



**A GROWING  
MULTI-NATIONAL  
COMPANY**



**KOF  
LISTED  
NYSE**



# Cautionary Statement

## **FORWARD-LOOKING STATEMENTS**

This presentation contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934 as amended. These forward-looking statements relate to Coca-Cola FEMSA, S.A. de C.V. and subsidiaries (“KOF”) and their businesses, and are based on KOF management’s current expectations regarding KOF and its businesses. Recipients are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside KOF’s control, that could cause actual results of KOF and its businesses to differ materially from such statements. KOF is under no obligation, and expressly disclaims any intention or obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. The proposed transaction, the financial condition and results of the combined company will be subject to numerous risks and contingencies, including the receipt of financing and regulatory approvals, the ability to realize synergies and successfully integrate operations.

This document does not represent an offer of any securities for sale. This presentation also includes, and representatives of Coca-Cola FEMSA from time to time may refer to, un-audited pro forma financial information giving effect to the proposed business combination. However, this information is preliminary, not in accordance with generally accepted accounting principles, and not necessarily indicative of historical financial position or results if the proposed business combination had occurred or of any future financial data.

## **ADDITIONAL INFORMATION AND WHERE TO FIND IT**

Documents filed by KOF are available at the Securities and Exchange Commission’s public reference room located at 450 Fifth Street, N.W., Washington, D.C. 20594. Investors and security holders may call the Commission at 1-800-SEC-0330 for further information on the public reference room. Free copies of all of KOF’s filings with the Commission may also be obtained by directing a request to:

## **COCA-COLA FEMSA**

Guillermo González Camarena No. 600, Col. Centro de Ciudad Santa Fé 01210, México D.F., México

Investor Relations

Alfredo Fernandez / (52) 55 5081 51 20 / [alfredo.fernandez@kof.com.mx](mailto:alfredo.fernandez@kof.com.mx)  
Gonzalo García / (52) 55 5081 51 48 / [gonzalojose.garciaa@kof.com.mx](mailto:gonzalojose.garciaa@kof.com.mx)  
Roland Karig / (52) 55 5081 51 86 / [roland.karig@kof.com.mx](mailto:roland.karig@kof.com.mx)

# Largest public bottler outside of the US...

*The Coca-Cola Company*

**FEMSA**

**10%  
Worldwide**

**40%  
Mexico**

**29%  
Brazil**

**35%  
Latin  
America**

*The largest bottler in Mexico and Latin America*

**2.2 bn unit cases sold daily**

**6 mn unit cases sold daily**

**Close to US\$7 bn in total revenues**

**Close to US\$1.5 bn of EBITDA**

**21% EBITDA margin**

**Over 200 million consumers**

**Over 1.6 million points of sale**

**Over 70 different brands**

*solid geographical footprint*

**47 %  
of  
Revenues**

**58 %  
of  
EBIT**

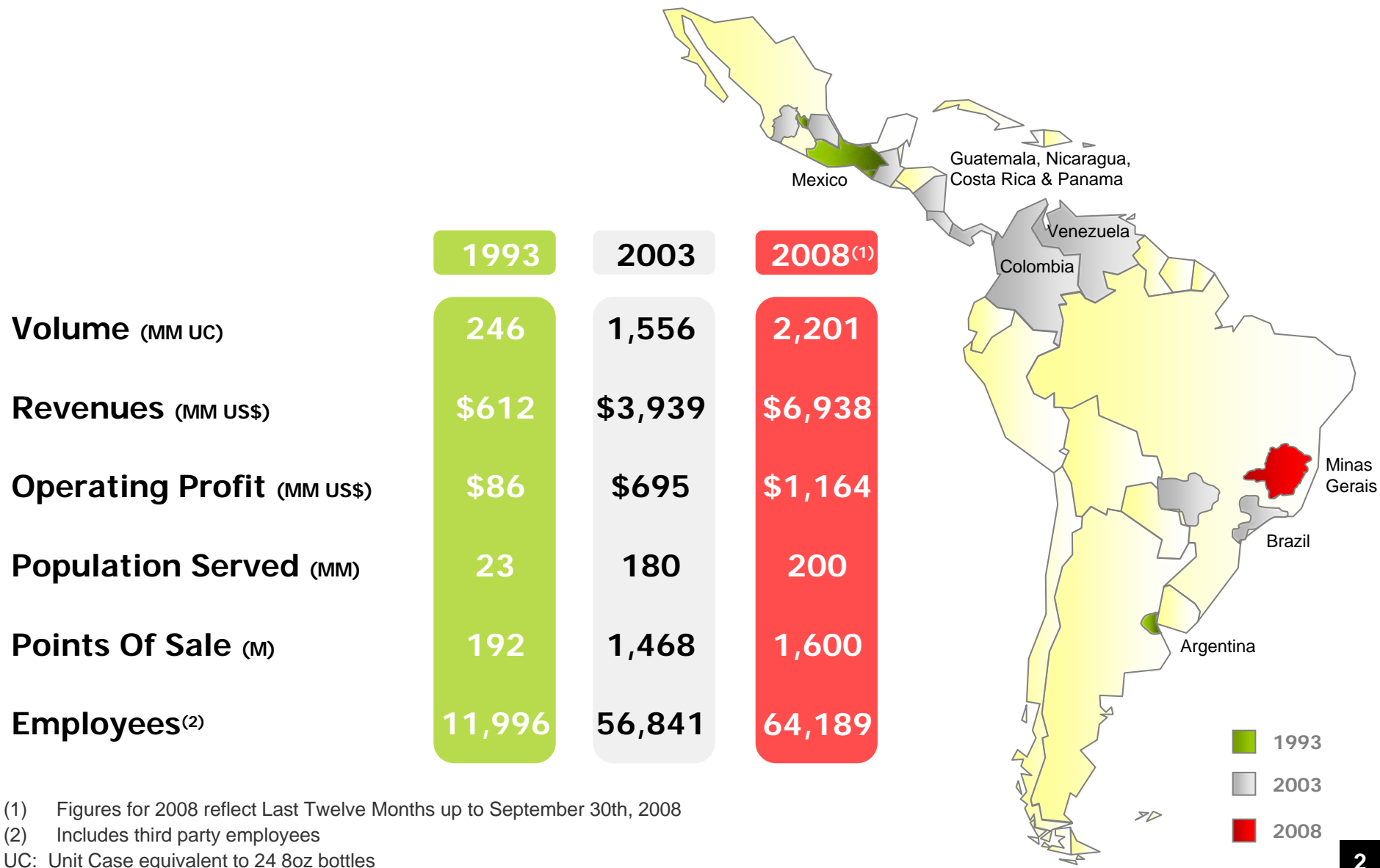
**52 %  
of  
EBITDA**

**KOF  
LISTED  
NYSE**

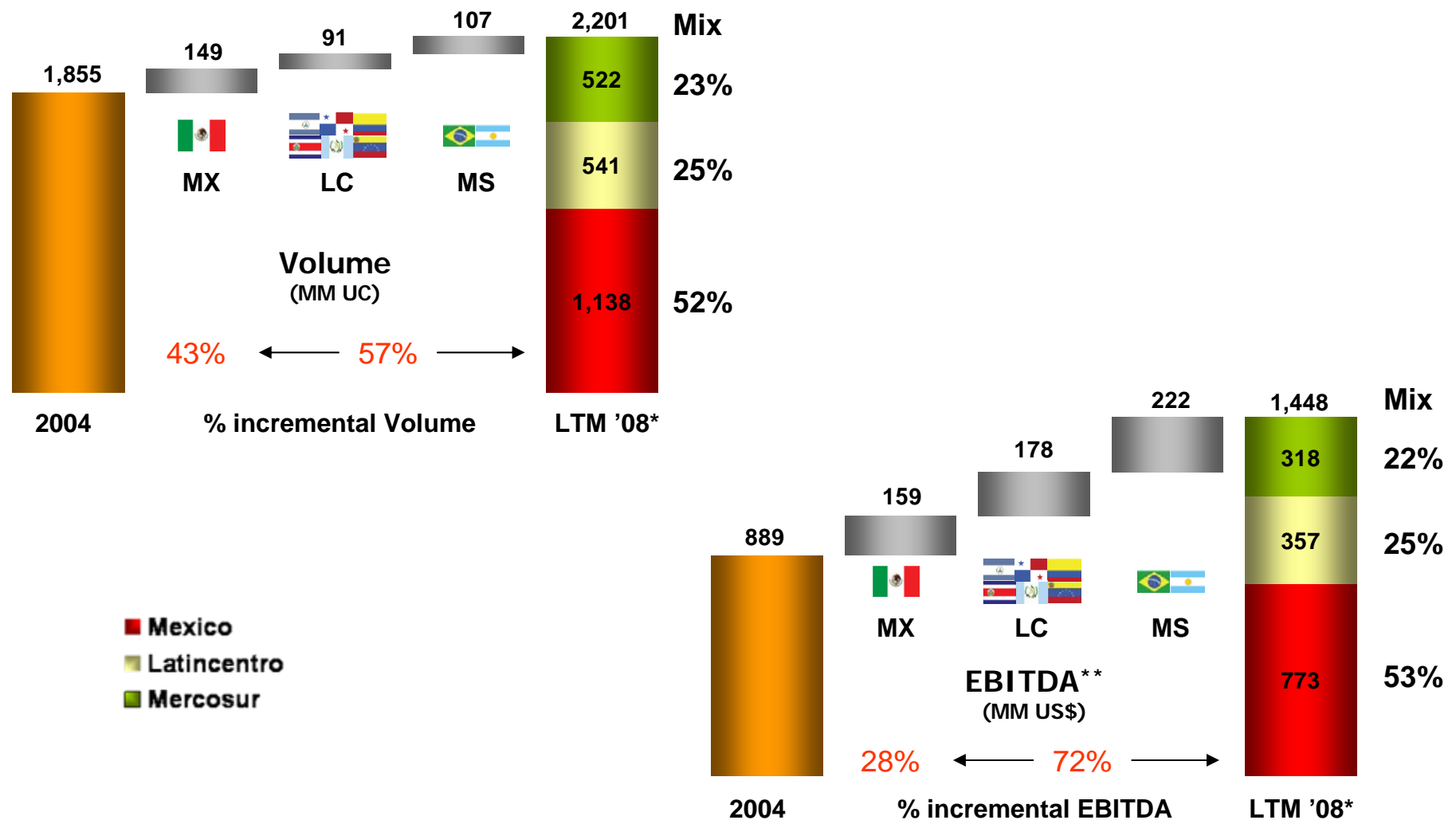


**KOF L**

# ...with an important footprint in Latin America...



# ...developing a balanced geographic footprint



\* LTM 2008 figures calculated up to September 30 th, 2008.

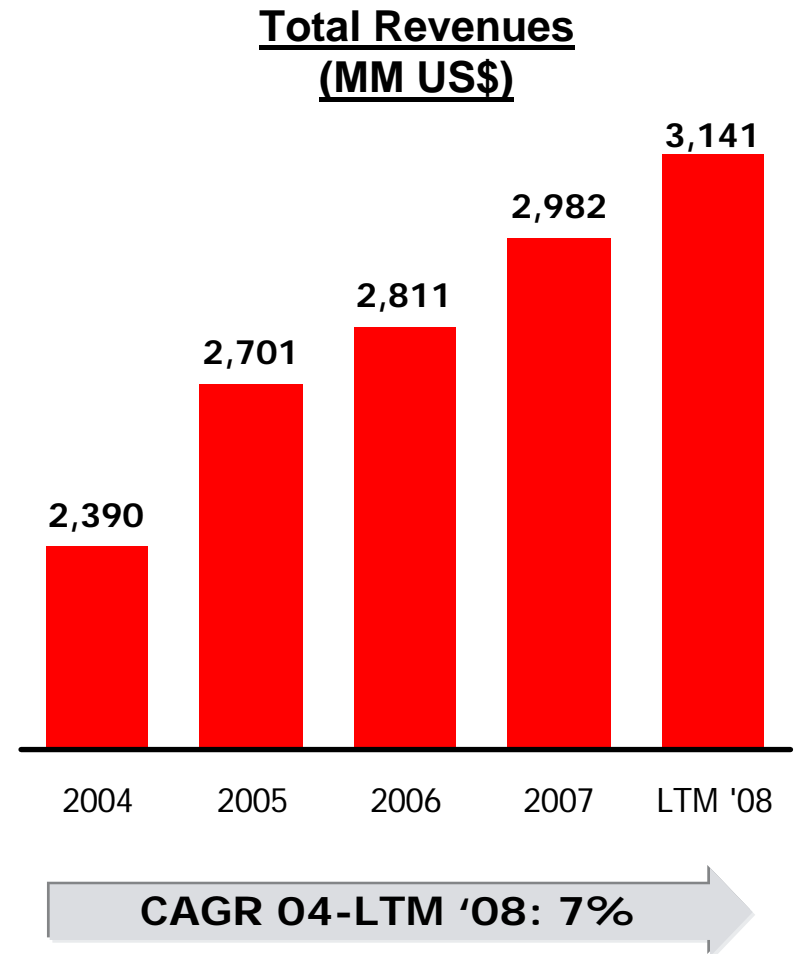
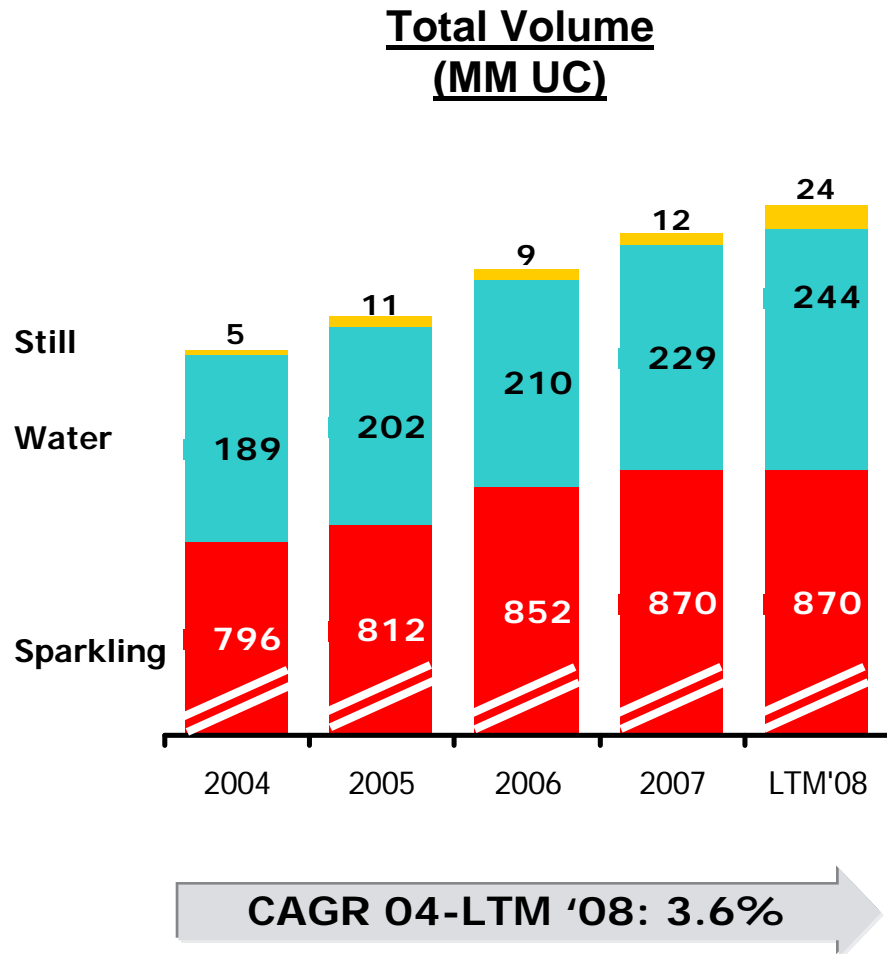
\*\* Figures in Mexican Pesos converted into US dollars at the exchange rate of each period.

# Largest bottler in Mexico

- **KOF Mexico represents:**
  - 52% of Total KOF Volume
  - 45% of Total KOF Revenues
  - 53% of Total KOF EBITDA
- **The largest bottler in Mexico**
  - 1.1 bn unit cases
  - 3.1 mn unit cases sold daily
  - More than US \$3 bn in total revenues
  - More than US\$ 770 mn of EBITDA
  - 24.6% EBITDA margin
- **Solid geographical footprint**
  - Over 50 million consumers
  - Over 600,000 points of sale
  - Over 25 different brands
- **The most integrated beverage player in the Industry**
  - #1 in Sparkling and Still beverages
  - #2 in Water



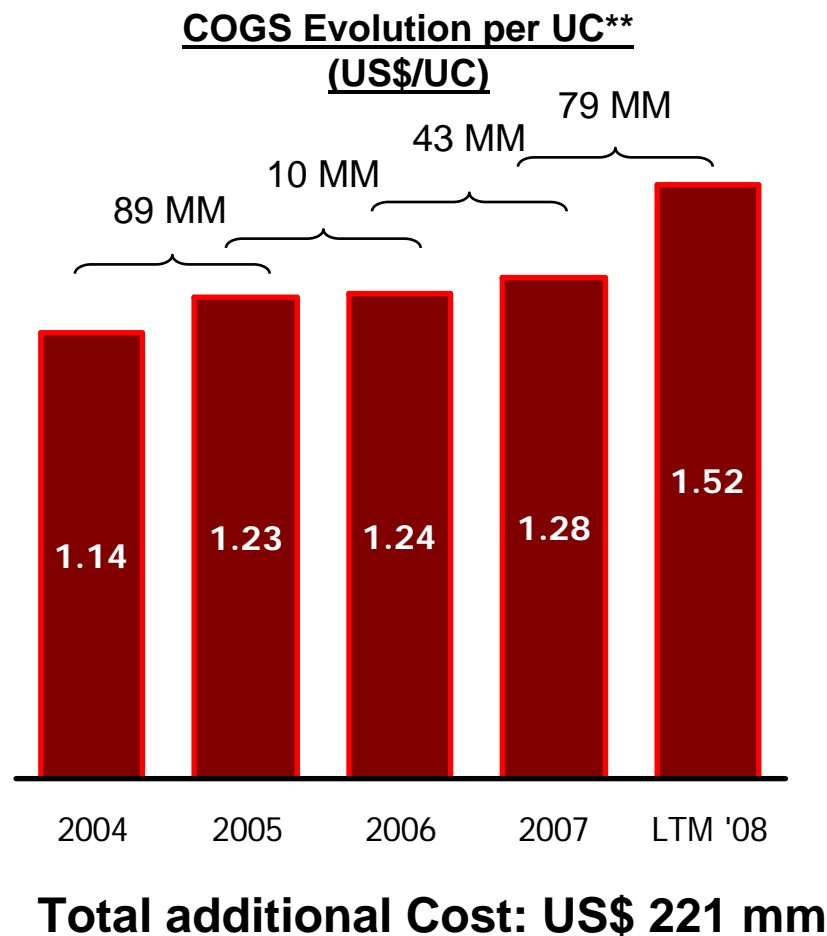
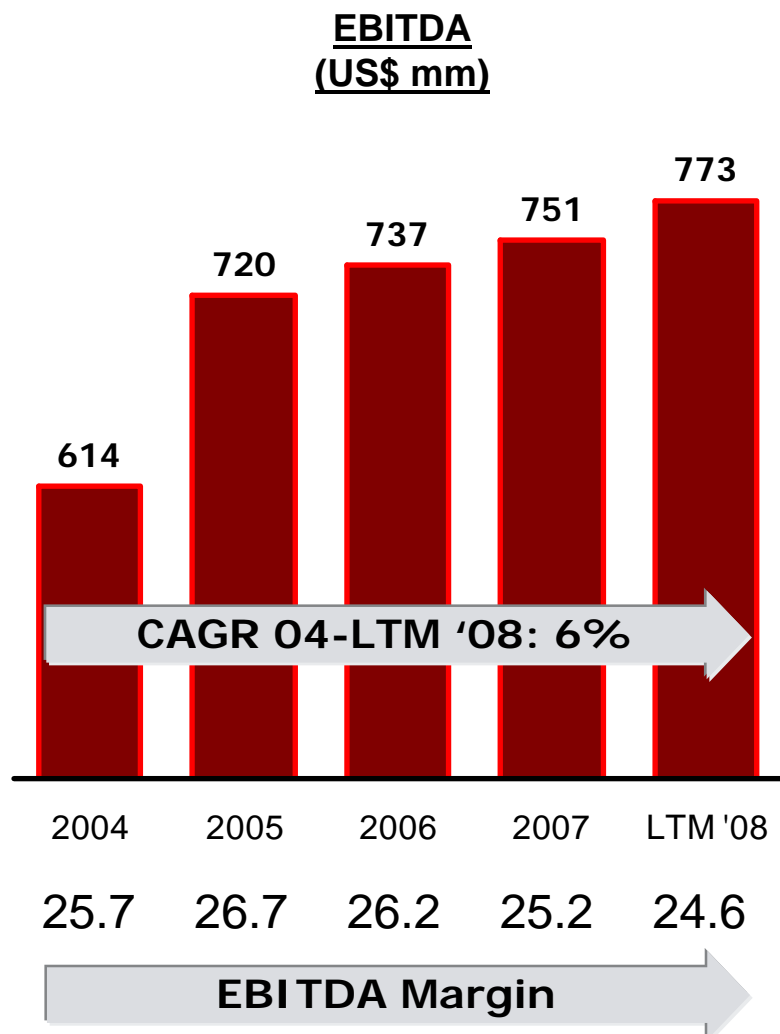
# KOF Mexico's growth outperforming the industry...



\* Expressed in Nominal Terms. Figures in Mexican Pesos converted to US\$ at exchange rate from each period.

\*\* Source: AC Nielsen

# ... maintaining margins while absorbing significant cost pressures



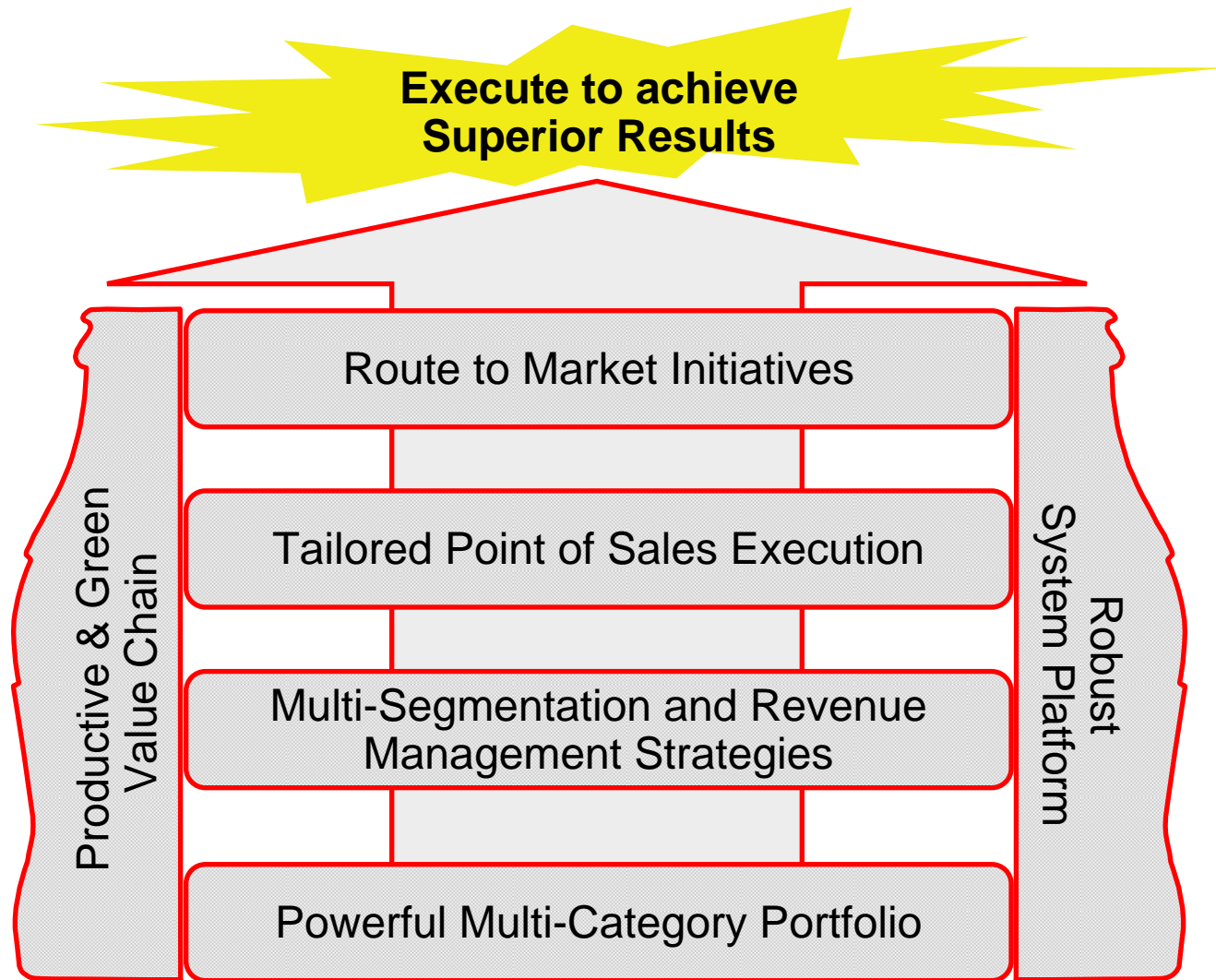
\* LTM 2008 figures calculated up to September 30 th, 2008.

\* Expressed in Nominal Terms. Figures in Mexican Pesos converted to US\$ at exchange rate from each period.

\*\* Considering same base volume (excluding additional volume effects)



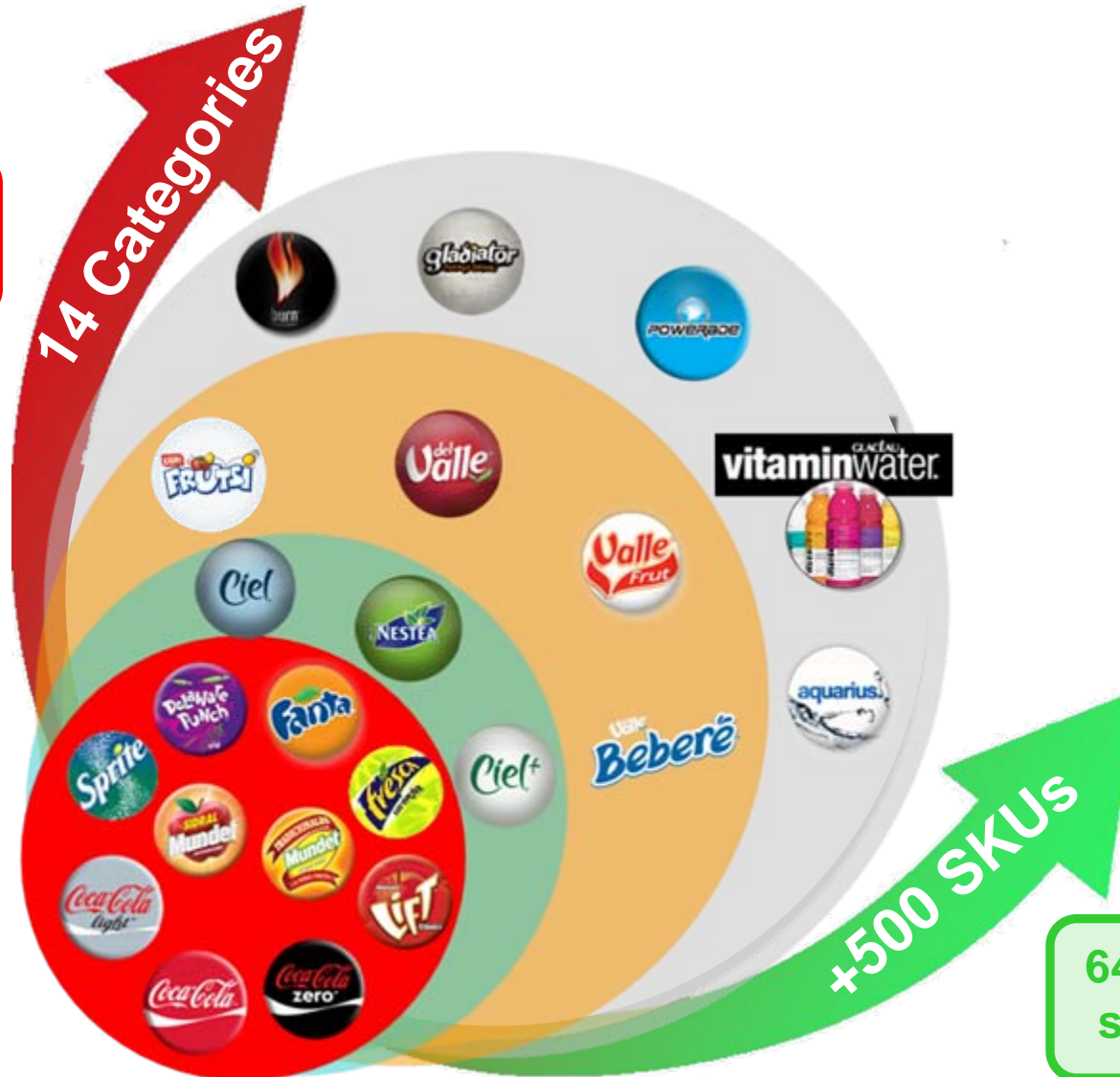
# KOF Mexico's Former Strategic Framework...



# ... facing a much more complex operation...

*KOF Mexico is a fully integrated beverage player in the industry*

75% growth  
since 2004



64% growth  
since 2004

# ...evolving to meet complexity...

*KOF 2009-2011 Strategic Framework with focus across 3 key business units*



# ...seeking profitability while maintaining our volume in sparkling beverages...

## KOF SPARKLING BUSINESS

SOM & SOS Variation (Feb 08 – Oct 08)  
(PP) KOF Territories

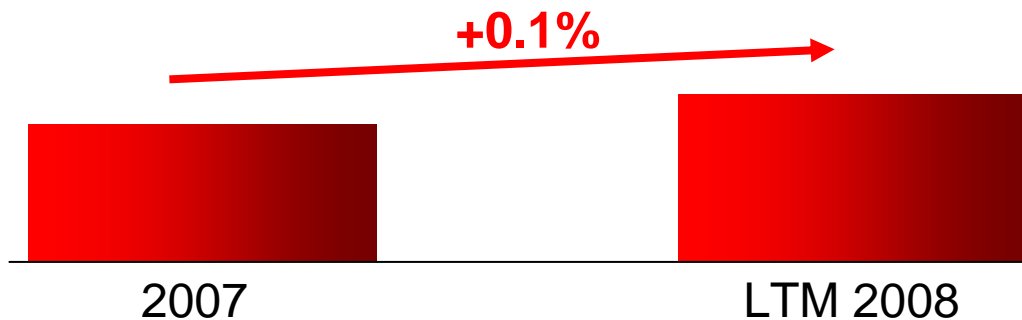
### COLAS



### FLAVORS



Sparkling Volume Growth (LTM)  
(‘000 UC) KOF Territories



\* LTM 2008 figures calculated up to September 30 th, 2008

Source: AC Nielsen

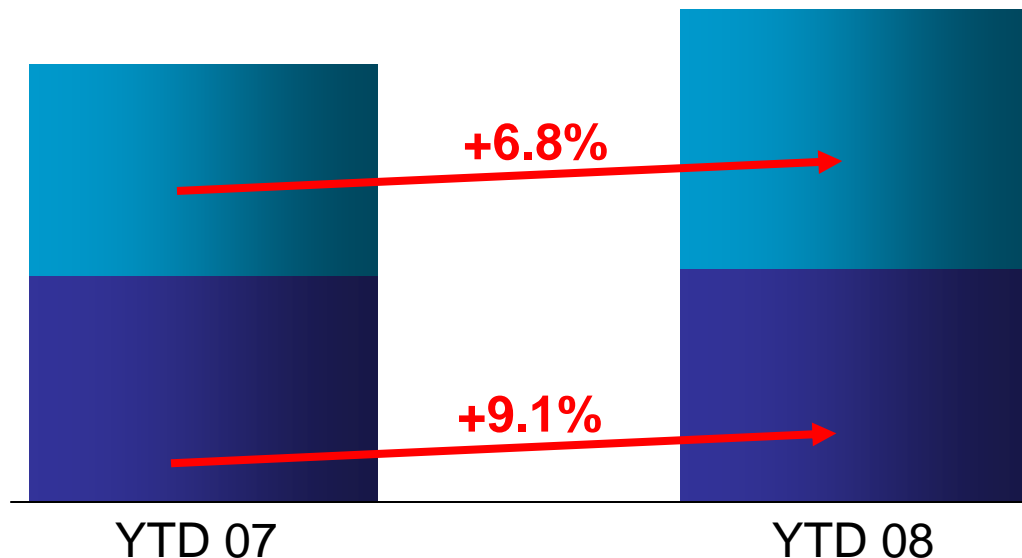
# ...expanding our water platform...

## KOF WATER BUSINESS

- Almost ¼ of our total volume in 2008 is coming from our water business
- We are continuously growing our water volume base



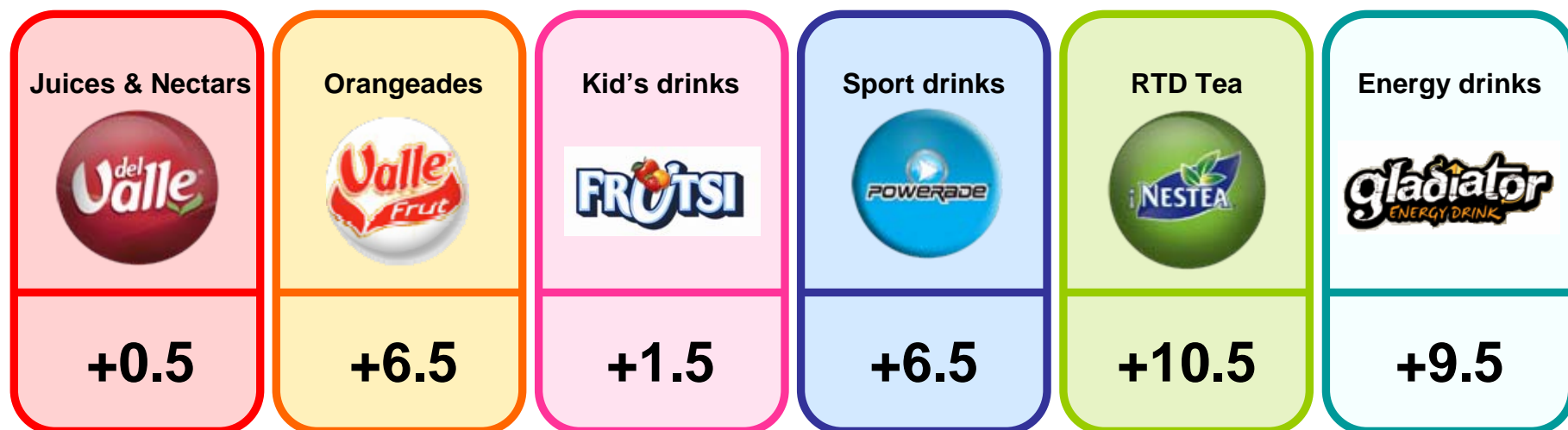
Water Volume Growth (YTD)  
(‘000 UC) KOF Territories



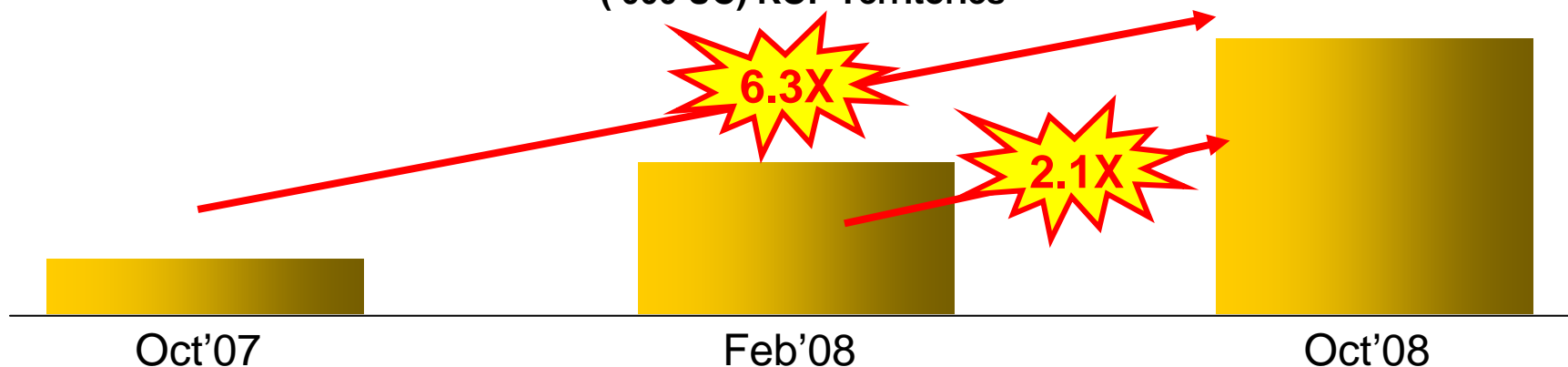
Personal Water  
Jug Water

# ...and aggressively gaining relevance in all still drink categories

SOM Variation (Feb 08 – Oct 08)  
(PP) KOF Territories

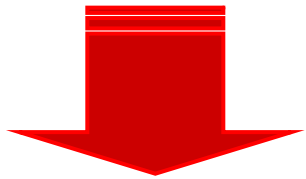


Still Beverages Volume Growth (LTM)  
(‘000 UC) KOF Territories



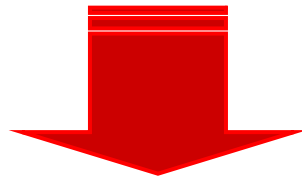
# Designed tailored POS for each market based on different segmentation variables...

## TRADITIONAL HOME MARKET: 10 PICTURES OF SUCCESS



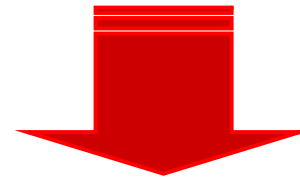
**2 POS**

- WITH / WITHOUT COOLER



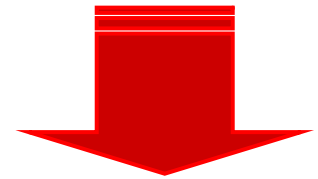
**4 POS**

- 2 BY CONSUMPTION OCCASION
- 2 BY CHANNEL



**2 POS**

- BY CONSUMPTION OCCASION



**2 POS**

- BY LOCATION



# ... with complete portfolios allowing us to enhance Revenue Management strategies...



- **Single Serve: CC 400 ml – 600 ml flanker strategy:** Launch of CC 400 ml to cover the \$5 price point and capture single serve transactions coming from CC 600 ml @ \$7.50
- **Multi Serve: CC 2.5 RP Price Segmentation:** Pricing our every-day value returnable package @ \$12, \$13 or \$14 based on socio economic level and competitive variables, allowing us to use returnability as a defensive or revenue-generating strategy based on particular conditions within every territory



# ... segmenting by Consumption Occasion, SEL, Client Size and Competitive Intensity...

## Traditional Trade – Home Market



### 2.5 Ref Pet

- Low SEL
- At Home Consumption

### Powerade

- 500 ml - Low SEL & Small Clients
- 500 + 600 ml - Large Clients



### 8 oz and 12 oz Can

- Differentiated price between HM and OP

## Tradicionales Mundet

- Multi-Flavor Price Fighter



### Fanta 12 Oz RGB Multi-flavor

- Channel Segmentation: Only for Fondas



### Vallefrut

- Against Big Citrus



## Traditional Trade – On Premise

**COMUNICACIÓN:** Campaña **zero**

**EJECUCIÓN:** 2

Cafetería Oro

1 Cafetería Plata

3

Áreas deportivas Oro

**SCHOOLS**



# ... while building Modern Trade capabilities

*Becoming strategic partners with our key accounts*

## KEY ACCOUNT COLLABORATION MODEL

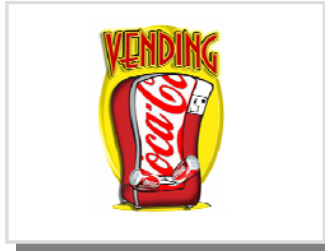


## CUSTOMIZED GTM MODELS

- Price Clubs
- Automatic Replenishment
- Bodega Aurrera express



# Capturing emerging business opportunities across channels & categories...

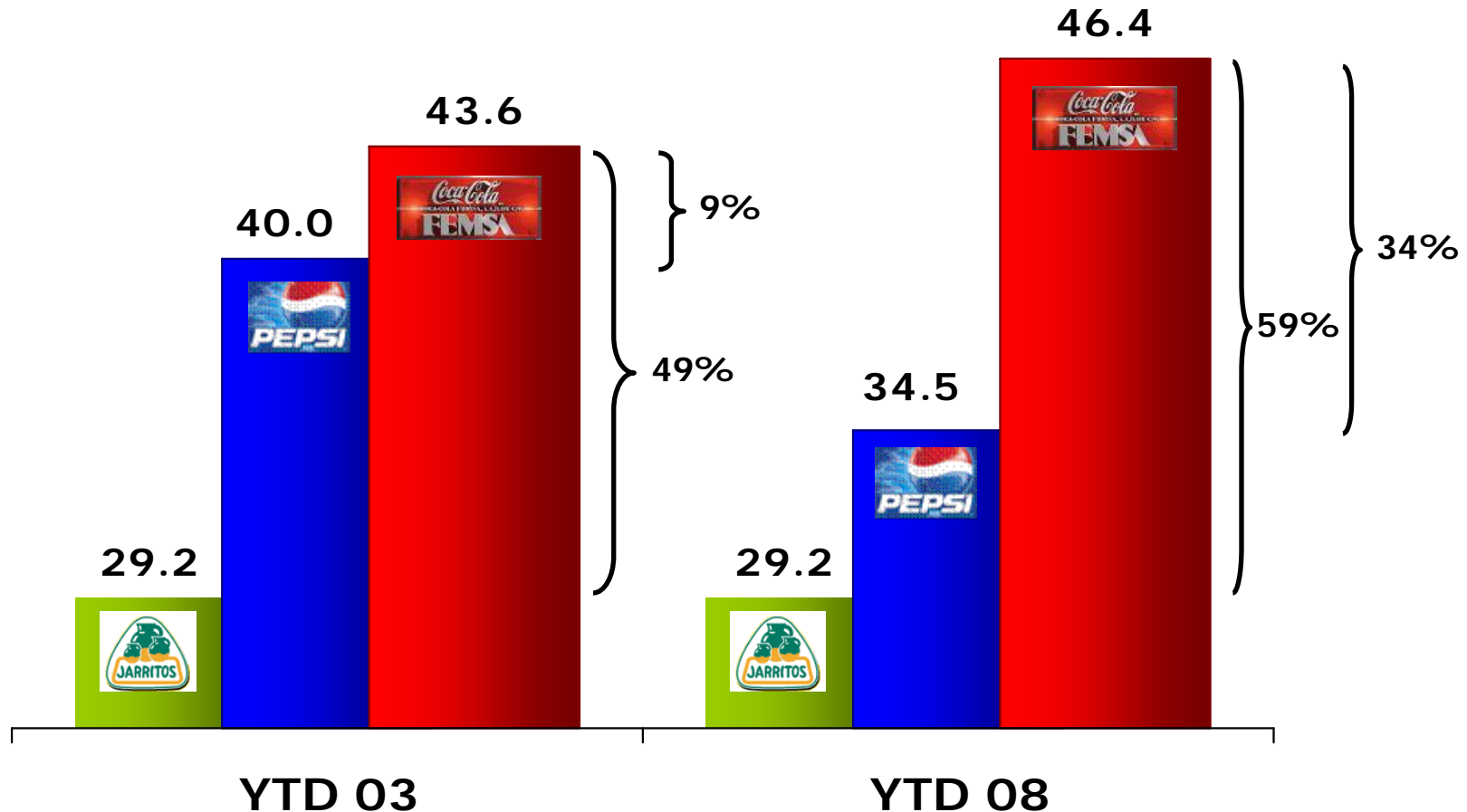


- Home Delivery Platform
- Vending Model Expansion
- Alternative Distribution Models



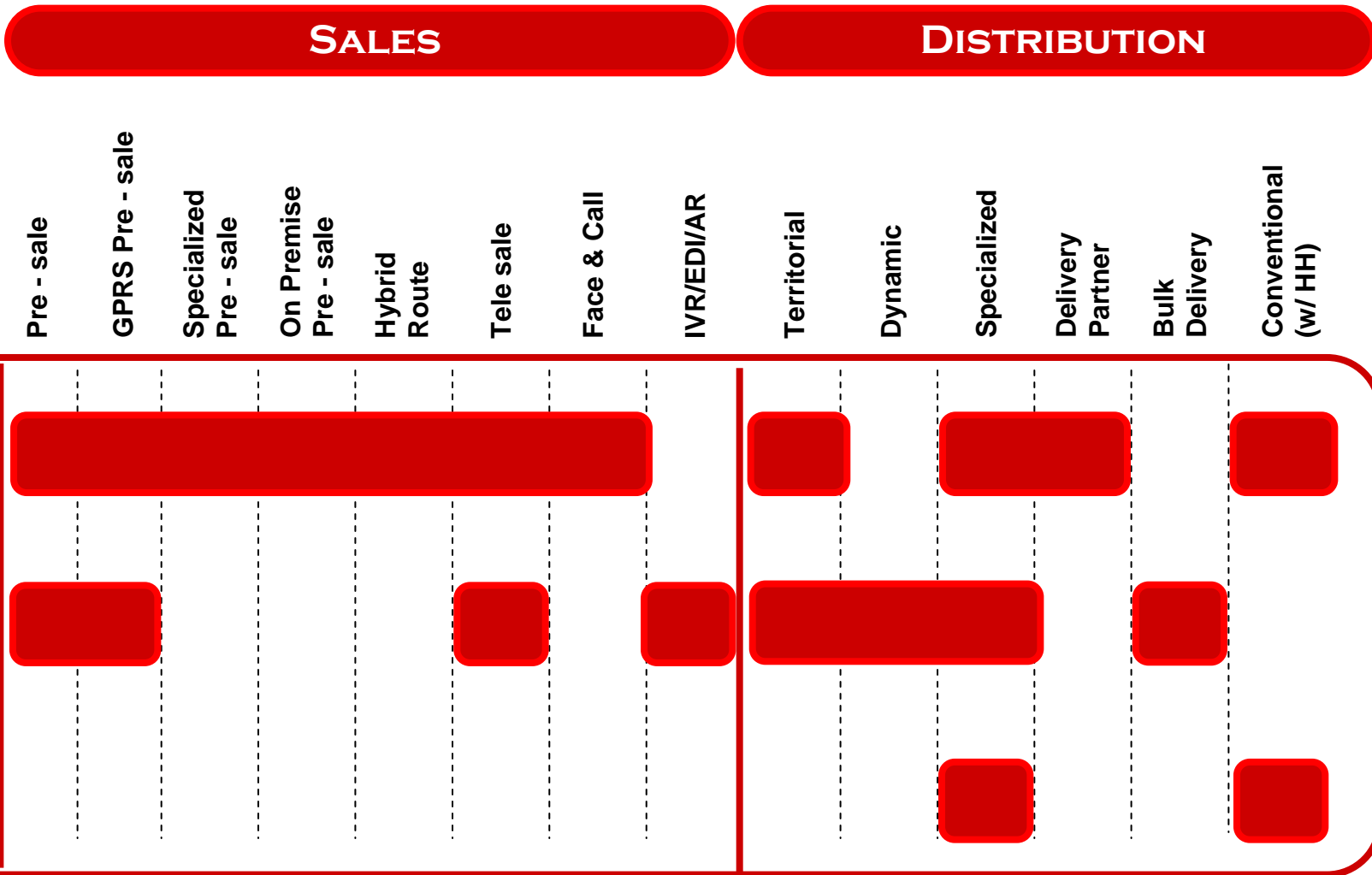
# ...allowing us to continuously grow revenues ...

Consumer Price Gap Evolution  
(Sparkling - Traditional Trade – Valley of Mexico)



- As Industry leaders we are taking price to offset inflation and cost pressures
- Competition should follow these increases, benefiting the industry

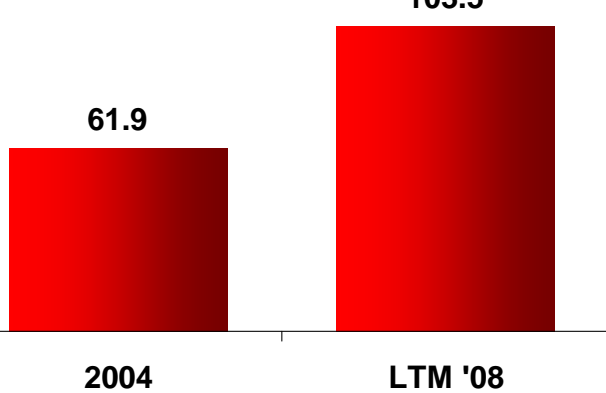
# ... developing relevant S&D Models according to customer segments ...





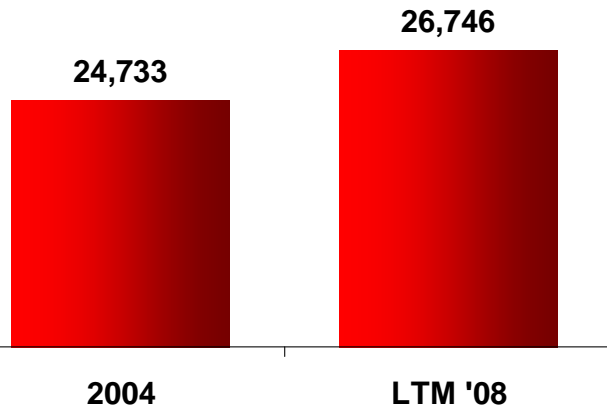
# ...improving productivity in our operations...

UC per Plant  
(MM)



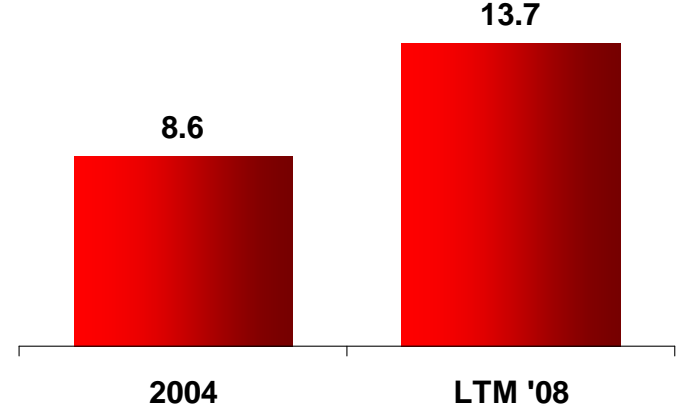
CAGR 14%

Headcount



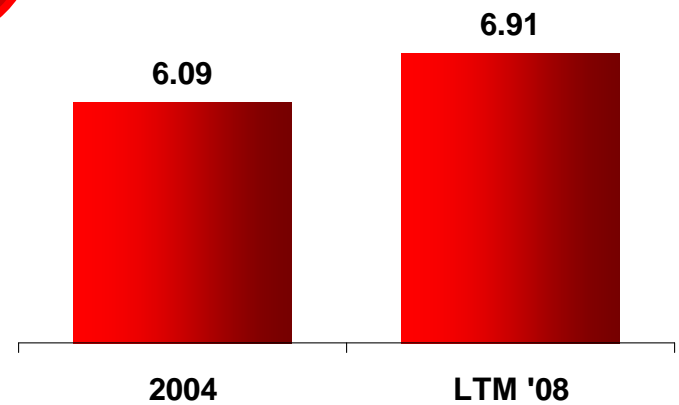
CAGR 2%

UC per Distribution Center  
(MM)



CAGR 12%

Average days of Inventory



CAGR 3%

Less is +

# ...leveraging innovation to maintain leadership...

## PRODUCT INNOVATION

- State of the art hot fill technology to enter new categories...



- ... and improve products in already existing categories





# ...doing all of this in a sustainable manner...

## ENERGY SAVINGS



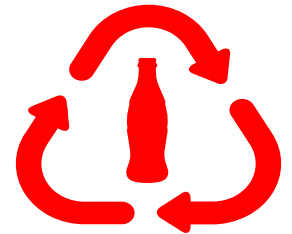
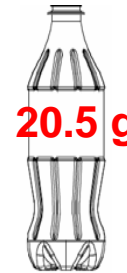
**+200,000 Energy efficient coolers in the marketplace, saving the equivalent of the average annual energy consumption of 8,000 families<sup>1</sup>**

## WATER SAVINGS



**2 Million cubic meters of savings in our plants, enough to serve the needs of 5,000 families<sup>1</sup> for a year** (Our goal: become the first plant in the KO System using 1 liter of water for every liter of finished product)

## PET USAGE



**18% Less weight in our single-serve PET bottles.**

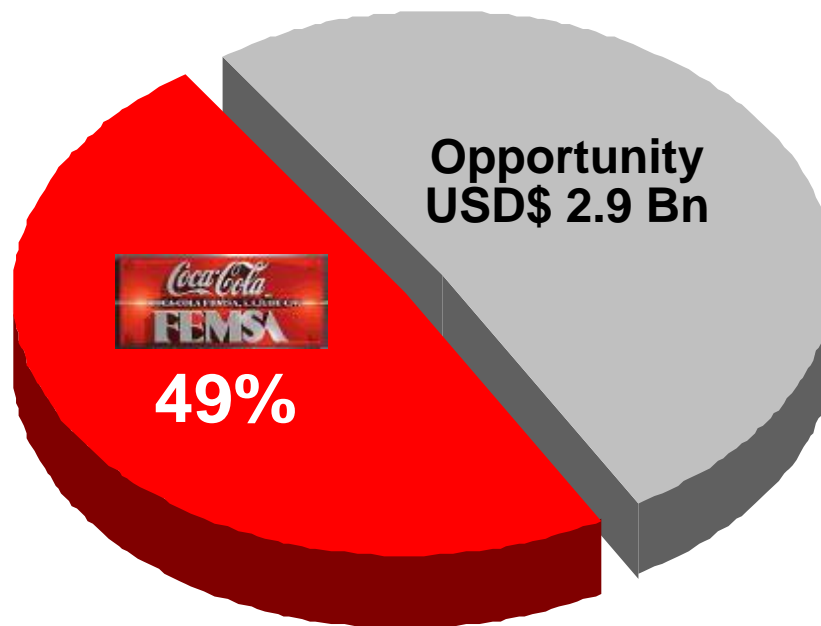
**195 Million bottles using recycled PET, the equivalent of 20 Million Unit Cases**

(approx '08 PET savings: 8,000 tons)

<sup>1</sup> Average family calculation comprised of five members.

# ... with significant potential growth opportunities

Total NARTD Revenue in 2007  
(KOF Mexico Territories)



**THE GROWTH OPPORTUNITY AVAILABLE IN THE MARKET IS  
EQUIVALENT TO THE CURRENT SIZE OF KOF**

# Mexico Focus 2009

- Revalue Industry Revenue (Price strategy)
- Reignite Sparkling Beverage growth while maintaining Still Beverage momentum
- Drive point of sale execution excellence
- Execute cost /expense controls
- Continued capability building