comprised of our Plant Operating Model; Centralized Plant Maintenance Planning; Standardized Maintenance System; and Manufacturing Execution System. In 2016, we increased production lines under our Plant Operating Model—covering one-third of our company's total volumes. We also successfully launched our Centralized Plant Maintenance Planning in Brazil. Instead of different teams performing different functions at each plant, we centralized our plants' maintenance planning and budgeting at the country level. We are further designing a new Standardized Maintenance System, utilizing a uniform methodology for the maintenance of all of our plants' equipment. Moreover, we upgraded our Manufacturing Execution System. Utilizing advanced analytics, this digital platform maps and monitors our plants' performance, enabling better decision-making, budget analysis, and technical training. Ultimately, our Manufacturing Management Model offers us an integrated operational perspective to optimize costs, drive efficiency, and raise productivity.

Driving Manufacturing Efficiency
By getting the most out of every resource in our production process—from each kilowatt of energy to each liter of water—we delivered hard manufacturing savings of US$36 million in 2016.

Achieving Best Manufacturing Quality Index
Our Manufacturing CoE enabled us to achieve the best quality index in the history of our company.

Deploying KDP Delivers Results
During 2016, we rolled out KDP across our traditional sales channel in Mexico, covering 81% of our volume. Overall, we reached 3,477 routes, serving 615,000 clients. Additionally, we implemented KDP at 50 routes, serving 7,665 clients in São Paulo, Brazil. As a result, we achieved incremental volume and revenue growth, with improved point-of-sale execution, across the areas with KDP.



Fostering Employee Safety
Thanks to our Manufacturing and Distribution & Logistics CoEs, we reduced our lost-time incidents by 35% year over year—contributing to our employees' safety and quality of life.

Accelerating towards cultural

By continually evolving and adapting, we are creating a strong, unified corporate culture, founded on the cornerstones of leadership, talent, and innovation. Together, we share a passion for excellence—embracing diversity across our increasingly multicultural operations.

+23%

volume growth

In Argentina, our zero-calorie sparkling beverage portfolio achieved 23% volume growth during 2016—bolstered by the extremely strong performance of our Sprite Zero brand.

Encouraging Employee Feedback

In 2016, over 20,000 people from all levels of our company participated in our annual Organizational Health survey—an increase of more than 40% compared with 2014. More importantly, we improved on every practice related to our cultural priorities.

excellence

As a growing multicultural corporation with more than 101,000 employees across 10 countries, it is critical for us to understand what matters most to them. To this end, in 2014, we launched our first annual companywide employee survey to measure our organizational health. Based on feedback from over 14,000 employees, we defined three cultural aspirations: Connected and Inspiring Leadership; Talent as Our Core; and Outside-in Perspective and Renewal.

Over the past two years, we developed and deployed multiple initiatives to cultivate inspiring leaders, who reward and recognize our people while fostering collaboration across all levels of our company. Recognizing the importance of our top management, we designed a holistic program to transform our leadership style, incorporating consultative, supportive, and inspirational leadership roles within our executive team and their direct reports. We also worked to reduce perceived distance to our top management with our "Interact with Leaders" program. Through this program, all of our top corporate and country leaders gathered at least once a year with high-potential front-line employees and middle managers to get to know each other in an informal setting. Over 200 leaders and 4,000 invitees benefited from these sessions.

Additionally, we are strengthening our talent management culture—rooted in transparent performance evaluations and reinforced growth paths. Utilizing tools such as Critical Success Factors, 360-Degree Reviews, the 9-Box Performance-Potential Matrix, and Vertical Reviews for two-way feedback, we are bolstering our organization's performance management process to systematically recognize and reward positive performance, while offering our employees important pointers on attributes directly related to their career. We are also developing future leaders by designing and communicating clear career paths, providing our executives with the tools, guidelines, and information to discuss them in their vertical reviews, along with new self-development tools to enable them to work on their priorities. Through these and other initiatives, we are fostering a deeply ingrained talent management culture—where every employee is a coach or mentor to their peers and supervisors—throughout our company.

Furthermore, we are promoting an open and innovative mindset throughout our organization by deploying current and future leaders into stretch roles to accelerate their and our company's growth. For example, over the past year, we moved 459 managers and 50 directors throughout our countries, allowing them to assume new roles, responsibilities, and capabilities as part of our effort to drive innovation across our corporation. Additionally, we are utilizing new technology to enable greater communication, closeness, and collaboration between our employees. For example, YammerKOF, an internal social and communication network, allows our employees to share experiences and achievements, get to know each other across geographies, and collaborate and share insights across our 10 countries.

By valuing our people, we advance towards the culture we strive to achieve at Coca-Cola FEMSA. Working together, there is nothing we cannot accomplish.

Embracing Diversity

Our Diversity and Inclusion Networks stimulate the development of programs, initiatives, and activities that foster respect, inclusion, and integration across genders, generations, parents, disabilities, cultures, and sexual orientations.

yammerKOF

Cultivating Collaboration

Our YammerKOF network promotes a global culture of closeness, communication, and collaboration.

Accelerating towards market

To capture the next wave of growth in our industry, we continue to transform our company by complementing our business' organic growth with strategic value-creating mergers, acquisitions, and related market opportunities.

+33%

volume growth

In Brazil, our Kuat and Kuat Zero brands enjoyed 33% volume growth during the year. Strengthening our position in the flavored sparkiling beverage category.

Expanding Our Leading Brazilian Position
Our acquisition of Vonpar bolsters our leading position in Brazil—enabling us to serve almost 50% of the Coca-Cola system's volume in the country.

To this end, we acquired Vonpar, one of the largest family-owned beverage franchises in Brazil. This transaction bolsters our leading position in one of the largest markets for Coca-Cola products in the world. Our combined territories will enable us to serve approximately 88 million consumers and expand our volume in the country by 26%, allowing us to reach 49% of the Coca-Cola system's volume in Brazil.

As with every acquisition, the integration of talent and the cross-fertilization of best practices are key ingredients to success. That is no different with this franchise, as we continue to expand our pool of talented professionals. In terms of best practices, Vonpar enjoys strong customer service, modern trade, and route-to-market models. Clearly, our combined expertise will help us to reach our customers and consumers more efficiently and effectively with our multi-category portfolio.

Importantly, together with our partner The Coca-Cola Company, we agreed to acquire Unilever's AdeS soy-based beverage business[(1)]. Strategically, AdeS complements and expands our noncarbonated beverage portfolio's value offer by providing our consumers with an even wider array of nutritious and delicious choices—from juices and nectars to sports drinks, teas, dairy products, and now, soy-based beverages.

As the leading soy-based beverage brand in Latin America—the second-largest market for soy-based beverages globally—AdeS not only enjoys a solid position in our key markets, with

Offering Delicious, Nutritious Choices
AdeS offers an array of delicious, nutritious choices for our consumers to enjoy, including soy juices, soymilk, and kids' products.

excellence

This strategically important franchise offers a perfect geographic fit, bordering our operations in the state of Paraná in southern Brazil. Serving 15 million consumers in the states of Rio Grande do Sul and Santa Catarina, Vonpar's contiguous territories not only facilitate a smooth integration, but also create opportunities to expand our portfolio to new customers, generate value from our combined scale, and capture synergies of approximately R$65 million at the EBITDA level in the next 18 to 24 months.

Capturing Supply Chain Synergies
Capitalizing on the combined strengths of the Unilever and Coca-Cola systems, we will take advantage of the prime proximity of AdeS' factories near major consumption centers, as well as both networks' high manufacturing standards.

a presence in one out of every four households in Brazil, Mexico, and Argentina, but also offers a very high potential to extend the business to other countries. Thanks to its strong brand equity and innovative product pipeline, AdeS also provides a strategic platform to diversify our value proposition—complementing and developing our portfolio of nutritional products focused on active, healthy lifestyles. AdeS is particularly well positioned to benefit from favorable dynamics in the broader dairy-alternative beverage segment, delivering an appealing mix of high-protein, low-fat, and cholesterol-free products.

On top of these strengths, as a category pioneer with a proven track record of growth, AdeS commands a prominent position from which to capitalize on positive consumption trends, especially consumers' growing preference for more premium, nutritious, natural products.

(1) We expect the closing of the transaction to occur in the first quarter of 2017.

Maximizing Organizational Opportunities
By leveraging our strong distribution network and specialized route to market, we can create significant value by boosting AdeS coverage in the traditional sales channel while enhancing its prominent position in the modern trade channel.

Accelerating towards sustainability

We embrace a holistic approach to sustainable development, strategically addressing the material issues that most impact our business. Focused on three core areas—our people, our community, and our planet—our purpose is to create economic, social, and environmental value, contributing to the positive transformation of our communities while ensuring the sustainability of our business.

+4.2%

volume growth

We continued to build our winning still beverage portfolio. In Central America, our FUZE and FUZE Zero tea brands contributed to achieve a 4.2% total volume growth in the region.

Accelerating Clean Energy Consumption

By 2020, we look to satisfy 85% of our Mexican manufacturing operations' energy requirements with clean energy. Already, clean energy covers 46% of our Mexican bottling operations' power needs, while 74% of our Brazilian manufacturing facilities utilize clean energy.

excellence

For the fourth consecutive year, Coca-Cola FEMSA was one of only eight corporations in the beverage industry selected to comprise the Dow Jones Sustainability Emerging Markets Index. For the sixth consecutive year, the Mexican Stock Exchange chose our company for its Social Responsibility and Sustainability Index. Moreover, we were one of five Mexican food and beverage companies chosen to comprise the FTSE4Good Emerging Index, and the only Mexican beverage company selected for the Vigeo Eiris Emerging Market 70 Ranking for the second consecutive year.

We are committed to offering our employees the best place to work, founded on respect for human rights. Among our goals, we aim for our employees to generate 1 million volunteer hours from 2015 to 2020. In 2016, we devoted 374,190 hours, accumulating 479,754 volunteer hours since 2015.

Building on these efforts, we are committed to promoting people's healthy lifestyles. From 2015 to 2020, our goal is to benefit 5 million people through our nutrition and physical activity programs. Since 2015, approximately 1.4 million people benefited from our programs, including close to 1,000,000 people in 2016.

To foster community development, we aim for 100% of our priority plants and distribution centers to possess a Social License program by 2020. Currently, 18 of our work centers employ MARRCO, a methodology we developed to promote our communities' social development.

As a beverage bottler, efficient water management is essential to our business and our planet. Our goal is to increase our water use efficiency to 1.5 liters of water per liter of beverage produced by 2020. For 2016, we achieved 1.72 liters of water per liter of beverage produced, up 12% from 2010.

Additionally, we reduce waste and promote recycling across our organization. Our aim is to incorporate 25% of recycled or renewable materials into our PET packages by 2020. Currently, we use 19.8% of such materials in our PET presentations. We also aim to recycle at least 90% of our waste in each of our bottling plants by 2020. By 2016, 81% of our plants achieved this goal, with 19 earning Zero Waste certification.

Furthermore, we reduce our greenhouse gas emissions, while expanding our use of clean energy. By 2020, our goal is to reduce our value chain's carbon footprint by 20% from our 2010 baseline. Since 2010, we have reduced the carbon footprint of our manufacturing processes by 28%, achieving 15.26 grams of CO_2(eq) emitted per liter of beverage produced in our manufacturing facilities.

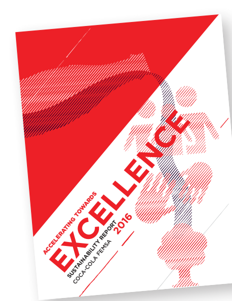
MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

Rising Sustainability Score

Since we were first selected for the Dow Jones Sustainability Emerging Markets Index in 2013, our company's global sustainability score has increased by 24%.

>100%

Consistent with our commitment, we currently give back to the environment more than 100% of the water we use in the production of our beverages in Mexico and Brazil.



Aligning With UN Sustainable Development Goals

Coca-Cola FEMSA'S Sustainability Report 2016 is presented in alignment with the United Nations' Sustainable Development Goals, to which we contribute through our Strategic Sustainability Framework and 2020 Goals. For more detailed information, we welcome you to read our Sustainability Report online at https://www.coca-colafemsa.com/sustainability.html.

Interview
with our CFO

Héctor Treviño Gutiérrez, our Chief Financial Officer, reflects on our positive performance over a challenging year. He discusses our key milestones, our turnaround in the Philippines, and our ability to adapt to changing market dynamics, while satisfying our consumers diverse lifestyles with a wider array of beverage choices.

Q) Hi, Héctor. First off, could you guide us through Coca-Cola FEMSA's results for 2016?

A) Yes. We successfully navigated a very challenging consumer, currency, and raw material environment to deliver good comparable[1] top- and bottom-line results. For the year, our comparable transactions outpaced our volume growth—reaching 18.9 billion. Our total revenues grew 6.6% to Ps. 157.3 billion. Our operating income rose 4.0% to Ps. 22.6 billion. Our operating cash flow grew 4.0% to Ps. 30.9 billion, and our net controlling interest income increased 0.6% to Ps. 9.3 billion, resulting in earnings per share of Ps. 4.48 (Ps. 44.82 per ADS).

We also made two dividend payments for a total amount of Ps. 6.9 billion (or Ps. 3.35 per share), underscoring our company's commitment to shareholder return.

Q) Can you give us a sense of the factors that drove your performance for the year?

A) Our positive performance was driven by our focus on transactions and pricing, our strong point-of-sale execution, our proactive currency and raw material hedging strategy, and our operating and financial discipline. During the year, our transactions continued to outperform our volumes in key markets such as Mexico, Colombia, and Argentina. As we leveraged our pricing flexibility, our average prices per unit case grew ahead of inflation in most of our markets. Moreover, our top-line price and revenue management initiatives, coupled with our financial discipline, enabled us to weather a generally volatile currency and raw material environment while mitigating margin pressures.

Q) Can you tell us about your company's most important milestones in 2016?

A) Looking back, we achieved three important milestones. First, we reached a broad new cooperation framework with our partner The Coca-Cola Company. This cooperation framework is designed to maintain our close, accretive, mutually beneficial business relationship over the long term.

Among the core elements of this new framework, we agreed to gradually increase concentrate prices for sparkling beverages in Mexico over a three-year period, beginning July of 2017. Given both companies' commitment to implementing commercial, marketing, and productivity strategies to maximize their profitability, we are confident that we will mitigate the effects of concentrate price adjustments.

With respect to The Coca-Cola Company's Bottling Investment Group territories, we reached an understanding to assess on a preferred basis the acquisition of specific franchises in Latin America, the U.S., and other regions that it might divest in the future. Thanks to this agreement, we will continue our track record of inorganic growth, consolidating our position as a diversified multi-category global beverage leader.

Second, we acquired Vonpar through our Brazilian subsidiary. The form of payment for this transaction underscores our flexible approach to mergers and acquisitions. It ensures that our company will continue to enjoy the financial flexibility to capture the next wave of inorganic growth in our industry, while continuing to invest in our company's organic growth.

Third, together with our partner The Coca-Cola Company, we agreed to acquire Unilever's AdeS soy-based beverage business[2]. As the leading soy-based beverages brand in Latin America, AdeS will complement and develop our non-carbonated beverage portfolio, offering our consumers a wider array of nutritious and delicious choices.

Q) With respect to Vonpar, could you give us a sense of how this acquisition will positively impact you, including possible synergies?

A) Fundamentally, the Vonpar transaction will enable us to consolidate our leading position in Brazil—serving more than 88 million consumers and almost half of the Coca-Cola system's volume in the country. We also expect to capture approximately R$65 million of synergies at the EBITDA level over the next 18 to 24 months. These synergies will result from reconfiguration of the logistics network, manufacturing optimization, administrative efficiencies, and implementation of our commercial practices.

Q) With your consolidation of this operation in 2017, could you give us an update of the results of your turnaround efforts in the Philippines?

A) Basically, our successful turnaround in the Philippines is focused on three pillars: portfolio, route to market, and supply chain. Among our initiatives, we simplified the portfolio of predominantly returnable glass bottles, concentrating on the highest potential SKUs. To balance our portfolio, we introduced a revolutionary mix of popular single-serve, one-way PET presentations—enabling us to regain market share in the Philippines' most important markets.

We also turned around our route to market by regaining direct contact with our customers through the rollout of our pre-sale platform and deploying a dedicated sales force for our wholesalers to capture greater value from this important channel. We further strengthened our supply chain, modernizing our production capacity while gaining full control of distribution and logistics. Through our enhanced supply-

(1) Excluding the effects of mergers, acquisitions, and divestitures; exchange rate movements; and hyperinflationary economies such as Venezuela.
(2) We expect the closing of the transaction to occur in the first quarter of 2017.

chain capabilities, we are improving productivity, maximizing operating efficiency, and optimizing warehouse management and logistics

As a result of our turnaround efforts, we delivered encouraging top- and bottom-line results for the year—marked by high single-digit transaction and volume growth. Looking ahead, our profitable transformation of our business in the Philippines should contribute to our consolidated results in 2017.

Q) Héctor, could you tell us about the steps you're taking to strengthen your capital structure and financial flexibility?

A) As always, we continue to take proactive steps to further strengthen our capital structure and financial flexibility. On top of our emphasis on operating efficiency, our increased focus on financial discipline across our organization enables us to continue deleveraging our company's balance sheet, while enhancing our strong cash flow generation. For example, our more efficient, prudent, and strict working capital and capital investment management, our development of the talent and capability to carry out in-depth financial and profitability analysis on many fronts, and our organizational transformation yield increased efficiency, together with agility to make more, better informed decisions across our territories.

For the year, our reported operating cash flow grew 13.6% to Ps. 35.5 billion. Consequently, our net-debt-to-operating cash flow ratio, including hedges, was 2.3 times at the end of 2016, highlighting the solid financial position of our company.

Q) Just to ask a follow-up question, what is your approach to capital allocation?

A) We maintain a disciplined approach to capital allocation, as we continue to optimize our maintenance, growth, and strategic capital expenditures—including a disciplined valuation approach to capture inorganic growth—to maximize our return on invested capital and deliver sustainable profitable growth for our shareholders. Furthermore, our centers of excellence (CoEs) not only enable centralized collaboration and knowledge sharing to benefit our operations, but also provide the potential to generate significant operating efficiencies and savings, along with opportunities to defer capital expenditures through better asset management and innovative distribution models.

Q) Looking forward, how well are you prepared to cope with the challenges that you anticipate in the upcoming year?

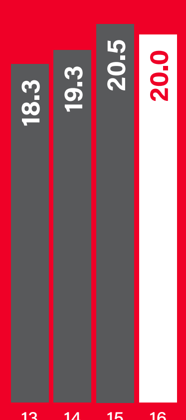
A) Entering 2017, we are even better prepared to navigate the headwinds we will face over the coming year—from ongoing currency and raw material volatility to continued consumer and economic challenges. Bolstered by our alignment with our partner The Coca-Cola Company, we enjoy a strong, resilient business profile thanks to our active currency and raw material hedging positions, improved currency exposure on our balance sheet, and solid overall financial position. Among our initiatives, we proactively moved to reduce our net dollar debt exposure to zero by the end of 2016. With all of our net debt denominated in local currencies, we should mitigate the effect of foreign exchange volatility going forward.

Q) Finally, what is your take on the factors that will drive your performance in 2017?

A) Through our CoEs, we are building a sustainable competitive advantage. By developing our commercial, distribution and logistics, manufacturing, and IT capabilities, they provide considerable opportunities to not only generate operating efficiencies and savings, but also drive innovation and foster talent development across our organization.

Moreover, our talent for innovation will enable us to continue transforming our diversified product portfolio, including a delicious, nutritious array of sparkling beverages, waters, isotonics, juices, dairy, and other choices for our consumers' enjoyment.

Looking ahead, our financial and operating discipline, our strong and committed team of professionals, and our ability to adapt to the changing market dynamics of our geographically diversified portfolio of territories will enable us to capture the long-term growth opportunities that we envision in the non-alcoholic beverage industry and to continue creating sustainable value for our shareholders.



EBITDA margin

As a percentage of Reported Revenues

+7.4

Million Unit Cases Incremental Growth

Consistent with our continued development of affordable sparkling beverage alternatives, our 2-liter returnable presentation of brand Coca-Cola generated incremental volume growth of more than 7 million unit cases during 2016.

Héctor Treviño Gutiérrez
Chief Financial Officer

Financial Summary

Amounts expressed in millions of U.S. dollars and mexican pesos, except data per share and headcount.

	U.S. (*)	2016 (4)	2015	2014	2013 (3)	2012 (2)	2011 (1)
INCOME STATEMENT							
Total revenues	8,620	**177,718**	152,360	147,298	156,011	147,739	123,224
Cost of goods sold	4,756	**98,056**	80,330	78,916	83,076	79,109	66,693
Gross profit	3,864	**79,662**	72,030	68,382	72,935	68,630	56,531
Operative expenses	2,690	**55,462**	48,284	46,850	51,315	46,440	37,233
Other expenses, net	185	**3,812**	1,748	158	623	952	1,375
Comprehensive financing result	295	**6,080**	7,273	6,422	3,773	1,246	1,129
Income before income taxes and share of the profit or of associates and joint ventures accounted for using the equity method	694	**14,308**	14,725	14,952	17,224	19,992	16,794
Income taxes	191	**3,928**	4,551	3,861	5,731	6,274	5,667
Share of the profit of associates and joint ventures accounted for using the equity method, net of taxes	7	**147**	155	(125)	289	180	86
Consolidated net income	510	**10,527**	10,329	10,966	11,782	13,898	11,213
Equity holders of the parent	488	**10,070**	10,235	10,542	11,543	13,333	10,662
Non-controlling interest net income	22	**457**	94	424	239	565	551
RATIOS TO REVENUES (%)							
Gross margin	44.8	**44.8**	47.3	46.4	46.7	46.5	45.9
Net income margin	5.9	**5.9**	6.8	7.4	7.6	9.4	9.1
CASH FLOW							
Operative cash flow	1,574	**32,446**	23,202	24,406	22,097	23,650	13,893
Capital expenditures (5)	601	**12,391**	11,484	11,313	11,703	10,259	7,862
Cash and cash equivalents	508	**10,476**	15,989	12,958	15,306	23,222	11,843
Marketable securities	-	**-**	-	-	-	12	330
Total cash, cash equivalents and marketable securities	508	**10,476**	15,989	12,958	15,306	23,234	12,173
BALANCE SHEET							
Current assets	2,205	**45,453**	42,232	38,128	43,231	45,897	32,724
Investment in shares	1,084	**22,357**	17,873	17,326	16,767	5,352	3,656
Property, plant and equipment, net	3,167	**65,288**	50,532	50,527	51,785	42,517	38,102
Intangible assets, net	6,013	**123,964**	90,754	97,024	98,974	67,013	62,163
Deferred charges and other assets, net	1,077	**22,194**	8,858	9,361	5,908	5,324	5,093
Total Assets	13,546	**279,256**	210,249	212,366	216,665	166,103	141,738
Liabilities							
Short-term bank loans and notes payable	148	**3,052**	3,470	1,206	3,586	5,139	5,540
Interest payable	25	**520**	411	371	324	194	206
Other current liabilities	1,762	**36,296**	26,599	26,826	28,488	24,217	20,029
Long-term bank loans and notes payable	4,164	**85,857**	63,260	64,821	56,875	24,775	16,821
Other long-term liabilities	1,179	**24,298**	7,774	9,024	10,239	6,950	6,061
Total Liabilities	7,278	**150,023**	101,514	102,248	99,512	61,275	48,657
Equity	6,268	**129,233**	108,735	110,118	117,153	104,828	93,081
Non-controlling interest in consolidated subsidiaries	344	**7,096**	3,986	4,401	4,042	3,179	3,053
Equity attributable to equity holders of the parent	5,924	**122,137**	104,749	105,717	113,111	101,649	90,028
FINANCIAL RATIOS (%)							
Current	1.14	**1.14**	1.39	1.34	1.33	1.55	1.27
Leverage	1.16	**1.16**	0.93	0.93	0.85	0.58	0.52
Capitalization	0.41	**0.41**	0.39	0.38	0.35	0.23	0.20
Coverage	4.80	**4.80**	3.92	4.72	8.22	15.45	12.48
DATA PER SHARE							
Book Value (6)	2.858	**58.920**	50.532	50.999	54.566	50.060	45.344
Income attributable to the holders of the parent (7)	0.235	**4.858**	4.937	5.086	5.614	6.616	5.715
Dividends paid (8)	0.163	**3.35**	3.090	2.900	2.870	2.824	2.365
Headcount (9)	85,140	**85,140**	83,712	83,371	84,922	73,395	78,979

(1) Information considers full-year of KOF's territories, three months of Administradora de Acciones del Noreste, S.A. de C.V. ("Grupo Tampico") and one month of Corporación de los Angeles, S.A. de C.V ("Grupo CIMSA").
(2) Information considers full-year of KOF's territories and eight months of Grupo Fomento Queretano, S.A.P.I. ("Grupo Fomento Queretano").
(3) Information considers full-year of KOF's territories and seven months of Grupo Yoli S.A de C.V. ("Grupo Yoli"), four months of Companhia Fluminense de Refrigerantes ("Compañía Fluminense") and two months of SPAIPA S.A. Industria Brasileira de Bebidas ("SPAIPA").
(4) Information considers full-year of KOF's territories and one month of Vonpar Refrescos S.A. ("Vonpar").
(5) Includes investments in property, plant and equipment, refrigeration equipment and returnable bottles and cases, net of disposals of property, plant and equipment.
(6) Based on 2,072.92 million ordinary shares as of December 31, 2016, 2015, 2014 and 2013, and 2030.54 and 1,985.45 million ordinary shares as of December 31, 2012 and 2011, respectively.
(7) Computed based on the weighted average number of shares outstanding during the periods presented: 2,072.92 million on 2016, 2015 and 2014 and 2,056.20, 2,015.14 and 1,865.55 million on 2013, 2012 and 2011, respectively.
(8) Dividends paid during the year based on the prior year's net income, using 2072.92 million oustanding ordinary shares on 2016, 2015, 2014 and 2013 and 2,030.54 and 1846.53 million oustanding ordinary shares on 2012 and 2011, respectively.
(9) Includes third-party.
(*) Exchange rate as of December 31st, 2016, Ps 20.6170 per U.S. dollar, solely for the convenience of the reader.

To consult the annual report of the audit committee together with Independent auditors' report and the detail of our Financial Statements and Notes please visit the online version of the report at **www.coca-colafemsa.com.**

Management's discussion and analysis

Results from our operations for the year ended December 31, 2016 compared to the year ended December 31, 2015

The comparability of Coca-Cola FEMSA's underlying financial and operating performance in 2016 as compared to 2015 was affected by the following factors: (1) the ongoing integration of mergers, acquisitions ("M&A"), and divestitures completed in recent years, (2) translation effects from fluctuations in exchange rates and (3) our results in territories that are considered hyperinflationary economies (currently, our only operation that is considered a hyperinflationary economy is Venezuela). To translate the full-year 2016 reported results of Venezuela, we used the DICOM exchange rate of 673.76 bolivars per U.S. dollar, as compared to 198.70 bolivars per U.S. dollar used to translate our 2015 reported results. In addition, the average depreciation of currencies used in our main operations during 2016, as compared to 2015, was: Argentine peso 59.5%, Mexican peso 17.7%, Colombian peso 11.4% and the Brazilian real 4.8%.

Consolidated results include full year figures of Coca-Cola FEMSA's territories and one month figures of Vonpar Refrescos S.A. ("Vonpar").

Consolidated results

Total Revenues

Our reported consolidated total revenues increased 16.6% to Ps. 177,718 million in 2016 despite the negative translation effect resulting from using the DICOM exchange rate to translate the results of our Venezuelan operation and the depreciation of the Argentine peso, Mexican peso, Colombian peso and the Brazilian real. Excluding the effect of currency fluctuations, M&A transactions and our Venezuelan operation described above, total revenues would have grown 6.6%, driven by the growth of the average price per unit case in most of our operations and volume growth in Mexico and Central America.

Total reported sales volume declined 3.0% to 3,334.0 million unit cases in 2016, as compared to 2015. Excluding M&A transactions and the effect of our Venezuelan operation described above, total volume would have declined 0.9% in 2016, as compared to 2015. Our sparkling beverage portfolio declined 3.4% as compared to 2015. Excluding the effects of M&A and of our Venezuelan operation described above, the sparkling beverage portfolio would have declined 1.0% as a result of positive performance of the brand Coca-Cola in Mexico, Colombia and Central America, and our flavored sparkling beverage portfolio in Mexico and Central America, offset by declines in Brazil and Argentina. The still beverage category declined 0.6% as compared to 2015. Excluding the effect of M&A and our Venezuelan operation described above, our still beverage category would have grown 2.9% driven by the positive performance of ValleFrut orangeade, Del Valle juice and Santa Clara dairy business in Mexico and Fuze in Central America. Bottled water, excluding bulk water declined 1.2% as compared to 2015. Excluding the effect of M&A and our Venezuelan operation described above, this portfolio would have declined 1.1%, driven by growth in Mexico and Argentina offset by declines in Brazil and Colombia. Reported bulk water decreased 2.0% as compared with 2015, while excluding the effects of M&A and our Venezuelan operation, bulk water would have declined 1.9% mainly driven by a contraction of Brisa and Crystal brands in Colombia and Brazil, respectively.

The reported number of transactions declined 2.5% to 19,774.4 million. Excluding the effect of M&A and our Venezuelan operation described above, the number of transactions would have declined 0.3% to 18,902.4 million. Transactions of our sparkling beverage portfolio, excluding M&A and Venezuela, would have declined 0.6% mainly driven by declines in Brazil, Argentina and Colombia offset by the positive performance in Mexico and Central America. Our still beverage category, excluding M&A and Venezuela, would have increased transactions by 2.6%, mainly driven by Mexico and Central America. Transactions of water, including bulk water, and excluding M&A and Venezuela, would have decreased 1.1% driven by a decline in Brazil and offset by a positive performance in Mexico, Central America and Colombia.

Consolidated reported average price per unit case grew 19.9% reaching Ps. 50.75 in 2016, as compared to Ps. 42.34 in 2015, despite the negative translation effect resulting from using the DICOM exchange rate to translate the results of our Venezuelan operation and the depreciation of the Argentine Peso, Colombian peso and the Brazilian real. Excluding the effect of currency fluctuations, M&A and our Venezuelan operation described above, average price per unit case would have grown 6.8% in 2016, driven by average price per unit case increases ahead of inflation in local currency in most of our operations.

Gross Profit

Our reported gross profit increased 10.6% to Ps. 79,662 million in 2016 with a gross margin contraction of 250 basis points. Excluding the effect of currency fluctuations, M&A and our Venezuelan operation described above, gross profit would have grown 4.5% with a gross margin contraction of 90 basis points. Higher sugar prices, plus the depreciation of the average exchange rate of the Argentine peso, the Colombian Peso, the Brazilian Real and the Mexican peso as applied to our U.S. dollar-denominated raw material costs; and an unfavorable currency hedging position in Brazil, were not fully offset by the benefit of lower PET prices, and our ongoing currency hedging strategy.

The components of cost of goods sold include raw materials (principally concentrate, sweeteners and packaging materials), depreciation costs attributable to our production facilities, wages and other employment costs associated with labor force employed at our production facilities and certain overhead costs. Concentrate prices are determined as a percentage of the retail price of our products in the local currency, net of applicable taxes. Packaging materials, mainly PET and aluminum, and HFCS, used as a sweetener in some countries, are denominated in U.S. dollars.

Administrative and Selling Expenses

Reported administrative and selling expenses as a percentage of total revenues decreased 50 basis points to 31.2% in 2016 as compared to 2015. Reported administrative and selling expenses in absolute terms increased 14.9% as compared to 2015. Excluding the effect of currency fluctuations, M&A and our Venezuelan operation described above, administrative and selling expenses as a percentage of total revenues would have decreased 20 basis points and absolute administrative and selling expenses would have grown 5.9% as compared to 2015. In local currency, operating expenses decreased as a percentage of revenues in Brazil, Colombia and Mexico. In 2016, we continued investing across our territories to support marketplace execution, increase our cooler coverage and bolster returnable presentation base.

During 2016, other net operative expenses recorded an expense of Ps. 323 million. Excluding the effect of currency fluctuations, M&A and our Venezuelan operation described above, the other net operative expenses line would have recorded an expense of Ps. 339 million, due to the negative currency fluctuation effects mainly from our Mexican operation.

The reported share of the profits of associates and joint ventures line recorded a gain of Ps. 147 million in 2016, mainly due to an equity-method gain from our participation in associated companies, gains from the Coca-Cola FEMSA's participation in Coca-Cola FEMSA Philippines, Inc., and the improvement of the results of our participation in Estrella Azul.

Comprehensive Financing Result

The term "comprehensive financing result" refers to the combined financial effects of net interest expenses, net financial foreign exchange gains or losses, and net gains or losses on monetary position from the hyperinflationary countries in which we operate. Net financial foreign exchange gains or losses represent the impact of changes in foreign-exchange rates on financial assets or liabilities denominated in currencies other than local currencies, and gains or losses resulting from derivative financial instruments. A financial foreign exchange loss arises if a liability is denominated in a foreign currency that appreciates relative to the local currency between the date the liability is incurred or the beginning of the period, whichever comes first, and the date it is repaid or the end of the period, whichever comes first, as the appreciation of the foreign currency results in an increase in the amount of local currency, which must be exchanged to repay the specified amount of the foreign currency liability.

Our reported comprehensive financing result in 2016 recorded an expense of Ps. 6,080 million as compared to an expense of Ps. 7,273 million in 2015. The difference was mainly driven by a foreign exchange loss as a result of the depreciation of the end-of-period exchange rate of the Mexican peso during the year, as applied to our U.S. dollar-denominated net debt position, which offset a gain on monetary position in our hyperinflationary operation in Venezuela.

Income Taxes

During 2016, reported income tax, as a percentage of income before taxes, was 27.2% as compared to 30.6% in 2015. The lower effective tax rate registered during 2016 is mainly related to certain tax efficiencies across our operations, a lower effective tax rate in Colombia and ongoing efforts to reduce non-deductible items across our operations.

Controlling Interest Net Income

Our reported consolidated controlling interest net income reached Ps. 10,070 million in 2016 as compared to Ps. 10,235 million in 2015. Earnings per share ("EPS") in the full year of 2016 were 4.86 (Ps. 48.58 per ADS) computed on the basis of 2,072.9 million shares outstanding (each ADS represents 10 local shares). Excluding the effect of currency fluctuations, M&A and our Venezuelan operation described above, the consolidated controlling interest net income would have reached Ps. 9,290 million in 2016 as compared to Ps. 9,239 million in 2015. On the same basis, earnings per share would have been 4.48 (Ps. 44.82 per ADS).

Consolidated Results from Operations by Reporting Segment

Mexico and Central America

Total Revenues. Reported total revenues from our Mexico & Central America division increased 11.2% to Ps. 87,557 million in 2016. Excluding the effect of currency fluctuations, total revenues from our Mexico & Central America division would have increased 8.8%, driven by positive volume performance and average price increases in both Mexico and Central America.

Reported total sales volume increased 3.7% to 2,025.6 million unit cases in 2016, as compared to 2015. The sparkling beverage portfolio grew 3.9% driven by 2.8% growth of brand Coca-Cola and 8.3% growth of flavored sparkling beverages. Our water portfolio, including bulk water, grew 0.7% driven by a growth of Ciel flavored water in Mexico. The still beverage category grew 11.8%.

The reported number of transactions for the Mexico and Central America division grew 4.6% to 11,382.1 million. Transactions of our sparkling beverage portfolio grew 4.3% driven by the positive performance in both colas and flavored sparkling beverages. Our still beverage category increased transactions by 8.3%. Transactions of water, including bulk water, grew 3.2% driven by growth in both Mexico and Central America.

Total sales volume in Mexico grew 3.7% to 1,850.7 million unit cases, as compared to 1,784.6 million unit cases in 2015. Volume of our sparkling beverage portfolio grew 3.8% driven by 2.7% growth of brand Coca-Cola and 9.1% growth in flavored sparkling beverages, mainly supported by the performance of Naranja & Nada, Limon & Nada, our sparkling orangeade and lemonade, and Sidral Mundet. The still beverage portfolio grew 14.2% favored by Vallefrut, the Del Valle juice portfolio, and our Santa Clara dairy business. Our bottled water portfolio, including bulk water, grew 0.7% driven by Ciel Exprim flavored water.

The reported number of transactions for the Mexico operation grew 4.8% to 9,884.1 million. Transactions of our sparkling beverage portfolio grew 4.5%. Our still beverage category increased transactions by 9.2%. Transactions of water, including bulk water, increased 3.1%.

Total sales volume in Central America increased 4.2% to 174.9 million unit cases, as compared to 167.8 million unit cases in 2015. The sales volume of our sparkling beverage portfolio grew 5.0% supported by the strong performance of the Coca-Cola brand and flavored sparkling beverages in Guatemala, Nicaragua and Costa Rica. Sales volume in the still beverage category decreased 0.3%. The bottled water business, including bulk water, grew 1.7% across the region.

The reported number of transactions for the Central America operation grew 3.4% to 1,498.0 million. Transactions of our sparkling beverage portfolio grew 3.1%. Our still beverage category increased transactions by 4.9%. Transactions of water, including bulk water, increased 3.8%.

Gross Profit. Our reported gross profit increased 8.6% to Ps. 43,569 million in 2016 as compared to 2015, and reported gross margin contracted 120 basis points to reach 49.8% in 2016. Excluding the effect of currency fluctuations, gross profit would have grown 6.5% in 2016 with a margin contraction of 100 basis points. Lower PET prices in the division, in combination with our currency hedging strategy, were offset by higher prices of sugar and the depreciation of the average exchange rate of the Mexican peso as applied to our U.S. dollar-denominated raw material costs.

Administrative and Selling Expenses. Reported administrative and selling expenses as a percentage of total revenues decreased 60 basis points to 32.6% in 2016, as compared with the same period in 2015. Reported administrative and selling expenses in absolute terms increased 9.4%, as compared to 2015. Excluding the effect of currency fluctuations, administrative and selling expenses in absolute terms would have grown 7.2% during the year, decreasing 50 basis points as a percentage of total revenues.

South America

Total Revenues. Reported total revenues increased 22.4% to Ps. 90,160 million in 2016, as compared to 2015, mainly driven by average price per unit case growth across our territories, and positive translation effects due to the appreciation of the Brazilian real and the Colombian peso as referenced to Mexican peso. Revenues of beer accounted for Ps. 7,887.0 million. Excluding the effect of currency fluctuations, M&A and our Venezuelan operation, total revenues would have increased 4.1% driven by average price per unit case increases in local currency in each of the operations.

Total sales volume in our South America division, excluding M&A and Venezuela, decreased 8.2% to 1,145.7 million unit cases in 2016, as compared to 2015, as a result of a volume contraction in all of our South American operations. The still beverage portfolio declined 8.9%, mainly driven by decline in the Jugos del Valle line of business in Colombia, Kapo and Del Valle Mais in Brazil. Our bottled water portfolio, including bulk water, decreased 8.7%, mainly driven by Brisa in Colombia, and Crystal in Brazil. The sparkling beverage portfolio decreased 8.0%, as compared to 2015.

The reported number of transactions for the South America division, excluding M&A and Venezuela, decreased 7.0% to 7,520.3 million. Transactions of our sparkling beverage portfolio decreased 7.5%, driven by contractions in Brazil, Argentina and Colombia. Our still beverage category transactions declined by 4.8%. Transactions of water, including bulk water, decreased 5.0%.

Total sales volume in Colombia decreased 4.1% to 307.0 million unit cases in 2016, as compared to 320.0 million unit cases in 2015. The sales volume in the sparkling beverage category declined 0.7%, mainly driven by a 1.9% growth of the Coca-Cola brand and a 9.4% decrease of flavored sparkling beverages. Sales volume in the still beverage category decreased 13.6%, mainly driven by del Valle and Valle Frut. The bottled water business, including bulk water, decreased 11.8% driven by Brisa Bulk water presentations.

The reported number of transactions for the Colombian operation decreased 0.4% to 2,400.9 million. Transactions of our sparkling beverage portfolio declined 1.2%. Our still beverage category increased transactions by 0.5%. Transactions of water, including bulk water, increased 2.7%.

Total sales volume in Argentina decreased 10.6% to 209.1 million unit cases in 2016, as compared to 233.9 million unit cases in 2015. The sales volume in the sparkling beverage category decreased 13.6%, a decrease in both brand Coca-Cola and our flavored sparkling beverage portfolio. Sales volume in the still beverage category decreased 0.6%, mainly driven by Cepita and Powerade. The bottled water business, including bulk water, increased 6.9% driven by Kin and Bonaqua.

The reported number of transactions for the Argentine operation decreased 7.5% to 1,012.6 million. Transactions of our sparkling beverage portfolio declined 9.2%. Our still beverage category decreased transactions by 0.5%. Transactions of water, including bulk water, decreased 1.1%.

Reported total sales volume in Brazil, not including M&A decreased 9.2% to 629.7 million unit cases in 2016, as compared to 693.6 million unit cases in 2015. Volume in the bottled water business, including bulk water, decreased 13.1% driven by Crystal. The volume of our sparkling beverage portfolio contracted 9.0%. The sales volume in the still beverages category decreased 7.2%.

The reported number of transactions for our Brazilian operation, excluding M&A, decreased 10.3% to 4,106.7 million. Transactions of our sparkling beverage portfolio decreased 10.0%. Our still beverage category decreased transactions by 10.3%. Transactions of water, including bulk water, decreased 13.6%.

Gross Profit. Reported gross profit reached Ps. 36,093 million, an increase of 13.1% in 2016, as compared to 2015, with a contraction of 330 basis points to 40.0%. Excluding the effect of currency fluctuations, M&A and our Venezuelan operation, gross profit would have grown 1.6% during the year, contracting gross margin by 100 basis points. This contraction is given by higher sugar prices and the depreciation of the average exchange rate of our division's currencies as applied to our U.S. dollar-denominated raw material costs, in combination with an unfavorable currency hedging position in Brazil, as a result of the appreciation of the Brazilian real; all of which offset lower PET prices.

Administrative and Selling Expenses. Reported administrative and selling expenses as a percentage of total revenues decreased 30 basis points to 29.8% in 2016, as compared to 2015. Reported administrative and selling expenses in absolute terms increased 21.4%, as compared to 2015, mainly driven by Venezuela and the negative translation effect resulting from the appreciation of the Brazilian real and the

Colombian peso. Excluding the effect of currency fluctuations, M&A and our Venezuelan operation, administrative and selling expenses in absolute terms would have grown 4.1% remaining flat as a percentage of revenues.

Venezuela

Total Revenues. Reported total revenues in Venezuela increased 112.0% to reach Ps. 18,868 million in 2016 as compared to 2015, driven by average price per unit case increase.

Total sales volume decreased 39.3% to 143.1 million unit cases in 2016, as compared to 235.6 million unit cases in 2015. The sales volume in the sparkling beverage category decreased 41.0%, driven by a contraction in brand Coca-Cola and our flavored sparkling beverage portfolio. The still beverage category decreased 46.4%. Our bottled water business, including bulk water, declined 10.1% driven by Nevada.

The reported number of transactions for the Venezuela operation decreased 41.4% to 772.6 million. Transactions of our sparkling beverage portfolio decreased 44.4%, driven by contractions in brand Coca-Cola and our flavored sparkling beverage portfolio. Our still beverage category decreased transactions by 49.6%. Transactions of water, including bulk water, decreased 7.2%.

Gross Profit. Reported gross profit was Ps. 6,830 million in 2016, an increase of 56.4% as compared to 2015.

Administrative and Selling Expenses. Reported administrative and selling expenses as a percentage of total revenues remained flat at 31.0% in 2016, as compared to 2015. Reported administrative and selling expenses in absolute terms increased 112.0%, as compared to 2015.

Corporate Governance

Coca-Cola FEMSA prides itself on its standards of corporate governance and the accuracy of its disclosures. Our corporate governance practices are governed by our bylaws, the Mexican Securities Market Law and the regulations issued by the CNBV. We also disclose the extent to which we comply with the Código de Mejores Prácticas Corporativas (Mexican Code of Best Corporate Practices), which was created by a group of Mexican business leaders and was endorsed by the BMV. We apply the same strict standards across our operations, including our new operations, and will continue to do so. We believe that the independence of our directors provides an invaluable contribution to the decision-making process in our corporation and to shareholder value protection.

Environment Statement

Coca-Cola FEMSA is dedicated to the principles of sustainable development. The company recognizes the impact of its operations on water, waste and recycling, and energy use and is committed to minimize and attend to its environmental impact responsibly. Compliance, waste minimization, pollution prevention, and continuous improvement are hallmarks of the company's environmental management system. The company has achieved significant progress in areas such as recycling and recovery, water and energy conservation, wastewater quality, and greenhouse gas emission efficiency. These efforts simultaneously help Coca-Cola FEMSA to protect the environment and to develop its business. Part of this commitment is reported in the present document and further presented in the company's Sustainability Report. The Sustainability Report is published annually for the 10 countries in which we operate, following GRI guidelines and external verification and accounting for recommendations from the Dow Jones Sustainability Index, the Mexican Stock Exchange Sustainability Index, FTSE4Good Emerging Index, Vigeo Eiris Emerging Market 70 Ranking, and Euronext evaluations, while reporting in accordance with the CDSB Framework. Additionally, we report our greenhouse gas emissions voluntarily to the Carbon Disclosure Project (CDP) and to Mexico's Ministry of Natural Resources and the Environment. For more information on our commitment to sustainable development, visit www.coca-colafemsa.com/sustainability.html.

Management's Responsibility for Internal Control

The management of Coca-Cola FEMSA is responsible for the preparation and integrity of the accompanying consolidated financial statements and for maintaining a system of internal control. These checks and balances serve to provide reasonable assurance to shareholders, to the financial community, and to other interested parties that transactions are executed in accordance with management authorization, that accounting records are reliable as a basis for the preparation of the consolidated financial statements, and that assets are safeguarded against loss from unauthorized use or disposition. In fulfilling its responsibilities for the integrity of financial information, management maintains and relies on the Company's system of internal control. This system is based on an organizational structure that efficiently delegates responsibilities and ensures the selection and training of qualified personnel. In addition, it includes policies, which are communicated to all personnel through appropriate channels. This system of internal control is supported by an ongoing internal audit function that reports its findings to management throughout the year. Management believes that to date, the internal control system of the Company has provided reasonable assurance that material errors or irregularities have been prevented or detected and corrected promptly.

Glossary

The Coca-Cola Company: Founded in 1886, The Coca-Cola Company is the world's largest beverage company, refreshing consumers with more than 500 sparkling and still brands. The Coca-Cola Company's corporate headquarters are in Atlanta with local operations in more than 200 countries around the world.
Fomento Económico Mexicano, S.A.B. de C.V. (FEMSA): FEMSA is a leading company that participates in the beverage industry through Coca-Cola FEMSA, the largest franchise bottler of Coca-Cola products in the world; and in the beer industry, through its ownership of the second largest equity stake in Heineken, one of the world's leading brewers with operations in over 70 countries. In the retail industry it participates with FEMSA Comercio, operating various small-format chain stores, including OXXO, the largest and fastest-growing chain of stores in Latin America. All of which is supported by a Strategic Business unit.
Consumer: Person who consumes Coca-Cola FEMSA products.
Customer: Retail outlet, restaurant or other operation that sells or serves the company's products directly to consumers.
Per Capita Consumption: The average number of eight-ounce servings consumed per person, per year in a specific market. To calculate per capita consumption, the company multiplies its unit case volume by 24 and divides by the population.
Serving: Equals eight fluid ounces of a beverage.
Sparkling beverage: A non-alcoholic carbonated beverage containing flavorings and sweeteners. It excludes flavored waters and carbonated or non-carbonated tea, coffee and sports drinks.
Still beverage: Non-carbonated beverages.
Unit Case: Unit of measurement that equals 24 eight-ounce servings of finished beverage.
Transaction: Represents the number of individual units (e.g. Cans, bottles) sold, regardless of their size, volume or whether they are sold in single or multipack combinations at the retailer point of sale, with the exception of Fountain which represents multiple transactions. This indicator better represents the number of interactions with consumers. (As an example: a 355 ml can of Coke will represent 1 transaction, but also a 2 liter bottle of Coke will be one transaction).

Board Practices

Finance and Planning Committee

The Finance and Planning Committee works with management to set our annual and long-term strategic and financial plans and monitors adherence to these plans. It is responsible for setting our optimal capital structure and recommends the appropriate level of borrowing as well as the issuance of securities. Financial risk management is another responsibility of the Finance and Planning Committee. Irial Finan is the chairman of the Finance and Planning Committee. The other members include: Federico Reyes García, Ricardo Guajardo Touché, Enrique F. Senior Hernández and Miguel Eduardo Padilla Silva. The secretary non-member of the Finance and Planning Committee is Héctor Treviño Gutiérrez, our Chief Financial Officer.

Audit Committee

The Audit Committee is responsible for reviewing the accuracy and integrity of quarterly and annual financial statements in accordance with accounting, internal control and auditing requirements. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent auditor, who reports directly to the Audit Committee; the internal auditing function also reports to the Audit Committee. The Audit Committee has implemented procedures for receiving, retaining and addressing complaints regarding accounting, internal control and auditing matters, including the submission of confidential, anonymous complaints from employees regarding questionable accounting or auditing matters. To carry out its duties, the Audit Committee may hire independent counsel and other advisors. As necessary, we compensate the independent auditor and any outside advisor hired by the Audit Committee and provide funding for ordinary administrative expenses incurred by the Audit Committee in the course of its duties. José Manuel Canal Hernando is the chairman of the Audit Committee and the "audit committee financial expert". Pursuant to the Mexican Securities Market Law, the chairman of the Audit Committee is elected at our shareholders meeting. The other members are: Alfonso González Migoya, Charles H. McTier, Francisco Zambrano Rodríguez and Ernesto Cruz Velázquez de León. Each member of the Audit Committee is an independent director, as required by the Mexican Securities Market Law and applicable New York Stock Exchange listing standards. The secretary non-member of the Audit Committee is José González Ornelas, vice-president of FEMSA's internal corporate control department

Corporate Practices Committee

The Corporate Practices Committee, which consists exclusively of independent directors, is responsible for preventing or reducing the risk of performing operations that could damage the value of our company or that benefit a particular group of shareholders. The committee may call a shareholders meeting and include matters on the agenda for that meeting that it deems appropriate, approve policies on related party transactions, approve the compensation plan of the chief executive officer and relevant officers, and support our board of directors in the elaboration of related reports. The chairman of the Corporate Practices Committee is Daniel Servitje Montull. Pursuant to the Mexican Securities Market Law, the chairman of the Corporate Practices Committee is elected at our shareholders meeting. The other members include: Alfredo Livas Cantú, Karl Frei Buechi, Luis Rubio Freidberg and Luis A. Nicolau Gutiérrez. The secretary non-member of the Corporate Practices Committee is Raymundo Yutani Vela.

Advisory Board

The Advisory's Board main role is to advise and propose initiatives to our board of directors through the Chief Executive Officer. This committee is mainly comprised of former shareholders of the various bottling businesses that merged with us, whose experience constitute an important contribution to our operations.

Executive Officers

John Santa Maria Otazua
Chief Executive Officer
21 years as an Officer

Héctor Treviño Gutiérrez
Chief Financial and Administrative Officer
23 year as an Officer

Tanya Avellán Pinoargote
Planning, Information Technology and Commercial Officer
5 years as an Officer

Raymundo Yutani Vela
Human Resources Officer
3 years as an Officer

Ernesto Silva Almaguer
Chief Operating Officer – Mexico
19 years as an Officer

Rafael Suárez Olaguibel
Chief Operating Officer – Latin America
22 years as an Officer

Ian Craig García
Chief Operating Officer - Brazil
6 years as an Officer

José Ramon Martínez
Corporate Affairs Officer
3 years as an Officer

Alejandro Duncan Ancira
Supply Chain and Engineering Officer
14 years as an Officer

Eduardo Hernández Peña
New Businesses Officer
2 years as an Officer

Pursuant to the Shareholders Agreement, Washington Fabricio Ponce was appointed as Chief Executive Officer of Coca-Cola FEMSA Philippines, Inc.

**Alfredo Livas Cantú, Board member and long-time friend of our company, passed away on April 26, 2016. Mr. Livas contributed his talent, loyalty, and integrity for almost 40 years.*

Directors

Directors Appointed by Series A Shareholders

José Antonio Fernández Carbajal
Executive Chairman of the Board of Directors of Coca-Cola FEMSA and Chairman of the Board of Directors of FEMSA
24 years as a Board Member
Alternate: Bárbara Garza Lagüera Gonda

Carlos Salazar Lomelín
Chief Executive Officer of FEMSA
16 years as a Board Member
Alternate: Max Michel González

Miguel Eduardo Padilla Silva
Chief Financial and Corporate Officer of FEMSA
1 year as a Board Member
Alternate: Paulina Garza Lagüera Gonda

Javier Gerardo Astaburuaga Sanjines
Vice-President of Corporate Development of FEMSA
11 years as a Board Member
Alternate: Francisco José Calderón Rojas

Federico Reyes García
Independent consultant
25 years as a Board Member
Alternate: Alejandro Bailleres Gual

John Anthony Santa Maria Otazua
Chief Executive Officer of Coca-Cola FEMSA
3 years as a Board Member
Alternate: Héctor Treviño Gutiérrez

Mariana Garza Lagüera Gonda
Private Investor
8 years as a Board Member
Alternate: Alfonso Garza Garza

Ricardo Guajardo Touché
Chairman of the Board of Directors, SOLFI, S.A.
24 years as a Board Member
Alternate: Daniel Alberto Rodríguez Cofré

Alfonso González Migoya (1)
Chairman of the Board of Directors of Controladora Vuela Compañía de Aviación, S.A.B. de C.V. (Volaris), and Managing Partner of Acumen Empresarial, S.A. de C.V.
11 years as a Board Member
Alternate: Ernesto Cruz Velázquez de León

Enrique F. Senior Hernández (1)
Managing Director of Allen & Company, LLC.
13 years as a Board Member
Alternate: Herbert Allen III

Alfredo Livas Cantú (1)*
President of Praxis Financiera, S.C.
3 years as a Board Member
Alternate: Jaime El Koury

Daniel Servitje Montull (1)
Chief Executive Officer and Chairman of the Board of Directors of Bimbo
19 years as a Board Member
Alternate: Sergio Deschamps Ebergenyi

José Luis Cutrale (1)
Chief Executive Officer of Sucrocítrico Cutrale, Ltda.
13 years as a Board Member
Alternate: José Luis Cutrale Jr.

Directors Appointed by Series D Shareholders

José Octavio Reyes Lagunes
Vice Chairman of The Coca-Cola Export Corporation.
1 year as a Board Member
Alternate: Robin Moore

Irial Finan
Executive Vice-President and President of Bottling Investments
13 years as a Board Member
Alternate: Sunil Ghatnekar

Charles H. McTier (1)
Trustee, Robert W. Woodruff
19 years as a Board Member

Kathy Waller
Executive Vice-President and Chief Financial Officer of The Coca-Cola Company
2 years as a Board Member
Alternate: Gloria Bowden

Eva María Garza Lagüera Gonda
Private Investor
2 years as a Board Member
Alternate: Luis Rubio Freidberg

Directors Appointed by Series L Shareholders

Robert A. Fleishman Cahn (1)
Chief Executive Officer of Grupo Tampico, S.A.P.I. de C.V.
5 years as a Board Member
Alternate: Herman Harris Fleishman Cahn

José Manuel Canal Hernando (1)
Independent consultant
14 years as a Board Member
Alternate: Luis A. Nicolau Gutiérrez

Francisco Zambrano Rodríguez (1)
Chief Executive Officer of Grupo Verterrak, S.A.P.I. de C.V. and Vice Chairman of the board of directors of Desarrollo Inmobiliario y de Valores, S.A. de C.V.
14 years as a Board Member
Alternate: Karl Frei Buechi

Secretary
Carlos Eduardo Aldrete Ancira
General Counsel, FEMSA
24 years as Secretary
Alternate: Carlos Luis Díaz Sáenz

(1) Independent

Shareholders
and analyst information

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Coca-Cola FEMSA, S.A.B. de C.V.

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Stock Exchange Information

Coca-Cola FEMSA's common stock is traded on the Bolsa Mexicana de Valores, (the Mexican Stock Exchange) under the symbol **KOF L** and on the New York Stock Exchange, Inc. (NYSE) under the symbol **KOF**.

Transfer Agent and Registrar

Bank of New York
101 Barclay Street 22W
New York, New York 10286, U.S.A

KOF

New York Stock Exchange
Quarterly Stock Information

U.S. DOLLARS PER ADS						**2016**
Quarter Ended	$	High	$	Low	$	Close
Dec-30		81.65		62.17		63.54
Sep-30		82.61		71.03		78.58
Jun-30		87.29		76.95		82.96
Mar-31		83.13		64.48		83.05

U.S. DOLLARS PER ADS						**2015**
Quarter Ended	$	High	$	Low	$	Close
Dec-31		79.89		68.16		70.81
Sep-30		81.33		65.90		69.38
Jun-30		86.64		77.74		79.45
Mar-31		89.91		78.53		79.86

KOF L

Mexican Stock Exchange
Quarterly Stock Information

MEXICAN PESOS PER SHARE						**2016**
Quarter Ended	$	High	$	Low	$	Close
Dec-30		151.68		127.92		131.37
Sep-30		152.92		139.13		147.39
Jun-30		152.09		142.89		151.63
Mar-31		143.56		116.91		143.56

MEXICAN PESOS PER SHARE						**2015**
Quarter Ended	$	High	$	Low	$	Close
Dec-31		131.97		114.45		123.90
Sep-30		128.28		113.51		117.52
Jun-30		131.64		120.01		124.78
Mar-31		132.03		119.22		121.76

Coca-Cola Femsa, S.A.B. de C.V.

Stock listing information: Mexican Stock Exchange, Ticker: KOFL | NYSE (ADR), Ticker: KOF | Ratio of KOF L to KOF = 10:1

Coca-Cola FEMSA, S.A.B. de C.V. is the largest franchise bottler in the world by sales volume. The company produces and distributes trademark beverages of The Coca-Cola Company, offering a wide portfolio of 154 brands to more than 375 million consumers daily. With over 100 thousand employees, the company markets and sells approximately 4 billion unit cases through 2.8 million points of sale a year. Operating 66 manufacturing plants and 328 distribution centers, Coca-Cola FEMSA is committed to generating economic, social, and environmental value for all of its stakeholders across the value chain. The company is a member of the Dow Jones Sustainability Emerging Markets Index, FTSE4Good Emerging Index, and the Mexican Stock Exchange's IPC and Social Responsibility and Sustainability Indices, among other indexes. Its operations encompass franchise territories in Mexico, Brazil, Colombia, Argentina, and Guatemala and, nationwide, in the Philippines, Venezuela, Nicaragua, Costa Rica, and Panama. For more information, please visit www.coca-colafemsa.com.

COTIZA EN BOLSA MEXICANA DE VALORES
KOF L

KOF LISTED NYSE

Empresa Sustentable

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

ESR EMPRESA SOCIALMENTE RESPONSABLE

design: www.signi.com.mx

MIX Paper from responsible sources FSC® C101537 www.fsc.org

Consistent with its commitment to preserve the environment and benefit the communities where it operates, Coca-Cola FEMSA selected the materials to produce this report, using paper certified by the Forest Stewardship Council® (FSC®). The FSC®'s principles and criteria encompass economic, social, and environmental concerns, and its measures are implemented through "chain-of-custody" certification. Furthermore, the document used soy- and vegetable-based inks.

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