

# Investor Relations Presentation

February 2013



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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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## **INVESTOR RELATIONS**

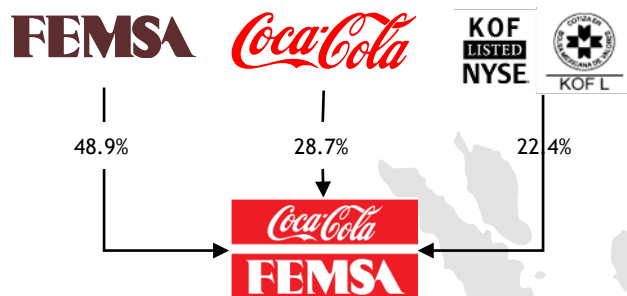
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# Largest franchise bottler in the world operating in one of the most attractive regions for its industry...

- ~ **3.04** Bn Unit Cases<sup>(1)</sup>
- **US\$11.20** Bn in Revenues<sup>(1)</sup>
- **US\$2.12** Bn in EBITDA<sup>(1)</sup>
- **19.0%** EBITDA margin<sup>(1)</sup>
- more than **218** Mn consumers
- close to **1.8** Mn points of sale
- more than **85,000** employees



# ...while building on a solid track record of growth

*Operations in the rest of Latin America have contributed importantly to top- ...*

## Revenues

FY 2004  
(US\$ 4,176 Mn)

CAGR  
2004-2012:  
13.1 %

FY 2012  
(US\$ 11,204 Mn)



Mexico & Central  
America Division

South America  
Division

*... and bottom-line growth, balancing the sources  
of cash flow generation*

## EBITDA

FY 2004  
(US\$ 889 Mn)

CAGR  
2004-2012:  
11.5 %

FY 2012  
(US\$ 2,124 Mn)





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

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

KO Volume (worldwide) <sup>(1)</sup>



LATAM NA PACIFIC EA+A EUROPE



“In 2011, we built strong momentum toward our 2020 goal of doubling our business over the course of this decade... to ~US\$ 200 Bn of revenues”

CAGR 2010-2020: 7%

“... 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**



In March 2011, together with The Coca-Cola Company, we successfully closed the acquisition of Estrella Azul, a leading dairy and juice company, which allowed us to enter the milk and value-added dairy products category, one of the most dynamic segments in terms of scale and value in the non-alcoholic beverage industry in Latin America.

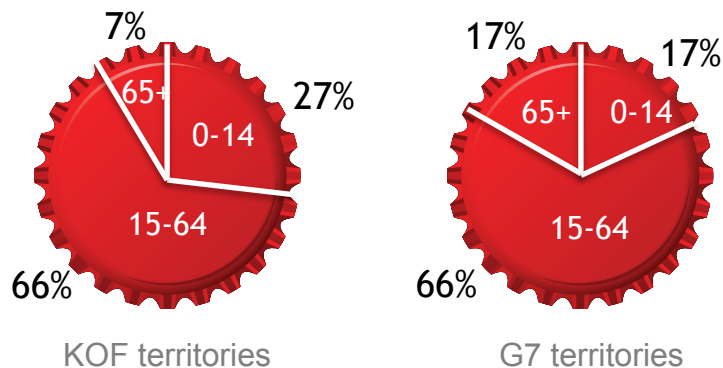


(1) The Coca-Cola Company annual report 2011

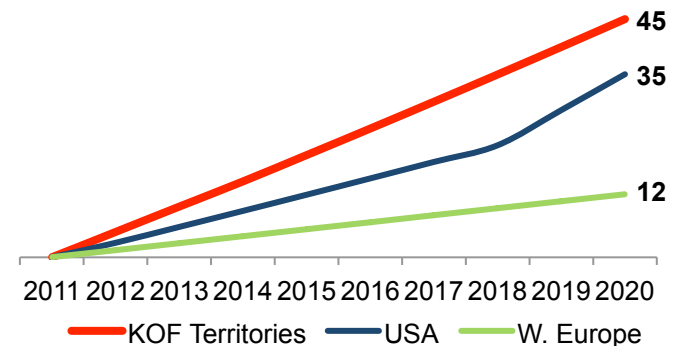
# Dynamic and attractive socioeconomic profile

***KOF's territories throughout Latin America enjoy an attractive demographic profile going forward***

**Population age distribution<sup>(1)</sup>**



**Expected population growth (millions)<sup>(3)</sup>**



**Social mobility in Brazil (millions)**

	2003	2008	2014e
Population	175	189	200
C-class	66	93	113

**GDP per capita in KOF territories (by 2015)<sup>(2)</sup>**

**~US\$11,200**

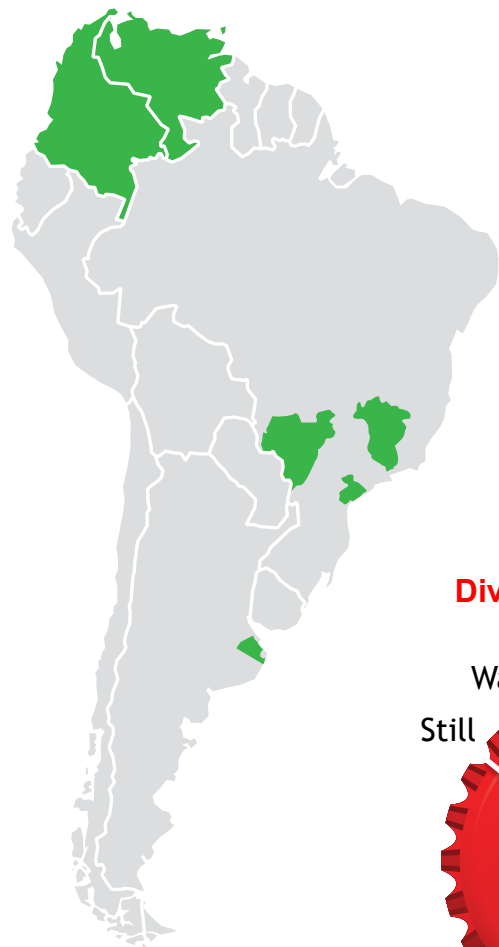
# Mexico & Central America highlights



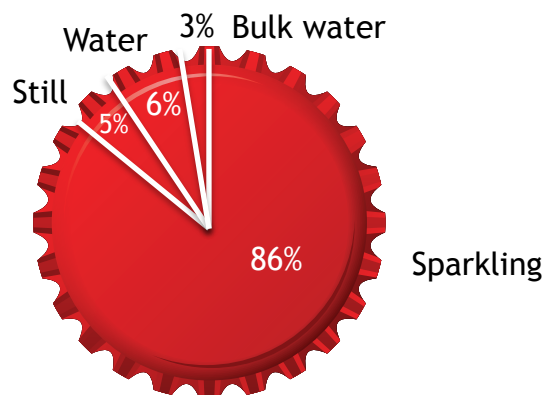
- US\$ **5,076** Mn in Revenues<sup>(1)</sup>
  - US\$ **1,034** Mn in EBITDA<sup>(1)</sup>
  - **20.4%** EBITDA margin<sup>(1)</sup>
  - **1,871** Mn Unit Cases<sup>(1)</sup>
  - ~ **463** Mn UC of returnables<sup>(1)</sup>
- 
- Plants **21**
  - Distribution centers **149**
  - More than **950** M points of sale
  - More than **83** Mn consumers

(1) Figures reflect FY 2012

# South America highlights



## Diversified portfolio



- US\$**6,128** Mn in Revenues<sup>(1)</sup>
  - US\$**1,090** Mn in EBITDA<sup>(1)</sup>
  - **17.8%** EBITDA margin<sup>(1)</sup>
  - **1,171** Mn Unit Cases<sup>(1)</sup>
  - ~ **213** Mn UC of returnables<sup>(1)</sup>
- 
- Plants **16**
  - Distribution centers **97**
  - More than **862** M points of sale
  - More than **135** Mn consumers

(1) Figures reflect FY 2012





Our strategic framework allows us  
to continue building capabilities

Reach our  
Full Operating  
Potential

Consolidate  
KOF as a  
Multicategory  
Leader

Growth  
through  
Innovation

Proactive  
Environment  
Management

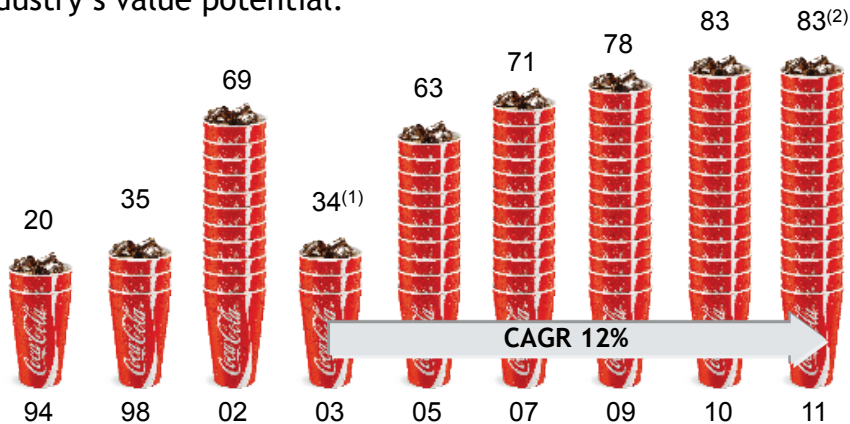
Growth  
through  
Acquisitions

# We develop capabilities to reach our full operating potential

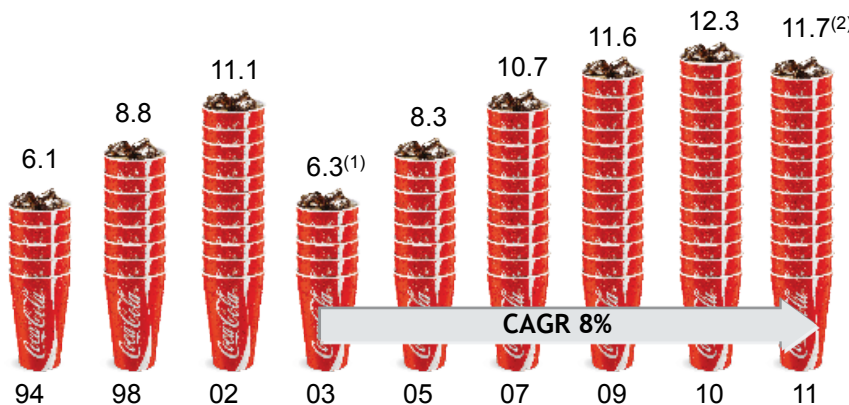
Reach  
our Full  
Operating  
Potential

As the complexity of our business continues to increase, we constantly work towards increasing the efficiencies of our asset portfolio, while evolving from a volume driven commercial model to a value based segmentation approach to capture the industry's value potential.

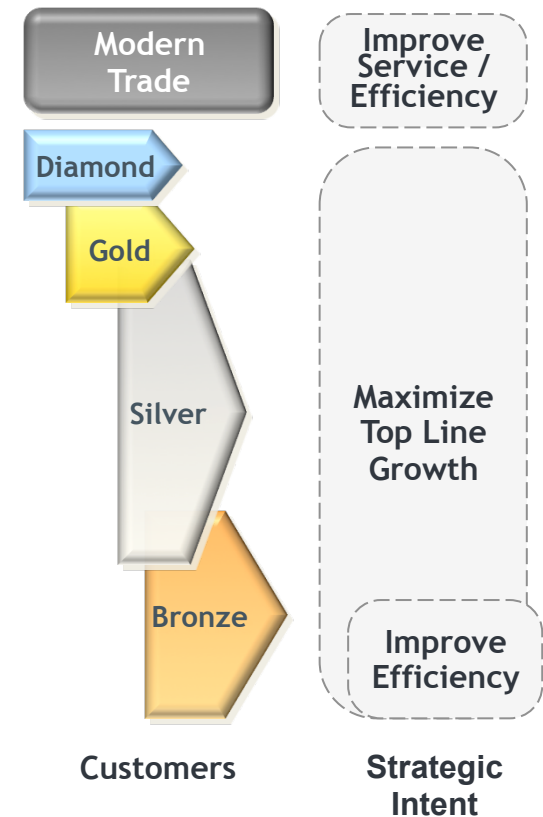
UC per Plant  
(MM)



UC per  
Distribution  
Center  
(MM)



## Value Based Segmentation



(1) Acquisition of Panamerican Beverages  
(2) Mergers with Grupo Tampico and Grupo CIMSA

# Innovation as key driver to our growth

## Execution



## Packaging



## Categories



## New lines of Business



I T E N A B L E S I N N O V A T I O N

# Consolidating our footprint in Latin America...

Grupo Yoli marks our fifth transaction in the Coca-Cola bottling space in the last 18 months, representing an aggregate investment of more than US\$3,500 million. The four mergers in Mexico represent volumes of 524 Mn UC, revenues of US\$1,267 Mn and more than US\$82 Mn in synergies.



## Grupo Yoli Operating Highlights

- plants: 2
- distribution centers: 20
- more than 69 M clients
- population: 3.3 Mn
- close to 3,500 employees

**New Territories + Yoli**  
 + 524 Mn UC  
 + US\$ 1,267 Mn Revenues  
 + US\$ 279 Mn EBITDA

## Transaction Highlights

- value of the transaction: \$ 8,806 Mn
- + 99 Mn Unit Cases
- + Ps. 4,015 Mn in Revenues
- + Ps. 813 Mn in EBITDA





## ... and expanding our presence in Emerging Markets

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



KOF acquired a **51%** majority stake of CCBPI<sup>(1)</sup> for US\$ **688.5** million in an all-cash transaction

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

- 2012 Volume: **530** Mn Unit Cases
- US\$ **1.1** Bn in Sales
- important mix of returnable **71%** <sup>(1)</sup>
- high complexity of the retail network
- close to **800,000** points of sale
- plants: **23**
- population: **95** million
- + **10,000** direct employees
- one of the highest per capita consumption rates in the region



(1) CCBPI: Coca-Cola Bottling Philippines, Inc.

# Driving a sustainable business



**Coca-Cola FEMSA** was ranked **first place** in its industry by *Newsweek Green Rankings 2012*, an evaluation of the environmental impact and management, and transparent reporting practices of the 500 largest global public companies



*Poder y Negocio* listed **Coca-Cola FEMSA** as one of the top 30 green companies committed to environmental stewardship in Mexico



## Recycling / Solid waste:

Our light-weighting efforts and packaging optimization initiatives allow us to save 60,000 tons of plastic per year. We have the lightest 20 Oz. Contour bottle in the System.



## Water stewardship:

In the past 5 years we have planted more than 31 million trees in Mexico. Our Toluca plant has a water usage ratio of 1.24 liters, a benchmark in the System.



## Carbon footprint:

Committed to “growing our business, not our carbon footprint”, our goal is to maintain the same amount of CO<sub>2</sub> emissions in 2015 as we had in 2004. By 2013, 85% of our energy consumption will come from renewable sources of energy such as wind power.



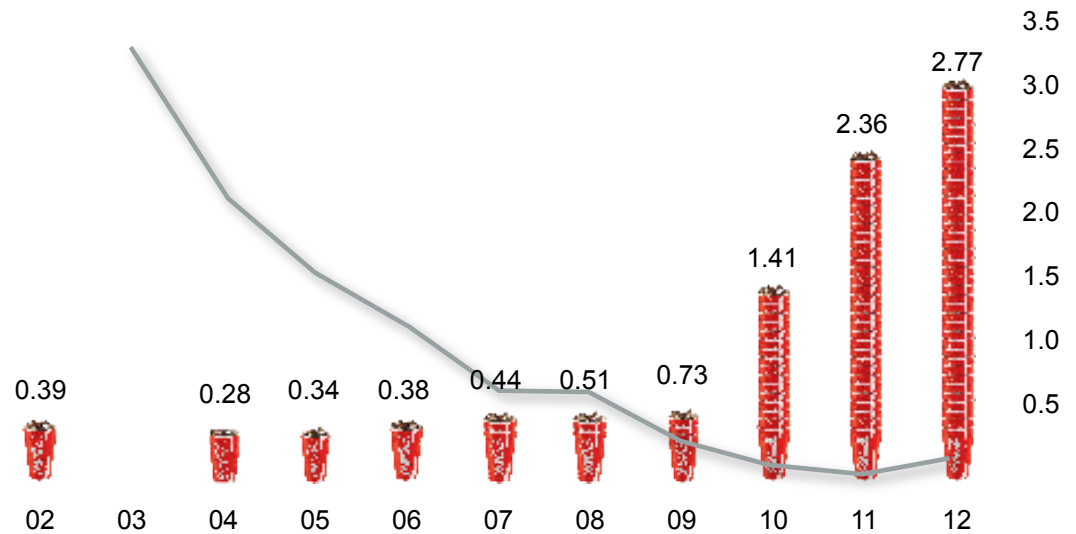
# How do we envision growth?

- Strong market execution
- Capture additional value from the industry
- Improving per capita consumption
- Attractive demographic profile
- Strong Cash Flow Generation & Solid Balance Sheet
- Doing all of this in a sustainable manner

# Solid Financial position

During 2012, we paid in ordinary dividends an amount representing more than four times the amount we paid in 2009

**Historical Dividend and Net Debt/EBITDA evolution**  
(Ps. Per share)



**Maturity Profile<sup>(1)</sup>**  
(US\$ Mn)



(1) KOF Debt Maturity Profile as of December 30, 2012



Thank you!

