



A TIME FOR...  
**TRANSFORMATION**



# Cautionary Statement

## FORWARD-LOOKING STATEMENTS

This presentation contains “forward-looking statements” These forward-looking statements relate to Coca-Cola FEMSA, S.A.B. de C.V. its Subsidiaries (“KOF”) and their businesses, and are based on KOF management’s good faith 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.

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## 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

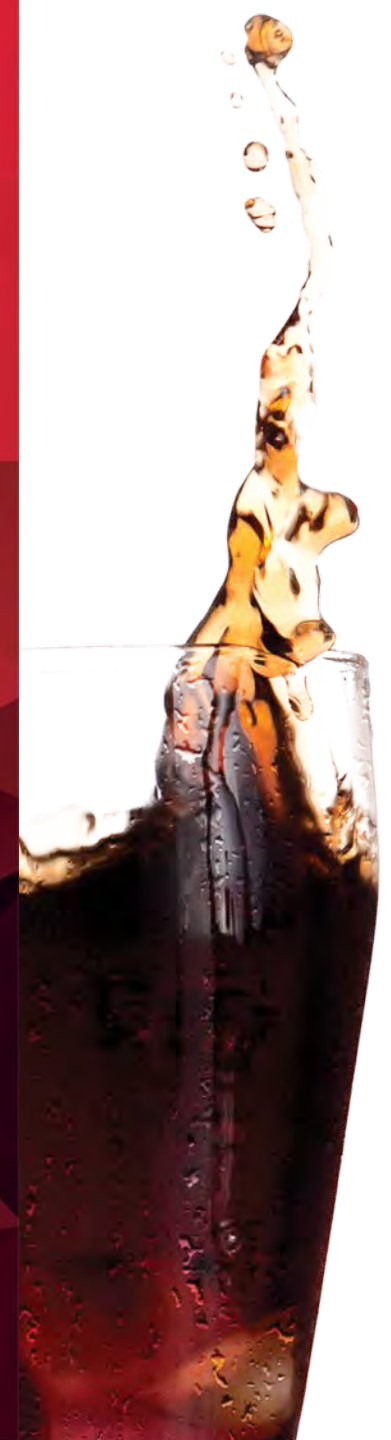
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In the last two decades as a public bottler, KOF has travelled a successful growth journey...

## Coca-Cola FEMSA Volume (MMUC)



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

...to become the largest franchise bottler in the world, operating in two of the most attractive regions for its industry...

~ 26 Bn Transactions<sup>(1)</sup>

~ 4 Bn Unit Cases<sup>(1)</sup>

US\$ +11 Bn in Revenues<sup>(1)</sup>

US\$ ~2 Bn in EBITDA<sup>(1)</sup>

10 years  
CAGR <sup>(1)</sup>

+8%

+13%

+11%



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

(2) Source Euromonitor, NARTD industry

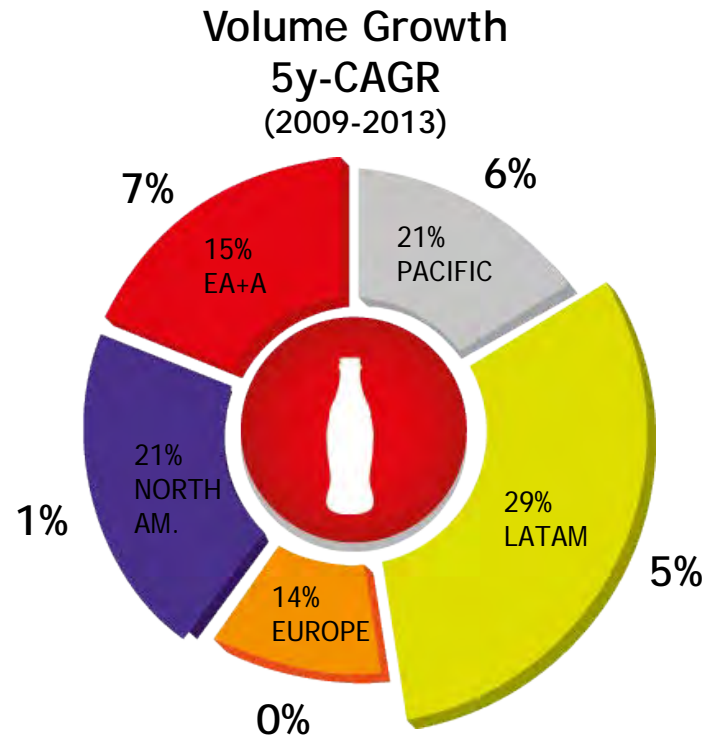
...as a strategic partner to the Coca-Cola System, representing close to 13% of global volume



"Our brands and our business have very deep roots in the Philippines, and we look forward to working with our strong partners at Coca-Cola FEMSA to capture future opportunities for growth and investment and bring even more social and economic value to customers and communities throughout the country."

**Muhtar Kent, The Coca-Cola Company - President and CEO**

KO Volume (worldwide) (1)



"... we partnered with Coca-Cola FEMSA to jointly acquire the Jugos del Valle business in 2007... Today, Del Valle is the first of our \$1 billion brands with its roots in our Latin America region."  
**Muhtar Kent, The Coca-Cola Company - President and CEO**



# We delivered solid results during the first quarter of 2015 despite a complex environment...

## Committed with protecting our business' profitability...


- ✓ Our **transactions outpaced volume performance** by at least one percentage point
- ✓ We **increased prices** in most of our operations through our portfolio management strategy
- ✓ Given a our **hedging strategy** we were able to **mitigate most of the currency pressure** during the quarter
- ✓ We delivered **EBITDA margin expansion** in most of our operations



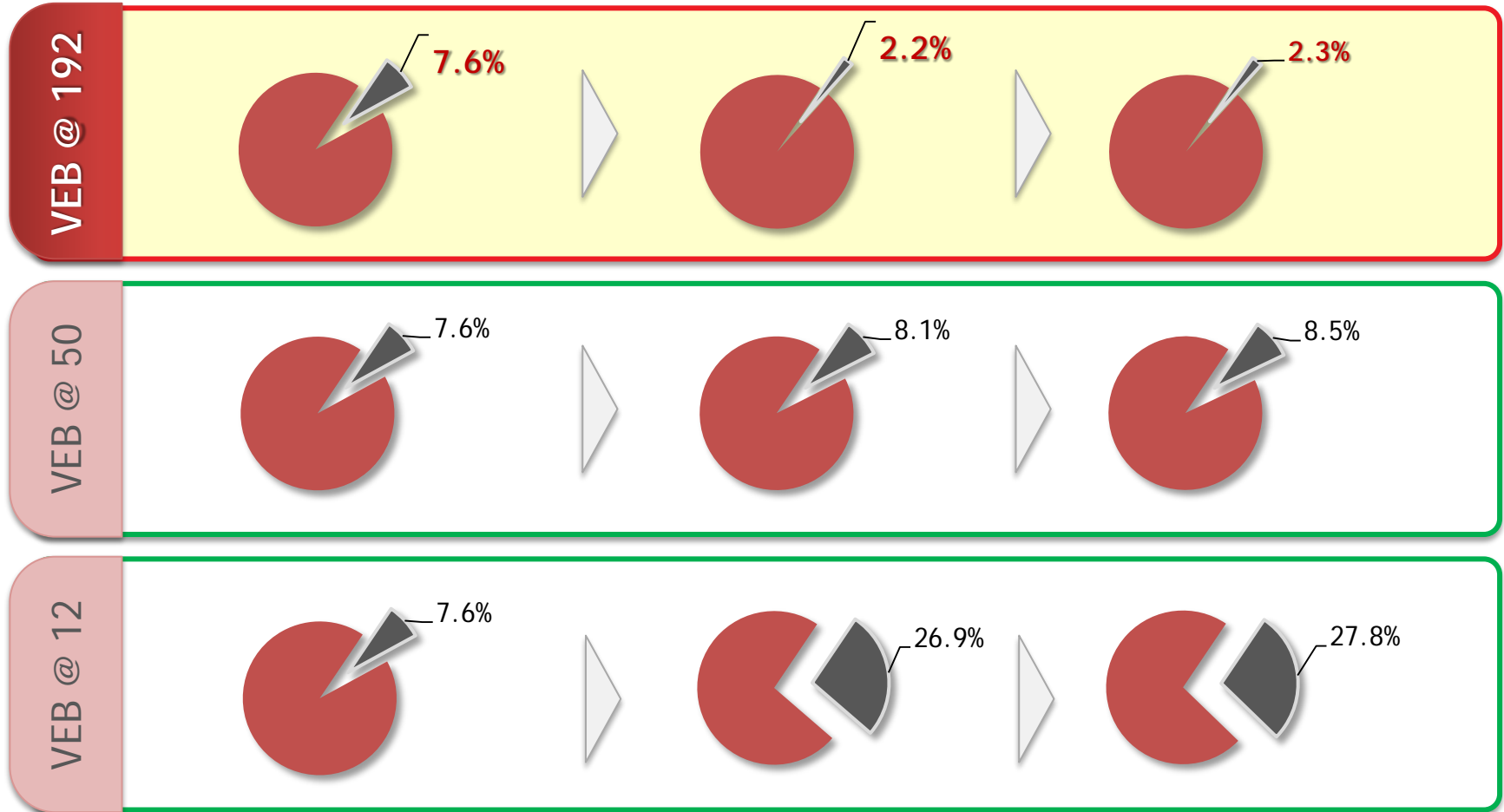
Currency neutral excluding Venezuela	
Revenues	+6%
Operating Income	+11%
Operative cash flow	+9%
Earnings per share	+13%

# ...and adjusting the translation of Venezuela results to the SIMADI exchange rate

**Our Venezuelan operation continues to deliver solid results, growing volume, pricing and expanding EBITDA margins in local currency**

 Venezuela results of total mix

**Volume**                      **Revenues**                      **EBITDA**



# Our Strategic Framework guides our quest for long-term profitable growth

## **Full Potential**

*Outperform the Industry in terms of Revenue and Profits*

## **Innovation**

*Be at the forefront of innovation to satisfy consumers and clients alike*

## **Capabilities Development**

*Continue developing our core competences and evolving our culture*

*Defend our business via a strong sustainability strategy*

## **Sustainability**

*Continue successful growth path in LatAm and Southeast Asia*

## **Acquisitions**



# Our industry faces short term challenges that are being addressed rapidly and effectively...

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



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

# ... as part of a mid-term strategy to achieve operational excellence across our territories

## Portfolio

- 1 Drive Colas Revenue Growth via segmented portfolio and expansion of relevant prices points and packages
- 2 Seize Flavors opportunities by strengthening our core brands and innovating in products and packages
- 3 Improve NCBs competitive position to attain a leading share position in key segments

## Value Chain

- 4 Invest in point of sale execution through tailor-made pictures of success and refrigeration
- 5 Increase JVs competitiveness and profitability
- 6 Continue driving supply chain efficiency & productivity

## People

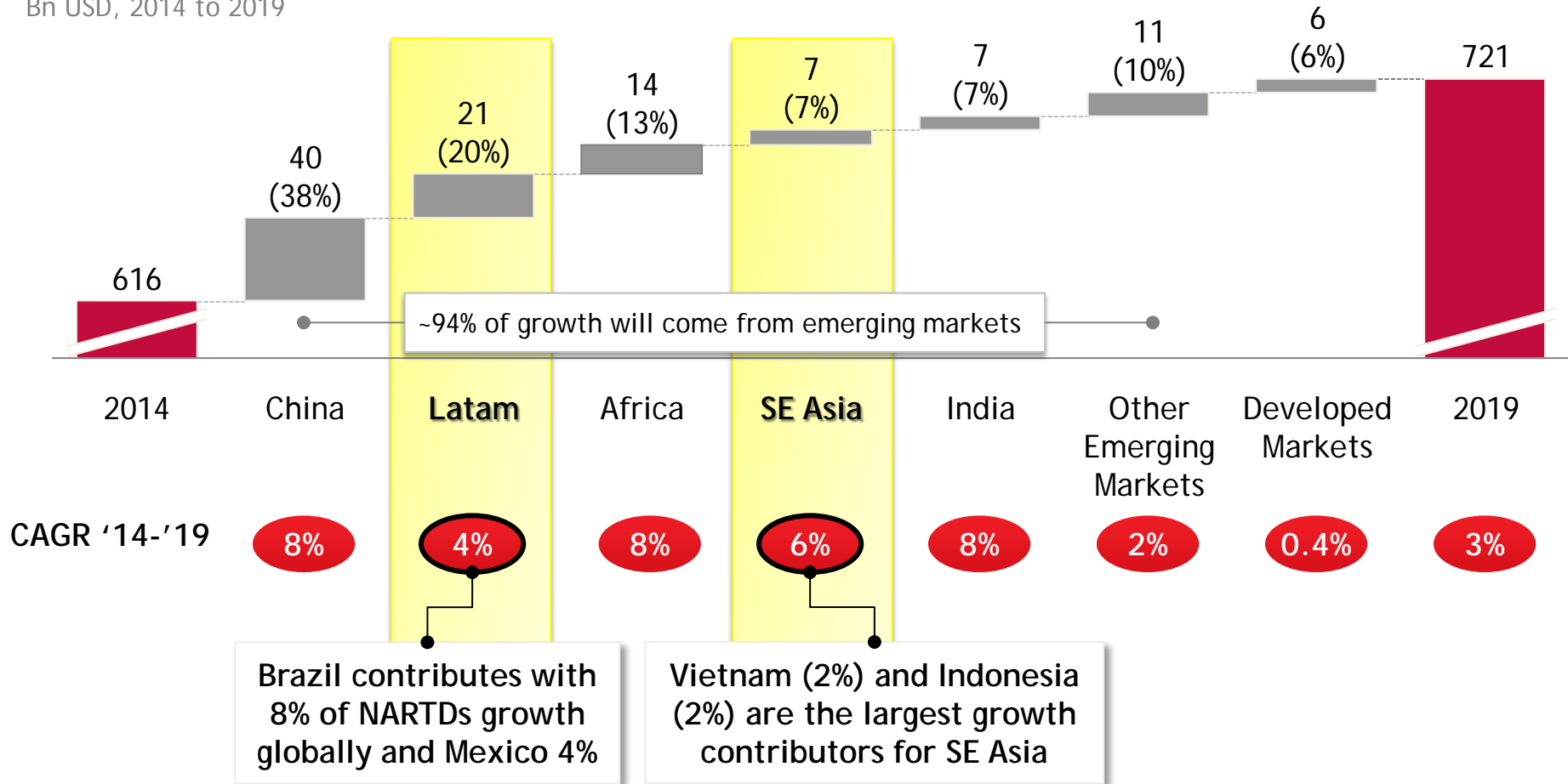
- 7 Develop capabilities & streamline organization

# Our geographic footprint has one of the most attractive growth opportunities in the beverage industry...

**Latin America and Southeast Asia have a USD 28 Bn opportunity to be captured in the following years**

## NARTDs value growth by type of country

Bn USD, 2014 to 2019



SE Asia includes: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Thailand and Vietnam

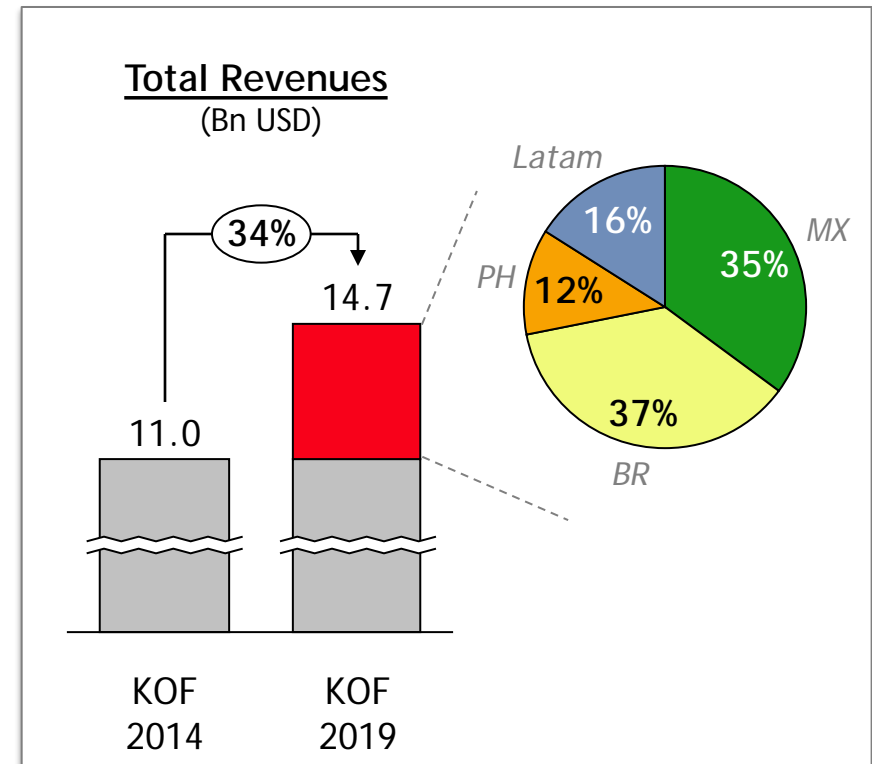
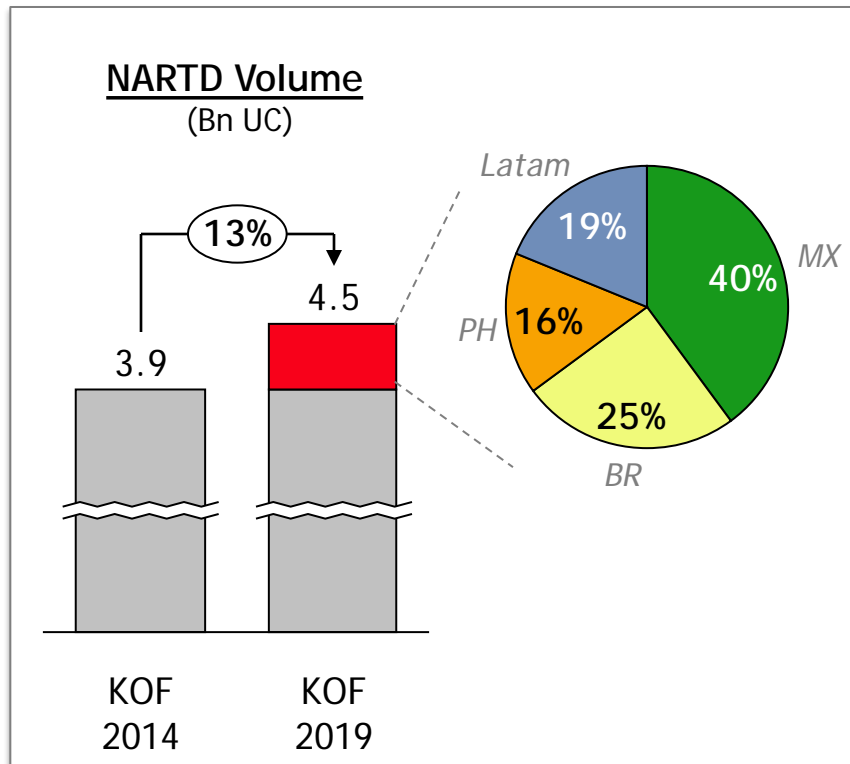
Source: Euromonitor

# ...and our current operations could capture +500 MM UC and +3.7 Bn USD in revenues in coming years

**Based on the current share and the industry growth profile our territories could generate healthy organic top-line growth in the next five years...**

**+500 million unit cases**  
organically in the region for the next 5 years  
maintaining current share

**+3.7 billion USD in revenues**  
organically in the region for the next 5 years  
maintaining current share



# Our industry faces global trends that are shaping consumer, channel and category evolution...

## Changing demographics



Increase in middle class in emerging markets and elderly population in developed ones

## Urbanization



Migration from rural to urban areas in emerging markets

## Health & Wellness



Increase in focus on health and wellness will continue to change consumer behavior

## Regulation



More stringent regulation across the value chain

## Disruptive technologies



Technological innovation will generate disruptions across the value chain

## Changes in the consumer habits



What to buy  
**Category**

How to buy  
**Digital**

Where to buy  
**Channels**

# ...which we see as opportunities to capture increased value...

*CSDs are expected to grow at lower rates in Latam and even decrease in developed countries and to ...*

Focusing on transactions through higher profitability packages



*NCBs will drive the soft drinks industry growth, while dairy products consumption increases in LATAM driven by UHT milk and value added dairy*

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



*Consumers are increasing the variety of channels where they buy*

Assess the opportunity that proximity, technology and disintermediation represents



*Technology has changed the way that consumers buy providing more information and alternatives*

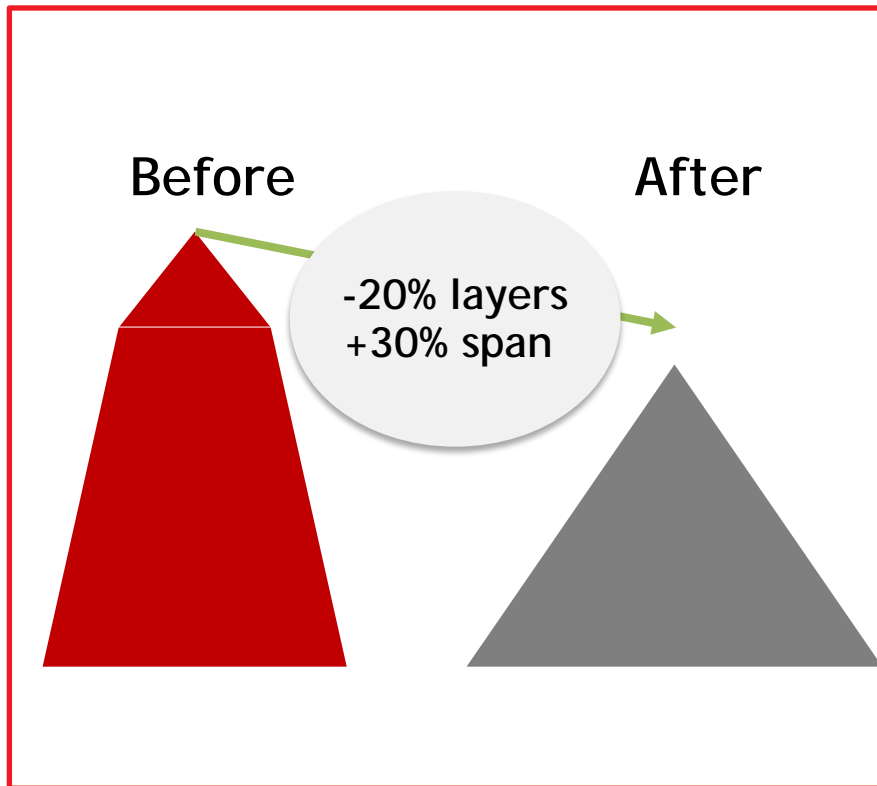
Assess the opportunity that e-commerce and enhanced digital experiences represent



# ...as we re-design a world-class organization...

A leaner and empowered new organization...

...with great potential to provide efficiencies and savings



Focus on:

- Re-Shape organization
- Supply Chain transformation
- COEs creation

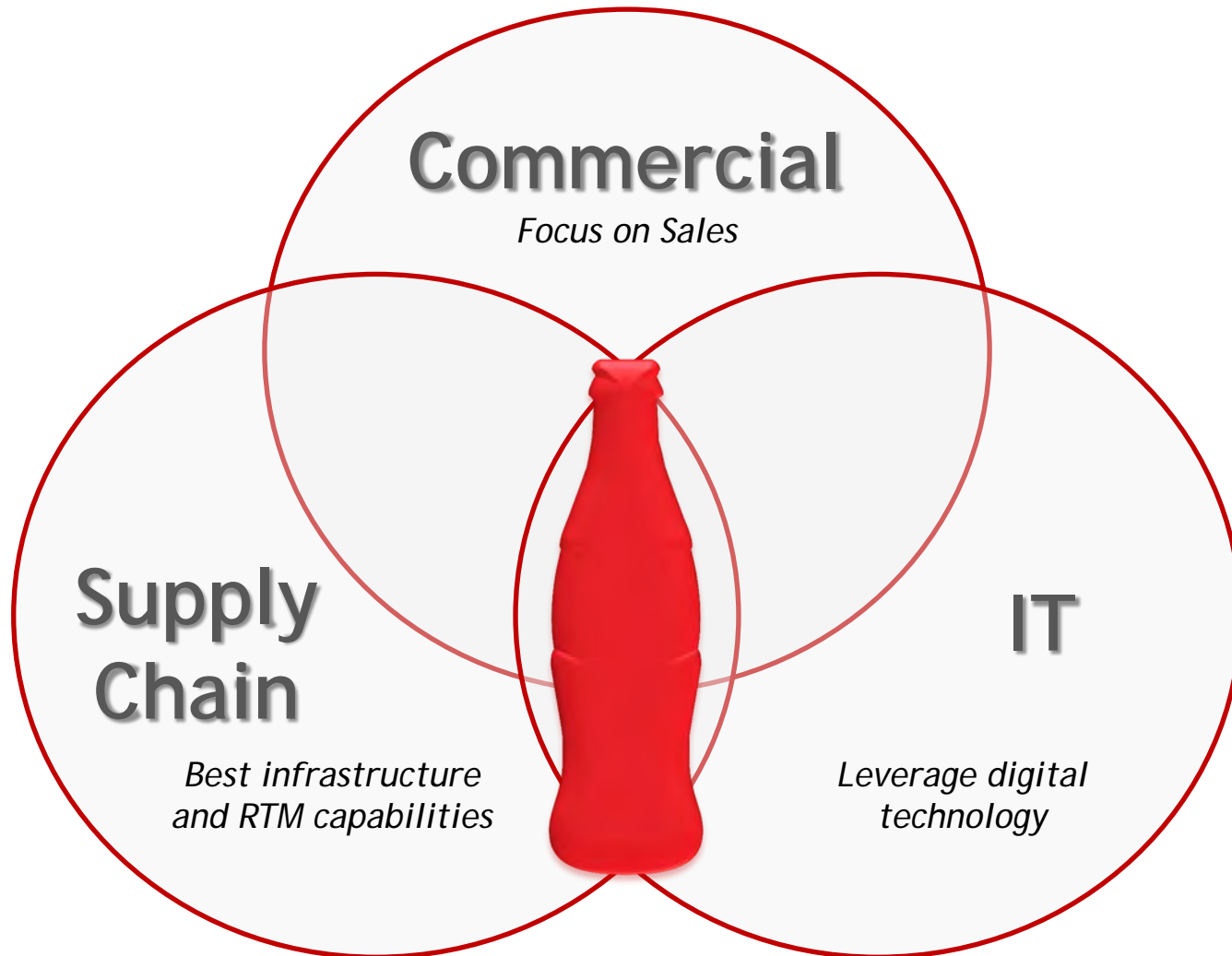
Benefits obtained:

- Increased accountability and agility
- Reduced bureaucracy

Cultural transformation

...building a sustainable, competitive advantage through capability development

## Coca-Cola FEMSA Excellence Centers





# As we modernize KOF via state-of-the-art technologies...

## Infrastructure

Improve productivity and efficiencies

### Distribution

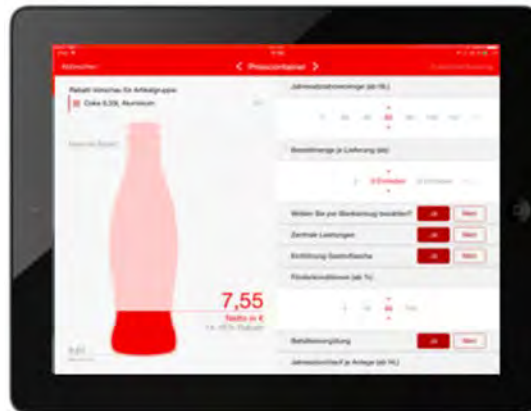
- ✓ Capacity optimization and operative cost reduction
- ✓ Cross-docks and cross-trucks
- ✓ Trucks re-design to increase efficiency and fulfill countries regulations

### Manufacturing

- ✓ New manufacturing model in all KOF plants
- ✓ Standard manufacturing structure and responsibilities
- ✓ Predictive Asset Care

## Digital

Maximize sales and improve profitability



- ✓ Predictive analytics tools based on BigData
- ✓ Customer Relationship Management
- ✓ PoS Digital innovation

...we continue investing to lead the system with best-in-class infrastructure...

+US\$ **630** million invested on infrastructure

*Sumaré Warehouse*  
in Brazil



*Jundai Vertical Warehouse*  
in Brazil



*Horus plant*  
in Colombia



*Itabirito plant*  
in Brazil

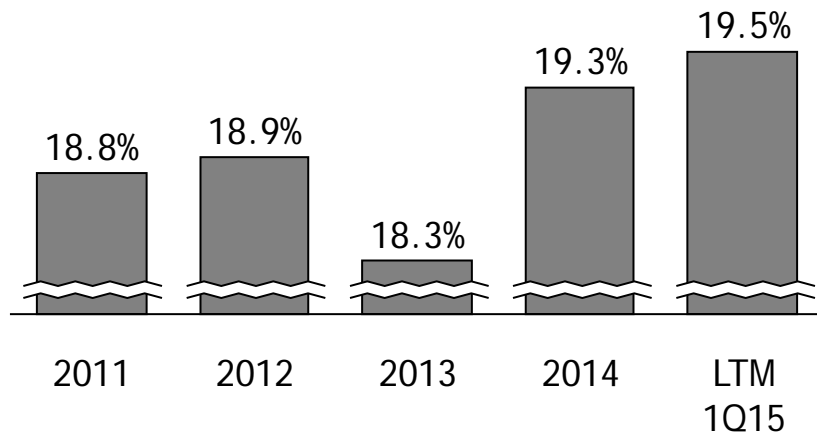


*Canlubang plant*  
in the Philippines



...and continue generating shareholder value through our operating and financial discipline

### KOF EBITDA margins

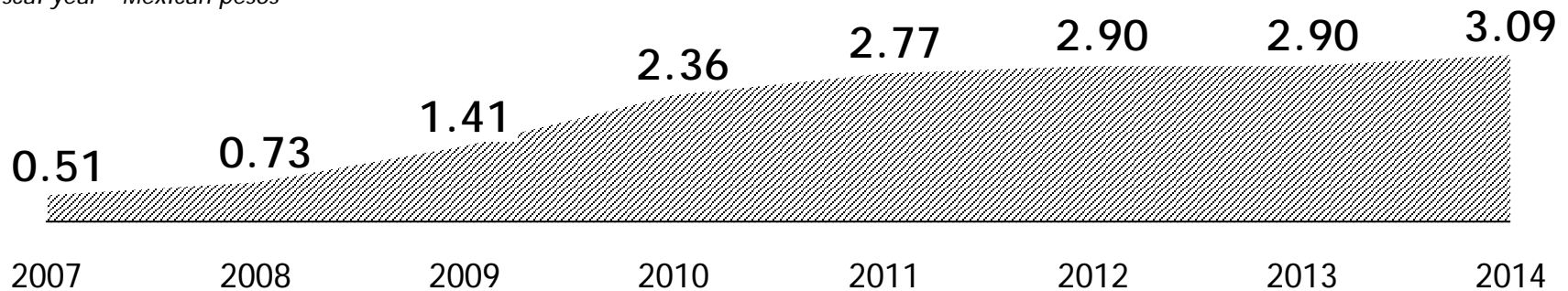


### Free Cash Flow generation

**~US\$600 MM**  
on a yearly basis

### Dividend per share

*Fiscal year - Mexican pesos*





Thanks